

Report on Dental Access and Reimbursement



**Virginia Department of Medical Assistance Services
December 2004**

INTRODUCTION

The 2004 Session of the General Assembly charged the Department of Medical Assistance Services (DMAS) and the Department of Health (VDH) to continue to work with representatives of the dental community on access to dental services. The following directive was articulated in Item 326 H of the 2004 Appropriations Act.

“The Department of Medical Assistance Services and the Virginia Department of Health shall work with representatives of the dental community: to expand the availability and delivery of dental services to pediatric Medicaid recipients; to streamline the administrative processes; and to remove impediments to the efficient delivery of dental services and reimbursement thereof.”

The Appropriations Act requires the Department to report to the Chairmen of the House Appropriations and Senate Finance Committees on its efforts to expand dental services. This report responds to the Appropriations Act mandate.

Dental Access in the Commonwealth

The majority of the Commonwealth’s urban and suburban population centers have an adequate workforce of dentists to serve the general population. The national average for dentists per 100,000 population is 58.0 (American Dental Association, 2000). Statewide, Virginia has an average of 65.4 dentists per 100,000 population, or 1 dentist per every 2002 Virginians (VA Board of Dentistry, 2003). According to the Virginia Board of Dentistry, there are 4,770 dentists licensed to practice in Virginia (VA Board of Health Professions, September 2003).

While the majority of Virginians have adequate access to dental services, some portions of the state have been designated as Dental-Health Professional Shortage Areas (D-HPSAs). D-HPSAs are determined by the Virginia Department of Health and may include the entire municipality or only a portion thereof. A number of D-HPSA designated areas are situated in close proximity to areas of the Commonwealth in which the ratio of dentists to population is adequate, and thus patients have reasonable access to dental care. Entire localities with D-HPSA designations include the counties of Accomack, Amelia, Appomattox, Bedford, Buckingham, Buchanan, Charlotte, Cumberland, Craig, Dickenson, Floyd, Green, Halifax, King George, King and Queen, Lee, Louisa, Lunenburg, Mecklenburg, Northampton Nottoway, Page, Patrick, Pittsylvania, Prince Edward, Rappahannock, Russell, Scott, Surry, Sussex, Tazewell, Westmoreland, Wise, and Wythe and the City of Bedford. Partial localities with

D-HPSA designations include certain areas of Brunswick, Dinwiddie, and Nelson counties and certain parts of the cities of Lynchburg, Newport News, Portsmouth, Richmond and Suffolk.

For Medicaid clients, access to dental services is significantly less than the general population in many areas of the state. Low reimbursement and administrative concerns are key reasons for limited dental provider participation in the fee-for-service and managed care organization (MCO) program. As is discussed later in this report, a new dental program initiative, known as **Virginia Smiles** will address the administrative concerns the dental provider community has with the current model of service delivery. However, low reimbursement continues to be a major impediment to provider participation in the Medicaid program.

Medicaid Dental Services

Dental services are a mandatory Medicaid benefit for children under age 21. Section 1902(a)(43) of the Social Security Act specifically requires that State Medicaid plans provide or arrange for such services. Covered services are defined as any medically necessary diagnostic, preventive, restorative, and surgical procedures, as well as orthodontic procedures, administered by, or under the direct supervision of, a dentist. Dental services are currently covered for approximately 358,000 Medicaid children. Approximately 230,000 of these children receive care through managed care organizations (MCOs). Approximately 128,000 of these children receive dental care through the Department's fee-for-service (FFS) program. In addition, dental services also are provided to approximately 68,000 children enrolled in the Family Access to Medical Insurance Security (FAMIS) program. Most of these children are enrolled in an MCO.

