U.S. Department of Health and Human Services

Centers for Medicare & Medicaid Services
Region II

FINAL REPORT

New Jersey EPSDT Review Report
Dental Services
March 2008 Site Visit

Executive Summary

The Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit for children enrolled in Medicaid is intended to assure the availability and accessibility of required health care resources and to help children to effectively use them. Representatives from Regions I and II of the Centers for Medicare & Medicaid Services (CMS) conducted an on-site review of New Jersey's EPSDT benefit with a focus on dental services in March 2008. The purpose of the review was to determine what efforts New Jersey has made to address the rate of children's dental utilization in the State, and to make recommendations on additional actions New Jersey can take to increase these utilization rates. Specifically, the review team interviewed the State, managed care organizations, as well as a non-representative sample of providers, and conducted extensive document review in the areas of informing, periodicity, access, diagnosis and treatment services, support services, and coordination of care.

According to the 2006 CMS-416 report, there were approximately 580,000 children eligible for the EPSDT dental services in New Jersey. The provision of dental services is required under EPSDT. The data reported to CMS for fiscal year 2006 shows approximately 26 percent of children received a dental service in that year. The delivery systems of care are fee-for-service (FFS) and managed care. In New Jersey the managed care organizations (MCOs) are required to provide dental services to children enrolled in Medicaid. The majority of the children are mandatorily enrolled in an MCO. Children who are participating in a home and community based waiver, residing in an inpatient institution or a foster care residential facility, or awaiting adoption are not required to enroll in an MCO. If a child is not enrolled in an MCO, he/she will receive dental and medical services from FFS providers.

The State has implemented numerous mechanisms to address access and utilization to dental services. The State has established the New Jersey Division of Medical Assistance and Health Services (DMAHS) Dental Advisory Council. The Council objective is to advise the staff and the Medicaid Director about access, delivery, quality and provision of dental and oral health services to Medicaid beneficiaries. The State has implemented a quality improvement initiative, Oral Health Best Clinical and Administrative Practice (BCAP), in an attempt to improve the birth outcomes and birth status of children. In January 2008, the State increased the dental rates for FFS dental providers in an effort to increase provider participation in the Medicaid program.

Although the State has implemented various strategies to improve dental access, the utilization rate for Medicaid children remains low. The EPSDT Review team recognizes the State's challenges in ensuring utilization of dental services for children enrolled in Medicaid. We urge the State to accurately report their data on the CMS-416 and to continue communication and coordination of efforts among the DMAHS, managed care organizations, and New Jersey DMAHS Dental Advisory Council in the provision of dental services for the Medicaid population.

The review team identified one notable practice, which is noteworthy but unsupported by data to show effectiveness at this time.

Notable Practice

In order to enhance utilization and access to dental services for the Medicaid population, the State has implemented an Oral Health Best Clinical and Administrative Practice (BCAP). This quality improvement initiative is being used to improve the birth outcomes and birth status of children. Through the BCAP, a Pregnancy Risk Assessment (PRA) Screening tool was developed to address the possible association between periodontal disease in pregnant women and the low-birth weight and/or pre-term birth of their babies.

The review team has identified one finding and has four recommendations for the State.

Regulatory Findings

Finding: The State is not compliant with the regulations at Part 42 CFR 438.206, which requires each State to ensure that all covered services under the State plan are available and accessible to enrollees of MCOs.

Recommendation: The State must resolve the network deficiencies identified within the MCOs regarding the available of specialty providers. The State should continue to assure that MCOs follow the requirement to maintain appropriate dental access.

Additional Recommendations

- The State should review the Medicaid Managed Care Organizations Handbooks that is given to beneficiaries to ensure that information is presented in a clear and concise manner for all health plans.

- The State should provide additional information on EPSDT services to beneficiaries accessing dental services through the FFS network.

- The State should validate MCO encounter data to ensure appropriate identification of dental services provided to beneficiaries through their assigned managed care plans and to accurately report the data on the CMS 416.

