

TESTIMONY BEFORE THE HOUSE HUMAN SERVICES COMMITTEE

REGARDING SENATE BILL 2213

MARCH 14, 2005

Chairman Price, members of the committee, I am David Zentner, Director of Medical Services for the Department of Human Services. I appear before you to provide information regarding this proposed legislation.

Dental services are one of the optional services that are made available to recipients of the North Dakota Medicaid program. North Dakota has chosen to cover this service for all individuals eligible for the Medicaid program. Payments for dental services are based on a fee for service rate schedule. Fee increases are granted when the Legislature provides funds for that purpose.

During the 1997 session, the Legislature did provide for a substantial increase in dental fees of about \$2 million. At that time the Department established a separate fee schedule for adults and children. Services for children are paid at a higher rate to encourage dentists to provide services to our youngest citizens. The fee increase did result in stabilizing the number of dentists who were willing to remain in the program, but did not result in any substantial increase in the utilization of dental services for Medicaid recipients.

Subsequent to that increase, the Legislature provided inflationary increases of about 2 percent per year until 2002. During the 2001-2003 biennium the Department experienced a budget shortfall that included a deficit of about \$13.2 million in general funds. We were unable to grant any fee increases for any providers in the last year of that biennium. In addition, the Legislature did not provide any funds during the current biennium to provide fee increases for any providers except nursing facilities, basic care facilities, in-patient hospital and physician services.

This amended bill would require the Department to calculate the funds available for payment to dental providers based on 85 percent of billed covered charges during 2004. We would then establish a fee schedule that would maximize access to care. Based on payment data for 2004, the proposed change in payment methodology would require an additional \$3.2 million, of which \$1.2 million is general funds, in order to fund this fee increase in the 2005-2007 biennium.

The bill would establish in state law how to pay dentists for services, and would require the Legislature to appropriate adequate funds to support this payment process for the next biennium. At the present time no other provider group has this type of language in state law except for nursing facilities. Most of the professional provider groups and hospitals have payment rates comparable or lower than dentists.

The Department does recognize that there is an access problem for some Medicaid recipients who cannot find a dentist who will treat them. If this bill becomes law I would hope that the dental community would make the commitment to provide access for recipients who seek needed dental care.

The proposed budget for dental services in the 2005-2007 biennium is \$13.1 million, of which \$4.6 million is general funds. The additional funds in the fiscal note have not been included in the Executive budget. If this bill becomes law we request that the necessary funds be added to the appropriation as indicated by the language on line 10 of the bill.

I would be happy to respond to any questions you may have.