Managed Care Organizations (MCO)

Currently, the Department contracts with seven MCOs for the provision of most covered services for Medicaid/FAMIS children. They are: Anthem HealthKeepers Plus by HealthKeepers, Anthem HealthKeepers Plus by Peninsula Health Care, Anthem HealthKeepers Plus by Priority Health Care, Optima by Sentara Health Plans, Southern Health Care Net, UniCare by Wellpoint, and Virginia Premier Health Plan. The MCOs handle the provision of dental services to its enrollees in different ways, (e.g., direct contracting, use of subcontractors, etc.). Subcontracts and/or provider agreements with dental providers are currently the responsibility of the MCOs, as are responsibilities for dental prior authorization and claims adjudication and payment functions.

Fee-for-Service Medicaid Program

There are approximately 128,000 children eligible to receive dental services through the Medicaid fee-for-service (FFS) program. Thus far during calendar year 2004, 580 dentists have received payment for services rendered to Medicaid children in the FFS program. The Department contracts with an outside vendor to handle dental prior authorizations for FFS pediatric dental, while prior authorization for adults and claims adjudication and payment functions are handled in-house and/or through the Department's Fiscal Agent. A significant majority of FAMIS children are enrolled in an MCO; however, there is also a smaller number of FAMIS children who receive care through a FFS model.

Dental Advisory Committee

The Department of Medical Assistance Services (DMAS) formed a Dental Advisory Committee (DAC) in the Spring of 1998 to assist the Department in finding ways to improve provider participation and access to care. In establishing the committee, input was received from various dental associations and groups, such as the Virginia Dental Association, the Virginia Association of Orthodontists, the Virginia Society of Pediatric Dentists, the VCU School of Dentistry, and the Virginia Department of Health. The Committee has been meeting for six years on a quarterly basis and has been extremely helpful in identifying ways to improve the Medicaid/FAMIS dental programs. The DAC's membership recently was expanded to achieve better representation of minority and specialist providers and better geographic balance. A listing of the DAC membership is included with this report as Attachment A.

Medicaid Dental Utilization

Table 1 captures Virginia Medicaid dental utilization data from the Centers for Medicare and Medicaid Services' (CMS) "416 Report" and categorizes by age Virginia Medicaid enrollees who are eligible for the EPSDT dental program and their approximate utilization of dental services. (The CMS 416 report provides basic information on participation in the Medicaid child health program, including receipt of dental services.) The report reveals that for federal fiscal year (FFY) 2003 approximately 336,795 Medicaid enrollees over the age of three and under the age of 21 years were eligible for dental services.

This table represents combined data from FFS Medicaid and Medicaid MCOs. The percentage of Virginia Medicaid children receiving dental services is generally comparable to many other states. As indicated by Table 1, there has been an increase in the dental utilization from FFY 2002 (23.36%) to FFY 2003 (28.93%); however the percentage of Medicaid children receiving dental care remains quite low and needs to improve.

Table 1: Virginia Pediatric Dental Utilization

Age Categories	Total Individuals Eligible		Total Eligibles Receiving Any Dental Services		% Utilization	
	FFY 2002	FFY 2003	FFY 2002	FFY 2003	FFY 2002	FFY 2003
3 to 5	71,987	74,014	16,314	22,280	22.83%	30.10%
6 to 9	83,312	87,816	22,184	28,412	26.63%	32.35%
10 to 14	97,678	104,683	24,896	31,123	25.49%	29.73%
15 to 18	60,742	62,862	13,314	14,593	21.92%	23.21%
19 to 20	25,777	7,420	2,598	1,035	10.08%	13.95%
Total	339,496	336,795	79,306	97,443	23.36%	28.93%

Provider Participation

The Department has worked closely with the Virginia Dental Association (VDA) to increase provider participation in the program. The “Take Five” Program, co-sponsored by DMAS and VDA, increased participation in the program. However, participation still remains very low. Currently, only 800 of the approximately 4,800 licensed dental providers in Virginia (17%) are enrolled in the Medicaid and FAMIS programs. The number of dentists providing a significant amount of services to Medicaid/FAMIS Plus and FAMIS children is far less than 800.

Reasons for non-participation most commonly cited by Virginia dental providers include: reimbursement rates for providers, administrative complexities associated with the Medicaid/FAMIS dental program, workforce issues, and client issues such as education, outreach and case management for broken appointments.