General Recommendation

The State should ensure that beneficiaries receive reminders regarding the need for periodic dental services either from the State Medicaid Agency as part of the annual EPSDT informing requirement or directly from dental service providers.

New Jersey EPSDT Review Report
Focus on Dental Services
March, 2008 On-Site Visit

I. Background

The Early and Periodic Screening, Diagnostic and Treatment (EPSDT) program for children enrolled in Medicaid is intended to assure the availability and accessibility of required health care resources and to help children to effectively use them. Dental services are included in the EPSDT program coverage and there is a great deal of national interest in the provision of dental services to children covered by Medicaid.

CMS has conducted on-site reviews of children's dental services in 16 States. The States reviewed were selected based on the dental utilization rates reported by States to CMS on the CMS-416 annual report, which is used to report EPSDT program information. Primarily, the States reviewed had less than a 30 percent dental utilization rate for children. The State of New Jersey reported a utilization rate of 26 percent. These reviews were performed to determine what efforts states have made to address the rate of children's dental utilization in their state, and to make recommendations on additional actions states can take to increase these utilization rates and ensure compliance with Federal Medicaid regulations.

In addition, Congress has requested that CMS collect information regarding dental service utilization and delivery systems from all states. While CMS has conducted a number of onsite dental reviews in some states, we are collecting more limited dental information by telephone from all states.

II. Scope of Review

The EPSDT program consists of two mutually supportive operational components:

- Assuring the availability and accessibility of required health care resources, and;
- Helping Medicaid beneficiaries and their parents or guardians effectively use them.

The intent of the review was to examine and discuss the efforts New Jersey has taken to address the utilization rate of children's dental services and to make recommendations on additional actions that New Jersey can take to ensure compliance with the regulations and increase their rate of children's dental utilization.

New Jersey's review was performed by CMS representatives from Region I and II on March 11-13, 2008. The New Jersey Department of Human Services is the single State agency that administers the Medicaid program in New Jersey. During this on-site review, CMS

representatives met with the appropriate State staff from the Department of Human Services' Division of Medical Assistance and Health Services (DMAHS) to gain a better understanding of how the State ensures children receive dental benefits. Additionally, we interviewed representatives from two managed care organizations and four dental providers to gain their perspective about the Medicaid dental system in New Jersey. We also interviewed additional providers by telephone for a total of 10 dental provider interviews. As part of this review, we also reviewed data provided by the State, reviewed the EPSDT provider manuals, dental provider manual, managed care handbooks, and dental informing materials.

III. Introduction to New Jersey Dental Services for Children

The New Jersey Department of Human Services is the single State agency that administers the Medicaid program. The Division of Medical Assistance and Health Services (DMAHS) is responsible for the daily operation of New Jersey's Medicaid program.

The EPSDT benefit offers physicals, immunizations, and vision, hearing, and dental services/ .DMAHS uses various mechanisms to inform applicants and beneficiaries of the EPSDT benefit. The County Boards of Social Services/Welfare Agencies are required to inform Medicaid applicants and beneficiaries, whose eligibility is determined through that location, about EPSDT. When requested, the County Boards of Social Services/Welfare Agencies will assist the family with scheduling appointments and arranging transportation. If the child receives his/her eligibility through the State's health benefits coordinator, Affiliated Computer Services (ACS), the parent or caregiver is also notified of EPSDT. If the child is enrolled in a managed care organization (MCO), the parent or caregiver will receive a benefit package, which includes information about the EPSDT benefit, help with scheduling appointments and transportation assistance. The DMAHS Medical Assistance Customer Centers (MACCs) also provide EPSDT outreach material to applicants and beneficiaries.

As reported to CMS on the CMS 416 report, there were approximately 580,000 children under the age of 21 eligible for Medicaid in New Jersey during 2006. All of these children were eligible to receive dental benefits. Approximately, 26 percent of total Medicaid-eligible children received a dental service in 2006. In 2006, 90 percent of children enrolled in Medicaid were eligible to receive medical and dental care from a MCO, while the other 10 percent received care through fee-for-service (FFS).

