

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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S.94 – An act relating to expanding Medicaid Beneficiaries’ access to dental care and establishing the VDent dental assistance program

As passed by the Senate Committee on Health & Welfare

<https://legislature.vermont.gov/Documents/2020/WorkGroups/Senate%20Health%20and%20Welfare/Bills/S.94/Drafts,%20Amendments%20and%20Summaries/S.94~Jennifer%20Carbee~Draft%20No.%202.2,%203-1-2019~3-1-2019.pdf>

The Medicaid dental benefit for adults is currently limited to \$510 per individual per calendar year.¹ This bill would increase the annual maximum for diagnostic, restorative, and endodontic procedures to \$1,000 per individual per calendar year. It would also allow up to two visits for preventive services, including prophylaxis and fluoride treatment (with no co-pays) of which would not be counted towards the annual maximum benefit.

At this time, it is difficult to estimate the precise fiscal impact since it is hard to approximate how many people would hit the new cap and how much utilization might increase as a result of the provisions in this bill. Finally, the estimates below are annualized estimates. **Assuming a 1/1/20 start date, the program could cost between \$400,000 and \$660,000 (state dollars) in year one of implementation.**² Annualized it could be between \$800,000 to \$1,320,000 in state dollars.

ESTIMATED ANNUALIZED FISCAL IMPACT

Dental Initiative	GROSS			STATE DOLLARS*		
	Low	Mid	High	Low	Mid	High
Increasing Cap to \$1,000	\$968,730	\$1,210,913	\$1,453,095	\$446,875	\$558,594	\$670,313
Two preventive cleanings (outside cap)	\$753,308	\$1,079,147	\$1,404,986	\$347,501	\$497,811	\$648,120
ANNUALIZED TOTAL	\$1,722,038	\$2,290,060	\$2,858,081	\$794,376	\$1,056,404	\$1,318,433
January 1 Start	\$861,019	\$1,145,030	\$1,429,041	\$397,188	\$528,202	\$659,216

To the extent that implementation of these provisions are delayed (such as needing a state plan amendment, etc.) the estimates would be less in the first year of implementation.

The bill also requires the Department of Vermont Health Access (DVHA) to convene a working group to:

- evaluate Medicaid reimbursement rates for dental services;

¹ Exception to adult plan limit: pregnant women through the duration of their pregnancy and through the end of the calendar month during which the 60th day following the end of the pregnancy occurs. [2018 Dental Procedure Fee Schedule](#).

² There are multiple Medicaid match rates. These estimates assume the regular FMAP of 53.87% federal / 46.13% state.

- determine the feasibility of and costs associated with establishing a state dental assistance program for lower income residents who are on Medicare (called VDent in the S.94 as introduced); and
- explore tele-dentistry and the possible integration of dental services into the scope of services provided through Accountable Care Organizations (ACOs).

DVHA will provide the legislature with the working groups findings and recommendations.

Other Considerations

Representatives from the Agency of Human Services (AHS) have warned of their concerns that the Medicaid program is uncomfortably close to the Global Commitment cap and that policy-makers should be mindful of this when taking up legislation that impacts Medicaid costs.