



The Texas Association of Health Plans

Understanding Texas Medicaid Dental Managed Care

September 16, 2015

JAMIE DUDENSING, CEO

The Texas Association of Health Plans

The Texas Association of Health Plans (TAHP) is the statewide trade association representing private health insurers, health maintenance organizations, and other related health care entities operating in Texas.

- Health Plans - Employer-sponsored coverage, the individual insurance market, and public programs such as Medicare and Medicaid.
- 28 Health Plan Members, including the 19 Medicaid Health Plans.
- 2 Dental Medicaid Managed Care Organizations
- TAHP advocates for public and private health care solutions that improve the affordability, access and accountability of health care for many Texans.

MEDICAID BASICS

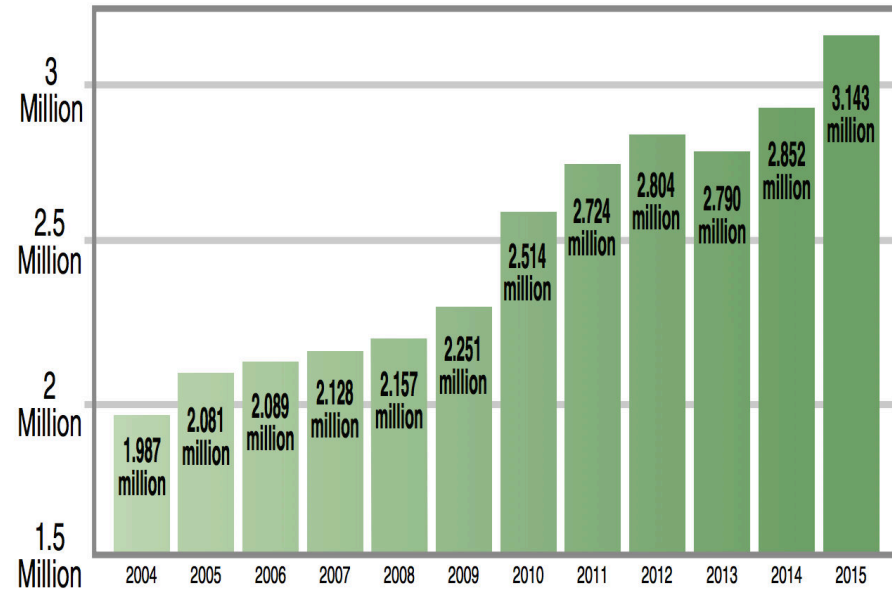
- **Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) –**
 - All federally-allowable Medicaid services, including dental services, that are medically necessary and appropriate to all children under age 21 in Medicaid
 - Texas Health Steps (THSteps)
- **The 1993 Frew class action lawsuit alleged that Texas did not meet EPSDT requirements**
- **The Texas Medicaid program still operates under the 1996 Frew consent decree**
- **Last Major Frew Action – 2007 (Provider Rate Increases)**



Texas Medicaid Dental

- **2012: Dental Managed Care adopted (replaced the previous, costly FFS approach)**
- **2014: 2.9 million receiving dental services (children & young adults <21yrs old)**
- **90% (2.5 mil) now enrolled in dental managed care**

