

Florida's Medicaid Pre-Paid Dental Pilot: 2007 Update

Marked Improvement but a Long Way to Go

Oral Health Issue Brief No. 3
January 2009

Community Voices Miami
~ a project of the Collins Center for Public Policy

Background

The Surgeon General's Report of 2000 identified dental caries (tooth decay) as the single most common chronic disease of childhood, occurring five to eight times as frequently as asthma. The Surgeon General states that "a complex set of factors underlies access to care and includes the need to have an informed public and policymakers, integrated and culturally competent programs, and resources to pay and reimburse the care."

The Miami-Dade County "Prepaid Dental Health Plan Demonstration" or "Pilot" represents one of many efforts to redesign dental Medicaid programs in Florida and across the country. Most of these efforts build upon either changes in fees or changes in administration, particularly managed care contracting.

Dental Medicaid programs have received increasing attention by state and federal policymakers, child advocates, and professional associations over recent years. As a result, modest but steady progress has been made nationally. However, the same progress has not been made by Florida.

- For the U.S. as a whole, dental Medicaid utilization increased steadily over the period 1999-2006 from 25.2% to 32.5%.
- During that same period, Florida's dental Medicaid utilization decreased from 24.5% to 20.9% and Florida's ranking declined 25th in 1999 to the third lowest ranking state in 2006.

This issue brief analyzes the program through 2007 and answers the following questions:

- How was access to dental care affected by the Medicaid Prepaid Dental Pilot in Miami-Dade?
- How was the value of Florida's Medicaid dollars affected in terms of quality of care for Medicaid dollars spent?

Almost every objective measure of access and quality during Calendar Year 2007 showed improvement relative to FY 2005, but the Pilot program has failed to regain benchmark levels of care provided to children during the pre-Pilot period.

The overall value of State dollars decreased.

Three Factors Related to a State's Success:

1. Market-based payment rates to dental providers in fee-for-service arrangements
2. Engagement of sufficient numbers of providers
3. Effective program oversight

Miami-Dade's Medicaid Prepaid Dental Pilot

- Prior to July 2004, Florida contracted directly with dentists and paid them based a fixed fee for each service (FFS) they provided to children. Under the Pilot, Atlantic Dental, Inc. (ADI) developed a network of dentists and compensated them primarily through capitation.
- Under capitation, dentists agree to be responsible for a panel of patients and their dental care needs (such as exams, x-rays, cleanings, fluoride and sealants) and are paid a fixed dollar amount each month for each patient, whether or not the patient receives treatment.

Analyzing the Medicaid Prepaid Dental Pilot

With a grant from the Health Foundation of South Florida, the Collins Center for Public Policy commissioned this analysis from the College of Dental Medicine at Columbia University. This is the second analysis completed since 2004. The purpose was to provide policymakers with the best available evidence regarding the Pilot's successes and failures compared with the pre-existing, State-managed dental Medicaid program for children. *Columbia University's analysis reports on value, the benefit to the state in terms of quality of care for Medicaid dollars expended.*

Medicaid Prepaid Dental Pilot Outcomes

Analysis of best available data from the State and its managed care vendor, ADI, suggest that this alternative method of purchasing dental care has resulted *no cost savings and lower quality of care.*

Overall performance fails to meet both children's needs and federal Medicaid legal requirements.

Costs stayed about the same while almost all measures of quality declined, as compared to pre-Pilot data, so Florida lost value by paying the same amount for less care and less quality.

Children obtained less care

- Utilization by continuously enrolled children: ADI reported that utilization rates during CY 2007 were 31% for continuously enrolled children, a marked improvement from 22% utilization reported for FY 2005 but a reduction of 16% relative to baseline utilization in FY 2003 of 37%.
- National benchmarks: The utilization rate for all US children in 2004 reported by the federal Medical Expenditure Panel Survey (MEPS) was 46%. For poor children, like those in this Florida program, the utilization rate nationally was 31%.

Fewer dentists were available to children

- Overall, the number of dentists available to Medicaid enrolled children declined by 66% since FY 2003 baseline (from 669 to 226).

Fewer children had a dental prevention visit

Dental prophylaxis (tooth cleaning) is a sentinel marker for dental care of children because it is a routine procedure typically provided to all children at a recommended frequency of twice annually.

- The number of dental cleanings provided to children declined overall by 56% from baseline FY 2003.

The majority of dentists reported seeing few of the children they contracted to care for

- The average number of enrolled children per dentist continued to increase from 395 in FY 2003 to 898 in FY 2005 to 1196 in CY 2007. This is a very large number of children per office to ensure provision of all services that the American Academy of Pediatric Dentistry suggests be provided by a dental home.

Expenditures per child who obtained care decreased.

- While costs per beneficiary had initially increased between baseline FY 2003 and FY 2005 from \$56.48 to \$64.17, they declined in CY 2007 to \$45.76 for an aggregate reduction of 19% over baseline.
- This cost savings represents a reduction in utilization, preventive care, average number of visits, and preventive care between the FY 2003 baseline and CY 2007.
- As the number of reported visits increased, the cost per visit decreased markedly, by 60% between FY 2005 and CY 2007, representing greater return per dollar invested by the State. This finding, however, is tempered by the decrease in preventive services and dollar volume of service provided compared with the pre-Pilot baseline.

Explanation of the Findings

Through a series of management initiatives, in particular improvements in reporting, ADI and its affiliates have markedly increased reported program performance between FY 2005 (the first full year of the Pilot) and CY 2007 (the most recent full year for which data are available). Despite these efforts, however, the program continues to under perform compared to pre-Pilot baseline in FY 2003 and compared to most other state dental Medicaid programs. This may reflect both:

- long-documented findings that capitation is a relatively ineffective method of compensating dentists compared to fee-for-service arrangements; and
- the total financial commitment by the State to ensuring fully accessible, quality, comprehensive dental care for Medicaid beneficiaries is inadequate compared to the level of financial support in states that have demonstrated significant improvements in their dental Medicaid programs' performance.

Read the full report at www.communityvoicesmiami.org which includes and further recommendations and national benchmarks.

Recommendations

Although the Medicaid Pre-Paid Dental Pilot resulted in less value for State dollars and should therefore not be continued, Florida is well positioned to continue its efforts to improve the Medicaid program through other options.

Some options that hold strong promise and have been initiated in other states include:

- Targeting primary preventive care to very young children and their families in order to limit overall disease burden;
- Paying dental providers at "market rates" by contracting with commercial dental plans or managed care vendors;
- Expanding engagement of the dental community through outreach and expanded case management;
- Stimulating expansion of preventive efforts by primary medical providers.



COLLINS CENTER
FOR PUBLIC POLICY

Community Voices