

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-5132/1	Introduction Number SB-636
------------------------------------	--

Description
 expansion of the dental reimbursement pilot project under the Medical Assistance program

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations
 Decrease Existing Revenues

 Yes No
 Create New Appropriations

 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
--	--	---

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	20.435(4)(b), (o)

Agency/Prepared By DHS/ Andrew Walsh (608) 266-5655	Authorized Signature Andy Forsaith (608) 266-7684	Date 1/23/2020
---	---	--------------------------

Fiscal Estimate Narratives

DHS 1/23/2020

LRB Number	19-5132/1	Introduction Number	SB-636	Estimate Type	Original
Description expansion of the dental reimbursement pilot project under the Medical Assistance program					

Assumptions Used in Arriving at Fiscal Estimate

This bill makes several modifications to the statutory provisions governing the dental reimbursement pilot project. The changes include 1) adding language directing the Department to increase reimbursement rates statewide for pediatric and adult emergency dental services; 2) eliminating the existing statutory provisions limiting the reimbursement rate increase for pediatric and adult emergency dental services rendered in Brown, Marathon, Polk, and Racine counties; and 3) postponing the Department's reporting requirements related to the reimbursement pilot project from January 1, 2020 to January 1, 2022.

Claims for reimbursement for pediatric and adult emergency dental services in calendar year 2018, the most recent period of time in which the Department has complete claims data, indicate the Department paid \$22.3 million All-Funds (AF) for claims eligible for the enhanced rate, of which \$11.6 million AF reflected the reimbursement rate increase. The procedure codes eligible for the reimbursement rate increase received variable rate increases; however, the portion of the total reimbursement due to the rate increase has consistently been slightly more than half of the total reimbursement amount.

For pediatric and adult emergency services provided outside of the four pilot counties, the Department paid \$49.4 million AF for services provided in calendar year 2018. The Department would have paid an additional \$50.0 million AF (\$17.5 million GPR and \$32.5 million FED) had those claims been eligible for the enhanced reimbursement.

If enacted, the Department could anticipate costs in future years to be no less than \$50.0 million AF. Current trends in member utilization of dental services suggest dental costs per member will rise 2.5 percent from fiscal years 2019 to 2020 and again from 2020 to 2021. Costs will also depend on Medicaid enrollment, which is projected to increase slightly from fiscal years 2019 to 2020 and again from 2020 to 2021.

Costs would also be higher if the effect of the reimbursement rate was to increase members' access to, and utilization of, dental services. Data and analyses currently available to the Department are inconclusive as to whether this effect would occur. Results from the evaluation of the dental reimbursement pilot project using the first year of implementation data were inconclusive on whether the higher reimbursement rates directly resulted in increased access and utilization. The Department has contracted for a second analysis, using two years of implementation data, to assess the effectiveness of the rate increase on measures of members' access to, and utilization of, dental services. The Department anticipates this second evaluation will be published in the spring of 2020.

Long-Range Fiscal Implications