Number of Medicaid Dental Enrollees in Texas

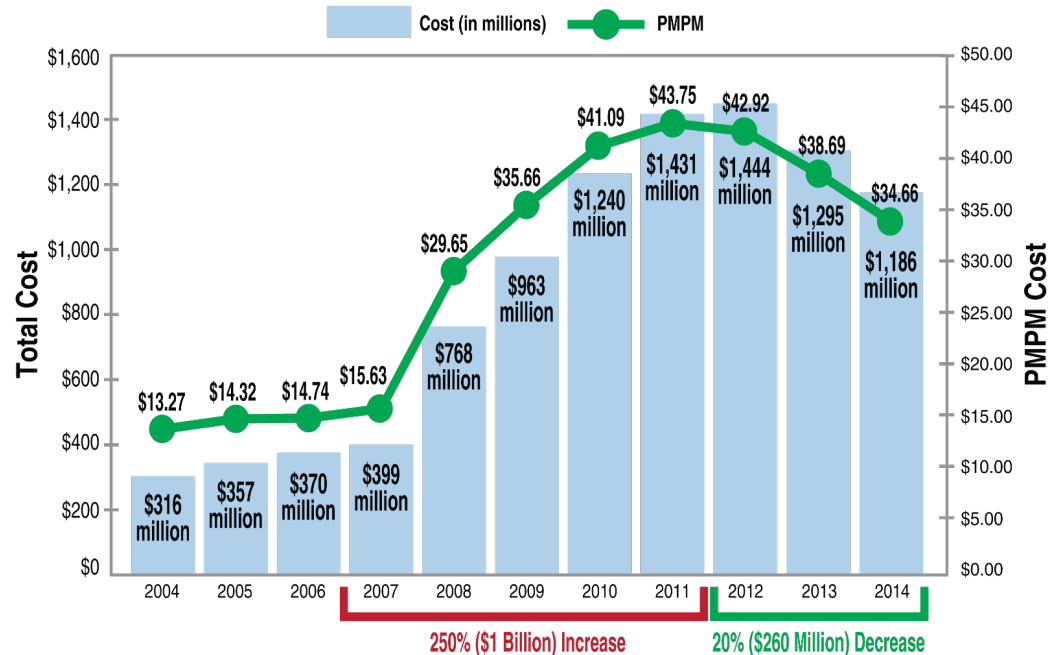


Source: HHSC, Financial Services, HHS System Forecasting

SOLVING A COST CRISIS

- Dental costs grew more than 250% between FY07-FY11: **\$1 billion**
- Orthodontia costs rose from \$102 million in FY08 to \$185 million in FY10: **81% increase**
- DMO implementation - **20% decrease** from FY12-FY14: **\$260 million savings**
- Total FY14 Spending: **\$1.2 Billion**

THSteps Dental Total Cost and Cost per Recipient per Month, Medicaid Dental Services SFYs 2004-2014, DMO & FSS Combined



Source: HHSC, Financial Services, HHS System Forecasting

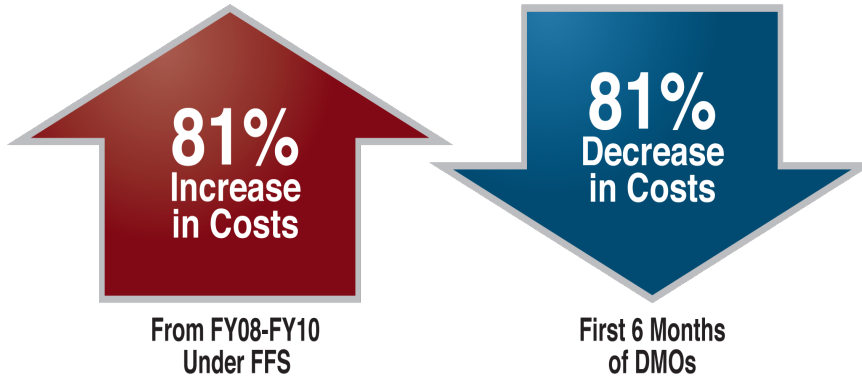
MEDICAID DENTAL MANAGED CARE

- **How it works**

- Two private dental managed care plans (DMOs) have partnered with the state to provide comprehensive dental coverage to Medicaid children
- State pays DMOs a premium (capitated payment) and DMOs take on full financial risk of providing dental services, limiting the state's financial exposure and providing budget certainty
- DMOs contract directly with dental providers and are required to maintain an adequate provider network
- Each beneficiary is required to select a "dental home" (provides and coordinates care and makes referrals to specialists)
- Regional member advocates provide outreach and education to beneficiaries
- DMOs provide value-added services not available under traditional FFS at no cost to the state

