



REPORT TO THE VERMONT LEGISLATURE

Department of Vermont Health Access

Medicaid Dental Services

In Accordance with Act 78 of 2023, Sec. E.307.2

Submitted to: House Committee on Health Care
House Committee on Appropriations
Senate Committee on Health and Welfare
Senate Committee on Appropriations

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Report Date: January 15, 2025

LEGISLATIVE REQUEST

Act 78 of 2023, Sec. E.307.2:

a) On or before January 15, 2025, the Department of Vermont Health Access shall report to the House Committee on Health Care, the Senate Committee on Health and Welfare, and the House and Senate Committees on Appropriations on its analysis of the impact of Medicaid dental provider rate increases on the participation of dental providers in the Medicaid program, the geographic and network adequacy of dental providers for the Medicaid population, utilization of emergency dental services due to allowable exceptional medical circumstances, and predictions on costs of increasing or eliminating the dental cap.

EXECUTIVE SUMMARY

This report provides an overview of the Vermont Medicaid dental benefit, a review of Medicaid reimbursement and utilization, and an overview of dental access considerations for the Medicaid population. This report also includes an analysis of the impact of the increased reimbursement rate on member access and dental provider enrollment in the Vermont Medicaid program. In the time since the rate increase went into effect on July 1, 2023 there has been a net increase of 32 new dental providers enrolling with Medicaid, representing an increase of ~9% to the total number of enrolled dental providers. Additionally, this report provides an overview of emergency dental services utilization in the adult dental benefit since these services were made available for Medicaid reimbursement in excess of the annual cap. The report estimates that it would cost \$1.83M to \$5.50M in gross funding annually to fully eliminate the annual cap on adult dental reimbursement. Finally, there is an overview of future workforce training initiatives that have the potential to increase the supply of dental providers in Vermont.

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INTRODUCTION

MEDICAID DENTAL BENEFITS

Vermont Medicaid's adult dental benefit was established in 1989 with limited coverage and a maximum benefit of \$500 per calendar year. In the past 35 years, the maximum annual benefit limit has fluctuated, yet historically remained around \$500 per year until 2019. Act 72 of 2019, increased the maximum adult annual benefit to \$1,000 and removed preventive services from the annual limit. Act 51 of 2023, increased rates for dental services to 75% of regional commercial rates and removed the adult benefit limit for adults in the Developmental Disability and Community Rehabilitation and Treatment programs and authorized coverage of dentures for these two groups. That same year, Act 78 increased the maximum adult annual benefit to \$1,500 to align with the increase to the dental fee schedule rates. The adult Medicaid benefit is considered a limited benefit because dentures are not covered for most adults.

Medicaid coverage for children and youth under the age of 21 is mandatory and cannot be subject to coverage limits. Individuals who are pregnant or in the postpartum eligibility period were excluded from the adult benefit limit in 2012, and in 2023 the postpartum eligibility period was extended from 60 days to 12 months postpartum.

MEDICAID DENTAL REIMBURSEMENT

Vermont Medicaid reimburses dental providers on a fee-for-service basis, and DVHA maintains a fee schedule with a reimbursement rate associated with each service. Between 2013 and 2022 there were no comprehensive updates to the Medicaid dental fee schedule, meaning that reimbursement rates were generally static for 9 years.

As a result of Act 72 of 2019 and a collaborative effort among the DVHA, the Board of Dental Examiners, the Vermont State Dental Society (VSIDS), and stakeholders from the dental community, a new approach was established to benchmark Medicaid reimbursement for dental services to local commercial insurance rates. The working group also issued recommendations regarding Medicaid dental access and reimbursement in the [Dental Access and Reimbursement Working Group Report](#).

The rate increases resulting from these recommendations were implemented in February 2022 with reimbursement for Medicaid dental services increasing by approximately \$1M. The increases were for specific dental services identified by dental providers and resulted in those services being reimbursed at 60% of local commercial insurance rates in effect at the time of the rate increase.

