

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 547

(Delegate R. Lewis)

Health and Government Operations

Finance

Maryland Medical Assistance Program – Dental Prophylaxis Care and Oral
Health Exams

This bill prohibits Medicaid, beginning January 1, 2022, from including a frequency limitation on covered dental prophylaxis care (dental cleanings) or oral health exams that requires those services to be provided at an interval greater than 120 days within a plan year. Thus, Medicaid may require that dental preventive care be limited to no more than once every four months. This prohibition is subject to federal approval and the limitations of the State budget.

Fiscal Summary

State Effect: To the extent the bill increases the amount of dental prophylaxis or oral health exams provided to Medicaid enrollees, Medicaid expenditures (54% federal funds, 46% general funds) increase beginning in FY 2022, as discussed below. Federal fund revenues increase accordingly. **This bill increases the cost of an entitlement program beginning in FY 2022.**

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Comprehensive dental coverage is mandatory for children enrolled in Medicaid. However, dental benefits for most Medicaid-eligible adults are optional. The Maryland Healthy Smiles Dental Program covers children younger than age 21, former foster care recipients younger than age 26, pregnant women age 21 and older, and adults

enrolled in the Rare and Expensive Case Management (REM) program. For other Medicaid enrollees, dental coverage is only for emergency care. For enrollees in managed care organizations (MCOs), some limited dental benefits are offered on a voluntary basis by MCOs, but costs associated with those benefits are not reimbursed by Medicaid.

Chapter 621 of 2018 required the Maryland Department of Health to establish a pilot adult dental program. In response, Medicaid proposed a limited benefit program (basic diagnostic and preventive coverage with limited restorative and extractive services) for adults ages 21 to 64 who are dually eligible for both Medicare and Medicaid (“dual-eligibles”). The program began in June 2019.

Under § 15-135.1 of the Insurance Article, insurers, nonprofit health service plans, health maintenance organizations, and dental plan organizations that provide dental benefits on an expense-incurred basis may not impose a frequency limitation that requires such care be provided at an interval greater than 120 days during a plan year.

State Fiscal Effect: Under the Maryland Healthy Smiles Dental Program, dental prophylaxis is limited to one per patient every three months for children and adults in REM, and one per patient every six months for all other children, former foster care youth, and pregnant women. Periodic oral evaluations are limited to one per patient per provider or location per six-month period for all patients. Under the pilot adult dental program, dental prophylaxis care is limited to one per patient per six-month period. Periodic oral evaluations are also limited to one per patient per six-month period. All nine MCOs cover dental prophylaxis and oral examinations twice a year; however, as noted above, this coverage is provided on a voluntary basis.

Impact on Dental Costs for Adults in Medicaid

As adults in REM may currently receive dental prophylaxis once every three months and services under the adult dental pilot program are limited to an \$800 benefit allowance per year, the bill likely has no meaningful impact on Medicaid expenditures for dental services for adults.

Impact on Dental Costs for Children in Medicaid

According to Medicaid, in calendar 2019, 408,862 children ages 4 to 20 with any length of Medicaid enrollment received a preventive or diagnostic dental service (55.8% of the 733,128 children enrolled). For those with at least 320 days of enrollment in Medicaid, 63.8% of children received a preventive or diagnostic dental service. Medicaid advises that utilization of preventive services by children increases under the bill. Specifically, Medicaid estimates that an additional 58,847 children ages 4 to 20 will receive preventive services under the bill, including one additional oral evaluation and prophylaxis per year

at a cost of \$71.45. Thus, Medicaid expenditures increase by \$4.6 million (54% federal funds, 46% general funds) annually.

The Department of Legislative Services disagrees and notes that, while utilization may increase, the extent of such an increase cannot be reliably estimated but is not likely to be as significant.

For illustrative purposes only, based on calendar 2019 data, if an additional 1% of children who received preventive services in calendar 2019 receive one additional oral evaluation and prophylaxis under the bill, Medicaid expenditures increase by \$292,132 (\$134,381 in general funds) annually; if an additional 5% of children receive one additional oral evaluation and prophylaxis under the bill, Medicaid expenditures increase by \$1.5 million (\$671,903 in general funds) annually; if an additional 10% of children receive one additional oral evaluation and prophylaxis under the bill, Medicaid expenditures increase by \$2.9 million (\$1.3 million in general funds) annually. Federal fund revenues increase accordingly.

Small Business Effect: Small business dental providers benefit from the ability to provide dental prophylaxis and oral health exams more frequently.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 485 (Senator Augustine) - Finance.

Information Source(s): Maryland Department of Health; Department of Legislative Services

Fiscal Note History: First Reader - February 5, 2021
rh/ljm Third Reader - March 2, 2021

Analysis by: Jennifer B. Chasse

Direct Inquiries to:
(410) 946-5510
(301) 970-5510