

Committee Name:
Joint Committee on Finance – Budget Hearings (JCF_BH)

Appointments

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Clearinghouse Rules

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Committee Hearings

99hr_JCF_BH_CH_pt00

Committee Reports

99hr_JCF_BH_CR_pt00

Executive Sessions

99hr_JCF_BH_ES_pt00

Hearing Records

99hr_ab0000

99hr_sb0000

Misc.

99hr_JCF_BH__Misc_Health_pt04

Record of Committee Proceedings

99hr_JCF_BH_RCP_pt00

Insurance

BULLETIN

Week of June 2 - 6, 1997, #48

EMPLOYMENT IMPROVES

Wisconsin's unemployment rate in April was 3.4 percent, down one-tenth from March. Last month was the sixth straight April that unemployment in Wisconsin has improved — going from 5.6 percent in 1991 to 3.4 percent last month, seasonally adjusted. The nation's unemployment rate was 4.9 percent.

During the last two months, Wisconsin employers added 40,400 jobs. That job growth is slightly above normal despite the unusually cool early spring. In March, Wisconsin tied for the 10th lowest unemployment in the nation.

Information for the *Bulletin* can be directed to Shirley Baumann, 428 GEF 1, 608/267-9368, or by e-mail



State of Wisconsin
Department of Workforce Development

Uninsured Employers Fund successful

A Worker's Compensation program that began last year is succeeding in its goal of protecting more people who are injured in the workplace.

The Wisconsin's Uninsured Employers Fund compensates injured workers whose employers were uninsured and takes enforcement action against companies that do not carry the required worker's compensation insurance.

In 1996, the Fund fined 1,078 employers a total of \$1.2 million for operating without worker's compensation insurance. As a result of those enforcement actions, 40,000 workers were covered for the first time.

Before the program began, the only recourse for an unprotected worker who was hurt on the job was to sue the uninsured employer. Many such small employers, unable to pay the often-catastrophic medical and indemnity costs, declared bankruptcy, leaving the injured worker with no compensation.

The first six months

The program began accepting claims on July 1, 1996. During its first six months of operation, the fund paid \$259,272 in worker's compensation benefits for 21 workers who were injured while working for illegally uninsured Wisconsin employers. In the course of paying valid claims, the Worker's Compensation Division is made aware of the uninsured company.

The program is entirely funded through fines assessed against employers who do not carry the required worker's compensation insurance coverage. The fund grew by over \$1 million last year to a total of \$4.8 million at the close of 1996.

The program has sophisticated

enforcement tools. It has the authority to levy fines and can move to shut down businesses that refuse to comply. Last year, the Worker's Comp Division initiated legal action against 10 employers who refused to obtain worker's comp insurance, seeking court orders that they be shut down.

Uninsured employers face a mandatory penalty of twice the amount of premium the employer would have paid during the uninsured period, or \$750, whichever is greater. The Worker's Comp Division is authorized to collect those fines by warranting liens against assets or by levying the amount directly from the employer's financial institution.

If you work with employers who are uncertain whether they need worker's compensation insurance, they can contact the Worker's Compensation Division, 201 E. Washington Ave., Room 261, Madison, WI 53707 — or by calling 608/266-0416.

Workers who think they may be eligible under the Uninsured Employers Fund should call 608/266-1340.

Opportunities Listing Announced Deadline

Vocational Rehabilitation			
Counselor Objective/Entry			
Statewide	CEOB	4/28	open
Program Assistant 3			
Mail room			
Madison	AGCP	5/19	5/28
Program Assistant 2			
Mail room			
Madison	SWCP	5/27	6/11
Vocational Rehabilitation			
Manager 2, Admin.			
Bureau Director			
Madison	SWCP	5/27	6/16

AGCP = DILHR Promotional/Transfer

CEOB = Current Employment Opportunities Bulletin

SWCP = Statewide Competitive Promotional

You may contact DWD Human Resources Services for more information about any of the employment opportunities listed in the *Bulletin*.