A SUCCESSFUL APPROACH

Addressing the Orthodontia Cost Crisis



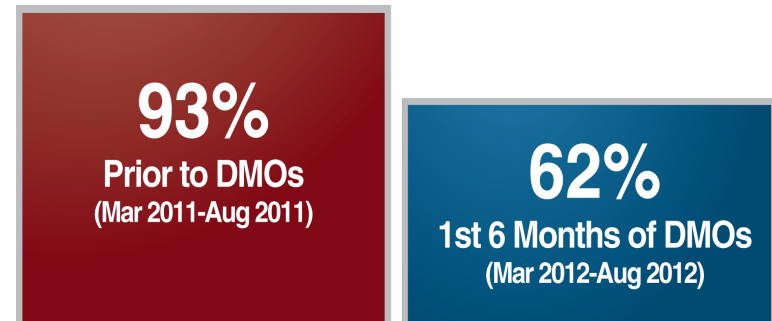
Sources: 1. "Capitated Managed Care Model of Dental Services Report." HHSC. Prepared by PCG. February 15, 2013.

2. "Medicaid Managed Care in Texas: A Review of Access to Services, Quality of Care, and Cost Effectiveness." Sellers Dorsey and Milliman. February 2015.

- Increased scrutiny of prior authorizations
- 72% reduction in orthodontia utilization

Increased oversight and more appropriate utilization

Approval Rate of Prior Authorization for Orthodontia

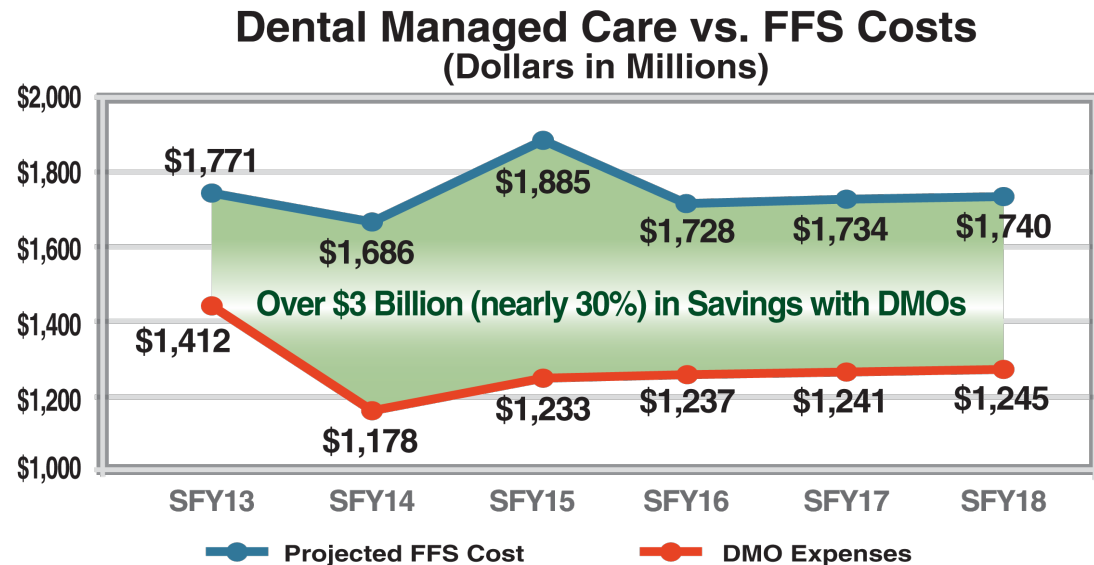


Source: "Capitated Managed Care Model of Dental Services Report." HHSC. Prepared by PCG. February 15, 2013.

A SUCCESSFUL APPROACH

Texas Medicaid Dental Managed Care : Long Term Cost Containment

- **Total \$3 billion** projected AF savings (FY12 to FY18) compared to FFS model
- **30% cost reduction**
- Actuaries estimate that DMOs have saved \$1.5 billion compared to what FFS would have cost
- Estimate another \$1.5 billion savings through FY18

