TESTIMONY OF

DENNIS SMITH, DIRECTOR

CENTER FOR MEDICAID & STATE OPERATIONS

CENTERS FOR MEDICARE & MEDICAID SERVICES

ON

"ISSUES WITH PEDIATRIC DENTAL SERVICES IN THE MEDICAID PROGRAM"

BEFORE THE

HOUSE OVERSIGHT & GOVERNMENT REFORM

SUBCOMMITTEE ON DOMESTIC POLICY

February 14, 2008

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

Testimony of Dennis G. Smith
Director, Center for Medicaid & State Operations
Centers for Medicare & Medicaid Services
on
Issues with Pediatric Dental Services
In the Medicaid Program
Before the
House Oversight & Government Reform
Subcommittee on Domestic Policy
February 14, 2008

Mr. Chairman, thank you for the opportunity to provide an update on the Centers for Medicare & Medicaid Services' (CMS) oversight of state performance and access to dental care for children who are served by the Medicaid program. There have been a number of important developments since my testimony before the Subcommittee in May 2007.

Background

Under the President's Budget released last week, Federal and State Medicaid spending for medical services is estimated to exceed $347 billion in Fiscal Year (FY) 2009, $2 trillion over the next five years, and $5 trillion over the next 10 years. Total Medicaid spending on children will exceed $400 billion over the next five years and $1 trillion over ten years, which is approximately 20 percent of total spending over these time periods. We serve more than 29 million children in the program. The estimated total cost per child for a full year on Medicaid for all services in FY 2009 is nearly $2,900. Medicaid payments for dental services are made both on a fee-for-service basis and through different types of managed care including both risk-based and non-risk based contracts

Medicaid is directly administered by the states. States enroll providers, set reimbursement rates, and negotiate managed care contracts. It is a matching program. Federal dollars follow state dollars. In general, we do not have separate authority to make direct grants

although Congress has periodically created specific grant programs such as the Medicaid Transformation Grants under the Deficit Reduction Act of 2005.

Review of Maryland Compliance

As you are aware, CMS performed a focused review of Maryland Medicaid dental services on October 18, 2007. In general, CMS found that although Maryland took steps in June 2007 to hold the managed care organizations (MCO) responsible for providing dental services to children, additional accountability and oversight was needed. The draft findings report that was issued to the Maryland Medicaid Director on November 28, 2007 included six findings and recommendations for which the state was to respond within 30 days. Recommendations centered on ensuring that information provided to beneficiaries on accessing dental services was easy to find and culturally appropriate; establishing an internal system to independently verify MCO dental provider directories; instructing MCOs to track and report on children not receiving dental services and to escalate steps to reach such children; documenting the oral health needs of special needs children and the adequacy of dental specialists to meet their needs; requiring MCOs to monitor and report on dental provider utilization; and conducting appropriate reviews to determine the need to initiate appropriate corrective actions, including sanctions, against any MCO not meeting contractual obligations.

Maryland's Medicaid Administration has acknowledged the inadequacies of their dental network and has taken steps to strengthen requirements placed on their MCOs. Our final report was submitted to Maryland last week and a copy was submitted to the Subcommittee. We will conduct a follow-up review when the state has had sufficient time to implement the various recommendations.

As the Subcommittee knows, Maryland formed a Dental Action Committee last June with community leaders. I understand that the Dental Action Committee has submitted a report to the General Assembly which ultimately is responsible for providing the necessary funding to support the recommendations for increased reimbursement.

Expanding the Reviews

States have made progress in increasing access to dental care for children in Medicaid. In 1996, only 1 in 5 children in families with income below 200 percent of the federal poverty level had a dental visit in the previous year according to data provided in *Healthy People 2010*. Current CMS Form-416 data for FY 2006 show that 1 in 3 individuals under age 21 received a dental service during the year. This is an increase of 10 percent since year 2003 data and a 22 percent increase from the year 2000 data. However, the national *Healthy People 2010* objective has set a target of the proportion of children who use the oral health care system each year at 56 percent. Clearly further progress is needed.

States monitor access to dental services through a variety of mechanisms including review of claims data to determine over or under utilization, review of Health Plan Employer Data and Information Set (HEDIS) performance measures related to dental access, monitoring hotline calls, reviewing grievances for complaints related to dental services and through discussions with dental providers in their areas.

There are limits to the information that is available from the current data collection systems at the national level. States submit aggregated data with respect to the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) program on CMS-416; this does not provide information on an individual basis so it is not possible to use it to produce longitudinal data to track individuals over multiple years. We have also made significant improvements in the Medicaid Statistical Information System (MSIS) which contains State-specific files. These files include individual/eligibility and service claim specific information when provided on a fee-for-service basis, but do not include such information for coverage through managed care plans. Given the significant proportion of children in Medicaid who are served through managed care plans, a longitudinal analysis would have severe gaps. Finally, it currently takes about two years for validated MSIS data with respect to a particular fiscal year to become available.