BULLETIN

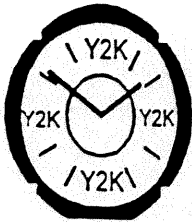
Week of August 24-28, 1998, #111

Government to the People

Governor Tommy Thompson is again taking state government to the people of Wisconsin. The purpose of this annual move is to make sure that government is aware of the concerns, challenges and successes of Wisconsin citizens.

The location for Government on the Move this year is Marathon County. DWD has four functions that will be attended by the governor:

It's Only a Matter of Time



494 days left

1. A visit to the Nina Care Center in Wausau, a Hmong licensed day care center to announce a safety and outreach campaign
2. Meeting with Hmong community leaders
3. Visit to Athens High School to kick off the Youth Apprenticeship in tourism
4. Joint event to recognize Wausau Insurance for offering the nation's first worker's compensation policy

In addition, the DWD Secretary and executive team and division administrators will be looking at important work done locally through our programs, funding and assistance. Local DWD offices in Wausau will also be visited by the Secretary's Office.

Other DWD sponsored events include: additional day care centers, Hmong employers, Marathon Co. Child Support Agency, City County Data Center, an employer using supported employment participants, a visit with students of the hearing and vision impaired programs at the technical college, a free Labor Law Clinic and a visit to the DES Regional Training Center.

Staff throughout DWD (central office and Wausau area field staff) have been working hard to make these events meaningful for all involved.

Information for the weekly *Bulletin* should be delivered by 4 p.m. Wednesdays to Barbara Roe, 251X GEF 1, 608/267-1410, or by e-mail: roebe@mail.state.wi.us.

Intranet home page address: dwdworkweb -- if you are on the DWD LAN.

Intranet home page address: <http://workweb.dwd.state.wi.us> -- if you are using an internet service provider
Production Editor:
Melinda Curler

Opportunities

	Listing	Announced	Deadline
Vocational Rehabilitation Counselor Entry & Objective/Statewide	CEOB	4/20	OPEN
Economic Support Technical Writer 2/ Madison	CEOB	8/3	8/24
IS Supervisor Program Operations Section Chief/ Madison	CEOB	8/3	8/24
Training Officer 2 Child Support/Madison	CEOB	8/3	8/24
Financial Supervisor 5 Federal Reporting Unit Supervisor/ Madison	CEOB	8/17	9/8
Financial Supervisor 5 Systems Management Unit Supervisor/ Madison	CEOB	8/17	9/8
Area Administrator/ Madison	CEOB	8/17	9/11
Research Analyst 8-Supv BWI Research & Statistics/ Madison	CEOB	8/24	9/14

AGCP = DWD Competitive Promotional

CEOB = Current Employment Opportunities Bulletin

SWCP = Servicewide Competitive Promotional

SWTB = Servicewide Transfer Bulletin

You may contact DWD Human Resources Services for more info on employment opportunities in the *Bulletin*.



State of Wisconsin

Department of Workforce Development

BULLETIN

Week of April 5-9, 1999 #142

BITS opportunity

BITS is currently recruiting for a Security Analyst-intermediate, which is pay range 14. Check the following website for further information:

<http://www.dwd.state.wi.state.us/asd/jobopen.htm>

E-mail virus alert

The "Melissa" virus continues to lurk!

On Friday and Monday of last week an all employee e-mail was sent warning us about Melissa. As of today new information reveals that the SUBJECT field may now be different, such as a blank field or different wording.

When you open the e-mail you can identify a "Melissa message/virus" by the message body. It will usually read "Here is that document you asked for... don't show anyone else ;-)" DO NOT OPEN and make sure you DELETE any e-mail with a subject line that reads "Important Message From UserName" and/or contains the message body "Here is that document you asked for... don't show anyone else ;-)." As a precaution, do not open any executable files from an unknown source.

Once the Word document is opened, the virus scans address books for names that it can send duplicate e-mail messages of itself to. This is how the virus propagates. The original Word document attachment is named "list.doc", however, as the virus propagates, other documents may become the attachment.

