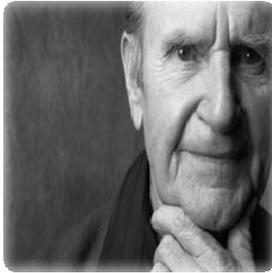


# Adult Dental Medi-Cal Cuts: Costs & Consequences



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# ADULT DENTAL MEDI-CAL CUTS: COSTS & CONSEQUENCES

By Dana Hughes, DrPH and Joel Diringer, JD, MPH

**"Those who suffer the worst oral health are found among the poor of all ages, with poor children and poor older Americans particularly vulnerable."**

*-Oral Health in America: A Report of the Surgeon General, 2000*

## INTRODUCTION

Oral health status affects overall health and well being, as well as employability and productivity. Poor oral health not only results in needless and avoidable pain and suffering but also is associated with a variety of other diseases and conditions, including respiratory disease, diabetes, stroke, heart disease and preterm and low birth weight deliveries. Poor oral health also may lead to loss of employment and reduced hours of work due to pain, infection and associated dental visits. Yet 2.8 million adults in California could lose access to dental services if Governor Schwarzenegger's proposal to eliminate Medi-Cal dental ("Denti-Cal") benefits for adults not living in nursing facilities as a cost cutting measure is enacted. While the program's elimination would result in only a minor reduction in state outlays, it would cause the loss of at least \$115 million of federal matching funds, substitute more expensive services for less expensive treatments and preventive services, and exacerbate the problems of the safety net by placing more pressure on community clinics and emergency rooms. Eliminating adult Denti-Cal coverage would have other significant ramifications, including lower participation by dentists in the Denti-Cal program, fewer children receiving oral health services, and ultimately, significant oral health and medical

problems in pregnant women, low-income, disabled and elderly adults.

This brief outlines the importance of oral health services and good oral health, describes the proposed cuts in Denti-Cal, and describes likely implications.

## THE IMPORTANCE OF GOOD ORAL HEALTH

An abundance of health research over the last few decades demonstrates the adverse effects of poor oral health. Some of the immediate short-term consequences include pain and discomfort, which can lead to disruptions of daily life, such as difficulty working and sleeping.<sup>1</sup> It is estimated that adults lose 160 million hours from work annually as a result of dental ailments and visits that could have been avoided with certain oral health behaviors and preventive care.<sup>1</sup> Some



of the longer-term impacts include the need for more costly procedures and restorative treatment for dental problems that could have been more easily and inexpensively prevented or treated if detected earlier.<sup>1</sup> Extensive research also shows that oral health and physical health are inextricably linked, as oral diseases can have systemic effects.<sup>2,4,5</sup> Untreated oral health problems are associated with a variety of adverse health outcomes, which include, diabetes, stroke, heart disease, bacterial pneumonia and preterm and low birth weight deliveries.<sup>1,2,6,7</sup> Left untreated, dental disease or medical conditions resulting from dental disease can also lead to death.

The repercussions of ignoring oral health are known all too well. Dave Follansbee, a 48-year-old man from New Hampshire, was hospitalized with brain abscesses that resulted from an untreated tooth infection. If he had had good preventive care, a dentist could have caught the infection before the results progressed so far. Dave had four brain surgeries in a span of two months. Both Dave and his wife have lost their jobs and are about to lose their home.<sup>3</sup>

## **THE ROLE OF DENTAL COVERAGE**

Dental coverage links individuals to a source of regular dental care. Research indicates that a child, adult or senior with dental coverage is significantly more likely to seek and use regular dental services than their uninsured counterparts.<sup>4</sup> Hence, a loss of coverage can result in declines in oral

health status. When Massachusetts eliminated dental benefits for adults enrolled in Medicaid, there was a significant increase in the number of patients with serious dental pain who had to resort to tooth extraction instead of less invasive procedures since tooth extractions were still covered. Other patients reported living with low self-esteem, stress, and chronic pain instead of having a tooth extraction because they worried about the impact of toothlessness on their social lives and their ability to find employment.<sup>16</sup>

