Medicaid Managed Care - Dental

August 19, 2015
Background

• Most CHDs have operated under managed care for dental services for at least three years

• Beginning in 2012 two prepaid dental plans began handling Medicaid dental services for kids (DentaQuest, MCNA)

• With the roll-out of MMA in the summer of 2014 medical plans had to cover dental. Most medical plans subcontracted to dental vendors
Background

• Prior to managed care CHDs built and sustained dental programs with Medicaid cost based reimbursement (CBR) earnings

• CBR allowed CHDs to meet start-up costs, operate in underserved areas, and support a variety of service delivery systems

• The implementation of dental managed care has dramatically changed the revenue picture for CHD dental programs
CHD Impact

- Since 2011-12 CHD 3rd party earnings in our dental programs has dropped approximately $20 million (-36%)

- Since 2011-12 the number of CHD dental fixed sites has decreased from 119 to 88 (-35%)

- Since 2011-12 CHD dental programs have lost about 70 FTEs (-12%)

- Our dental programs have been through, and remain in, a period of major transition
How has MMA Fared?

• The first year of MMA has not been good for medical plans

• Nearly all plans report their Medicaid line of business lost money in 2014-15 (about $540 million in losses statewide)

• Plans asked Medicaid for $400 million in supplemental funding for 2014-15…didn’t get it

• Plans asked for a 12% rate increase in 2015-16. They got 6%
How has MMA Fared?

- AHCA has recently queried plans about what they are paying for inpatient hospital services.
- Florida Statutes say if plans want to pay hospitals more than 120% of Medicaid they must get approval from AHCA.
- This 120% cap only applies to inpatient hospital, however, don’t be surprised if plans want to limit all payments to straight Medicaid rates or something very close.
Plans’ Experience

• Some of the plans’ fiscal problems were related to start-up costs, which are not recurring

• Main “loss leaders” for plans were pharmacy and hospitalization. These can be recurring

• Florida is projecting major increases in Medicaid costs in 2016-17, and Legislative leaders say plans must absorb a portion

• When plans get squeezed financially they squeeze their providers
What’s Next?

• DentaQuest was the first dental vendor to come forth with a rate cut. They might not be the last

• CHD Dental Directors should all strive to become efficiency experts

• Stay current with the activities of the Dental Sustainability Workgroup

• Do research on your own on how to maximize dental clinic efficiency
Efficiency – Things to Look At

• Is your appointment scheduling model efficient?
• Do you have efficient operatory and staffing configurations?
• Do you emphasize quadrant dentistry?
• Have you minimized clinic downtime?
• Are you getting the most out of available staff?
• Are you providing school-based services in a post-CBR sustainable manner?
Any Good News?

• Three years into managed care, most of our CHD dental programs have survived

• We remain one of the few provider groups that provide dental services to Medicaid kids

• Plans are showing interest in our school-based services

• Our Central Office Dental Program has been reconstituted (and not a minute too soon).
While You’re Here...

- UHC is the only major plan/vendor with whom we still have a dental encounter fee
- I think we should switch to 140% FFS
- Concerned about a “Liberty” situation where we face large paybacks for unbundling or improper billing/payments
- FFS seems to work better when serving adults with more complex needs
- FFS more realistic for the new screening codes
Questions?