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Fiscal Note

2015-2016 Legislative Session

HF2614 - 2A - "MA Coverage of Oral Health Assessments"

Chief Author: **Nick Zerwas**
 Committee: **Health and Human Services Finance**
 Date Completed: **04/10/2016**
 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
Health Care Access	-	-	21	128	179	
General Fund	-	-	91	498	678	
Total	-	-	112	626	857	
Biennial Total			112		1,483	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Health Care Access	-	-	-	-	-
General Fund	-	-	-	-	-
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Ahna Minge Date: 4/10/2016 12:23:00 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Health Care Access	-	-	21	128	179
General Fund	-	-	91	498	678
Total	-	-	112	626	857
Biennial Total			112		1,483
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Health Care Access	-	-	21	128	179
General Fund	-	-	91	498	678
Total	-	-	112	626	857
Biennial Total			112		1,483
2 - Revenues, Transfers In*					
Health Care Access	-	-	-	-	-
General Fund	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

This bill adds coverage for oral health screenings in the Medical Assistance and MinnesotaCare programs and adds to the current statutory definition of providers eligible for the 9.65 percent rate increase for dental services currently paid to providers located outside the seven county Minneapolis Saint Paul metropolitan area.

Section one adds oral health screenings to the covered services under Minnesota Statutes 256B.0625. Coverage for screenings is limited to once per patient per year. Services must be provided in a community setting, and providers are required to arrange follow up services with a licensed dentist.

Section two adds to the current definition of providers eligible for the 9.65 percent dental rate increase in Minnesota Statutes section 256B.76. The rate increase currently applies to dental services rendered by dental providers located outside the seven county metro area. Under this language, this rate increase will also apply to all dental services provided by mobile clinics when providing onsite face to face services at a location outside the seven county metro effective January 1, 2017.

Assumptions

Section one of the bill adds coverage for oral health screenings. This estimate assumes that 25 percent of enrolled children and 10 percent of enrolled adults will receive oral health screenings at a cost of \$9.35 per service. Adding this new covered service would result in an increase in total dental payments for MA and MinnesotaCare of approximately 1.28 percent.

Under Minnesota Statutes 256B.69 sub. 5a, requirements applicable to managed care programs under 256B and 256L established after the date of the contract take effect when the contract is next issued or renewed. Because this language does not specify an effective date for the new covered service in managed care, this estimate assumes January 1, 2017 effective date for screenings in managed care and assumes the July 1, 2016 effective date of the bill for the added coverage in fee for service.

Section two of the bill changes the definition of providers eligible for the 9.65 percent dental rate increase in section 256B.76. This estimate assumes that the rate increase will apply to providers currently receiving the increase and,

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effective January 1, 2017 additional dental providers when rendering mobile dental services outside the metro area. Based on department data and data from dental providers, it is estimated that approximately .07 percent of fee for service dental payments and .02 percent of managed care payments are for mobile dental services that would receive this increase.

MN-IT staff reviewed this legislation for impacts to DHS information technology (IT) systems. Applying the rate increase to mobile dental services provided outside of the metro area requires work within DHS claims payment systems. The cost of systems work needed to implement this change is reflected in this estimate.

Expenditure and/or Revenue Formula

Section 1: Oral Health Assessments					
Cover Oral Health Assessments					
Percent change in dental pmts (FY2017):		0.32%			
Percent change in dental pmts (FY2018):		0.96%			
Percent change in dental pmts (FY2019):		1.28%			
			FY 2017	FY 2018	FY 2019
Months of fiscal effects:					
(Assumes a 2 month lag for FFS)					
Fee for service			10	12	12
Managed care			5	12	12
February 2016 Forecast			FY 2017	FY 2018	FY 2019
Medical Assistance					
FFS dental payments					
MA Elderly and Disabled			\$10,932,523	\$11,723,810	\$12,549,039
MA Adults without Kids			\$4,453,346	\$4,419,707	\$4,600,680
MA Families with Children			\$15,074,662	\$15,682,537	\$16,438,454
February 2016 Forecast			FY 2017	FY 2018	FY 2019
Medical Assistance					
Managed care: proportion for dental					
MA Elderly and Disabled			\$16,488,592	\$18,211,878	\$18,073,980
MA Adults without Kids			\$18,820,359	\$18,497,592	\$19,382,455
MA Families with Children			\$44,339,148	\$48,841,087	\$47,573,282