The administrative complexities cited by the dental community relate to the fact that most Medicaid/FAMIS children are enrolled in MCOs. In 1996, the Department started moving its clients into MCOs. Early indications reflected that this move increased access to dental services. However, the Department has received complaints from the dental provider community that the administrative burden associated with multiple payer contracts (i.e., multiple MCOs and the Department’s FFS program) deters provider participation in the program. Some of the specific concerns include: (i) children moving between MCOs and/or between an MCO and the FFS program; (ii) different program/contract rules; and (iii) varying administrative requirements. This issue received significant attention at the Virginia Dental Summit held in September, 2003. The Dental Summit recommended that a “single vendor” system be established within DMAS to alleviate these administrative burdens. The Department’s Dental Advisory

Committee (DAC) and the VDA also supported this change in program design and administration.

2004 Appropriations Act

In furtherance of the “single vendor” dental program model, Item 22 H of the 2004 Appropriations Act authorizes DMAS to amend the Medallion II waiver to allow the Department to carve-out dental services provided to managed care enrollees, and consolidate the provision of dental services in one program. In addition, the Act provides that the Department shall have the authority to amend the State Plans for Titles XIX (Medical Assistance) and XXI (Family Access to Medical Insurance Security) of the Social Security Act, as required by applicable statute and regulations, to provide dental services to individuals enrolled in these programs on a fee-for-service basis, and further allows the Department to outsource the administration of such dental services to an administrative services contractor.

In response to the 2004 Appropriations Act, DMAS researched the key issue of whether to administer the dental program completely “in-house” or to contract with a dental benefits administrator (DBA). DMAS reviewed the advantages/disadvantages of administering the program in-house and through a DBA through: (i) information obtained from DBAs specializing in serving Medicaid populations, (ii) internal analysis of the DMAS systems and staffing infrastructure, and (iii) discussions with dental community and advocacy groups. In addition, DMAS met and discussed the two delivery models under consideration with the Department’s Dental Advisory Committee (DAC) and the Virginia Dental Association (VDA). As a result of these actions, DMAS concluded that contracting with a DBA for the administration of dental services represents the best chance for increased provider participation and pediatric dental utilization.

Virginia Smiles: A New Medicaid/FAMIS Dental Program

The Department is implementing a new dental program and delivery system that consolidates dental services for all Medicaid/FAMIS Plus and FAMIS enrollees under a unified dental administrative arrangement. The new program is called “***Virginia Smiles.***”

Basic Model of Dental Service Delivery

In ***Virginia Smiles***, all children (Medicaid/FAMIS Plus & FAMIS) will be enrolled in a program administered by a single DBA. Dental benefits for children enrolled in MCOs will be “carved out” of the MCO benefit package. Dental benefits for MCO and FFS enrollees will be administered through the single DBA.

DMAS will retain policymaking authority and will conduct rigorous monitoring of all DBA activities.

As recommended by the DAC and VDA, **Virginia Smiles** will be a fee-for-service, non-risk, program. DMAS will continue to work collaboratively with the DAC, VDA, the Old Dominion Dental Society and other interested parties to effect a smooth transition and for on-going program support.

DMAS sent a letter in late November announcing and describing the **Virginia Smiles** initiative to all licensed dental providers, including specialists. The letter was co-signed by Dr. Hutchison, President of the VDA. The letter provided an overview of the new program design; provided notice to dentists that potential dental vendors may be contacting them to participate, and earnestly requested their participation in the **Virginia Smiles** program. A copy of the letter is included as Attachment B.

DMAS Oversight

A new Dental Unit has been established within the DMAS Health Care Services Division. The Dental Unit includes a Dental Program Manager, DMAS' Dental Consultant, and a Dental Contract Monitor. The Dental Unit will provide oversight of the DBA and will coordinate activities with the dental community.

Request for Proposals (RFP)

A Request for Proposals (RFP) to procure the services of a DBA was developed with input from the DAC and other interested parties. The RFP was published on December 10, 2004. Proposals are due from interested vendors by February 21, 2005. Two dentists from the DAC will participate in the review and evaluation of proposals and the selection of the DBA. Implementation of the **Virginia Smiles** Program will occur on July 1, 2005.

