

DENTAL CARVE OUT IN MISSOURI

Cutting the red tape & Increasing services

The MDA has long advocated for the establishment of a "Dental Carve Out" in Missouri. Although we have lobbied for several years on the issue, several misconceptions remain about how the system would work and why it is needed.

Opponents of dental carve out have used these misconceptions to defeat the proposal. But we believe this year could be different.

With the many challenges facing the state budget, it is more important than ever for state programs to run efficiently. It is vital that money provided to the Medicaid system is used for patient services, rather than bureaucracy and red tape.

We feel a state dental carve out would streamline the current operations of the MO HealthNet program to create a better system for providers and—more importantly—for patients.

WHY IS IT NEEDED

The two most common complaints with the Medicaid system are: the reimbursements are well below my usual fees (even below my overhead), and the system is too complicated.

While we have had some success in improving fees, the complexity of the system remains a problem—complexity that discourages dentists from signing up as Medicaid providers, leaving some qualifying patients without a local Medicaid provider. A dental carve out will:

- End the complicated system that currently exists
- Ensure that more tax dollars go to care and less go to administration costs
- Streamline the Medicaid billing operations in your office
- Expand the number of dental providers in the state.

Ultimately, it improves the system and expands 'access to care'—a goal shared by many—without adding to the state budget.

MO HEALTHNET TODAY

Currently the state's Medicaid system is administered in two different ways: Fee-For-Service or Managed Care.

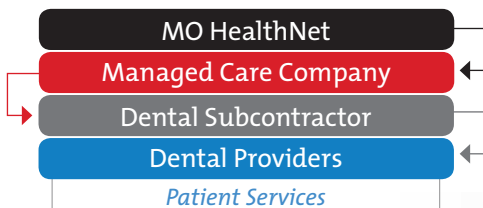
Fee For Service

There are 61 counties that participate in a typical fee-for-service arrangement. In these counties, the Department of Social Services directly reimburses the dentist provider for procedures performed on qualified patients.



Managed Care

In 53 counties and the City of St. Louis, Medicaid is provided through Managed Care. In these arrangements the state contracts with several Managed Care companies and pays a flat rate to those companies based on the number of patients they cover. However, these companies do not directly provide dental benefits. Instead, they subcontract the dental services to a second Managed Care company with a dental network. These companies then develop a provider network and reimburse dentists for procedures performed on their network patients.



As you can see, this layered system is complicated even more by the fact that each dental subcontractor can establish rules specific to their network. Therefore, a procedure that would be directly reimbursed by the state in a fee-for-service area may require pre-authorization with one dental subcontractor and may only be offered to a specific population by another subcontractor. This arrangement creates confusion for the patient and the provider.

CARVE OUT

With so many levels of bureaucracy, it's no wonder providers and patients find the system confusing and complex and choose not to participate.

To streamline the system and make it more efficient, 16 states, including Tennessee and

Kansas, have implemented a dental carve out. Every state that has implemented a dental carve out has seen an increase in provider participation and utilization. (In Kansas, for example, after establishing a dental carve out in 1998, the number of eligible children receiving an annual Medicaid dental visit went from 24,855 to 54,362 by 2003.)

In this arrangement, money for dental Medicaid services is 'carved out' of the Medicaid budget. This money is directly provided to a single dental managed care company that develops a network of dentists to provide services to patients in all 114 counties in the state.



This not only streamlines the current program (by removing layers of bureaucracy) but also creates a single set of rules that apply to all patients and providers (easier administration).

LEGISLATIVE ACTION

The MDA currently is asking the legislature to establish a dental carve out during the 2010 legislative session; however, it is our understanding that some companies currently involved in the Managed Care system will oppose our efforts.

We are confident that our efforts to establish a dental carve out will increase the number of children receiving preventive care, increase the number of dentist providers and make the most of taxpayer dollars.

The success of this item, as well as the rest of the MDA legislative agenda, will depend on the support of our members. We look forward to your help.

LEARN MORE

For question about dental carve out or other MDA legislative priorities, contact Aaron Washburn at aaron@modental.org. Learn about MO HealthNet managed care regions at www.dss.mo.gov/mhd/mc/index.html.