April is Child Abuse Prevention Month

The entire month of April has been designated "Child Abuse Prevention Month." Awareness is the first step towards prevention. There are three types of child abuse:

- Emotional
- Physical
- Sexual

All three types have very serious ramifications. Emotional abuse, which is 4% of all substantiated cases of child abuse, is commonly defined as the systematic tearing down of

(see "Prevention" pg. 2)

Opportunities

	Listing	Announced	Deadline
Vocational Rehabilitation Counselor/Entry & Objective/Statewide	CEOB	9/14	OPEN
DWD Budget Systems Coordinator/Leadworker/Madison	CEOB	3/15	4/5
Program & Planning Analyst 6/Supv/Child Support Planning Unit Supervisor/Madison	CEOB	3/15	4/5
Assistant Area Administrator/Select Areas	CEOB	3/29	4/19
Collections Specialist 1/Madison	CEOB	3/29	4/19
Economic Support Supervisor 3/Director, Office of Quality Assurance/Madison	CEOB	3/29	4/19
Human Services Program Coordinator-Major/Child Care Specialist/Madison	CEOB	3/29	4/19
Training Officer 2/Madison	CEOB	3/29	4/26*
Security Analyst-Intermediate/Madison	NA		4/15

*CORRECTION

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State of Wisconsin
Department of Workforce Development

Public Hearing

Provisions in the Budget Bill [1999 Assembly Bill 133]

Relating to

The Health Insurance Risk Sharing Plan (HIRSP)

Reference: s. 20.435 (4) (af)
s. 20.435 (4) (ah)
s. 20.435 (4) (gh)

Sections 417, 418, 2256-2278, and 9123 (2), pp. 427, 1052-1058, and 1406

Place: State Capitol, Room 411 South

Date & Time: April 15, 1999, 10:30 a.m.

Testimony of: Robert T. Wood
Corporate Vice President, Government Relations
Wisconsin Physicians Service Insurance Corporation (WPS)

Member, HIRSP Board of Governors

My name is Robert Wood. I am Corporate Vice President of Government Relations for Wisconsin Physicians Service Insurance Corporation (WPS). I have served on the HIRSP Board of Governors for more than 11 years. I have been responsible at WPS for review of HIRSP operations, administration and legislation since the plan was first enacted nearly twenty years ago as part of the Laws of 1979.

I am speaking on the subject of proposed changes to the HIRSP statutes in the budget. I speak as a member of the HIRSP Board, but I am not speaking for the HIRSP Board.

I am submitting brief written testimony and I will try to be even briefer in speaking here.

In 1997, this Committee restructured HIRSP funding based on agreements reached with insurers, providers, and the Department of Health and Family Services.

The basic agreements were that \$6 million GPR in the first half of calendar year 1998 and \$12 million in GPR in the current fiscal year would be appropriated to partially fund the HIRSP program. After application of GPR funding, full premium payments would be set to fund 60 percent of program costs and insurers and providers would each fund 20 percent of the remaining unfunded costs. The Department would track and fund financial performance of the plan against budget, and there would be a reconciliation process to balance out any variances from statutory funding shares. You transferred the program from OCI to the Department of Health and Family Services, and asked

DHFS to take care of these tasks.

The new funding arrangements translated into an immediate 15 percent rate cut for the people in the plan. HIRSP rates dropped from 192 percent of a standard risk rate to 150 percent. For many individuals aged 60 or more who make up the largest age group in the plan this meant close to \$1,000 in savings on an annual basis.

In the current fiscal year, we were able to keep premiums at 150 percent of a standard risk rate. I'm confident they will remain at 150 percent in the next fiscal year. A rate increase will still be needed, but only to reflect the marketplace increase in the standard risk rate. This means the new funding arrangements are working well for the people in the program who themselves pay the largest share of program costs.

