

fact
sheet

HEALTH CARE
FOR THE
UNDERSERVED

Dental Coverage Under Medicaid

Medicaid—the largest program providing medical and health-related services to eligible needy persons in the U.S.—is a means-tested entitlement program jointly financed by federal and state governments and administered by the states. Medicaid provides health and long-term coverage, including dental, for eligible individuals and families with low incomes and resources. In 1998, **41.3 million** people received Medicaid services. Of those:

- 21.3 million were children;
- 9.2 million were adults;
- 4.1 million were elderly persons; and
- 6.7 million were blind and disabled persons.

WHO HAS DENTAL COVERAGE THROUGH MEDICAID?

The EPSDT (Early Periodic Screening, Diagnosis, and Treatment) benefit requires states to provide all Medicaid-eligible children under the age of 21, with comprehensive, preventive, restorative and emergency dental services furnished according to state-defined periodicity schedules. In 1996, 22.9 million children were eligible for EPSDT. However, the percent of children receiving preventive care through EPSDT remains low.

Most states have failed to meet Medicaid's mandate that all children receive early preventive care through the EPSDT benefit.

States may choose whether or not to provide adults with dental services. These states also have the flexibility to determine the number of adults they choose to cover and the type and amount of services they choose to provide. Most states cover emergency services but fewer states cover preventive, restorative or more complex services for adults.

- About 6 million, or 18%, of all Medicaid recipients receive dental services (average between 1994 and 1996).



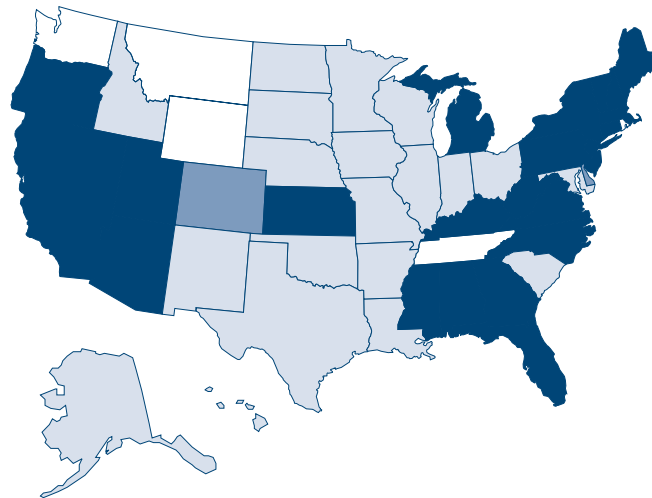
- Children aged 14 years and younger accounted for an average of 62% of Medicaid-insured patients treated at dental practices.
- In 1996, 18% of eligible children received any EPSDT required preventive dental screening or services.

WHAT ABOUT MEDICAID AND CHIP?

With the introduction of the State Children's Health Insurance Program (CHIP), states have the opportunity to expand coverage through the expansion of existing Medicaid plans, through the adoption of a non-Medicaid plan or some combination of both. States choosing to expand existing Medicaid plans must provide standard Medicaid dental benefits for children.

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INCLUSION OF DENTAL SERVICES IN STATE CHIP OR MEDICAID EXPANSION PLANS



- Dental services included through CHIP
- Dental services included through Medicaid expansion
- No dental services offered through CHIP
- To be included in pending CHIP plan

* Dental services in Florida may be covered at each county's option.

Source: National Conference of State Legislatures, August 1999

WHAT ABOUT MEDICAID AND MANAGED CARE?

Under managed care, Medicaid agencies may provide dental services through one of three options:

1. Comprehensive managed care organizations (MCOs) that deliver both medical and dental services.
2. MCOs that deliver only dental services.
3. Fee-for-service programs.

Managed care provides states an opportunity to improve access to care. By monitoring access to providers and health plans and ensuring consumer satisfaction, managed care organizations can provide useful information for improving access and utilization.

Innovative policies may also help to insure the provision and sustainability of oral health services as a component of managed care. For example, provision of sealants through school-based health clinics is one way that some managed care organizations are implementing guidelines for providing sealants and requirements for providing outreach to communities.

The majority of low-income individuals, whether covered by Medicaid or private insurance, receive dental services in the private sector. As more Medicaid enrollees receive care in the private sector through Medicaid managed care initiatives, it will be increasingly important to ensure that private health care services meet the health care needs of low-income individuals.

ENROLLMENT AND UTILIZATION OF SERVICES BY MEDICAID ELIGIBLE PERSONS

Continued efforts to improve enrollment for Medicaid and use of dental services are important for three reasons.

First, there is poor dental provider participation in Medicaid. Insufficient dental provider participation contributes to low enrollment and utilization of dental services by Medicaid beneficiaries. The high administrative burden associated with voluminous paperwork and claims processing is another barrier to dental provider participation in Medicaid. Numerous studies have identified low dental reimbursement rates as a major reason for the lack of dental provider participation. Medicaid reimbursement varies by state.

Second, complicated enrollment processes and burdensome eligibility verification processes discourage enrollment and utilization of dental services by Medicaid beneficiaries.

Third, Medicaid beneficiaries place low prioritization on obtaining dental services, particularly preventive care. In 1993, a 50-state study of children and their use of preventive dental services by the DHHS Office of Inspector General revealed that none of the states provided preventive dental services to more than 50% of eligible children. In addition, three quarters of the states provided services to less than 30% of eligible children.

Fourth, Medicaid beneficiaries lack information concerning the benefits of dental services. Nearly a quarter of Medicaid-eligible adults do not know that dental care is provided through Medicaid.

POLICY RECOMMENDATIONS

Increase enrollment and utilization

- Simplify enrollment processes.
- Use local public health agencies to provide care coordination.
- Educate beneficiaries about dental services.
- Broaden eligibility criteria for dental services.

Increase provider participation

- Establish competitive reimbursements for dental services.
- Insure timely payment to providers.
- Institute a loan forgiveness/repayment program for providers who participate in Medicaid.
- Provide a higher match rate for Medicaid dental services and for all children's services.
- Create tax incentives for providers of dental services to Medicaid recipients.
- Increase the number of specialists (e.g., orthodontists) eligible for reimbursement under state Medicaid programs.

Simplify administrative processes

- Make CHIP administrative processes similar or identical to Medicaid processes to streamline effectiveness.
- Use standard claim forms and eliminate inconsistencies in federal requirements so that Medicaid claims processing is similar to that of private insurance companies.
- Increase federal and state monitoring and enforcement of EPSDT.
- Clarify Medicaid rules and regulations.
- Ensure that managed care contracts specify dental provisions.
- Adapt standard American Dental Association forms and codes.
- Reduce or eliminate prior authorization.

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