

Testimony
House Bill 1246 – Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairman
March 5, 2007

Chairman Lee, members of the Senate Human Services Committee, I am Maggie Anderson, Director of Medical Services for the Department of Human Services. I appear before you to provide information regarding this bill.

Dental services are one of the optional services that are available through the North Dakota Medicaid program. Medicaid payments for dental services are based on a fee for service rate schedule, and are increased when the Legislature provides funds for that purpose.

Senate Bill 1246 would create a new fee schedule using the billed charges (fees) submitted by Dentists on Medicaid dental claims for 2005. The fees are averaged, and then a fee schedule would be set at **85 percent of this average**. This would be done on a fee-by-fee basis.

For example:

Dental Code	Description	Medicaid Fee Schedule	85% of Average Billed Charges	Increase
D0120	Periodic Oral Evaluation	\$16.28	\$21.79	\$5.51

At the request of the North Dakota Dental Association, the Department prepared information regarding the cost to move to the 85 percent of the average of billed charges. The information, which was used for the appropriation section of this bill, does not consider the following:

1. The impact of the additional one percent inflationary increase added by the Senate to Medicaid grant expenditures.
2. The appropriation clause does not account for any increased utilization, which would be expected to result from the implementation of this bill. The Department is unable to estimate this potential utilization increase; however, the Department is offering two amendments to account for either a ten percent or twenty-five percent increase in utilization. The appropriation in each of these options contains the funding for the four percent inflationary increases.

If House Bill 1246 passes, the Department needs the appropriation to support the increase in fees and the expected increase in utilization. Attachments A, B and C provide the estimated expenditures to fund these potential increases.

The Department acknowledges there is an access issue for Medicaid clients, and if this bill becomes law, we hope this access issue will significantly improve. To that end, if House Bill 1246 passes, the Department will communicate with all Dentists regarding the changes made by the bill. The Department's communication would also request information from each currently enrolled Dentist regarding their willingness to accept Medicaid clients into their practice. In addition, we will send each Dentist currently not enrolled a Medicaid provider enrollment packet. The fee schedule will be in place July 1, 2007 and the new fees would be available for Dentists immediately for all dates of service July 1, 2007 and after. Furthermore, the Department will prepare

utilization reports that will track utilization on a quarterly basis, so we are prepared to answer expected questions about how House Bill 1246 is impacting dental access for Medicaid recipients.

The Executive Budget for 2007-2009 for dental services is \$12 million, of which \$4.3 million are general funds. The additional funds in this appropriation section of this bill are **not** in the Executive Budget.

I would be happy to answer any questions that you may have.