IV. Review Descriptions, Findings, and Recommendations

Key Area I- Informing Families on EPSDT Services

Section 5121 of the State Medicaid Manual provides the requirements for informing Medicaid beneficiaries of the EPSDT program, including dental services, in a timely manner. Based on section 1902(a)(43) of the Act, States are to assure there are effective methods to ensure that all eligible individuals and their families know what services are available under the EPSDT program; the benefits of preventive health care, where services are available, how to obtain them, and that necessary transportation and scheduling assistance is available. Regulations at

42 CFR 438.10 require the State, its contractor, or health plans to provide information to all enrollees about how and where to access Medicaid benefits that are not covered under the managed care contract. No methodology is mandated to states to determine the "effectiveness" of their methods, nor are States required to measure "effectiveness" of their informing strategies. Informing is particularly important with respect to dental services since many families do not see dental services as a priority and may need additional information on these important services.

In New Jersey, DMAHS is responsible for informing beneficiaries of the availability of EPSDT services including dental services. The State designates ongoing responsibility of medical care to the MCOs for beneficiaries enrolled in one of the five managed care programs. Medicaid services are delivered to beneficiaries primarily through managed care plans. Beneficiaries not eligible to enroll in managed care continue to receive services through the state's fee for service network.

Applicants that apply for Medicaid at one of the State's eight MACCs, the County Boards of Social Services/Welfare Agencies or online through the state's New Jersey Family Care website are informed of the availability of EPSDT services and are given a EPSDT flyer, "Healthy Facts At A Glance." The Healthy Facts flyer outlines the importance of well-child checkups, vaccinations, lead screenings and dental visits; it also provides the periodicity schedule for children under the age of 20.

Applicants must select a managed care plan at the time of application. Beneficiaries determined eligible for Medicaid will be automatically enrolled in their plan of choice and are prospectively enrolled in their selected MCO typically on the first day of the following month after being found eligible for Medicaid. Beneficiaries will have the option of changing MCO plans if their selected plan does not meet their needs. Beneficiaries receive services through fee for services prior to managed care enrollment. Beneficiaries are locked into their selected MCOs for a one year period of time unless there is good cause to change plans.

New Jersey requires mandatory managed care enrollment for most children with the exception of a small population participating in a home and community based waiver, residing in an inpatient institution or a foster care residential facility, or awaiting adoption. Beneficiaries enrolled in managed care receive their dental services through their managed care networks. Beneficiaries have a minimum of three managed cared options from which to choose within most of the State's twenty-one counties.

The review team reviewed the managed care member handbook used by each plan pertaining to the availability of dental services under EPSDT. The review team found that the level of detail and information presented varied significantly among the MCO Member Handbooks. Some plans lack a detailed explanation of available dental services and the mandatory services available to EPSDT eligible children, while others noted the importance of the EPSDT program and outlined the dental services available to children eligible for EPSDT services.

- ***Recommendation #1*** –The State should review the Medicaid Managed Care Organization's Handbooks to ensure that information is presented in a clear and concise manner and in accordance with the terms of the State's managed care contract.

State Response:

HMO member handbooks are reviewed and approved by DMAHS on an annual basis. This is to ensure that the information in the handbook is clear and concise and in accordance with the terms specific to the managed care contract. The handbook must include a description of the EPSDT program, and language encouraging enrollees to make regular use of preventive medical and dental services in order to receive approval. All of the contracted HMOs are in compliance with this requirement. In addition to the member handbook, each HMO utilizes numerous marketing materials which have been reviewed and approved by DMAHS to address and promote EPSDT dental services. These materials include but are not limited to newsletter articles, reminder postcards, outreach scripts, and dental welcome letters as well as flyers, posters and presentations. The State will continue to encourage the HMOs to provide greater emphasis on dental care and services in their handbooks.