There have been a number of problems in the administration of the HIRSP program since it was transferred to DHFS, particularly with the Department's inability until very recently to provide data on financial operation of the plan against budget, or to provide information on plan enrollments and demographics. I don't want to dwell on these problems, because I believe that some of the most serious problems are close to being fixed.

I raise the subject only because, when you transferred the program to DHFS, you reduced the ability of the HIRSP Board of Governors to effectively oversee the operations of HIRSP and approve policy changes in the program. I believe that if you had kept the HIRSP Board the same strong Board it was for nearly 18 years when the plan was administered at OCI, some of the problems we have had with the plan over the past 15 months might not have happened, and those that couldn't have been avoided might have been paid attention to and fixed earlier.

This said, I have three recommendations for changes to the HIRSP statutes in the current budget bill.

1. My first recommendation is that you make the Board a stronger Board again.

HIRSP is a partnership between the private sector, and the government. In this partnership, the people enrolled in the plan and the insurers and providers who share in plan costs pay the greatest share of the costs of the HIRSP program. They deserve a stronger voice in how their funding of the program under the statutes is accounted for and reconciled.

I think I do not have to tell you that the Department wishes the Board to speak in a very small voice and only as an advisory body. I think if the Board is to be limited to a strictly advisory role, you might as well not have a Board at all.

The Board has historically played a strong role in representing the interests of the people who are enrolled in the plan. To the extent that you have a weak board, it is these people who lose the most in terms of *not* having a voice in the operations of the plan.

A. Feeling as I do, I would recommend that you delete those sections in the budget bill, as originally introduced, that would further weaken the Board.

B. Next, I would recommend that the Board needs a stronger voice in at least six areas.

- (1) Development and approval of the HIRSP budget.

- (2) Oversight of financial management of the plan against budget.
- (3) Oversight of changes in HIRSP policy, including proposed changes in HIRSP benefits and other changes to statutes.
- (4) Reporting of data in HIRSP monthly reports, and other information of interest to the Board.
- (5) Assignment of work and scheduling of meetings of Board committees and sub-committees.
- (6) Development and release of reports specified in statutes as reports by the Board to the Legislature and to the Governor.

C. Finally, representation on the Board needs to be adjusted in two areas:

- (1) The Secretary of DHFS chairs the Board. Statutes should specify that no appointed member of the Board should be an employee of DHFS.
- (2) Statutes should specify that at least one of the consumer representatives on the Board must be a participant in HIRSP.

Planning documents relating to HIRSP are starting to talk about turning HIRSP into a "Medicaid look-alike program," but HIRSP is an insurance program, not a categorical benefits program. As the Department has learned, it is a very different program from Medicaid. I think you should want to keep it that way.

In January 1999, HIRSP costs were running about \$38 million on a fiscal year basis. The Department (as of yesterday) now estimates that program costs have increased and will be closer to \$46 million at the end of this fiscal year.

The HIRSP population is not a "Medicaid look-alike" population. There were just under 7,000 individuals enrolled in the plan in January. On average close to 60 percent of the HIRSP population is female. More than 60 percent of the people covered under the plan are over age 50. Nearly 30 percent are over age 60. Between 35 and 40 percent of the people insured by HIRSP report annual household incomes under \$20,000 and receive subsidies that help them pay premiums and deductibles.

These people could use a stronger Board to speak on their behalf. When problems occur, the Board ought to have sufficient oversight authority to ask for and receive explanations and information and to request action to fix problems, but we don't.

2. My second recommendation speaks to the Department's most recent legislative proposal.

A. The Secretary of DHFS outlined new changes he wishes to make to HIRSP in recent testimony before this Committee. Since then, as I understand it, the Secretary has modified his proposal.

The Secretary reviewed the most recent outlines of his legislative proposal at a meeting of the HIRSP Board yesterday.

At that meeting, the HIRSP Board agreed that new legislative language requested by the Secretary to give the Department greater flexibility in managing and reconciling financial performance of the plan is needed and should be drafted.

