

Redesign of Medicaid-Funded Adult Dental Services

(FY23 Appropriation Act - Public Act 166 of 2022)

November 1, 2022

Sec. 1630. (1) From the funds appropriated in part 1 for dental redesign, the department shall design and implement a redesign in the administration of Medicaid-funded adult dental services. The redesign must meet all of the following requirements:

(a) Fund sufficient reimbursement rates for Medicaid dental services to ensure provider participation in the Medicaid program.

(b) Improve Medicaid recipient access to an adequate network of Medicaid-enrolled dentists.

(c) Provide Medicaid recipients access to necessary utilization management and care coordination.

(d) Reduce administrative burden for participating dental practices in provider enrollment, claims processing, and payment.

(e) Not increase state general fund/general purpose expenditures above the amount appropriated for adult dental services in the current fiscal year.

(2) By November 1 of the current fiscal year, the department must share the details of the redesign detailed in subsection (1) with the house and senate appropriations committees, the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office.

(3) Upon receipt of the report detailed in subsection (2), the house and senate appropriations committees have until November 30 or 30 days of receipt of the report detailed in subsection (2), whichever is later, to disapprove the redesign required in subsection (1) by a majority vote in both committees. If a majority vote of both appropriations committees disapproving the plan detailed in subsection (2) fails, the department shall implement the redesign upon receipt of all necessary federal approvals.



Section 1630 Report

Introduction

There are wide disparities in access to dental care and services among Michigan Medicaid enrollees. Fragmentation of benefit administration across the system (as evidenced by the chart below) and stagnant fee-for-service reimbursement rates have played a significant role in utilization and access variation.

Current Landscape:

Medicaid Dental Program	Population Served	Delivery System Today
Healthy Kids Dental	Michigan children under the age of 21 with Medicaid	Two statewide dental health plans
Healthy Michigan Plan (HMP) and Pregnant Women Dental	Medicaid Health Plan members who: <ul style="list-style-type: none">• Are enrolled in HMP; and/or• Are pregnant or up to 12 months postpartum	Nine comprehensive Medicaid health plans
Medicaid Adult Dental	<ul style="list-style-type: none">• Traditional Medicaid beneficiaries, regardless of Medicaid Health Plan membership; and• HMP beneficiaries who are not enrolled in a Medicaid Health Plan.	Base Medicaid fee-for-service (FFS) program

The gaps experienced as a result of these structural issues has grown year over year and, coming out of the COVID-19 Public Health Emergency, we are facing a situation where adults eligible for the traditional Medicaid program have poorer access than ever. In recognition of this issue, the Fiscal Year 2023 budget included \$85.1 million Gross and \$47.7 million GF/GP to increase adult dental reimbursement rates and redesign the administration of Medicaid-funded adult dental services (contingent upon the submission of this report detailing the redesign).

DHHS Proposed Medicaid-Funded Adult Dental Services Redesign

Oral health is a critical component of overall health and well-being, and there is a large body of evidence supporting the association between oral health status and physical health outcomes. **In response to this critical health issue, the Michigan Department of Health and Human Services (MDHHS) proposes integrating the adult dental benefit into the broad scope of services administered by the state's contracted Medicaid Health Plans and tying performance measures into the newly structured benefit.** This proposed delivery system change recognizes this important linkage and the inherent opportunities in more closely coordinating the physical and oral health care.

MDHHS proposes to leverage both the funding afforded in the Fiscal Year 2023 budget and the lessons learned from the Healthy Michigan Plan and Pregnant Women dental programs to enhance dental service delivery and achieve better health outcomes for Medicaid enrolled adults.

This proposal focuses on four key redesign pillars:

- **Increased reimbursement rates for providers;**
- **Improved access and provider participation;**
- **Enhanced care coordination; and**
- **Building a robust dental benefit package.**

MDHHS consulted with a broad array of stakeholders to inform these pillars and the overall development of this proposal. The input received through this process was invaluable in shaping the recommendations detailed below.

Increased reimbursement rates for providers

Raising rates is the most foundational component of the Medicaid-funded adult dental benefit redesign. The current fee-for-service rates have not been increased in over **thirty** years. Unsurprisingly, these rates are **consistently lower than those paid on behalf of Medicaid beneficiaries in other Midwest states for dental services**, and well below the reimbursement rates paid in our managed dental programs. As a result, **there is a significant shortage of available providers** causing long waits for appointments and limiting access to dental services for the approximately one million individuals currently receiving their dental benefits through the fee-for-service program.

In order to address the aforementioned problems, MDHHS proposes to take the following steps:

- **Increase fee-for-service reimbursement rates to 100% of Average Commercial Rates.**
- **Contractually require the Medicaid Health Plans to adopt and adhere to a minimum fee schedule that aligns with 100% of Average Commercial Rates.** This would effectively set a payment floor and would allow plan flexibility to contract for higher rates when necessary to assure access.
- **Implement a process whereby dental rates would be rebased annually to maintain parity with the commercial market.**

Improved access and provider participation

The network of dental providers serving adults in the Michigan Medicaid program has been primarily limited to Federally Qualified Health Centers and non-profit dental clinics serving as a critical safety net. While these clinics provide valuable and quality services, they do not have the capacity to serve the entire enrolled population. **As such, assuring a robust network of participating providers will be key to the success of this proposed redesign.**

Michigan Medicaid- Participating Dental Providers:

Medicaid Dental Program	Dental Providers Providing 1+ Medicaid Dental Service (FY21)
Healthy Kids Dental	4,001
Healthy Michigan Plan (HMP) and Pregnant Women Dental	2,915
Medicaid Adult Dental	1,110

As shown above, the Healthy Kids Dental provider participation far exceeds that of the Medicaid dental programs for adults. While higher reimbursement rates are a key driver of this higher participation, this gap must be closed by taking a comprehensive approach to expanding provider participation and aligning incentives and monitoring with broad program goals.