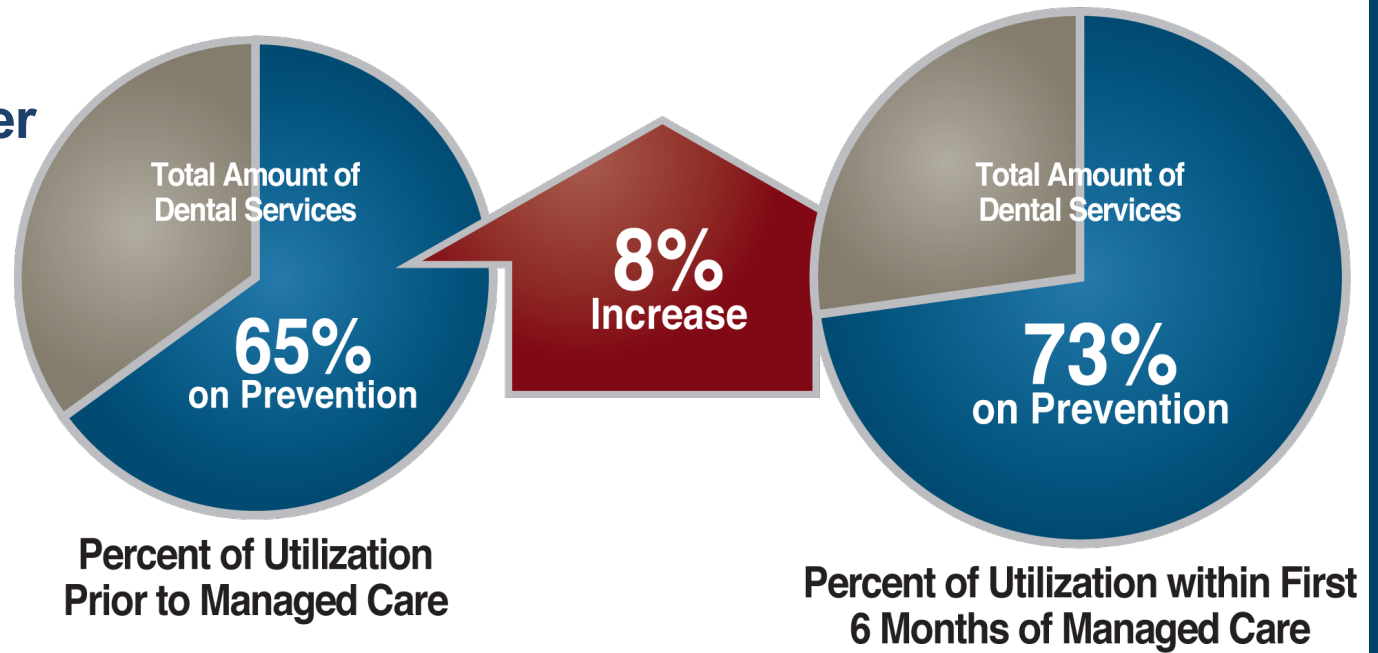


Source: Texas Managed Care Cost Impact Study, Milliman, February 2015.