On July 1, 2023, rates for all dental services included in the Vermont Medicaid fee schedule were increased by over \$13M, aligning Medicaid dental rates to 75% of the

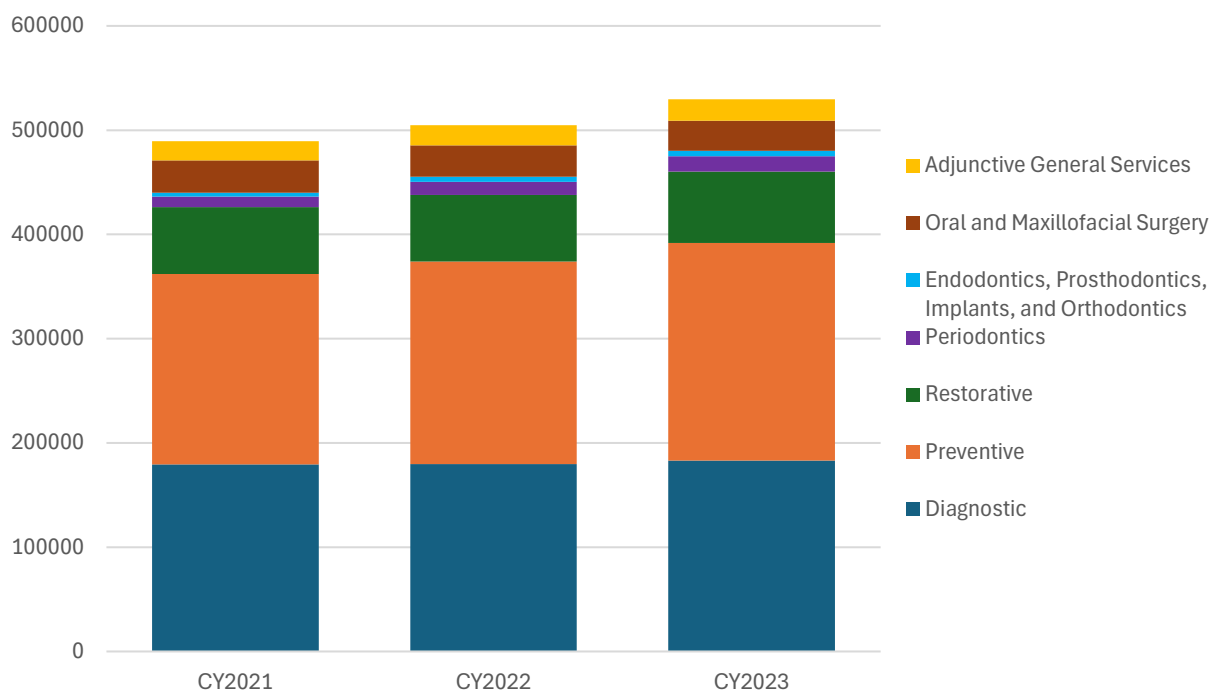
2023 local commercial insurance rates. Medicaid has not implemented any dental rate changes since then. When compared to the 2025 local commercial reimbursement rates, Vermont Medicaid is reimbursing at an overall average of 70.6%, because commercial reimbursement rates have increased annually while Medicaid rates have remained stable.

In addition to fee-for-service reimbursement, dental providers are eligible for a Medicaid dental incentive program. For SFY 2008 and beyond, the Vermont General Assembly authorized DVHA to begin distributing \$292,836 in incentive payments annually. DVHA and the VSDS agreed that the funds would be distributed biannually; distributions of \$146,418 are made in the spring and fall. Each dental practice that receives \$50,000 or more biannually in Medicaid-paid claims is eligible for the payment. The incentive payment amount is calculated as a percentage of the Medicaid claims paid. Historically, 36-50 practices have qualified for these payouts.