- ***Recommendation #2*** –The State should provide additional information on EPSDT dental services to beneficiaries accessing services through the fee for service network.

State Response:

The Division's Dental Unit is developing an educational tool on EPSDT dental benefits and oral health. Information on these benefits and the importance of oral health will be provided to those that work with our clients and as part of this process we will solicit their assistance in distributing this educational tool to our clients and their families. This will include but is not limited to:

- Primary Care Physicians, nurse practitioners and nurses
- Division of Youth and Family Services nurses
- Head Start workers
- Early Intervention staff serving the DDD population of children with special healthcare needs
- Heath care staff at Federally Qualified Health Centers and County Board of Social Services staff that determine eligibility for NJ FamilyCare Medicaid

The State will outreach all families with children where there is no evidence based on fee for service claim data that a dental visit occurred within a year. A letter regarding their EPSDT dental benefits will be sent and include the importance of oral health, early intervention and prevention.

Key Area II- Periodicity Schedule and Interperiodic Services

Section 5140 of the State Medicaid Manual provides the requirements for periodic dental services and indicates that distinct periodicity schedules must be established for each of these services. Sections 1905(a)(4)(B) and 1905(r) of the Act require that these periodicity schedules assure that at least a minimum number of examinations occur at critical points in a child's life.

The State's dental periodicity schedule recommends a referral to a dentist at the age of one and a mandatory referral for a child at the age of three or older. After the first oral exam, a routine exam should occur every six months until a child is 17 years of age, and annually for an EPSDT beneficiary who is 18 years of age or older.

- There are no recommendations for Periodicity Schedule and Interperiodic Services.

Key Area III- Access to Dental Services

The State must provide, in accordance with reasonable standards of dental practice, dental services to eligible EPSDT beneficiaries who request them. The services are to be made available under a variety of arrangements, in either the private or public sector. States are to assure maximum utilization of available resources to optimize access to EPSDT dental services, with the greatest possible range and freedom of choice for the beneficiaries and encouraging families to develop permanent provider relationships. When dental services are provided through a managed care arrangement, regulations require states to include contract language with plans to monitor over- and under-utilization, and to maintain and monitor a network of providers sufficient to provide adequate access. For all States, section 42 CFR 440.100 specifies that dental services are to be provided by, or under the supervision of, a dentist qualified under State law to furnish dental services. States may also utilize other oral health resources coverable under the Medicaid program.

In New Jersey, 90 percent of Medicaid eligible children are eligible to receive dental services through the State's managed care network. The remaining 10 percent receive dental benefits through the State's FFS network. Most of the State's five managed care plans provide state-wide coverage and must offer dental services to beneficiaries. Beneficiaries may receive FFS dental services prior to their managed care selection or when found to be exempt from managed care.

The State closely monitors their MCOs to ensure that access to dental services are available to beneficiaries and to make certain that each MCO maintains an appropriate provider network within each geographic service area. The MCOs are contractually obligated to maintain a 1:1500 ratio of providers to members, as defined in section 4.8.8 A-2 of the state's managed care contract.

During the team's review of the documents, we noticed that the State cited the MCOs on failure to meet network standards for dental providers. In May 2007, the State issued network deficiency notices to all five managed care plans regarding the lack of dental providers for certain Medicaid populations. The MCOs were required to submit a corrective action plan

(CAP). In September 2007, the State subsequently sent out notices in response to the CAP. We could not ascertain if the MCOs have resolved their network deficiencies.

Interviewed providers had varying experiences with fee-for-service and managed care arrangements. Some stated that some specialty services providers are more difficult to locate; however, the State's managed care plans identify a sufficient number of providers to meet beneficiary needs. In situations where a specialty provider is not within the MCO's Medicaid network, the MCO's will reach out to providers that participate within their commercial lines of business. One fee-for-service pediatric dentist who treats primarily disabled children indicated it was particularly difficult to find specialty providers willing to see his patients.