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Section 1: Oral Health Assessments						
February 2016 Forecast				FY 2017	FY 2018	FY 2019
MinnesotaCare						
Managed care: proportion for dental			\$12,541,455	\$12,257,769	\$12,622,218	
Fiscal Impact of Covering Oral Health Assessments						
Medical Assistance						
				FY 2017	FY 2018	FY 2019
MA Elderly and Disabled FFS						
				\$29,129	\$112,455	\$160,494
MA Elderly and Disabled HMO						
				\$21,966	\$174,688	\$231,154
MA Elderly and Disabled HMO perf. pmt.						
				\$0	\$1,114	\$9,657
Total				\$51,095	\$288,257	\$401,304
Federal share %				50.00%	50.00%	50.00%
Federal share				\$25,548	\$144,128	\$200,652
State Share				\$25,548	\$144,128	\$200,652
MA Adults w. no Children FFS						
				\$11,866	\$42,394	\$58,840
MA Adults w. no Children HMO						
				\$25,073	\$177,429	\$247,888
MA Adults w. no Children HMO perf. pmt						
				\$0	\$1,272	\$9,908
Total				\$36,939	\$221,094	\$316,636
Federal share %				97.50%	94.50%	93.50%
Federal share				\$36,015	\$208,934	\$296,055
State Share				\$923	\$12,160	\$20,581
MA Families with Children FFS						
				\$40,166	\$150,427	\$210,237
MA Families with Children HMO						
				\$59,070	\$468,483	\$608,430
MA Families with Children HMO perf. pmt						
				\$0	\$2,996	\$25,739
Total				\$99,235	\$621,906	\$844,405
Federal share %				50.00%	50.00%	50.00%
Federal share				\$49,618	\$310,953	\$422,203
State Share				\$49,618	\$310,953	\$422,203

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Section 1: Oral Health Assessments					
Total MA State Share			\$76,089	\$467,242	\$643,436
MinnesotaCare			FY 2017	FY 2018	FY 2019
Mncare HMO			\$16,708	\$117,576	\$161,430
Mncare HMO Perf. Pmt.			\$0	\$848	\$6,523
Total			\$16,708	\$118,424	\$167,952

Section 2 Rate Increase					
Percent change:	9.65%				
			FY 2017	FY 2018	FY 2019
Months of fiscal effects:					
(Assumes a 2 month lag for FFS)					
Fee for service			4	12	12
Managed care			5	12	12
February 2016 Forecast			FY 2017	FY 2018	FY 2019
Medical Assistance					
FFS selected services					
MA Elderly and Disabled			\$7,508	\$8,052	\$8,619
MA Adults without Kids			\$3,058	\$3,035	\$3,160
MA Families with Children			\$10,353	\$10,771	\$11,290
February 2016 Forecast			FY 2017	FY 2018	FY 2019
Medical Assistance					
Managed care: proportion for selected services					
MA Elderly and Disabled			\$174,942	\$196,018	\$196,180
MA Adults without Kids			\$233,585	\$233,134	\$245,606
MA Families with Children			\$314,687	\$364,293	\$361,388
February 2016 Forecast			FY 2017	FY 2018	FY 2019

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Section 2 Rate Increase					
MinnesotaCare					
Managed care: proportion for selected services			\$98,642	\$100,442	\$105,088
Impact of Rate Increase					
Medical Assistance					
			FY 2017	FY 2018	FY 2019
MA Elderly and Disabled FFS			\$242	\$777	\$832
MA Elderly and Disabled HMO			\$7,034	\$18,916	\$18,931
MA Elderly and Disabled HMO perf. pmt.			\$0	\$357	\$1,214
Total			\$7,276	\$20,050	\$20,977
Federal share %			50.00%	50.00%	50.00%
Federal share			\$3,638	\$10,025	\$10,489
State Share			\$3,638	\$10,025	\$10,489
MA Adults w. no Children FFS			\$98	\$293	\$305
MA Adults w. no Children HMO			\$9,392	\$22,497	\$23,701
MA Adults w. no Children HMO perf. pmt			\$0	\$476	\$1,481
Total			\$9,490	\$23,267	\$25,487
Federal share %			97.50%	94.50%	93.50%
Federal share			\$9,253	\$21,987	\$23,831
State Share			\$237	\$1,280	\$1,657
MA Families with Children FFS			\$333	\$1,039	\$1,089
MA Families with Children HMO			\$12,653	\$35,154	\$34,874
MA Families with Children HMO perf. pmt			\$0	\$642	\$2,206
Total			\$12,986	\$36,835	\$38,170
Federal share %			50.00%	50.00%	50.00%
Federal share			\$6,493	\$18,418	\$19,085
State Share			\$6,493	\$18,418	\$19,085
Total MA State Share			\$10,368	\$29,722	\$31,230

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Section 2 Rate Increase					
MinnesotaCare			FY 2017	FY 2018	FY 2019
Mncare HMO			\$3,966	\$9,693	\$10,141
Mncare HMO Perf. Pmt.			\$0	\$201	\$624
Total			\$3,966	\$9,894	\$10,765

Fiscal Summary					
			FY 2017	FY 2018	FY 2019
General Fund					
Oral health assessments			\$76,089	\$467,242	\$643,436
Rate increase for outstate services			\$10,368	\$29,722	\$31,230
Total MA State Share			\$86,457	\$496,964	\$674,666
HCAF					
Oral health assessments			\$16,708	\$118,424	\$167,952
Rate increase for outstate services			\$3,966	\$9,894	\$10,765
Total MnCare			\$20,674	\$128,318	\$178,718

Fiscal Tracking Summary (\$000s)						
Fund	BACT	Description	FY2016	FY2017	FY2018	FY2019
GF	33 FC	MA Grants		86	497	677
HCAF	31	MinnesotaCare Grants		21	128	179
GF	11	Systems (MMI S State Share @ 29%)		5	1	1
		Total Net Fiscal Impact		121	626	857
		Full Time Equivalent				

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Long-Term Fiscal Considerations

As shown

Local Fiscal Impact

None

References/Sources

DHS February, 2016 Forecast

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