Medicaid Expenditure Trends and Projections; Smiles for Children Dental Program

Presentation to the:
Senate Finance Committee

Patrick W. Finnerty, Director
Department of Medical Assistance Services

May 23, 2007
Richmond, Virginia
Presentation Outline

- Medicaid Program Overview
- FY 2007 Projections
- FY 2007 Year-to-Date Trends
- Smiles for Children Dental Program
Medicaid Enrollment Trends

Notes: Average monthly enrollment in the Virginia Medicaid Program
Medicaid Enrollment Trends by Service Delivery Type

Notes: Average monthly enrollment in the Virginia Medicaid Program
Capitated Care consists of the Options and Medallion II programs
Medical Expenditure Trends

State Fiscal Year
Medicaid Enrollment & Expenditures
FY 2006

Recipients

- Aged: 10%
- Blind & Disabled: 20%
- Adults: 14%
- Children: 56%

Expenditures

- Aged: 23%
- Blind & Disabled: 46%
- Adults: 9%
- Children: 22%
2006 Consensus Medicaid Forecast

Historical and Projected Expenditures for General Medicaid, Long-Term Care and Mental Health Services ($billions)

% Growth reflects annual growth of historical expenditures and the 2006 forecast.
## FY 2007 Funding Amendments

<table>
<thead>
<tr>
<th>Service</th>
<th>Official Forecast</th>
<th>Chapter 847 Amendments</th>
<th>Current Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managed Care</td>
<td>$1,201,338,848</td>
<td>$0</td>
<td>$1,201,338,848</td>
</tr>
<tr>
<td>Inpatient Hospital</td>
<td>763,086,074</td>
<td>0</td>
<td>763,086,074</td>
</tr>
<tr>
<td>Outpatient Hospital</td>
<td>109,437,225</td>
<td>0</td>
<td>109,437,225</td>
</tr>
<tr>
<td>Physician Services</td>
<td>153,169,528</td>
<td>0</td>
<td>153,169,528</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>181,226,856</td>
<td>(718,654)</td>
<td>180,508,202</td>
</tr>
<tr>
<td>All Other Acute Services</td>
<td>690,138,989</td>
<td>(190,000)</td>
<td>689,948,989</td>
</tr>
<tr>
<td>Total Long-Term Care</td>
<td>1,430,064,803</td>
<td>(8,689,696)</td>
<td>1,421,375,107</td>
</tr>
<tr>
<td>Total Mental Health</td>
<td>303,873,461</td>
<td>0</td>
<td>303,873,461</td>
</tr>
<tr>
<td><strong>Total Medicaid Expenditures</strong></td>
<td><strong>$4,832,335,785</strong></td>
<td><strong>($9,598,350)</strong></td>
<td><strong>$4,822,737,435</strong></td>
</tr>
<tr>
<td>Federal Funding</td>
<td>$2,338,376,193</td>
<td>($5,571,675)</td>
<td>$2,332,804,518</td>
</tr>
<tr>
<td>State Appropriation</td>
<td>$2,493,959,592</td>
<td>($4,026,675)</td>
<td>$2,489,932,917</td>
</tr>
</tbody>
</table>
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Medicaid Enrollment Trends