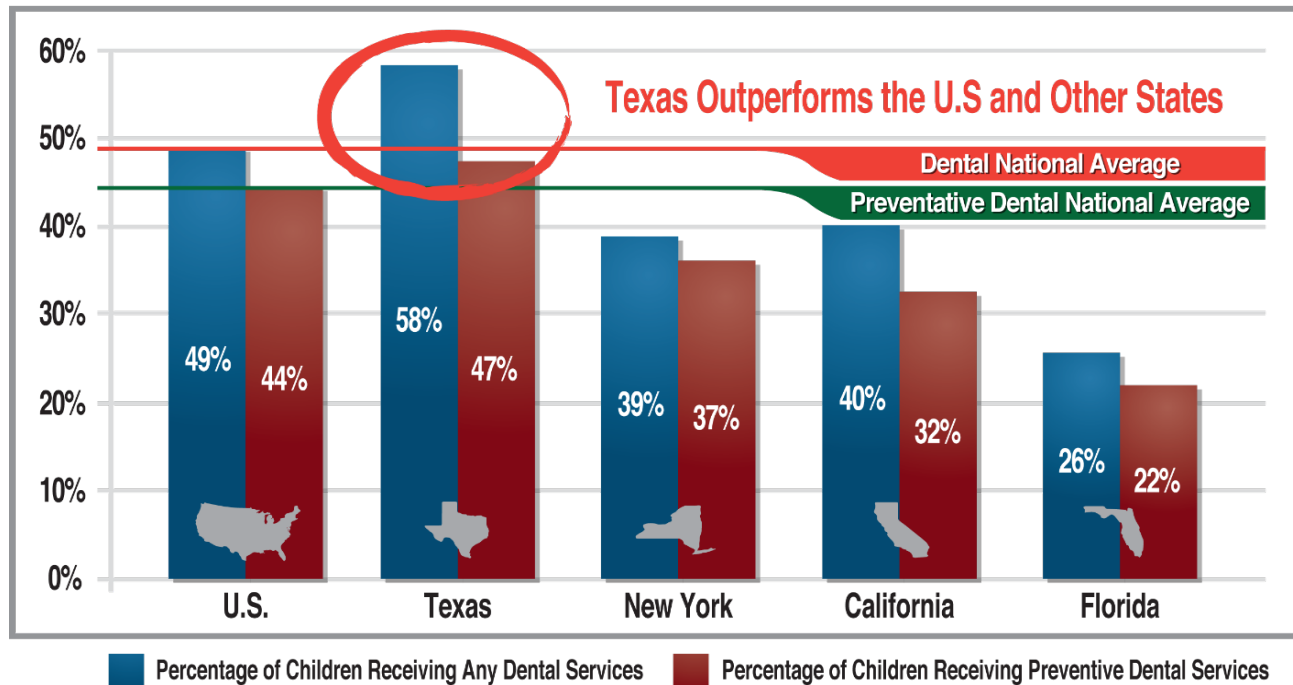
A SUCCESSFUL APPROACH

Increased Focus on Prevention and Diagnostic Services

- Increased emphasis on prevention under managed care
- 65% → 73%
- 8% increase



A SUCCESSFUL APPROACH



Source: "Early and Periodic Screening, Diagnostic, and Treatment." Medicaid.gov. CMS. 2013.

A SUCCESSFUL APPROACH

Access to Care

- 75% of children have one annual visit, which exceeds national standards (90th percentile)
- 74% of children have one annual preventive visit, exceeding HHSC expectations by 10%

Patient satisfaction is highly positive

- More than 80% of Medicaid families reported having access to services when needed
- On a scale of 1-10, 82% of families gave their Medicaid DMO a score of 9 or 10

DentaQuest

DentaQuest Dental Treatment for High-Risk Children

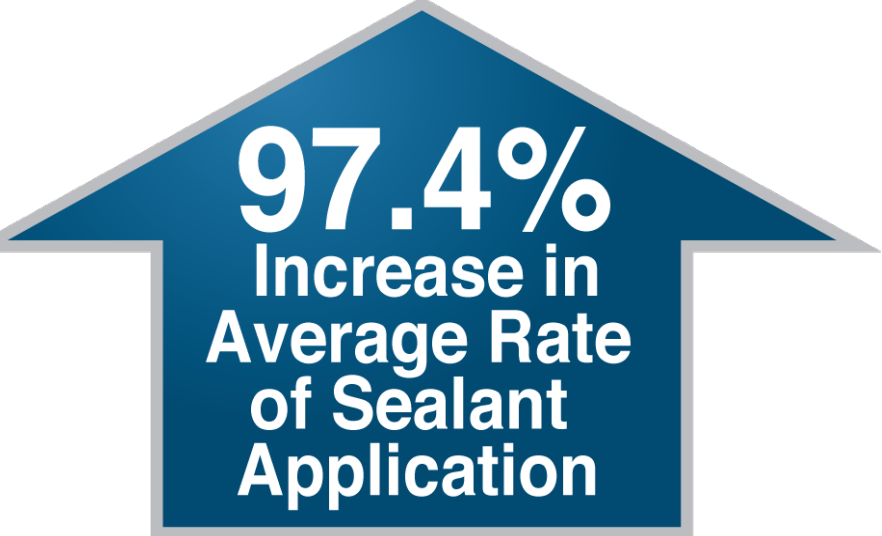


MCNA Dental

MCNA Dental STARR Program Success



12.8%
Increase
in Members
Treated



97.4%
Increase in
Average Rate
of Sealant
Application

From 2012-2013 to 2014



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