The proposed new language, as I understand it, would allow the Department to determine variances in the statutory 60%/20%/20% funding of program costs compared to actual funding on a calendar year basis, and make adjustments to reconcile those variances in the immediately following fiscal year.

The Secretary also discussed proposed changes in processing of prescription drug claims, some of which appear to the Board to be reasonable.

But the Board asked to be provided with more information relating to reductions in benefits, which some members of the Board would oppose.

3. Finally, I do think that I can speak for the Board in asking that you consider restoring the \$2,000,000 in GPR funding for HIRSP that was cut in the budget.
 - A. If these funds were restored, the appropriation under s. 20.435 (4) (af) would increase from \$9,900,000 to \$11,900,000 in each of the next two fiscal years.

Thank you for your time and patience.

I would be pleased to try to answer any questions you may have.



**Testimony Before the Joint Committee On Finance
Dr. Kathy Roth, President of the Wisconsin Dental Association
Thursday, April 15, 1999**

Thank you Representative Gard and Senator Burke for allowing me to speak before this committee today. My name is Dr. Kathy Roth, I am the current President of the Wisconsin Dental Association (WDA) which represents nearly 85% of all licensed dentists in the state of Wisconsin. I am here today as the primary spokesperson for those 2,800 licensed dentists of the WDA. My husband, Dan, and I own a general dental practice in my hometown of West Bend. I bought our practice from a female dentist, Dr. June Dhein, who was a great mentor to me when I was growing up in small town Wisconsin. She offered me a part time summer job in her dental office as a high school student. This experience gave me the incentive to grow and to eventually find my career in dentistry. Dentistry has played an essential role throughout my entire life. As is the case with most of the 2,800 member dentists who are members of the WDA, I am a general dentist. I mirror most dentists in the state because I own my own practice and provide employment to several other individuals who also live and raise their families in West Bend. We currently have 4 full-time and 5 part-time staff working in the office.

I am here today to address two issues – the Wisconsin dental Medicaid program and the proposal for state funding to help build a new dental school at Marquette –both of which will greatly impact the demand for and the availability of dental care in the future.

While we can all agree that there are many problems with the current Medicaid program, I am going to limit my comments to the fiscal issues today. The WDA has been working diligently with DHFS and EDS over the past months to address administrative problems with MA. And we are encouraged by the proposed improvements taking place.

You here today are in the position to address the financial flaws that have undermined dental Medicaid year by year since 1984 creating the present crisis environment. Dental care is most efficiently provided in the small business setting of a dental office. No small business can survive and I repeat SURVIVE providing services below the cost of overhead. You may assume that I am here on my own personal financial interest. That is grossly wrong. I am here as an advocate for the unfortunate, the young and the old, the citizens of this State who look to the state for help yet only experience rejection due to inequities of the State's system. You may need to do some research but it wasn't always this way.

It is no coincidence that close to two decades ago, patient access to dental care was not a problem when the state found itself able to reimburse dentist at about 85% of their fees and dentists were supporting the system in spite of its huge administrative shortcomings. With current reimbursements far below overhead, most dentists find participation to be an impossible burden. As an MA provider in West Bend, I know first hand of the tremendous need and suffering that exists and is not being addressed. As a health care provider it bothers me that I can not do more.

The dentists in Wisconsin all chose to enter the field of dentistry to provide quality dental care to our citizens. And the dentists I speak with when traveling the state, all understand their responsibility to provide that dental care. However, it is your obligation to reasonably compensate dentists for the care they provide through this program, which is run by the State of Wisconsin. Patient access to care was not a problem when reimbursement was low but still above overhead. Year by year, the reimbursement level decreased, as did the total dollars dedicated to dental Medicaid. This decrease has resulted in a decrease in dental providers. The needy of this state have reached a dental crisis. There are vast areas where these people can not obtain dental care. Why? Because the state has decreased compensation far below what is reasonable or fair. The people in need fall victim to a continuously degrading system.