Dental Implementation Advisory Group (DIAG)

DMAS recently established the Dental Implementation Advisory Group (DIAG) to provide input and support from community partners in relation to the implementation of the **Virginia Smiles** Program. The DIAG includes representation from dental providers, MCO representatives, advocacy groups, health districts, departments of social services, DMAS staff, and other interested parties. The DIAG provides the opportunity to network with community agencies, to facilitate community level communication about the **Virginia Smiles** initiative, and support a smooth implementation of the new program. A listing of the DIAG membership is included with this report as Attachment C.

Strong Collaboration with the VDA and the Old Dominion Dental Society

The DMAS Director is meeting with all VDA Components (i.e., local dental societies) across the state to promote the **Virginia Smiles** program and encourage support and participation. Meetings have also been scheduled with the Old Dominion Dental Society. These presentations have been well received. A copy of the presentation is included as Attachment D.

Low Reimbursement Concerns

While the **Virginia Smiles** program addresses the administrative issues raised by the dental community in relation to pediatric dental access and utilization, low reimbursement continues to be a major impediment to greater participation by dentists. An analysis of the top 20 dental procedures billed by Medicaid providers indicates that Medicaid reimbursement equates to approximately 57% of the average fees paid by commercial carriers. In order to achieve significant increases in the number of Medicaid participating dental providers, the level of reimbursement needs to be addressed.

Other Dental Related Activities

Virginians for Improved Access to Dental Care (VIADC)

The VIADC was formed in response to two Joint Commission on Health Care reports regarding dental access. DMAS continues to be an active partner in the VIADC, along with the VDA, the Virginia Health Care Foundation, the Virginia Primary Care Association, the Virginia Poverty Law Center, the Virginia Association of Free Clinics, the Virginia Dental Hygienist Association, the VCU/MCV Dental School, and many others. DMAS continues to work with VIADC on a variety of dental access issues, including following up on the 2003 Statewide Dental Summit recommendations.

Assisting the VDA Mission of Mercy (MOM) Projects

The DMAS Director, dental consultant and staff participated in some of the VDA's MOM Projects during the past year. The MOM Project provides free dental care to persons in underserved areas. The VDA has sponsored MOM Projects on the Eastern Shore, in Northern Virginia, Martinsville, Grundy and Wise County.

Conclusion

Inadequate dental care access and low utilization of dental services by Medicaid/FAMIS clients continues to be a critical concern for the Department. Unfortunately, utilization of dental services by children in the Commonwealth has not significantly improved in many years. Therefore, much needs to be done to improve access to dental care. DMAS consulted with and involved representatives of the dental and MCO communities in determining what options were available, including the merits of carving dental out of the MCO plans to improve access to dental services for the long term. The Department, based on the study report findings and input from these representatives, decided to carve out dental services from the MCOs and implement a new delivery system that consolidates dental services for all Medicaid/FAMIS Plus and FAMIS children under a unified dental administrative arrangement known as “*Virginia Smiles*.” DMAS believes this is the best approach in assuring long term access to dental services for Medicaid/FAMIS Plus and FAMIS children.

DMAS, along with the Office of the Secretary of Health and Human Resources, will work with the dental community, the VDA, the Dental Advisory Committee, and the MCOs to make this change successful and to provide enhanced dental care to Medicaid/FAMIS clients. Continuing attention also needs to be focused on increasing the level of reimbursement provided to participating dentists to attract additional network dentists.

Acknowledgements

The Department wishes to acknowledge the contributions of many organizations throughout the past year in helping to address Medicaid dental access issues, including the Medicaid Dental Advisory Committee, the Virginia Dental Association, the Virginia Association of Health Plans, Virginians for Improving Access to Dental Care Coalition, the VCU/MCV School of Dentistry, the Medicaid Managed Care Organizations, and the Virginia Department of Health.

