

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

Senate Bill 695

(Senator Klausmeier, *et al.*)

Finance

Maryland Medical Assistance Program - Dental Services for Postpartum Women - Coverage

This bill requires Medicaid, subject to the limitations of the State budget, to provide a dental service to an eligible postpartum woman if the service (1) was included in a treatment plan developed by a dentist for the woman during pregnancy and (2) is provided to the woman within 90 days after the end of the pregnancy.

Fiscal Summary

State Effect: Medicaid expenditures increase by at least an estimated \$512,300 (50% general funds, 50% federal funds) in FY 2015 to provide dental services as required under the bill, assuming a delay to obtain the necessary amendment for expansion of coverage. Federal fund revenues increase correspondingly. Medicaid expenditures increase by at least \$2.2 million (50% general funds, 50% federal funds) in FY 2016, which reflects annualization, enrollment growth, and inflation.

(\$ in millions)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
FF Revenue	\$0.3	\$1.1	\$1.2	\$1.2	\$1.2
GF Expenditure	\$0.3	\$1.1	\$1.2	\$1.2	\$1.2
FF Expenditure	\$0.3	\$1.1	\$1.2	\$1.2	\$1.2
Net Effect	(\$0.3)	(\$1.1)	(\$1.2)	(\$1.2)	(\$1.2)

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

Local Effect: None.

Small Business Effect: Meaningful. Dental providers are able to complete treatment plans with postpartum Medicaid patients and receive reimbursement for such services.

Analysis

Current Law: Medicaid generally covers individuals (including pregnant women) with family incomes up to 138% of federal poverty guidelines (FPG). A pregnant woman with a family income between 138% FPG and 264% FPG may qualify for Medicaid based on her pregnancy under the “SOBRA” category.

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 their 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 at least an estimated \$533,866 (50% general funds, 50% federal funds) in fiscal 2015, which reflects a six-month start-up delay. This estimate reflects the cost of providing 90 days of postpartum dental coverage for women who have a treatment plan developed by a dentist during their pregnancy. The information and assumptions used in calculating this estimate are stated below:

- The Department of Health and Mental Hygiene (DHMH) is able to obtain an amendment to the § 1115 HealthChoice Demonstration to expand coverage.
- Although the bill takes effect October 1, 2014, it takes six months to secure approval of an amendment; thus, coverage as specified under the bill does not begin until April 1, 2015.

- Approximately 21,000 pregnant women are enrolled in Medicaid annually.
- Medicaid enrollment is expected to grow by 4.2% in fiscal 2015.
- About 30.7% of these women receive a dental service (6,447).
- The cost of providing dental services to these pregnant women in Medicaid equates to \$40.66 per member per month for all pregnant women (although dental services are provided on a fee-for-service, not a capitated basis).
- As only a subset of those women who used dental services during their pregnancy will have a treatment plan developed by a dentist, the cost of services declines by *at least 20%* to an estimated \$32.53 per member per month.
- Thus, the cost to extend dental coverage to postpartum women with a dental treatment plan is \$533,866 for the last quarter of fiscal 2015 only, or \$2.1 million on an annualized basis (50% general funds, 50% federal funds).

In fiscal 2016, Medicaid expenditures increase by at least \$2,247,405 (50% general funds, 50% federal funds), which also reflects 4.2% enrollment growth and 1% inflation. Future years reflect 1.8% annual enrollment growth and 1% inflation.

DHMH advises that Medicaid eligibility for SOBRA women (those who qualify categorically because of their pregnancy) is limited by federal law to a period of 60 days postpartum. To receive federal matching funds for expanding dental coverage to 90 days, the department would need to apply for an amendment to the § 1115 HealthChoice demonstration. If granted, the State could receive federal matching funds for this population. Otherwise, the State would have to use general funds only for the final 30 days at additional cost to the State.

Furthermore, in addition to the cost of providing dental coverage for a 90-day postpartum period, there would be significant administrative costs to alter the department's eligibility systems to ensure continued eligibility for services beyond the current 60-day period and for dental services only. Actual costs cannot be reliably estimated at this time and, thus, are not included in the estimate above.

Additional Information

Prior Introductions: None.

Cross File: HB 792 (Delegate A. Kelly, *et al.*) - Health and Government Operations.

Information Source(s): Department of Health and Mental Hygiene, National Conference of State Legislatures, Department of Legislative Services

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