These patients are not the only victims. The dentists are also victims of the system because, not only are they expected to provide this care for free (paying below overhead means the dentists ends up losing real out of pocket loss), the dental community is disparaged for not doing more.

Well, that is why I am here today. Simply, our fellow citizens have a great need. Help us to care for these people.

My predecessor at the WDA and I have both taken a leading role in recruiting dentists to become Medicaid certified. As I mentioned earlier, we have personally asked dentists to become more serious about accepting new Medicaid patients. Unfortunately, the efforts put forth by WDA dentists will not be enough to solve the problems with this program. You, as state legislators, have the ability to make lasting improvements to this program in both the paperwork and reimbursement areas. I am respectfully requesting that you, as a member of this committee, put forth your best effort in helping to make lasting reforms to this program. Quite frankly, you are not doing this for us. You are doing it for them, the people of this State that, the state, by its own standards, determined need help.

If the state wants the dental community to more fully participate in the program, I would hope that you would try to establish a better working relationship with those of us out here who are willing to help you make lasting improvements. In the past, it seems, the state and federal government have created certain

restrictions and paperwork requirements and set payment rates without really consulting those of us who they expect to actually provide the dental care. What may appear to be a great program to you in the legislature has proven to be very ineffective to us in the dental office. Believe me, I am not here to blame the legislature – I am here to let you know that we both need to be serious about making lasting changes to this program.

I would, therefore, suggest that you do two things:

First of all, the legislature should take the reimbursement issue very seriously. There is little doubt that the access issue is going to get much more severe with the entrance of nearly 50,000 enrollees that will enter the dental Medicaid lists through the new BadgerCare program. The reaction of those individuals who will be paying premiums for their coverage and finding that the premium doesn't necessarily provide them access to the care will have every right to be angry with the new system.

The 10% the Governor has proposed is a great first step but it still doesn't cover dental office overhead (about 67% of revenues). Without covering the dental office overhead (which would equal an estimated budget increase of \$6.5 million – only 40% of which would come out of the state's budget), the dental community will continue to struggle meeting the demands of the program. We in the dental community believe that a reimbursement rate of 85% (which covers office overhead plus allows for partial payment for the dentist's time and labor) would be reasonable and would secure access for future generations.

Secondly, I also think it would be extremely helpful to have a long-term dental Medicaid task force developed by the state to make sure that the program operates as efficiently as possible at all times. This task force could work on a regular basis to address issues of paperwork, reimbursement and patient education to try to consistently improve the program rather than waiting until it is at the brink of disaster and try to fix it in the timeframe of a single budget cycle.

Finally, I want to mention my support for the capital budget proposal for the state's assistance in building a new dental educational and clinical facility at Marquette University. This is essential in order to maintain a healthy supply of dentists in Wisconsin. Because the state has already determined that it does not want to finance the entire cost of providing dental education in Wisconsin, this type of financial assistance from the state to Marquette seems quite reasonable. We need to make sure that Wisconsin citizens for generations to come will have access to dental health care within a reasonable distance from their homes. Keeping a dental school operational in Wisconsin is an important part of meeting that goal. I hope that you will look favorably on that proposal as it moves its way through the legislative process.

Wisconsin Dental Association
Medicaid Program Recommendations for Improvement
1999-2000 Legislative Budget Session

- The WDA appreciates that Governor Thompson has recognized the need to bring reimbursement rates for the Medicaid program closer to covering the costs for providing dental care.
- The WDA wants to continue to work with the state government to improve the program to such a degree that patients can readily access care.
- Unfortunately, even with the 10% increase in reimbursement in the first year, the reimbursement (58%) for the most common dental procedures will be well below the average office overhead (67-69% - which doesn't even include the dentist's salary).

