

Children's Dental Medicaid Program: A Crisis Brewing

After three years' experience of Care Management Organizations administering the dental Medicaid and PeachCare for Kids programs, the Georgia Dental Association has serious concerns about the direction these programs are headed. Several **independent audits confirm numerous inconsistencies and errors in data reported to the Department of Community Health by the CMOs. Ongoing and draconian changes to the program by the CMOs create doubts about whether children will have access to dental care.** Many of the latest changes to the dental Medicaid/PeachCare programs call into question whether the State of Georgia is receiving the product (dental services) that it is paying for. The State of Georgia reimburses the CMOs to provide medical and dental care to its consumers. **Our concern is that the state is paying for services that many consumers may not be receiving.**

Is the State of Georgia paying for a product that it is not receiving?

The State of Georgia reimburses the CMOs to provide medical and dental care to its consumers. The GDA is concerned that the state is paying for a product (dental services) that it is not receiving. The CMOs and their subcontractor Doral Dental are large companies with vast experience in the administration of government health care programs. They have the expertise to make sound actuarial decisions and bid appropriately to provide the care to Medicaid/PeachCare consumers. **The CMOs and Doral are ensuring that they have adequate funding for their administrative costs and profit, but the dentists are placed in an untenable business situation which ultimately compromises children accessing care.**

WellCare's Expense Ratio has continued to increase for the past four years and has gone from 12.4 percent in 2004 to 14.3 percent in 2008. At a GDA Board meeting, Mr. Steve Pollock, President of Doral Dental, **stated that Doral has not reduced their administrative fees for the Georgia Medicaid program for the past three years, even though dentists' fees have been cut substantially and patient services have been reduced.** Directors' compensation at WellCare has not been negatively impacted either. According to WellCare's 2008 annual Report, the entire compensation package for its CEO totaled over \$8 million. According to the latest reports, WellCare's net income second quarter 2009 is \$37 million representing a net margin of 2.07 percent. Therefore, we **question the necessity of the latest round of drastic fee cuts to the dentists.**

Patients' services have been reduced (limitations on services and limitations on frequency of services) and dentists' fees have been drastically reduced, but the CMOs and Doral have not reduced their administrative fees or lessened their profits. The CMO contracts are "at risk" which should mean that the insurer assumes the risk. However, in Georgia that risk has been transferred to the children by limiting their access to oral health care.

Provider Network Issues

The GDA has concerns about the viability of the current dental network. Without a viable provider network, children will experience difficulties receiving dental care through the Medicaid/PeachCare programs.

- The CMOs contend that there is an adequate network of providers. However, **provider networks may be overstated**. There are numerous reasons for this concern:
 - duplicate entries for the same provider;
 - inaccuracies in the provider listing;
 - inclusion of mobile vans in the Geo access count (mobile vans are a good safety net but should not be considered as a full-time equivalent dentist since they are not available in that community on a daily basis);
 - dental school faculty are listed as providers (they cannot practice full-time due to teaching obligations);
 - deceased dentists are listed as current providers;
 - specialists are counted when they provide specialty services only;
 - dentists may be listed as a provider in a specific county when in fact the dentist is only practicing there part-time (satellite office).
- **Decisions about providers are being made with flawed data**. Specifically there are inconsistencies related to the number of providers in each CMO.
- After less than a year, two of the CMOs (WellCare and Amerigroup) were concerned about high utilization of dental services (i.e., children were receiving care) and closed their provider panel to any other dentists wishing to participate in the program. This further restrains accessibility by patients.

Administrative Issues

Dentists also encounter **numerous administrative hassles** that impact their ability to provide services to Medicaid/PeachCare children.

- Three separate audits reported that encounter data from the three CMOs have been identified as being inconsistent and flawed. It **appears that the CMOs are making programmatic decisions based on questionable data**. In WellCare's 2008 Annual Report to Shareholders, they state, "Our encounter data may be inaccurate or incomplete, which could have a material adverse effect on our results of operations, cash flows and ability to bid for, and continue to participate in, certain programs."
- Numerous changes to the dental program over the past three years make it extremely difficult for dentists and their office personnel to track the services and frequency limitations that continue to be instituted.
- Initially the dental program had two sub-contractors that administered the dental program for the CMOs. However, in June 2009 Peach State ended its contractual relationship with Avesis to administer their dental program. Doral now administers the dental program for all three CMOs.

Reimbursement Issues

The on-going cuts to dentists' reimbursement for services are taking a financial toll on dental practices. During the FY10 budget meetings, it was stated that the Governor and legislators did not wish to cut

Medicaid provider fees. However, through the actions of the CMOs, dentists have received numerous and onerous fee reductions that other healthcare providers have not experienced.

- The Medicaid and PeachCare for Kids dental **programs have always been reduced-fee programs and were not based on “usual and customary” fees.**
- When the CMOs began administering the program, the fees were the same as the ones being administered in the fee for service program. However, it was not long before fee reductions occurred.
- In 2009 **all three CMOs have reduced their fees drastically.** Amerigroup and Peach State reduced fees to the dentists across the board by 15 percent in rural areas and 25 percent in urban areas. Effective October 9, 2009, WellCare initiated fee reductions in the North and Atlanta regions of 13 percent to 51 percent. In addition, WellCare is now reimbursing general dentists less than specialists for the same procedure. This tactic seems to be one to penalize those general dentists willing to treat Georgia’s WellCare patients and to save WellCare even more in the dental program since there are so few pediatric dentists.
- Many representatives from the CMOs have touted to elected officials and Medicaid program administrators that Georgia ranks extremely high in dental reimbursement as compared to other states. However, this is not an accurate statement. The American Dental Association compiled Medicaid fees from all of the states. The GDA confirmed these fees and made any recent changes that had occurred since the ADA’s compilation. The GDA has a chart that demonstrates that Georgia is not anywhere near the top in reimbursement. The only treatment code that ranks in the top five is D2932 (prefabricated resin crown) and this fee is only paid by WellCare in four of its six regions. **With the exception of a few codes paid by WellCare in four of its six regions, the vast majority of the reimbursement codes for Georgia are huddled toward the middle and bottom of the state ranking.**
- These **drastic cuts in reimbursement will have a severe impact on Georgia’s safety net—public health.** Over the past few years Georgia’s public health departments have had numerous reductions in the state budgets, even before Georgia’s economy took a dive. In the dental program, public health managed to do more with less by utilizing some of the Medicaid reimbursements to fund necessary personnel who perform prevention programs in the schools and clinics as well as the salaries of the dentist providing services. According to one district dental director, these cuts of up to 51 percent will result in approximately \$220,000 less in yearly revenues to that one district which may result in the district closing clinics and reducing services.
- Dentists are small business owners who must pay their staff and cover other office overhead. **If dentists cannot meet their overhead, then the practice will not remain viable and open to provide treatment to Georgia’s children.**

What can you do to help solve this problem?

1. Help educate elected officials and program administrators about the issues surrounding children’s access to oral healthcare. Use these talking points as a basis for your discussions.

2. Encourage your constituents and clients to convey any issues or concerns about their experiences in accessing dental care to the Department of Medical Association Office of Constituent Services. Specifically, the Commissioner believes that children are not having difficulty in receiving care and has requested that DCH be notified of problems, specifically in the area of accessing dental care. Please ask your clients that are having problems to contact the Office of Constituent Services, 404-656-4496, or constituentservices@dch.ga.gov