



# CDHP State Summary: Tennessee's TennCare Program

## Historical Context

Tennessee's Medicaid program, part of a larger program known as TennCare, uses medical managed care organizations (MCOs) to deliver healthcare services.<sup>ii</sup> Before October 2002, TennCare MCOs either operated their own dental networks or subcontracted their dental program to Doral Dental of Tennessee, LLC.

A pivotal point for children's oral health in Tennessee occurred in May 2001, when Tennessee participated in a National Governors Association Oral Health Policy Academy. As a result of the Academy, separate initiatives of key stakeholder groups—such as TennCare, Doral Dental, the Tennessee Dental Association (TDA), and the Tennessee Department of Health (DOH)—were combined in a collaborative effort to develop a more comprehensive children's oral health strategy. The strategy called for a public health component, a dentist recruitment strategy and removal of the TennCare dental benefit from medical MCOs. Effective October 2002, the dental benefit was removed (carved-out) from other Medicaid managed care services, definitive funding was allocated and program administration was awarded to a single dental benefit manager (DBM) following a competitive bid process. The TDA immediately began a recruitment initiative announcing these TennCare dental program changes.

In 1998, prior to the dental carve-out, class action litigation had been brought against the state (*John B. v. Menke*), alleging, among other things, failure of the state to provide adequate Medicaid dental services for children. This case was resolved through consent of all parties; the John B. Consent Decree continues to be monitored by the court.

Since October 2002, dental services statewide have functioned under one DBM, Doral Dental, using a single set of rules, a single claims processor, and a single organization responsible for contract deliverables. Doral must maintain and manage an adequate dental provider network, process and make claims payment, manage data, provide beneficiary outreach and education/administrative case management (e.g., hotline and referrals), and achieve certain performance requirements spelled out in the contract, including utilization review, quality improvement, provider network standards, and prompt payment. Dentists sign a single provider agreement with Doral Dental, are subjected to a single credentialing process, and use one maximum allowable fee schedule. Electronic claims are accepted and their submission is the preferred billing method. Dentists wishing to contract with Doral may participate at whatever level they choose. Electronic beneficiary enrollment verification is available. Doral can facilitate securing an appointment with an available network dentist on behalf of the MCO primary care provider or the parent.

Doral Dental also has responsibility for conducting substantial outreach activities designed to educate enrollees about the availability of dental services and to increase the number of TennCare children receiving dental care. As part of this outreach, Doral's has been involved in a Colgate-Palmolive initiative in which dentists volunteer their time to provide free dental screenings and referral for children at community-based events and through mobile dental clinics. Additionally, since July 2001, a partnership between the Bureau of TennCare and DOH has resulted in ongoing provision of statewide oral disease prevention services primarily targeted to low income public elementary school children. Services may include dental screening, referral, follow-up, sealant application, oral health education, oral evaluation and TennCare outreach. Doral Dental submits an annual report to TennCare detailing outreach activities conducted during the contract year.

Before the dental program carve-out, each TennCare MCO (or its dental subcontractor) negotiated dental reimbursement rates individually with contracted dentists and fees were a private, contractual matter. It was estimated, before October 2002, that dentists were paid on average about 40 percent of their cost for each dental procedure. Effective October 1, 2002, the reimbursement level for dentists was increased; participating dentists were reimbursed on a fee-for-service basis at the lesser of billed charges or the 75th

percentile of the fees published in the 1999 American Dental Association (ADA) Survey of Fees for the East South Central Region.

## Reported Results

Since inception of the dental carve-out, the statewide dental provider network has grown by 112 percent—from 386 to 817 contracted dentists—and continues to expand. During the same period, the number of participating providers in rural areas has increased by 118 percent—from 252 at the outset of the program to 549 currently. The general dental provider network is comprised of approximately 634 dentists, including 66 pedodontists. Based on analyses of parameters established by TennCare, as well as enrollee-to-dentist ratios, child enrollees are considered to have good access to dental care. Although there is no “universally accepted” enrollee-to-dentist ratio, TennCare estimates, on average, that 694 child enrollees ages 3 through 20 are served by each participating dentist. For contracted general dentists and pedodontists, TennCare estimates a ratio of 894:1.

In Federal Fiscal Year (FY) 2002, prior to the dental carve-out, 26.1 percent of eligible TennCare children received any dental service. In FY 2003, the first full year after the carve-out, utilization had increased to 31.9 percent and continued improving so that, by the end of FY 2005, 37.4 percent of eligible children had received at least one dental service. Using an alternate method of calculating utilization (in accordance with the specific court-ordered instructions) TennCare reported a dental “screening” percentage of 35.7 percent in FY 2002 and 52.8 percent by the close of FY 2005.

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<sup>i</sup> 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 Tennessee Medicaid Contact, James Gillcrist.

<sup>ii</sup> In 2002, “at risk” MCOs were replaced by an “Administrative Services Only” (ASO) arrangement. “At risk” contracts were reinstated for two MCOs in 2006.