In our oversight role, we began a series of EPSDT dental reviews this week that will occur in 15 states between now and early April. CMS Central Office and Regional Office staffs have developed and been trained on a dental review protocol that will be used to assess state

efforts in seven key areas: informing families, periodicity schedules and interperiodic services, access to dental services, diagnosis and treatment services, support services, coordination of care, and data collection, analysis, and reporting. These 15 states have been identified as the states with the lowest percent of children receiving a dental service based on 2006 reporting. We expect to issue final reports to the states during the summer.

Strengthening the Medicaid Partnership in Dental Care

CMS has been working on several projects to improve access to dental care for Medicaid eligible children. Here are some of the actions that we have taken regarding our oversight of the program to increase access to quality dental care for children:

- I personally discussed oral health issues with the State Medicaid Directors at a June 2007 National Association of State Medicaid Directors' (NASMD) meeting and again with the Executive Committee in November 2007 and requested their assistance in renewing their focus on oral health care. Additionally, the Director of Quality, Evaluation and Health Outcomes was a presenter at the November 2007 NASMD meeting and addressed the importance of oral health access. As a result of these discussions, NASMD has agreed to convene an Oral Health Technical Advisory Group (TAG) with us. The TAG will address numerous issues related to oral health services including access and quality.
- The importance of CMS-416 reporting and access to dental care was highlighted with the States during a May 23, 2007 and January 23, 2008 meeting of the Quality Technical Advisory Group with State Medicaid Directors and their staffs. Additional discussions were held with the Medicaid Medical Directors during their November 8, 2007 and February 7, 2008 national meetings. On all of these occasions, CMS' expectations related to ensuring access to dental services were reinforced. During that time, states were also informed of the focused dental reviews that are underway.
- CMS held meetings with all the Regional EPSDT/Dental Coordinators on June 28, 2007 and January 23, 2008, to discuss the importance of providing technical assistance to and oversight of States in the area of CMS-416 reporting for EPSDT and dental services. We also gave direction on the sharing of best practices and the importance of monitoring activity within the States.

- We have worked aggressively to ensure the submission of dental services data on the CMS-416 so that we can continue to analyze and monitor progress in the provision of dental services. The 2006 data was due in April 2007. On June 14, 2007, we sent letters to 22 States that had not submitted complete EPSDT CMS-416 annual data for one or more years. In addition to sending formal requests for overdue data, the Regional Offices contacted these states to determine why the data had not been submitted and to provide technical assistance for problems with collection methodology. Because of these efforts, CMS received data from all but two states (ME and WV). We have issued a request for immediate resolution in those two states. We continue to work with three other states on the accuracy of their data.
- The Director of the Medicaid Quality Division of the Center for Medicaid and State Operations (CMSO) and the CMS Chief Dental Officer have held a series of meetings with the American Dental Association (ADA) to discuss access and quality measurement in dental care. They have also had a similar conversation with the American Academy of Pediatric Dentistry and the Medicaid and SCHIP Dental Association. As a result of these actions, they have been invited to serve as presenters at the National Oral Health Conference that will be held April 28-30, 2008. This conference is sponsored by the American Association of Public Health Dentistry and the Association of State and Territorial Dental Directors. This will present an excellent opportunity to share the findings from the CMS-416 data, share results from the focused dental reviews, and determine how to work together to improve access in the future and to keep the momentum going forward.
- CMS is also in discussion with the Association for Community Affiliated Plans (ACAP) to identify promising dental practices through their membership. ACAP is made up of 29 health plans including 12 Special Needs Plans, in 15 States, which are primarily focused on Medicaid, Medicare and SCHIP populations.
- CMS also holds a series of national Quality Teleconference Calls that averages over 400 participants from across the country. The Spring 2008 Quality Teleconference Call has been scheduled for April 3, 2008 and will focus on promising practices in children's dental care. This will include innovative approaches to financing dental care.

- On November 15, 2007, CMS sponsored an "all-state Medicaid dental managers" conference call to increase awareness of the issues related to payment for Medicaid pediatric dental services.
- Last year we also established a Medicaid Quality Improvement Goal to improve states' abilities to assess quality of care and move toward the development of a national framework for quality. We have developed a comprehensive state-specific Quality Assessment Report that provides an analysis of nearly every quality activity occurring in a state Medicaid or SCHIP program. Dental services are included among the various performance areas. We completed the Assessment Report for North Carolina and issued it to the State in January. We are currently awaiting a formal response from the State; however, preliminary feedback from the State was very positive and they indicated that this report will serve them well as a tool in their quality improvement efforts. We intend to expand the analysis to at least seven other states this year.
- CMS has created a Web site where we highlight "promising practices." We currently have dental promising practices posted from South Carolina, Tennessee, and Virginia and are working on information from several other States that we hope will also be disseminated via the Web page. The link to the promising practices Web page is: http://www.cms.hhs.gov/MedicaidSCHIPQualPrac/MSPPDL/list.asp#TopOfPage.

Conclusion

Together, these actions demonstrate our commitment to effective oversight and enforcement of access to dental care. We believe they will increase access including screening rates.

Compared to previous years, we have demonstrated steady progress in expanding use of dental services among children and in our ability to report such progress to the public. We know our work is not over and we must remain vigilant and proactive. Thank you again for the opportunity to speak with you today. I look forward to answering any questions you might have.