



CDHP State Summary: Virginia Dental Medicaid

Historical Context

Since 1995, Virginia's Medicaid and SCHIP dental programs were administered by the Virginia Department of Medical Assistance Services (DMAS) in coordination with managed care organizations (MCOs), or through a primary care case management (PCCM) program. Dental services under the PCCM/MCO programs were exempt from referrals by the primary care provider. Under the managed care programs, dental services were provided either through the MCO's own network of dentists or via an MCO's subcontract with a dental vendor. Most MCOs or their vendors reimbursed dentists on a fee-for-service basis, although some MCOs used a global budgeting concept whereby dentists received a fee-for-service, with a pool of funds withheld each month for distribution based on overall dental utilization. If the cost of dental service use was higher than the amount in the pool, as was often the case, then dentists received reduced fees. In 2004, a comparison of Medicaid fee-for-service dental fees with dental claims submitted that year to commercial payers in Virginia indicated that no more than 3 percent of dentists in the state would view Medicaid reimbursement levels to be equivalent to or higher than their usual fees for 14 of the 15 pediatric dental procedures studied.

In 1997, concerned about low utilization of dental services in Medicaid, the Virginia General Assembly asked that a study be conducted to explain access problems. The study described reasons for dentists' nonparticipation in the Medicaid program. In 1998, the General Assembly issued a directive requiring the Medicaid agency to continue working with representatives of the dental community on access issues and report annually on efforts to expand dental services. In response to this directive, the Medicaid agency convened a Dental Advisory Committee to provide guidance on dental coverage and access issues.

By the summer of 2000, a coalition, called Virginians for Improved Access to Dental Care (VIADC), had been formed to address dental access concerns. Coalition partners include DMAS, the Virginia Dental Association, Virginia Association of Free Clinics, Virginia Primary Care Association, Virginia Commonwealth University's School of Dentistry, the Division of Dental Health of the Virginia Department of Health (VDH), and other stakeholder organizations. In late 2000, several members of the coalition participated in a National Governors Association Oral Health Policy Academy to begin work on an oral health action plan for the state. Further work on the plan occurred in 2003, when VIADC conducted a dental summit, and, in 2005, during participation by DMAS and VIADC members at an Oral Health Purchasing Institute convened by the Center for Health Care Strategies.

A prescription for major change occurred in 2004 when the Virginia General Assembly approved legislation to "carve-out" dental services from managed care in both the Medicaid program and SCHIP. The Assembly included an unprecedented 30 percent increase in funds for enhancement of dental fees.

Based on the positive experience of other states that use a dental vendor to service dental networks, the DMAS, in concert with the Dental Advisory Committee (DAC), agreed to contract administration of the dental program through a procurement process. In July 2005, a statewide, fee-for-service dental program, "Smiles for Children," was implemented for both Medicaid and SCHIP using a single dental vendor (Doral Dental, Inc.). This administrative change was designed to enable creation of a dedicated call center; offer more flexible billing and prompt provider payment; streamline prior authorization processes; simplify provider credentialing, and implement a patient "broken appointment log" for provider use. Critically, the dental fee schedule also was increased by 28 percent overall, with an additional two percent increase, effective May 2006, targeted toward some endodontic, oral surgery and conscious sedation services, as determined with the advice of DAC.

Results

During the first year of the new program—from July 1, 2005 through June 30, 2006—an additional 190 new dentists were credentialed to provide services in the Medicaid program and SCHIP, representing an increase

in the network of more than 30 percent. Approximately 25 percent of licensed Virginia dentists currently are participating in Smiles for Children. The percentage of network providers who are submitting claims for rendered services has increased from 58 percent (528 providers) to 78 percent (665 providers).

As a result of the new program and the provider/member outreach efforts, there has been a significant increase in pediatric utilization of dental services. The percentage of children ages 0-20 receiving dental services has increased from 24 percent in Fiscal Year (FY) 2005 to 29 percent in FY 2006 (a 21 percent increase). Similarly, for children ages 3-20, utilization of dental services has increased from 29 percent in FY 2005 to 36 percent in FY 2006 (a 24 percent increase).

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