Some of the providers interviewed spoke more favorably of the FFS dental program citing increased reimbursements for services to children and simplified administrative processes. These providers were more critical of the managed care organizations citing that some plans take longer to process reimbursements, mandated additional administrative requirements and did not reimburse as much as under fee for service.

The review team identified one notable practice in the State. In order to enhance utilization and access to dental services for the Medicaid population, the State has implemented an Oral Health Best Clinical and Administrative Practice (BCAP). This quality improvement initiative is being used to improve the birth outcomes and birth status of children. Through the BCAP, a Pregnancy Risk Assessment (PRA) Screening tool was developed to address the possible association between periodontal disease in pregnant women and the low-birth weight and/or pre-term birth of their babies. Because the program is fairly new, there is no data to indicate how successful this effort has been. However, we believe it is worth noting.

- ***Finding #1*** –The State is not compliant with the regulations at Part 42 CFR 438.206, which requires each State to ensure that all covered services under the State plan are available and accessible to enrollees of MCOs.

- **Recommendation #3:** The State must resolve network deficiencies identified within the MCOs. The State should continue to its monitoring activities to ensure that MCOs adhere to the requirement to maintain appropriate dental access.

State Response:

The Division's Office of Quality Assurance continues to closely monitor the MCO provider networks to ensure adequate access to dental services and compliance with contract standards. With regard to specialty providers, the current contract standards require the MCOs to secure contracts with a minimum of two Orthodontists and two Oral Surgeons in each county within the MCO's area of operation, and establish relationships with Endodontists, Periodontists and Prosthodontists, where available. A comparison of the dental specialty deficiencies noted in September 2007 to those found in June 2008 revealed that all contract required and relationship required deficiencies had been adequately addressed by all five MCOs.

Key Area IV- Diagnosis and Treatment Services

Children under the age of 21 may receive additional benefits under EPSDT when determined to be medically necessary by the State. EPSDT requires that services for children under age 21 not be limited to services included in the State's Medicaid Plan, but only by what is coverable under section 1905(a) of the Act. Diagnostic services must fully evaluate any dental condition identified, while treatment services must ensure that health care is provided to treat or ameliorate the dental condition. Section 1902(a)(10) of the Social Security Act and regulations found at 42 CFR 440.240 require that services provided be comparable in amount, duration, and scope for all recipients within an eligibility group. Dental benefits are an optional service that states are not required to cover for adults.

No prior authorization is required for routine dental services for children. Prior authorization is required for selected orthodontic care, partial or full mouth dentures and periodontal treatment. The dental providers did not indicate a problem with the process for prior authorization.

- There are no recommendations for Diagnosis and Treatment.

Key Area V- Support Services

Section 5150 of the State Medicaid Manual indicates that the State is required to ensure that beneficiaries have adequate assistance in obtaining needed Medicaid services by offering and providing, if requested and necessary, assistance with scheduling appointments and non-emergency transportation. This includes the regulatory requirement of 42 CFR 431.53 mandating an assurance of transportation.

The County Boards of Social Services/Welfare Agencies will assist families with scheduling appointments and arranging transportation. In all New Jersey counties, beneficiaries can receive funds for public transportation and taxis. In addition, some counties have contracts with transportation vendors to provide non-emergency transportation. The non-emergency transportation information is shared with applicants when they apply for Medicaid. A Medicaid beneficiary must make an appointment for transportation within 36 hours of the medical appointment.

- There are no recommendations for Support Services.

Key Area VI- Coordination of Care

Regulations found at 42 CFR 438.208 require the coordination of health care services for all managed care enrollees. Section 5240 of the State Medicaid Manual describes the use of continuing care providers which encourages coordination of care.

The State requires MCOs to identify children that are overdue for EPSDT screens and to outreach to parent/caretakers to coordinate scheduling an appointment for such screens. The

State's managed care contracts require care coordination for beneficiaries enrolled within a managed care network.