ADA Code	Description	Medicaid Fee 1999	Dentist's Fee (Example from SW Rural WI Dental Office)	MA +10% Fee	69% of Overhead Fee	Dentist's out of pocket costs
01110	Adult Prophylaxis	23.70	45.00	26.07	31.05	\$ -4.98
01120	Child Prophylaxis	22.61	35.00	24.87	24.15	\$ 0.72
00272	Child 2 Bite Wings X-ray	12.46	20.00	13.71	13.80	\$ -0.09
00274	Child 4 Bite Wings X-ray	16.79	31.00	18.47	21.39	\$ -2.92
00272	Adult 2 Bite Wings X-ray	9.92	20.00	10.91	13.80	\$ -2.89
00274	Adult 4 Bite Wings X-ray	16.54	31.00	18.19	21.39	\$ -3.20
01351	Child Sealant	16.49	25.00	18.14	17.25	\$ 0.89
01352	Adult Sealant	15.99	25.00	17.59	17.25	\$ 0.34
02120	2-Surface AR Primary Tooth	39.25	67.00	43.18	46.23	\$ -3.05
02150	2-Sur. AR Perm. Child	42.11	86.00	46.32	59.34	\$ -13.02
02150	2-Sur. AR Perm. Adult	35.28	86.00	38.81	59.34	\$ -20.53
02381	2-Sur. RR Post Primary Child	39.25	91.00	43.18	62.79	\$ -19.61
02386	2-Sur. RR Post Perm. Child	42.11	107.00	46.32	73.83	\$ -27.51
02386	2-Sur. RR Post Perm. Adult	35.28	107.00	38.81	73.83	\$ -35.02

AR= Amalgam restoration

RR= Resin restoration

Post= Posterior tooth

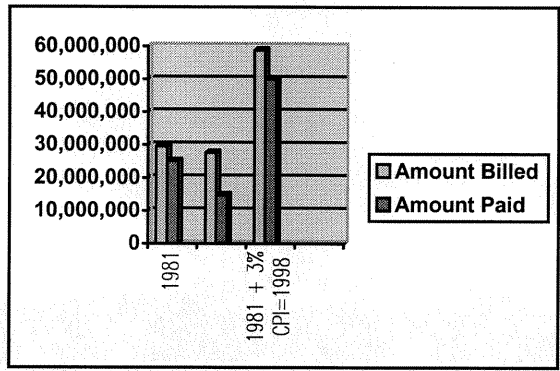
Perm.= Permanent tooth

\$-4.98= Means it cost the dentist that amount of money per procedure from his/her own pocket.

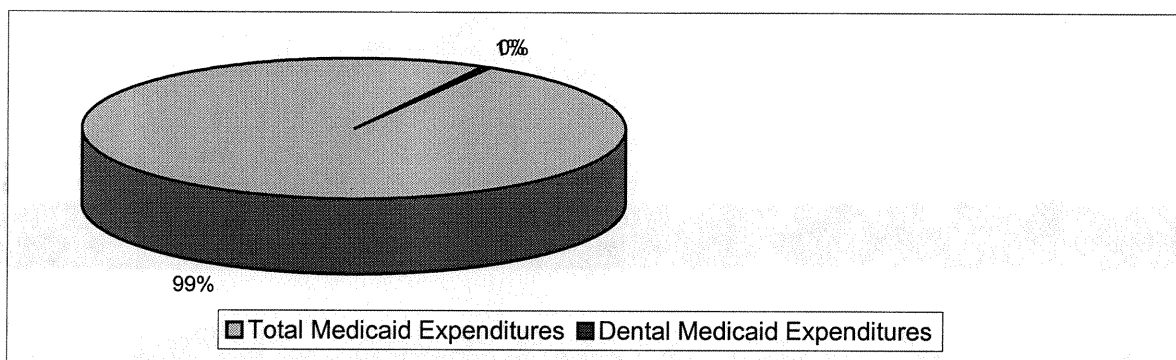
\$0.89= Means that the state pays the dentist that much beyond overhead.

- By using 63% federal funds and 37% state funds, the state reimburses for dental services by paying a percentage of the fees filed in a specific base year. The base years are not current. The rates for adult services are based on **1991** fees and the rates for children services are based on **1995** fees. The base year should be updated annually to be the **most current year** for which the state has collected data.