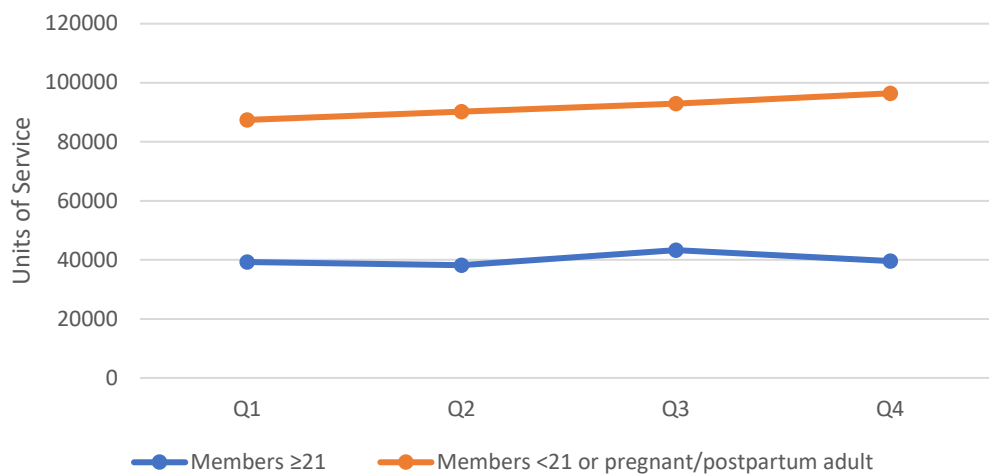
MEDICAID DENTAL UTILIZATION

Utilization of dental services under the Medicaid benefit during a three-year period is depicted in the chart below. The overall number of units of service has remained relatively steady in the 2021-2023 period, with the majority of services in each year being comprised of preventive, diagnostic, and restorative services. When examining the utilization of service by quarter in State Fiscal Year 2023 (following the implementation of the rate increases on July 1, 2023), we observe a quarter-over-quarter increase in the units provided to individuals <21 and pregnant or post-partum members, while the number of units provided under the adult benefit remained fairly stable each quarter.

Medicaid Dental Utilization by Service Category, CYs 2021-2023



Medicaid Dental Utilization, State Fiscal Year 2024



MEDICAID DENTAL ACCESS: OPPORTUNITIES AND CHALLENGES

In the last several years, and especially coming out of the recent COVID-19 public health emergency, there has been a general workforce shortage of dentists, dental supporting staff (i.e., dental assistants, dental hygienists), and dental specialists across

the state, with certain geographic areas being more impacted than others. These workforce shortages have had ramifications for Medicaid access. Dental practices that serve Medicaid members are experiencing increased demand that they cannot accommodate. This can result in practices choosing not to accept new Medicaid patients.

Both Bennington and Windham counties in southern Vermont had dental access-to-care issues in recent years. In 2021, two practices in Bennington County that served a large number of Medicaid patients stopped participating in the Medicaid program, principally because of Medicaid reimbursement rates being too low. The remaining few dental practices in the area absorbed as many Medicaid patients as they could. In Windham County, there is more promising news; two key practices have recently solved some staffing needs and have resumed accepting new Medicaid patients.

In an effort to improve access to dental care, DVHA helps members find Medicaid dental support as needed. DVHA learns about members who are having difficulty finding dental care through several channels: 1) DVHA's request for assistance website link(s), 2) Vermont Chronic Care Initiative (VCCI) referrals, 3) the Vermont Legal Aid Office of the Health Care Advocate referrals, 4) other AHS Department referrals, and 5) referrals from other external agencies/organizations (i.e., VSDS). By working to connect members with practices accepting Medicaid patients in their area, DVHA has been made aware of geographical areas in the state where access to dental care may be most difficult. It also allows DVHA an opportunity to understand where oral health support is changing in real-time, either positively or negatively.

ANALYSIS

SOURCES OF DATA

For this analysis, DVHA relied on Medicaid claims data to quantify utilization of services and Medicaid payments for services. Medicaid provider enrollment data was utilized to summarize participating dental providers by specialty and practice location. Additional information was drawn from the Vermont Department of Health's (VDH) Health Care Workforce Data.¹

