

Department of Legislative Services
 Maryland General Assembly
 2015 Session

FISCAL AND POLICY NOTE

House Bill 858 (Delegate Pena-Melnyk, *et al.*)
 Health and Government Operations

**Maryland Medical Assistance Program - Former Foster Care Adolescents -
 Dental Care**

This bill requires Medicaid, subject to limitations of the State budget, to provide dental care to former foster care adolescents who were in foster care in Maryland on their eighteenth birthday. Medicaid is *authorized* to provide such benefits to former foster care adolescents who were in foster care in other states or the District of Columbia on their eighteenth birthday.

Fiscal Summary

State Effect: General fund Medicaid expenditures increase by as much as \$474,500 in FY 2016 to provide full dental benefits to former foster care individuals ages 21 to 25. If the Department of Health and Mental Hygiene (DHMH) obtains a federal waiver to expand dental services to this population, 50% federal matching funds are available and general fund expenditures are reduced by half. Future years reflect growth in enrollment, utilization, and inflation.

(in dollars)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
FF Revenue	-	-	-	-	-
GF Expenditure	\$474,500	\$731,800	\$834,700	\$941,300	\$1,051,900
FF Expenditure	-	-	-	-	-
Net Effect	(\$474,500)	(\$731,800)	(\$834,700)	(\$941,300)	(\$1,051,900)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: Medicaid is required, subject to the limitations of the State budget and as permitted by federal law, to provide comprehensive medical care and other health care services for former foster care adolescents who, on their eighteenth birthday, were in foster care in Maryland. These services are optional for former foster care youth who, on their eighteenth birthday, were in foster care in another state or the District of Columbia.

Chapter 159 of 2013 expanded Medicaid eligibility, effective January 1, 2014, to former foster care individuals up to age 26. Former foster care individuals are eligible for Medicaid regardless of their income at any time up to age 26. Former foster care adolescents are eligible for dental services as an Early and Periodic Screening, Diagnostic, and Treatment benefit until they turn 21. Dental benefits are not covered from age 21 through 25.

Dental coverage for children in Medicaid and the Maryland Children's Health Program is mandatory. However, dental coverage for adults is an optional service. Maryland Medicaid covers medically necessary dental services for individuals younger than age 21, pregnant women, and individuals age 21 and older in the Rare and Expensive Case Management program. These dental services are provided as a HealthChoice carve-out through an administrative services organization model. Although not required to be provided (and not included in rates), each of the HealthChoice managed care organizations voluntarily provides a limited adult dental benefit.

State Fiscal Effect: General fund Medicaid expenditures increase by as much as \$474,500 in fiscal 2016, which accounts for the bill's October 1, 2015 effective date. This estimate reflects the cost to provide full dental benefits to former foster care individuals ages 21 through 25. The information and assumptions used in calculating the estimate are stated below:

- 2,171 former foster care individuals ages 21 through 25 were enrolled in Medicaid in calendar 2014;
- enrollment of former foster care individuals is anticipated to increase by a net of 336 individuals annually (which reflects both aging in and aging out as well as increased enrollment by individuals who are already eligible but not yet enrolled – equal to 25% of the total number of foster care adolescents enrolled in Medicaid on their eighteenth birthday);

- the average per member per month cost to provide full dental benefits to former foster care individuals is \$21.03;
- 2,507 former foster care individuals receive full dental benefits in fiscal 2016 at a nine-month cost of \$189.27 per enrollee; and
- increased Medicaid expenditures of \$474,500 will be paid with 100% general funds.

Extending full dental services exclusively to former foster care youth is not permitted under Medicaid without a waiver from the federal Centers for Medicare and Medicaid Services. Enhanced benefits may only be targeted toward children or pregnant women. If DHMH obtains a waiver, 50% federal matching funds will be available, thereby reducing general fund expenditures by half. Under a waiver, general fund expenditures range from \$237,250 in fiscal 2016 to \$525,975 in fiscal 2020.

Future years reflect continued annual enrollment growth and a 2% increase in the cost of dental services to account for utilization and inflation growth.

Additional Information

Prior Introductions: None.

Cross File: Although designated as a cross file, SB 141 (Senator Pugh, *et al.* – Finance) is not identical.

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

Fiscal Note History: First Reader - March 6, 2015
min/ljm

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