Implementation of federal DRA citizenship and identity requirements

Creation of Consensus Medicaid Forecast

Aged, Blind & Disabled Enrollment

Non-Disabled Adults & Children Enrollment

Aged, Blind & Disabled

Non-Disabled Adults & Children
## FY 2007 Year-to-Date Expenditures

<table>
<thead>
<tr>
<th>Expense</th>
<th>Current Appropriation</th>
<th>YTD FY 2007</th>
<th>YTD FY 2006</th>
<th>YTD Growth</th>
<th>Funded Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managed Care</td>
<td>$1,201,338,848</td>
<td>$992,099,102</td>
<td>$900,999,433</td>
<td>10.1%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Inpatient Hospital</td>
<td>763,086,074</td>
<td>568,703,933</td>
<td>538,373,409</td>
<td>5.6%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Outpatient Hospital</td>
<td>109,437,225</td>
<td>86,757,360</td>
<td>93,878,827</td>
<td>-7.6%</td>
<td>-4.9%</td>
</tr>
<tr>
<td>Physician Services</td>
<td>153,169,528</td>
<td>120,663,728</td>
<td>127,515,030</td>
<td>-5.4%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>180,508,202</td>
<td>152,490,536</td>
<td>327,216,991</td>
<td>-53.4%</td>
<td>-47.0%</td>
</tr>
<tr>
<td>All Other Acute Services</td>
<td>689,948,989</td>
<td>555,987,342</td>
<td>379,478,940</td>
<td>46.5%</td>
<td>33.3%</td>
</tr>
<tr>
<td>Long-Term Care Services</td>
<td>1,421,375,107</td>
<td>1,142,916,578</td>
<td>1,043,063,586</td>
<td>9.6%</td>
<td>12.4%</td>
</tr>
<tr>
<td>Mental Health Services</td>
<td>303,873,461</td>
<td>245,905,434</td>
<td>210,411,541</td>
<td>16.9%</td>
<td>17.3%</td>
</tr>
<tr>
<td><strong>Total Medicaid Expenditures</strong></td>
<td><strong>$4,822,737,435</strong></td>
<td><strong>$3,865,524,014</strong></td>
<td><strong>$3,620,937,757</strong></td>
<td><strong>6.8%</strong></td>
<td><strong>8.8%</strong></td>
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<tr>
<td>Federal Funding</td>
<td>$2,332,804,518</td>
<td>1,872,845,884</td>
<td>1,810,398,797</td>
<td>3.4%</td>
<td>6.1%</td>
</tr>
<tr>
<td>State Appropriation</td>
<td>$2,489,932,917</td>
<td>1,992,678,130</td>
<td>1,810,538,959</td>
<td>10.1%</td>
<td>11.5%</td>
</tr>
</tbody>
</table>
Access to/Utilization of Dental Services Needed to Improve

- In FY 2003, only 23.4% of all eligible children actually received any dental services.

- Low participation of dentists (620 of 4,786) in the Medicaid/FAMIS program was a major problem:
  - Low reimbursement
  - Administrative “hassles”
  - Patient no-shows

![Dentist Participation in Medicaid/SCHIP*](image)

<table>
<thead>
<tr>
<th>Participation Status</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Participating</td>
<td>87%</td>
</tr>
<tr>
<td>Participating</td>
<td>13%</td>
</tr>
</tbody>
</table>

* FY 2003
Key Stakeholders Worked Together for Change

- MCOs
- Advocacy Groups
- Governor
- Legislature
- New Medicaid/FAMIS Dental Program
- Organized Dentistry
- Medicaid/SCHIP Agency
New Program Structure and a 30% Increase In Fees

- General Assembly/Governor authorized DMAS to develop an entirely new program structure

- Also approved a 30% increase in dental fees
  - 28% on July 1, 2005; additional 2% in May, 2006
A New Day for Dental!
Smiles for Children

- Effective date: July 1, 2005
- All children (Medicaid & FAMIS) are enrolled in a single program administered by Doral Dental USA
- Limited medically necessary diagnostic/oral surgery services for adults
- DMAS retains policymaking authority and closely monitors contractor activities along with Dental Advisory Committee
Key Program Enhancements

**Old Program**
- Multiple Vendors
- Different credentialing processes
- Complicated Administration
- Limited local representation on program decisions
- Enrollee transfer between plans can disrupt care

**Smiles for Children**
- Single Vendor (Doral)
- Streamlined Credentialing
- Easy, Industry-Standard Administration
- Va. Based Peer Review Committee & Dental Advisory Committee
- All enrollees in Smiles for Children program
Value-Added Benefits for Providers

- Toll-free phone number for providers
- Call center specialists
  - Member Placement
  - Eligibility, benefits, authorizations
  - Claims issues
  - Addressing patient “no-shows”
- Multiple claim submission options……free, electronic filing
- Timely and accurate payments
- Automated, web-integrated or live eligibility verification (24/7)
Program Changes = Increased Provider Network

- 326 new dentists are participating (53% increase)
  - Network continues to expand
  - 6 localities that previously had no participating dentists now have access
  - Percentage of contracted providers who are billing for services has increased from 50% to 80%

- Very high level of provider satisfaction

![Participating Providers Graph](chart.png)
…..And Increased Access to Care

Percentage of Children Receiving Necessary Dental Care

Ages 0-20

24% 32%

Ages 3-20

30% 39%

33% Increase

30% Increase

Source: CMS 416 Report for Virginia
Smiles for Children Has Received National Attention

2006 & 2007
THANK YOU!!