

Department of Legislative Services
 Maryland General Assembly
 2015 Session

FISCAL AND POLICY NOTE

Senate Bill 431 (Senator Klausmeier)
 Finance

Public Health - Dental Services for Adults - Coverage and Access

This bill requires Medicaid, beginning July 1, 2016, to provide a dental service to a postpartum woman during the period the postpartum woman is eligible for medical benefits. The provision of this benefit is subject to the limitations of the State budget.

The Department of Health and Mental Hygiene, in conjunction with the Maryland Health Benefit Exchange (MHBE) and the Maryland Insurance Administration (MIA), must work with stakeholders to identify short- and long-term options for expanding access to dental services for adults, including older adults, and report its findings to specified committees of the General Assembly by December 31, 2015.

Fiscal Summary

State Effect: Medicaid expenditures increase by as much as \$25,000 (50% general funds, 50% federal funds) in FY 2016 to prepare the required report (considered an administrative cost) and an estimated \$1.1 million (50% general funds, 50% federal funds) beginning in FY 2017 to provide postpartum dental services. Federal fund revenues increase correspondingly. Future years reflect enrollment growth, inflation, and specified eligibility limitations.

(in dollars)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FF Revenue	\$12,500	\$561,000	\$566,600	\$572,300	\$578,000
GF Expenditure	\$12,500	\$561,000	\$566,600	\$572,300	\$578,000
FF Expenditure	\$12,500	\$561,000	\$566,600	\$572,300	\$578,000
Net Effect	(\$12,500)	(\$561,000)	(\$566,600)	(\$572,300)	(\$578,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Meaningful for dental providers.

Analysis

Current Law: Medicaid generally covers individuals (including pregnant women) with incomes up to 138% of federal poverty guidelines (FPG). Pregnant women with incomes between 138% FPG and 250% FPG may qualify for Medicaid based on their pregnancy under the “SOBRA” category. The Governor’s proposed fiscal 2016 budget assumes ending SOBRA coverage for pregnant women with incomes over 185% FPG, effective January 1, 2016.

Though Medicaid dental coverage for adults is extremely limited, pregnant women receive comprehensive dental services as specified in Code of Maryland Regulations 10.09.05.04. Dental services are provided to improve the outcome of the pregnancy. Following delivery, coverage of dental services is terminated. Women with incomes up to 138% FPG remain in Medicaid, provided they continue to qualify based on income. SOBRA women maintain their Medicaid eligibility for a 60-day postpartum period. SOBRA women with family incomes less than 200% FPG are automatically enrolled in the Family Planning Program following termination of postpartum Medicaid benefits.

Background: At least three other states (California, Vermont, and Washington) provide Medicaid dental coverage for a 60-day postpartum period.

In October 2013, the National Conference of State Legislatures sponsored a meeting, *Identifying State Health Priorities to Ensure Healthy Families: Using Limited Dollars Wisely*. Attendees from Maryland identified a variety of health issues facing the State and several primary goals, including increasing access to and coverage of dental care. The attendees suggested that one step would be to amend statute to allow for continuity of care for existing dental needs and completion of a dental plan during the postpartum period for Medicaid enrollees.

State Expenditures: Medicaid expenditures increase by as much as \$25,000 (50% general funds, 50% federal funds) in fiscal 2016, which reflects the bill’s October 1, 2015 effective date. This estimate reflects the cost to hire a contractor to work with MHBE and MIA and convene stakeholders to identify short- and long-term options for expanding access to dental services for adults, including older adults. Medicaid advises that outside contractual services are required to complete the report within the allotted three-month timeframe.

Medicaid expenditures increase by \$1,121,955 (50% general funds, 50% federal funds) in fiscal 2017, which reflects the July 1, 2016 date that coverage must begin. This estimate

reflects the cost of providing 60 days of postpartum dental coverage for women. The information and assumptions used in calculating this estimate are stated below:

- The Governor's proposed fiscal 2016 budget assumes ending coverage for pregnant women with incomes over 185% FPG, effective January 1, 2016; therefore, women with incomes at or above 185% FPG will no longer qualify.
- Approximately 22,594 pregnant women receive services through Medicaid annually, of which 21,153 (94%) have incomes up to 185% FPG.
- In fiscal 2017, 21,153 women receive 60 days of postpartum dental coverage (equivalent to 42,306 member months).
- The cost of dental services to postpartum women is \$26.52 per member per month for fiscal 2017 (although dental services are provided on a fee-for-service, not a capitated basis).

Future years reflect 1% enrollment/inflation growth and assume that SOBRA coverage of pregnant women remains limited to 185% FPG.

To the extent that coverage is restored for SOBRA women with incomes between 185% FPG and 250% FPG (an estimated 1,441 women), Medicaid expenditures increase by an additional \$76,431 (50% general funds, 50% federal funds) in fiscal 2017, rising to \$78,747 (50% general funds, 50% federal funds) in fiscal 2020.

Additional Information

Prior Introductions: Bills with similar provisions, SB 695 and HB 792 of 2014, were heard by the Senate Finance and House Health and Government committees, but no further action was taken on either bill.

Cross File: HB 355 (Delegate Kelly) - Health and Government Operations.

Information Source(s): Department of Health and Mental Hygiene, Department of Legislative Services

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