



CDHP State Summary: Indiana Dental Medicaid

Historical Contextⁱ

In the late 1990s, at about the same time that Indiana was expanding Medicaid eligibility for families and aggressively using outreach to enroll children in Hoosier Healthwise (Indiana's SCHIP), many dentists were disenrolling from Medicaid participation. By 1997, only 751 dentists were still participating, compared to 1,500 in 1993, just prior to major reductions in provider reimbursement that occurred in January 1994. To address continuing problems with dentist participation, the Medicaid agency—in close consultation with the Indiana Dental Association—implemented multiple changes in its dental program administration, including changing reimbursement from a capitation-based system to fee-for-service (1996), eliminating prior authorization requirements for all dental services (1997), and entirely carving dental services out of risk-based managed care (August 1998). Another critical change occurred in May 1998, when the state introduced marketplace-level dental reimbursement equivalent to the 75th percentile of rates reported by the 1995 ADA survey of dental fees for the East North Central Region (adjusted for inflation to January 1998, using the Consumer Price Index, Urban, Dental (CPI-UD)).

Additional changes occurred in 2000, when the state's Medicaid fiscal agent, Electronic Data Systems (EDS), implemented a dental provider recruitment effort. EDS contacted dentists who were enrolled in Medicaid but not participating, as well as dentists who were licensed but not enrolled in Medicaid. To address dentist dissatisfaction, the Medicaid agency convened a Dental Advisory Panel of practicing dentists that would provide guidance on policy decisions, review Medicaid bulletins, and make recommendations regarding service limitations needed to cope with the state's budget deficit. In subsequent years, multiple other changes have been made to further facilitate dentists' participation in Medicaid.

Results

A group of investigatorsⁱⁱ studied whether the major 1998 administrative changes, including higher fee schedules for dental services in the Indiana dental Medicaid program (and Hoosier Healthwise), were associated with improved dentist participation and utilization of dental services by children. These investigators compared dentists' participation and children's use of services for the two years before and after fees were increased. They found the number of dentists providing care for Medicaid-enrolled children increased from 770 in fiscal year (FY) 1997 to 1,096 in FY 2000. The number of Medicaid-enrolled children with any dental visit increased substantially from 68,717 (18 percent) to 147,878 (32 percent) by FY 2000. They researchers concluded "that the increase in fees and changes in administration of the Indiana dental Medicaid program were positively associated with improved dentist participation and children's use of dental services."

Since 2000, the number of children receiving any dental visit gradually has continued to increase even as the number of children enrolled in Medicaid expanded. By 2003, the number of children receiving any dental visit had climbed to 36 percent (of 618,840 enrollees). For 2005, preliminary data indicate that utilization increased to almost 40 percent, but enrollment had declined to 589,857.

As of August 2006, however, there had been no further increase in dental reimbursement since the rate change in 1998. A single major rate increase that fails to be sustained by additional rate enhancements that account for the annual increase in the dental CPI (about 4.5 percent per year) will result, over time, in reimbursement levels that no longer reflect dentists' fees in the commercial marketplace. Indeed, a comparison of 2004 Medicaid dental fees with dental claims submitted that year to commercial payers in Indiana indicated that the "value" of Medicaid reimbursement had declined from 1998 levels to the point where less than 25 percent of the state's dentists would view Medicaid reimbursement as equal to or higher than their usual fees for 11 of the 15 pediatric dental procedures studied.

Despite the relative decline in value of Medicaid dental reimbursement rates, dentist participation in Medicaid appears to be stable, with 1427 dentists participating in December 2005, compared to 1,443 participating in

early 2002. Anecdotal reports, however, suggest that dentist frustration with recent Medicaid administrative policies, combined with the perception that reimbursement levels have fallen below commercial marketplace levels may soon result in individual dentists declining to treat Medicaid beneficiaries despite their “official” enrollment as Medicaid providers.ⁱⁱⁱ Monitoring of future utilization levels is warranted.

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ⁱ Information for this summary was obtained primarily from the document: State innovations to improve access to oral health care for low income children: A Compendium Update. Chicago, American Dental Association. 2005. Available online at:

<http://www.prnewswire.com/mnr/ada/20973/#>. Additional information was provided by the Indiana Medicaid Contact, Angela Jackson.

ⁱⁱ Hughes RJ, Damiano PC, Kanellis MJ, Kuthy R, Slayton R. Dentists' participation and children's use of services in the Indiana dental Medicaid program and SCHIP: assessing the impact of increased fees and administrative changes *J Am Dent Assoc.* 2005 Apr;136(4):517-23

ⁱⁱⁱ Popcheff, GE. Director, Governmental Affairs, Indiana Dental Association. Personal communication. August 17, 2006.