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ASDA President 2019-2020



Billy W. Tarpley
Executive Director

To: THE JOINT INTERIM COMMITTEE ON PUBLIC HEALTH, WELFARE & LABOR

From: Arkansas State Dental Association, Billy Tarpley, Executive Director

Date: March 6, 2020

Re: General Appropriation Request of \$3 Million for Medicaid

The dentists of Arkansas and the Arkansas State Dental Association (ASDA) have a proud history of support for the Arkansas Medicaid dental program. Within our state, more than 700 dentists are currently enrolled Medicaid providers today. This ranks among the highest participation rates in the country and provides an exceptional range of dental services for Arkansas Medicaid recipients.

In support of the Medicaid dental program, Arkansas dentists and the ASDA actively worked with other stakeholders to facilitate our recent successful transition to dental managed care.

You may recall that the Arkansas Department of Human Services (DHS) entered into an agreement with dentists in 2007 which included a provision establishing the fee for Medicaid dental services at 95% of the 2007 Delta Dental of Arkansas Premier Fee Schedule. The agreement also included provisions for a dental rate review to be conducted every two years, beginning January 1, 2007. Unfortunately, DHS resisted all efforts to conduct the required rate reviews despite significant increases in the cost of providing dental services. Therefore, Medicaid dental fees have remained unchanged for 13 years.

DHS leadership also stated publicly that dentists participating in the dental managed care program would remain eligible to participate in the AR Diamond Plan deferred compensation system. In fact, for the entire first year of dental managed care operations, DHS leadership continued to assure the dental community that dentists would be able to participate in the Diamond Plan, or in the event that participation was not possible that DHS would provide some alternate payment to compensate dentists for the loss of this popular and valuable benefit.

Over a period of 12 months, dental stakeholders including the ASDA offered various proposals to DHS leadership to address the negative impact of failing to increase fees for 13 years, all of which attempted to be sensitive to DHS budget considerations. Unfortunately, these proposals were rejected by DHS despite their earlier commitments.

The Arkansas dental community and the ASDA remain committed to the success of the AR Medicaid dental program; however, the new Minimum Wage laws and the lack of any fee increase since 2007 threatens the continued viability of the dental program.

continued

Arkansas State Dental Association

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A survey of Arkansas dentists (n=268) currently providing services to AR Medicaid beneficiaries conducted during March 2020 revealed some startling results. For example:

- 78% of dentists agree or strongly agree that the Minimum Wage increase will have a significant impact on their practices.
- Over 90% of respondents indicated that they may stop treating AR Medicaid beneficiaries if AR Medicaid rates remain at the 2007 levels, including 76% agreeing or strongly agreeing.
- 74% say that they may have to stop treating Medicaid patients if the rates remain at the current 2007 levels, and only 7% say they will still be Medicaid providers within 3 years if rates remain at current levels.
- Only 35% of respondents say they plan to make no changes to how their offices schedule Medicaid patients in 2020.

RATIONALE and REQUEST:

In an effort to address this serious situation, the ASDA, on behalf of all current Medicaid-enrolled Arkansas dentists, requests an appropriation of \$3 million of General Revenue to the DHS budget for the express purpose of providing \$10.3 million for limited fee adjustments and improvements to the adult denture program.

In consultation with both MCOs, ASDA proposes to adjust the fee schedule for 21 carefully selected preventative codes (\$8.3 million), plus a much-needed adjustment for adult dentures and partials (\$2 million). The total cost impact, state and federal, is \$10.3 million. The possible state match of 29% results in a GR allocation of \$3 million.

By way of this proposal, ASDA demonstrates its long-held objective of bringing solutions to difficult challenges that face the public funding of the state's Medicaid obligations.

*Cc: Gov. Asa Hutchinson
Speaker Matthew Shepherd
President Pro Tem Jim Hendren
Sen. Larry Teague, Co-Chair, Joint Budget
Rep. Lane Jean, Co-Chair, Joint Budget*