The care coordination requirement directs MCOs to actively link beneficiaries to providers, medical services, residential, social and other support services as required. One of the MCOs interviewed described their outreach effort of calling beneficiaries after business hours and on the weekends. The MCO utilized their care coordination component to assist beneficiaries with locating a provider or specialist and following up to ensure that the beneficiary was able to access services.

Providers are implementing strategies to enhance coordination of care. One dental provider is implementing electronic medical records in an effort to coordinate with a child's primary care provider and/or hospital.

The State has a Dental Advisory Council that assists the State with identifying and coordinating services for the Medicaid population with special health care needs. The Council is also looking at the quality of care and how to improve it.

- There are no recommendations for Coordination of Care.

Key Area VII-Data Collection, Analysis and Reporting

Section 2700 of the State Medicaid Manual delineates EPSDT reporting requirements, consisting of the annual CMS-416 report. This report requires States to report by age groupings the number of children receiving medical and dental services. The CMS 416 includes three separate lines of dental data as defined by CDT codes: the number of children receiving any dental service, the number of children receiving a preventive dental service, and the number of children receiving a dental treatment services. The CMS-416 report is to be submitted no later than April 1 after the end of the federal fiscal year. The Centers for Medicare and Medicaid Services uses this report to monitor children's utilization of medical and dental services on a State by State basis. According to the State and representatives from an MCO, the CMS-416 report is not accurately reflecting the services provided to beneficiaries. State and MCO officials both expressed concerns that EPSDT/dental visits were not being captured on the CMS 416. The EPSDT/dental services may have been omitted during the interpretation of managed care encounter data. The State continues to provide timely submission of their CMS-416.

- ***Recommendation # 4-*** The State should validate MCO encounter data to ensure appropriate identification of dental services provided to beneficiaries through their assigned managed care plans and to accurately report the data on the CMS 416.

State Response:

The State has formed an Encounter Data Monitoring Unit (EDMU) whose primary responsibility is to monitor the submission of HMO encounter data for consistency, completeness, and accuracy.

The EDMU has developed methods and measures to ensure that the encounter data being submitted are: 1) free from errors and unduplicated; and 2) complete when compared to established benchmarks based on, but not limited to, all-plan averages, contractual obligations, and national standards.

Specific categories of service, including EPSDT dental, are monitored monthly. Where aberrations occur, HMOs are required to provide explanation and/or submit any missing encounters. Dental encounters are readily recognized via combinations of CDT codes and HIPAA transaction type.

Attached is the criteria used by Unisys for selection of dental claims for the "Form CMS-416: Annual EPSDT Participation Report". This logic applies to all claims FFS and encounters and is what we have in the system today. This data is used for creating line 12A thru C in the CMS 416 report. The guidelines set forth by CMS regarding data collection of any dental services, preventive dental services and dental treatment services are currently being met.

V. Conclusion

Most Medicaid eligible children in the State of New Jersey receive their dental services through managed care arrangements. During the review, it was evident that the State has a process in place to monitor its MCOs. However, it was unclear whether these oversight efforts have improved provider networks to the point where MCOs were meeting their contractual requirements. The State's response to our recommendation and finding indicated that the network deficiencies have been adequately addressed.

CMS acknowledges the State's efforts to help ensure Medicaid and NJ FamilyCare's beneficiaries have access to quality dental care. We look forward to working in partnership with the State to improve EPSDT dental services for children. The CMS review team made recommendations in the areas of informing, access, data collection, analysis, and reporting as to specific actions the State of New Jersey should take to increase the utilization of dental services for children. We recognize the State's action to address the recommendations. While the State has made efforts to increase utilization, they are insufficient if less than 30 percent of children are accessing dental services as indicated on the CMS-416 form. The State should continue their efforts in addressing the recommendations detailed in this report to enhance utilization rates for Medicaid children's dental services.

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Managed Care Organizations

NJ Horizon Health
Americhoice