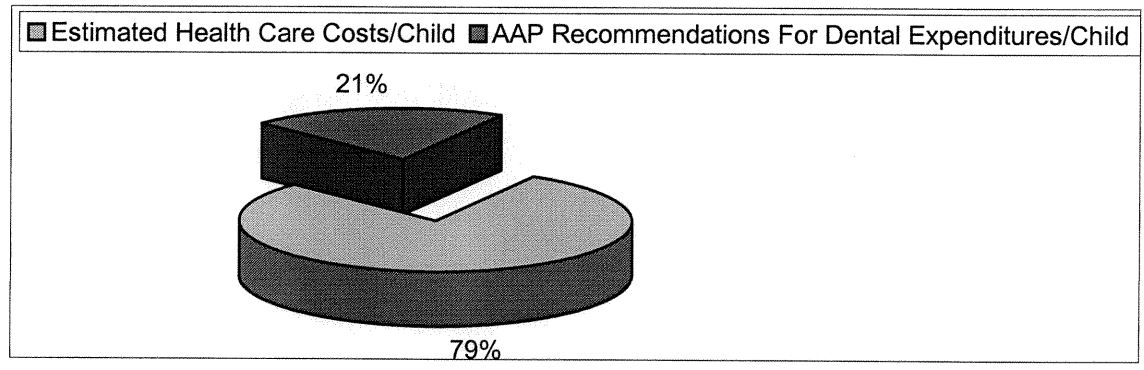
- In 1981, Wisconsin spent \$25 million on dental Medicaid and dentists were reimbursed at 85% of the fees they filed with the state. In 1998, Wisconsin spent \$14 million on fee-for service dentistry and reimbursed dentists at 53% of filed fees. With a conservative (3%) CPI factor, the state should now be spending closer to \$50 million.



- Wisconsin Medicaid program is \$2.5 BILLION and the dental component only equals 7/10 of 1% of that (\$14 million).



- The American Academy of Pediatricians (AAP) has stated that \$21 of every \$100 expended on children's health should be spent on oral health care – the state's dental Medicaid program isn't even close reaching to this goal.



- The tobacco settlement money could justifiably be spent on health care, including dental care. It would require a minute portion of the tobacco settlement money to rectify the problems with the dental Medicaid program.
- Badgercare, which starts on July 1, will add another possible 50,000 enrollees who will qualify for the dental Medicaid program. This influx of new enrollees to the Medicaid program will only exacerbate the current problems. People will be paying premiums for a program that cannot provide adequate access to dental care.
- The Medicaid program is funded on a sum-sufficient basis (63% federal dollars and 37% state dollars) and the state projects what it will spend during two-year budget cycle, based on the amount of services they project will be provided. In the last budget cycle, the state projected that dentists would treat fewer Medicaid patients in both Fiscal Year 98 (FY98) and Fiscal Year 99 (FY99), thereby decreasing the total amount of monies the state would have to pay out to Medicaid providers during that biennium.
 - For example, the state dropped its projected expenditures from the \$14 million spent in FY 97 to an estimated \$12 million in FY 98. Contrary to the state's projections, dentists provided care at a constant level in FY 98 and the budget expenditures came in at \$14 million rather than \$12 million. The state also projected that their expenditures in FY 99 would continue to drop and the state estimated dental expenditures at only \$9 million (which equals a 30% drop in the dental budget over a two-year period). If the dentists continue to provide care even at the current level, there is little doubt that expenditures for the dental Medicaid program will exceed the \$9 million estimate.
- The federal law on Medicaid (42 CFR Chapter IV Section 447.204) actually requires that: "The agency's payments must be sufficient to enlist enough providers so that services under the plan are available to recipients at least to the extent that those services are available to the general population." The state determines what that payment should be. Wisconsin legislators should be aware of this federal law. **(Attached Copy)**
- The WDA has been dedicated to fixing the Medicaid program and wants to continue to work with legislators and agency representatives at both the state and federal levels.