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ATTACHMENT B
VIRGINIA SMILES RECRUITMENT LETTER

November 30, 2004

Dear Virginia Dental Provider:

The Department of Medical Assistance Services (DMAS), in collaboration with the Virginia Dental Association (VDA), is proud to announce a new dental program called *Virginia Smiles*, targeted to begin in June of 2005.

Virginia Smiles will consolidate pediatric dental services for approximately 400,000 Medicaid, and State Children's Health Insurance Program (*known as FAMIS*) children enrolled in both fee-for-service and managed care organization (MCO) programs through the use of a single Dental Benefits Administrator (DBA). The use of a single DBA will offer many benefits to providers, including all children being served in the same dental program (i.e., children will not be switching between MCO and fee-for-service Medicaid or between different MCOs), fee-for-service reimbursement, flexible claims filing options, rapid access to a dedicated call center, and assistance with complex care issues.

Currently, only 16% of Virginia-licensed dentists participate in the Medicaid and FAMIS programs, and only 25% of enrolled children receive dental services. The new *Virginia Smiles* program, which has been designed to address several provider concerns about the current program, is being implemented to improve provider participation and utilization of services. However, for this program to work, **we very much need your support.** If you now participate as a Medicaid/FAMIS provider, we thank you for your dedicated service and request your continued participation. If you are not a Medicaid/FAMIS provider, we greatly would appreciate your participating in *Virginia Smiles*.

The VDA and the Medicaid Dental Advisory Committee have endorsed the *Virginia Smiles* program. Efforts are underway to procure the services of the DBA, and we plan to select the vendor by the end of February, 2005. For this reason, vendors interested in serving as the *Virginia Smiles* DBA may contact you in the next few weeks to request your participation in the provider network. We ask that you give serious consideration to participating in *Virginia Smiles*.

For the most up-to-date program information, please refer to our dental web page at <http://www.dmas.virginia.gov/virginia-smiles-home.htm> or contact us at va.smiles@dmas.virginia.gov.

Sincerely,

Patrick W. Finnerty
Director, Department of
Medical Assistance Services

Bruce R. Hutchison, DDS
President,
Virginia Dental Association

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ATTACHMENT D

“VIRGINIA SMILES”

Presentation to:

[]

Patrick W. Finnerty, Director
Department of Medical Assistance

[DATE]
Richmond, Virginia

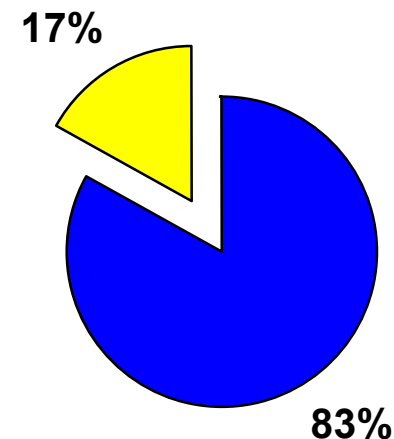
Current Dental Program

- **Dental benefits are covered for children in Medicaid**
 - **Diagnostic, preventive, restorative/surgical procedures and orthodontics are covered**
- **Dental benefits are not covered for Medicaid adults, except for limited oral surgery (e.g., repair of traumatic wounds, extraction of teeth complicating a medical condition, etc.)**
- **Dental services also are provided for children enrolled in FAMIS**
 - **FAMIS & Medicaid dental benefits are essentially the same**
- **A large majority of children (Medicaid and FAMIS) are enrolled in managed care organizations (MCOs)**

Access to/Utilization of Dental Services Needs to Improve

- In FY 2003, less than 29% of all children eligible for dental services actually received any services
 - Other states also experience low dental utilization
- Low participation of dentists (828 of 4,786) in the Medicaid/FAMIS program continues to be a problem
 - Low reimbursement
 - Administrative “hassles”
 - MCO concerns
 - Patient no-shows