DENTAL PROVIDER PARTICIPATION WITH MEDICAID

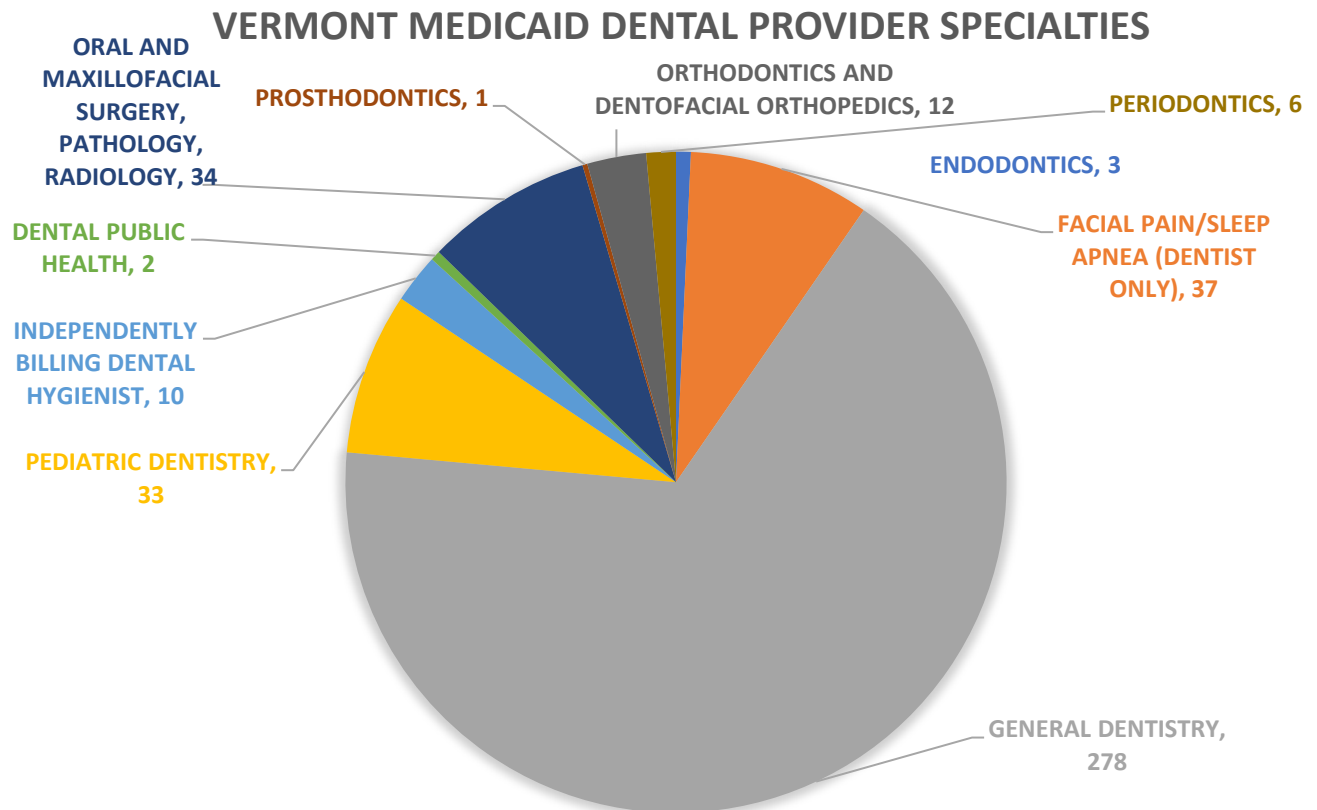
The Vermont Department of Health (VDH) conducts a workforce report of dentists every two years. The most recent available report is for the 2021 dental provider census.² In 2021, there were 393 dentists providing patient care in Vermont. As compared to this

¹ [Health Care Workforce | Vermont Department of Health](#)

² [2021 VT Dentists Census](#)

number, the number of Medicaid-enrolled dentists in 2024 represents an estimated 85% of Vermont dentists.

As of December 1, 2024, there are 335 enrolled dentists and 10 enrolled independently billing dental hygienists in the Vermont Medicaid provider network (although they are able to enroll as Medicaid providers, Vermont does not currently have any independently billing dental therapists). Approximately 20% of dental providers are enrolled with more than one specialty designation (for example, a dentist may be enrolled with both a general dentistry specialty and a pediatric dentistry specialty). The specialty distribution is presented in the graphic below, and providers with more than one specialty designation are counted in each of their specialty categories.



Among the 335 enrolled dentists, 143 dentists (~43%) have been continuously enrolled with Vermont Medicaid since they first began participation. Others have had one or more lapses in their enrollment over time but have re-enrolled with Vermont Medicaid. Of the 10 independently billing dental hygienists, all have been continuously enrolled with Vermont Medicaid.

