

# Medicaid Managed Care - Dental

August 19, 2015

*Protect, promote and improve the health of all people in Florida.*



# 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 3<sup>rd</sup> 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 operator 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?