Dentist Participation in Medicaid/FAMIS



■ Not Participating ■ Participating

Dental Community Has Urged DMAS To Establish A Single Dental Program

- **The DMAS Dental Advisory Committee and the Virginia Dental Association have advocated strongly that DMAS “carve-out” the dental program from the MCOs and administer it as a single program. Reasons include:**
 - **Varying coverage policies/procedures among MCOs**
 - **Administrative requirements**
 - **Medicaid clients transitioning between MCOs and FFS**

- **The Virginia Dental Summit held in September, 2003 recommended a “single vendor” system be established**

- **After a careful analysis of the issues, DMAS determined that administering a single dental program is the best means of improving provider participation and increasing utilization**

2004 Appropriations Act Authorizes Dental “Carve-Out”

- **The 2004 Appropriations Act includes language authorizing DMAS to establish a “single vendor” program for dental services**
 - **\$600,000 (total funds) was appropriated to fund related administrative costs**
 - **Authorizes DMAS to “outsource” the program to a dental program administrator**
 - **Authorizes emergency regulations**
- **Key issue was whether to administer the dental program completely “in-house” or contract out to a third party administrator**

Contracting Out To Dental Program Administrator Provides Best Chance for Success

- **DMAS reviewed advantages/disadvantages of administering the program in-house and through a contractor**
 - **obtained information from dental program administrators**
 - **conducted internal analysis**
 - **consulted with dental community and advocacy groups**
- **DMAS concluded that contracting out to a third party dental program administrator represents best chance for success**
- **Medicaid Dental Advisory Committee and the VDA Board of Directors have endorsed this approach**

New Program: “*VIRGINIA SMILES*”

- **All children (Medicaid & FAMIS) will be enrolled in a single program administered by a third party contractor**
 - **Dental benefits for children enrolled in MCOs will be “carved out” and administered under the single vendor along with current FFS children**
- **DMAS will retain policymaking authority and maintain close monitoring of contractor activities**
- ***VIRGINIA SMILES* will be a fee-for-service, non-risk, program**
- **DMAS’ Dental Advisory Committee will play a key role**
 - **DMAS will continue to coordinate with VDA, the Old Dominion Dental Society and other provider associations**

“VIRGINIA SMILES:”

Current & Next Steps

- **A new Dental Unit has been established within DMAS**
 - **Health Care Services Div. Dir. (Bryan Tomlinson); Dental Program Manager (Tammy Driscoll), Dental Consultant (Dr. Steve Riggs), and Contract Monitor**

- **Membership of DMAS’ Dental Advisory Committee (DAC) has been expanded: minority dentists, better geographic representation, additional specialists, demographic balance**

- **A Request for Proposals (RFP) to procure services of the dental program administrator was published 12/10.**
 - **The RFP has been reviewed by DAC and others**
 - **Dentists from the DAC will participate in review of proposals and selection of vendor**

“VIRGINIA SMILES:”

Current & Next Steps (cont’d)

- **Dental Implementation Advisory Group**
 - Membership includes dentists, MCO representatives, advocates, DMAS staff, and other interested parties
 - Guide implementation efforts and ensure smooth transition of 400,000 children to new program

- **DMAS Director is meeting with all VDA Components across the state to discuss program and encourage support and participation**

- **Meetings have also been scheduled with Old Dominion Dental Society**

“*VIRGINIA SMILES:*”

Current & Next Steps (cont’d)

- Interested parties are encouraged to send input, thoughts, suggestions, etc. to: va.smiles@dmas.virginia.gov
- Anticipated effective date for *VIRGINIA SMILES*: July 1, 2005

Reimbursement Issues

- **DMAS recognizes that low reimbursement continues to be a major concern**
- **2003 Statewide Dental Summit recommended increasing Medicaid reimbursement to the 75th percentile of UCR**
- **VDA and Virginians for Improved Access to Dental Care (VIADC) are advocating and lobbying for increased reimbursement**

Stay Tuned.....

- Additional information on “*VIRGINIA SMILES*” will be forthcoming
- Check out our website for updates
(<http://www.dmas.virginia.gov/virginia-smiles-home.htm>)