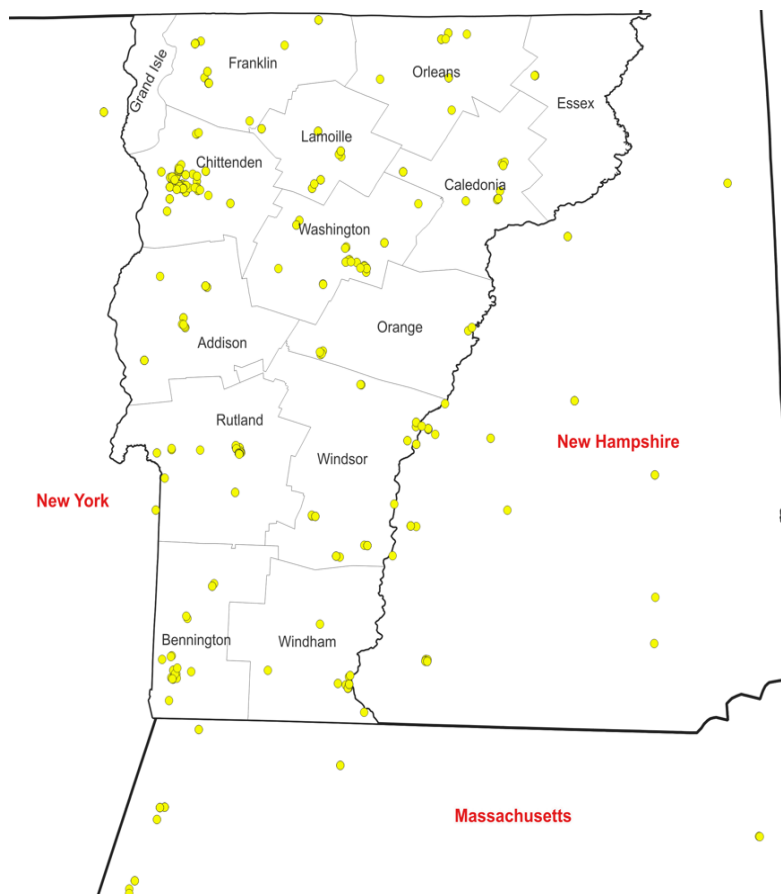
A total of 56 dentists and 3 independently billing hygienists newly enrolled with Vermont Medicaid on or after July 1, 2023 when the comprehensive rate increases were

implemented. However, there have also been 27 dentists who have terminated their enrollment with Vermont Medicaid since July 1, 2023. Of these 27, 6 disenrolled for voluntary reasons (e.g., moving, retirement, decision to stop participation) and 21 were automatically terminated by the Medicaid provider enrollment system for a lack of active license or for claims inactivity. This represents a net increase of 29 dentists and 3 independently billing hygienists participating in the Vermont Medicaid provider network since July 1, 2023, accounting for 9.3% of currently enrolled providers. While providers may have many factors affecting their decisions to participate in the Medicaid provider network and it is not possible to conclude that Medicaid rate increases were the sole driver of a net increase to provider participation in the last 18 months, it would seem that the investment in Medicaid dental reimbursement did serve to stabilize Medicaid dental enrollment at a point when more widespread terminations were likely.

GEOGRAPHIC AND NETWORK ADEQUACY OF MEDICAID DENTAL PROVIDERS

As of December 1, 2024, the Vermont Medicaid provider network includes enrolled dentists with practice locations in every county of Vermont except Grand Isle (where there are no practicing dentists), as well as providers with practice locations in New York, Massachusetts, and New Hampshire. The map below shows the practice locations of individual enrolled Medicaid dentists.

The map shows that some areas have fewer Medicaid-enrolled dental providers than others. Some enrolled providers shown may not be accepting new Medicaid patients. Considering both these factors, access to care is most concerning for significant parts of the following counties: Lamoille, Washington, Orange, Rutland, Windsor, Bennington, and Windham. Members in Grand Isle County are able to access services in Chittenden County. Likewise, members in Essex County typically seek services from providers in Orleans and Caledonia counties. Vermont is also fortunate to have Medicaid participation from practices in neighboring states. New Hampshire enrolled sites are generally accessible to members in Windsor, Windham, Caledonia, and Essex counties.



“Network Adequacy” standards for various Medicaid provider types are established by the Agency of Human Services in accordance with Federal requirements. Annual measurements against these standards help the Medicaid program ensure that there are sufficient participating providers to serve the enrolled population and highlight opportunities for targeted provider outreach and supporting policy decisions when standards are at risk of not being met. DVHA’s method for calculating this dental access metric is validated each year by an External Quality Review (EQR) organization. Most recent results of that review, delivered to DVHA in December 2024, found all data collection procedures, methods and results to be fully compliant and acceptable.