In an effort to improve access and provider participation, MDHHS proposes taking the following steps:

- **Contractually require the Medicaid Health Plans to comply with enhanced network adequacy and access to care requirements** comparable to those required for the Healthy Kids Dental program
- Explore the potential to add a **network adequacy requirement** focused on achieving sufficient overlap with the Healthy Kids Dental Provider network in order to **maximize continuity for families** whenever possible.
- Implement a new contract provision that **requires Medicaid Health Plans to develop incentives to increase participation** among providers and produce and distribute an easy to use and up-to-date directory of participating dental providers.
- **Determine broad performance benchmarks, including minimum utilization requirements**, that Medicaid Health Plans will be contractually required to meet. Failure to maintain compliance will result in Plans being **subject to a corrective action plan**. This would include:
 - Requiring Medicaid Health Plans to report on member experience through an externally conducted survey with standardized questions across all health plans.
 - Publicly producing annual information on Medicaid Health Plan member dental service utilization and provider participation experience.
 - Deploying financial accountability measures that limit health plan gains relative to dental benefit administration if utilization targets are not met after a reasonable implementation period.
- **Explore opportunities to improve claims processing timelines** to support prompt provider payment for services rendered to Medicaid beneficiaries.

Enhanced care coordination

Care coordination is a key to improving health outcomes and efficiency, but our **currently fragmented system** inherently hinders progress in this space. The Medicaid program is incurring avoidable costs as a result. Over 1,000 Michigan Medicaid funded hospitalizations for preventable dental conditions occur annually. **Improving the coordination of dental and physical health care provided to Medicaid-enrolled adults will result in greater utilization of high value, preventive care, reductions in avoidable costs, and better overall health.** By aligning responsibility for dental and physical health management under one payer, we can leverage more effective care management strategies and maximize value.

To accomplish this, MDHHS proposes taking the following steps:

- **Add dental-specific care coordination requirements to the Medicaid Health Plan contracts**, including the deployment of community health workers to assist beneficiaries in navigating the enhanced dental benefit and restructured delivery system.
- **Require each of the contracted Medicaid Health Plans submit a dental care coordination plan** that details steps the plan will take to increase utilization and address barriers to care and issues that contribute to appointment cancellation/no shows.
- Require the **bidirectional sharing of pertinent beneficiary-level health information** between the Medicaid Health Plans and their subcontracted Dental Health Plans, when applicable, in order to facilitate robust care coordination.
- Leverage the Medicaid Health Plans' **non-emergency medical transportation** infrastructure to improve access to care and assure that meeting beneficiary transportation needs is central in the Plans' care coordination procedures.
- Explore the development and implementation of **shared metrics** between the Medicaid Health Plans and the Healthy Kids Dental program's contracted Dental Health Plans to improve coordination when families are receiving Medicaid-covered dental benefits through multiple Plans.

Building a robust dental benefit package

Expanding the scope of the Medicaid adult dental benefit is another critical element of this redesign. **Currently, coverage is limited such that Medicaid-enrolled adults cannot access the full array of dental services** and providers report feeling compelled to perform fillings or extractions that fail to fully address oral health issues, as opposed to pursuing a plan of care that matches the beneficiary's needs. Research has demonstrated a clear association between poor oral health and chronic diseases such as diabetes and heart disease.

To address the gaps inherent in the current Medicaid dental benefit package, MDHHS proposes taking the following actions:

- Expand the scope of covered benefits to include a broader array of preventive and restorative dental services, including dental sealants, root canals, and crowns.
- Communicate these benefit enhancements to all Medicaid dental providers and require the Medicaid Health Plans to do provider outreach and education around these benefit enhancements.

Timeline

This dental redesign proposal will ensure a broad network of dental care, increased reimbursement for providers, improved access to services, and more effective care coordination, all leading to increased utilization of services and better health outcomes for beneficiaries. **The department is recommending a phased-in implementation with reimbursement rate changes being effective January 1, 2023 and the benefit enhancements and service delivery changes occurring on April 1, 2023.** This approach will ensure that beneficiaries gain access to improvements and health plans begin coordinating changes as quickly as possible.

Redesign Proposal Impact on Additional Populations

HMP beneficiaries and pregnant women enrolled in a Medicaid Health Plan

The Medicaid Health Plan contract enhancements and broad Medicaid policy changes included in this proposal will apply to all enrollees receiving their dental services through the Medicaid Health Plans. This will assure parity amongst health plan members and facilitate improved access to dental services and care coordination for this population as well.

Medicaid beneficiaries who are not enrolled in a Medicaid Health Plan

This population would continue to receive dental benefits through a significantly smaller Fee for Service program. We expect that approximately 400,000 individuals will remain in Fee for Service. As with managed care, there will be an increase in reimbursement for providers that treat the beneficiaries that remain in Fee For Service (non-Medicaid Health Plan members), and we expect the reimbursement changes will significantly broaden this network as well.

Children in Healthy Kids Dental

This proposed redesign will not impact the delivery system for the Healthy Kids Dental Program (currently administered by Delta Dental and Blue Cross Blue Shield of Michigan), which will continue as a standalone contract for children's dental services. As noted above, MDHHS will be exploring shared metrics between the Medicaid Health Plans and the Healthy Kids Dental Plans to improve coordination for families. If this is ultimately pursued, the implementation of shared metrics would be accomplished through a contract change for both the Healthy Kids Dental Plans and the Medicaid Health Plans.