

# Medicaid Dental Coverage for Adult ICF Residents

*Response to HCR 34 of the 2021 Regular Legislative Session*

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January 2022



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## Executive Summary

During the 2021 Regular Session, the Louisiana Legislature passed House Concurrent Resolution (HCR) 34, requiring Louisiana Department of Health (LDH) to research available means of financing to add dental benefits for adults residing in intermediate care facilities (ICFs).

LDH has determined that inclusion of the administration of dental services in ICFs is a federal requirement. The Department will achieve this mandate by amending the current ICF provider agreements to include the requirement to contract with the Louisiana Medicaid dental benefit plan managers (DBPM).

## Section 1 – Dental Benefits for Adults with Intellectual Disabilities Residing in an Intermediate Care Facility

The Louisiana Medicaid Dental Program as currently established provides a different set of benefits for two groups of beneficiaries:

- Beneficiaries ages 0-20 are eligible to receive comprehensive dental services through the EPSDT program, including diagnostic, preventive, restorative and endodontic services.
- Beneficiaries ages 21 and older receive coverage providing for dentures and limited services relating to the delivery of dentures.

### Subsection 1.1 – Existing Dental Services for ICF residents

The Code of Federal Regulations (CFR) Title 42, Section 483.460 establishes the conditions of participation for ICFs. This requirement states that the facility must provide:

- Dental services
- Comprehensive dental diagnostic services
- Comprehensive dental treatment
- Documentation of dental services

As part of the research for this report, a survey was created by LDH and distributed to ICFs to determine the current state of dental services provided by the ICFs. Of the 21 facilities that responded all but two stated that their residents ages 21 and older currently receive some dental services from the facility. Of those 21 facilities, five stated that some level of their dental services are provided on site at the facility. The remaining facilities provide all dental services off site. All facilities noted that their beneficiaries receive at least one routine dental exam per year.

Concerning the current payment for services, nine facilities stated that all dental services are covered through the existing per diem paid by Medicaid. Five facilities stated that some services are paid through the per diem but other services are billed separately. Seven facilities stated that their dental services are either billed separately to Medicaid or charged to the resident's family.

In responding to the survey, several facilities noted that, while they provide dental services to their residents, the per diem that they receive from the state currently does not cover all of the expenses that are incurred in the regular treatment of their residents.

As of January 2021, Medicaid enrolled adult ICF residents into a DBPM for denture services only. ICF residents had previously received adult denture benefits through a fee-for-service delivery system. Enrollment into a DBPM offered a plan choice, as well as access to some value-added services such as extractions.

### Subsection 1.2 – Expanding Benefits

During the 2021 Regular Session of the Louisiana Legislature, Representative Rhonda Butler filed House Bill (HB) 172, which proposed expanding dental benefits for adults with intellectual and developmental

disabilities. During the session, concerns were raised regarding the means of financing for residents of ICFs. This population was removed from HB 172. HCR 34 was drafted to request that LDH review ICF requirements and determine the best way to fund these services while ensuring that ICFs continued to meet federal requirements.

Coverage for adult waiver recipients was approved by the legislature and enacted as Act 450. LDH is currently working on the implementation process to meet all requirements of this legislation.

The additional coverage provided by Act 450 that the author of HCR 34 seeks to have added for ICF residents includes:

- Diagnostic services
- Preventive services
- Restorative services
- Endodontics
- Periodontics
- Prosthodontics
- Oral and maxillofacial surgery
- Orthodontics
- Emergency care

### Subsection 1.3 – Projected Cost of Dental Services for ICF Residents

LDH’s actuary has estimated the cost for providing the above stated dental benefits for ICF residents to be \$111.00 per member per month (PMPM). Some residents may require outpatient hospitalization and general anesthesia when extensive dental treatment is needed. These costs are not included in PMPM fee and are indicated as hospital facility fee and anesthesia, below. Based on a projected enrollment of 4,144 beneficiaries the total annual cost follows:

<b>Table 1- FY 23 Cost for Additional Dental Coverage for ICF Residents</b>	
<b>ICF Resident PMPM</b>	\$ 5,519,808.00
<b>Hospital Facility Fee*</b>	\$ 614,083.00
<b>Anesthesia*</b>	\$ 313,814.00
<b>Total cost</b>	<b>\$ 6,447,705.00</b>

\*assumes 50% utilization

<b>Table 2- FY 23 Means of Finance (MOF)</b>	
<b>State General Fund</b>	\$ 1,953,171.00
<b>Statutory Dedication</b>	\$ 108,805.00
<b>Federal</b>	\$ 4,385,729.00
<b>Total MOF - FY 23</b>	<b>\$ 6,447,705.00</b>

#### Subsection 1.4 – Reimbursement Methods for ICFs

LDH initially considered two methods of payment for these services through the ICF. The first was for LDH to enter into an administrative services only (ASO) agreement with the DBPMs to coordinate care with the ICF. The DBPM would manage a network of providers that the ICF could utilize to provide dental benefits to their members. This approach would mean the ICF would pay the participating providers an agreed-upon amount from an established fee schedule. Implementing an ASO with the DBPMs and potential separate provider agreements for the ICF networks of providers could be problematic, along with having the ICFs directly pay the claims.

LDH also considered amending the provider agreements for ICFs to require that they contract with the Medicaid DBPMs on an at-risk basis for their residents to receive services. LDH will add an actuarially sound PMPM amount to the per diem paid to the ICFs, which the ICFs will pay to the contracted DBPMs to provide the benefits. This methodology has the benefit of provider payments being managed by only the two DBPMs instead of each individual facility having to issue payments.

After reviewing these scenarios it was determined that using the PMPM as a pass through from the ICF to the DBPMs was the most appropriate method of financing this initiative.

#### Subsection 1.5 – Implementing Expanded Dental Coverage for ICF Residents

In order to implement coverage for these beneficiaries, LDH will need to work with the ICFs to amend their provider agreements as noted above. Contracts between the ICFs and the DBPMs will be necessary to ensure compliance with all requirements of the program.

LDH will need to work with its contracted actuary to establish actuarially sound PMPM rates for the ICF population. Amendments to the DBPM contracts and CMS approval will also be required.

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