The most recent standards for pediatric dentistry were established in 2023 and reflect a requirement that DVHA have pediatric dental provider-to-enrollee ratio of 1:1,500. This standard was set based on ratios that other state Medicaid programs have adopted and remained the same in 2024. In 2024, DVHA’s dental provider-to-pediatric enrollee ratio was 1:176. CMS does not require states to establish network adequacy standard for adult dentistry because adult dental services are not a required Medicaid benefit. However, DVHA does monitor the provider-to-enrollee ratio for adults, and in 2024, the ratio was 1:288.

While comparisons of enrolled dental providers to the number of Medicaid enrollees shows a sufficient network overall, the Vermont Medicaid provider network does have a relatively small number of specialty dental providers, meaning that members may have difficulty accessing more complex services when needed, especially in more rural regions of the state. Such specialty services include endodontics, prosthodontics, and periodontics.

UTILIZATION OF EMERGENCY DENTAL SERVICES

Vermont Medicaid covers emergency dental services for adults aged 21 and older in excess of the \$1,500 cap on expenditures. Emergency dental services are those that treat acute pain, infection, or bleeding and can be delivered in a dental office rather than an emergency setting. Medically necessary emergency dental service codes are covered under the dental benefit and no longer need approval by the Department for Children and Families (DCF) General Assistance (GA) Voucher Program.

The table below summarizes emergency dental services billed since July 1, 2023, for adults who are subject to the annual \$1,500 limit on dental services. It does not include emergency dental services for individuals who are pregnant or in the post-partum eligibility period, individuals under the age of 21, or individuals in the Developmental Disabilities Program, or Community Rehabilitation and Treatment Program. Those groups are not subject to the annual limit on services. Of note, the dental benefit changed July 1, 2023, so more years of data will be needed to establish a trend.

Emergency Dental Service Utilization Since 7/1/2023		
Calendar Year (CY)	# of Adult Members	Total Paid
2023*	213	\$239,528
2024	405	\$554,295

**The changes to the adult dental benefit went into effect July 1, 2023 so the 2023 expenditures are lower as this represents half of the year. Emergency dental services were not covered in the same manner prior to July 1, 2023 so a historical comparison is not available.*

COST ESTIMATES FOR INCREASING OR ELIMINATING THE DENTAL CAP

Vermont Medicaid's adult dental benefit reimburses providers for up to \$1,500 in Medicaid-paid dental services annually. The cap is determined by Medicaid reimbursement rates, not provider charges for services. There are key exceptions to the cap:

- Children and youth under the age of 21 are not subject to the cap.
- Preventive dental services are not subject to the cap.
- Individuals who are pregnant or 12 months postpartum are not subject to the cap. Effective April 1, 2023, the eligibility period for pregnant individuals expanded from 60-days to 12 months postpartum.

- Individuals in the Department of Disabilities, Aging, and Independent Living (DAIL) Developmental Disability Services (DDS) Waiver Program, or the Department of Mental Health (DMH) Community Rehabilitation and Treatment (CRT) program are not subject to the cap.

The following table shows the number and percentage of adults who were subject to the annual cap from 2019 through 2023. The cap amount and the exceptions to the cap have changed multiple times in this period, which limits the ability to compare years consistently.

Medicaid Adult Dental Cap			
Calendar Year (CY) Date of Service	# of adults ≥ 21 subject to the cap who received dental services	# of adults ≥ 21 subject to the cap who met the cap	Percent who met the cap
2024*	24,500	1,293	5.28%
2023**	28,025	858	3.06%
2022	29,226	1,572	5.38%
2021	29,065	1,360	4.68%
2020***	23,835	764	3.21%
2019	28,217	3,017	10.69%

**This figure does not reflect full claims run out for 2024 dental services.*

***Annual cap was raised from \$1,000 to \$1,500 in 2023, and emergency services were added as coverable expenses in excess the annual cap.*

****Annual cap was raised from \$510 to \$1,000 in 2020, and preventive services were removed from the cap. In 2020, dental offices were closed for several months due to COVID-19 public health emergency.*

The data above indicates that the percent of Medicaid enrolled adults who are subject to the cap, and met the cap, has remained fairly consistent between 4 and 5% since 2021. The dental benefit changes in 2023 occurred mid-year which may have impacted the data for that year. The 2024 data include fewer adults receiving dental services. It also includes claims for emergency services which could increase the percent of adults who met the cap. This is partial year data and does not include claims run out for 2024.

