

August 29, 2017

Nicole M. Cunningham
Planning, Policy & Quality Unit
Division of Medicaid & Medical Assistance
1901 N. DuPont Hwy.
P.O. Box 906
New Castle, DE 19720-0906

RE: DMMA Proposed Medicaid Dental Fee Schedule Regulation [21 DE Reg. 124 (August 1, 2017)]

Dear Ms. Cunningham:

The Governor's Advisory Council for Exceptional Citizens (GACEC) has reviewed the Division of Medicaid and Medicare Assistance (DMMA) proposal to amend the Medicaid State Plan to reduce the reimbursement rate for child dental care. Council would like to share the following observations.

First, since the Medicaid reimbursement rate is based on a percentage of local commercial/insurance rates, the local commercial/insurance rates in Delaware are material in assessing the Medicaid rate. Delaware's commercial/private insurance child dental services rates rank 15th in the Nation. Id at p. 7. As a result, the new 69.75% rate would result in a higher reimbursement than application of the same rate in a state with a low commercial/insurance rate.

Second, as DMMA observes, the 14% rate reduction was incorporated into the State FY18 budget. At p. 125. Therefore, as a practical matter, it would be difficult to prompt reconsideration of the proposed Medicaid Plan amendment.

Third, it is instructive to assess the likely effect of the lower rate on access to services. Consistent with access statistics for Delaware, New Jersey, Pennsylvania, and Maryland, the lower reimbursement rates in our sister states have not had any negative effect on access to dentists accepting Medicaid.

Fourth, DMMA projects a cost savings of \$2.6 million in state funds and \$4.1 million in federal funds in FY18. Therefore, while the State may save \$2.6 million, the value of this savings is undercut by the loss of \$4.1 million in federal dollars to the Delaware economy.

Fifth, the 2017 Brief (pp. 1-2) offers the following statistics:

A. Fifty-four percent (54%) of Medicaid-enrolled adults live in states that provide adult dental benefits in their Medicaid program.

B. Medicaid FFS reimbursement, on average, is 49.4 percent of fees charged by dentists for children and 37.2 percent for adults.

Thus, while Delaware is at the forefront in supporting child dental services, it is lagging in supporting adult dental services. Since the average Medicaid reimbursement rates for adults nationwide (37.2%) is much lower than the rates for children (49.4%), it would be favorable if DMMA would assess prospects for devoting cost savings for children's dental services to adult coverage. The fiscal note on 2016 legislation (Senate Bill No. 142) to offer adult dental coverage was approximately \$7.3 million on an annualized basis. DMMA could assess the following financial options:

1) the effect of capping dental care assistance to an eligible recipient at \$500 instead of the \$1,000 contemplated by Senate Bill No. 142;

2) the effect of incorporating lower adult reimbursement rates into the fiscal note to reflect national norms; and

3) the effect of initially limiting the adult dental benefit to subpopulations (e.g. DDDS Lifespan Waiver enrollees).

The options noted above, alone or in combination, could facilitate adoption of an adult Medicaid benefit and potentially draw down millions of dollars in federal matching funds.

Thank you for your consideration of our observations. Please contact me or Wendy Strauss at the GACEC office if you have any questions.

Sincerely,

Dafne A. Carnright
Chairperson

DAC:kpc

CC: The Honorable Bethany Hall-Long, Lt. Governor
Jill Rogers, Division of Developmental Disabilities Services
Steve Groff, Division of Medicaid and Medicare Assistance