Given that only a small percentage of adults reach the cap annually, and that neither preventive nor emergency services currently count toward the cap, it is estimated that adjusting the cap to a higher level, or even eliminating the cap altogether, would require from \$1.83M to \$5.50M in gross funding annually. It should be noted that it is difficult to precisely forecast how such a policy change would affect both provider and member behavior, and there are several variables that contribute to the width of this estimated range. The biggest factor that is driving this range is the potential for the cap elimination to change practice patterns. For example, would Medicaid members receive more root canals and crowns instead of tooth extractions if the cap is lifted? Other factors include

potential for more of the adult population to proactively seek dental services. If the cap were raised or eliminated, members who did not seek services historically may begin to do so, and members who used few services historically may begin to seek more needed care than they were able to access under the annual cap. Likewise, dental practices may be more willing to accept new adult Medicaid members knowing that care plans would not be so limited on an annual basis. If these dynamics occurred, estimates based on past utilization patterns could understate the pressure on the Medicaid budget. It is unlikely that a sudden surge in adult dental service utilization would occur, however, due to the general capacity limitations of the dental system in Vermont. If a policy change to raise or eliminate the dental cap were pursued and funded, DVHA recommends that this be done in conjunction with an analysis of dental coverage for the adult population to determine whether offering an extensive dental benefit (including coverage for dentures) could result in other dental expenditure offsets.

CONCLUSION & LOOKING FORWARD

Medicaid data from recent years shows that the Vermont Medicaid program has sufficient dental provider enrollment to support an adequate network by state and national standards, and that enrollment has been stabilized since the substantial Medicaid rate increase that was supported by appropriations in SFY 2024. Even so, there continue to be opportunities for improvement. DVHA continues to focus on streamlining the dental provider enrollment process. All new dental provider enrollments are identified and expedited through the approval process, often taking less than 15 days to complete. Gainwell Technologies, DVHA's fiscal agent, has also recently restructured its provider representative services so there is a single designated provider representative for all dental providers to enhance efficiency in responding to provider billing and enrollment inquiries. Multiple DVHA units also regularly monitor trends in appeals about dental services and inquiries from providers about Medicaid reimbursement and use that information to guide policy recommendations to continually improve access to services.

A significant limiting factor for dental access that is not specific to the Medicaid program relates to the oral health workforce in Vermont. Recruiting dentists to work in Vermont has been a long-standing challenge. The VSIDS has supported a dental recruiting program for many years. However, since Vermont does not have a dental school, there has been no formal pipeline for dentists to train in Vermont and potentially decide to establish a career here once schooling is complete.

The VSIDS, with the support of our congressional delegation, will partner with the University of Detroit Mercy (UDM) Dental School to bring an innovative Dental Oral Health Education Center to Vermont in the fall of 2027.³ Beginning in the late spring of 2025, a partnership between VSIDS and UDM will include two years of foundational and

³ <https://www.vsids.org/udm-clinic-vt>

preclinical education at the UDM School of Dentistry Campus in Detroit, Michigan, followed by two years of clinical and didactic education at a new dental clinic based in Colchester, Vermont. The University of Detroit Mercy-Vermont dental program will offer DDS dental education in the state of Vermont, accredited by the Commission of Dental Accreditation (CODA). University of Detroit Mercy-Vermont will house modern classrooms with on-site clinics to support its clinical education program and serve as a public health clinic to provide dental care to qualifying individuals. Extending its reach beyond its Colchester facility, the new dental program will partner with clinical organizations in Vermont to reach areas with a shortage of dental health professionals and underserved populations. Although this is not a Vermont Medicaid program, DVHA is evaluating ways to support members' access to this innovative program.

In addition, the Vermont State University (VSU) Dental Hygienist Program graduated 34 students in May of 2024. Although there will be no graduates in 2025, the 3-year program expects normal graduation rates thereafter (~18 annually). Positively, the dental hygiene school has received grant money to potentially double their space within the next 2-3 years and expand student intake accordingly. These efforts will meaningfully contribute to the local oral health care workforce and will hopefully mean that practices facing staffing limitations will be able to return to an expanded capacity in the future.