California's proposed cuts could also result in an increased incidence of other diseases since preventive care visits also provide windows of opportunity to detect and diagnose early manifestations of osteoporosis, certain cancers, eating disorders, substance abuse, and HIV infection and progression to AIDS.<sup>8</sup>

The availability of dental care for adults also affects the oral and overall health of their children. In utero, maternal oral flora is one of the key predictors of a child's oral flora yet adult periodontal (gum) infection affects up to 40% of reproductive-aged women.<sup>18</sup>

The oral bacteria of mothers are passed on to their infants; thus, increased decay-causing bacteria in the mother increases the likelihood that the infant will develop caries.<sup>18, 19</sup> Moreover, periodontal disease among pregnant women has been shown to be associated with preterm and low birth weight babies.<sup>7,18</sup>

Children also benefit from their parents

having access to dental care. A study of low-income African-Americans demonstrated that children whose parents received preventive dental care were five times more likely to visit a dentist themselves when compared to children whose parents received no dental care or had visited the dentist only for an emergency situation.<sup>9</sup> Another study of Medicaid families revealed that when parents do not make at least one dental visit annually, their children are 13 times less likely to visit a dentist that same year.<sup>10</sup> These studies underscore the importance of ensuring that low-income adults have access to dental services not only for their own health and wellness, but also for their children's wellbeing.

Coverage and the use of preventive care not only improves the health of the individual but also results in cost savings that are passed along to consumers and the health system. Individuals who receive preventive dental care avoid costly reconstructive and invasive surgeries as well as the need to seek treatment in emergency settings.

Preventive care also decreases costs associated with other conditions. By eliminating gum infections among pregnant women, it is estimated that the birth of about 45,500 preterm low birth-weight newborns could be avoided nationally each year, reducing neonatal intensive care unit costs by nearly \$1 billion.<sup>11</sup> Medi-Cal estimated that, based on this analysis, California could save \$29.2 million per year if women enrolled in Medi-Cal received periodontal treatment during

pregnancy.<sup>4</sup> Adults with other medical conditions also benefit from preventive dental care. One study found that those with diabetes experience a 21% lower health risk and 9% lower healthcare costs with early dental care; those with coronary artery disease experience a 19% lower risk and 16% lower costs; and those with other cardiovascular diseases experience 17% lower risk and 11% lower costs.<sup>12</sup>

## **CALIFORNIA: MOVING IN THE WRONG DIRECTION**

Despite the substantial evidence that dental coverage improves oral health and medical outcomes and saves money, the Schwarzenegger Administration has instructed all agencies, including the Department of Health Care Services (DHCS), which administers the Denti-Cal program, to cut all spending by 10% to reduce state expenditures, including a 10% reduction in reimbursement rates to providers serving Denti-Cal and Medi-Cal patients. The administration has also called for the *total elimination* of the *adult dental* benefit for Medi-Cal recipients who are not living in nursing facilities as a "cost saving" measure, with the exception of a few federally-required emergency dental procedures.<sup>13</sup>

Denti-Cal is a critical source of dental services for nearly 3 million poor, disabled and elderly adults in California. Coverage includes diagnostic and preventive dental services, emergency treatment for control of pain and infection, fillings and tooth extractions, root canal treatments, and prosthetic appliances (e.g., dentures). Dental

services for adults are already limited by being capped annually at \$1800.

Only about 2 percent of the entire Medi-Cal budget is spent on dental services.<sup>2</sup> The projected savings from the cuts in adult dental services add up to \$115 million, or only 1.1 percent of the total 20 billion dollars in savings the Governor proposes to balance the budget.<sup>14</sup> (Note that since this figure was calculated, the estimated budget deficit has grown to \$20 billion as of April 2008 so the actual contribution of the adult dental services cut towards addressing the State's budget deficit is even less than 1.1 percent.)

Even this small amount of savings is more illusory than real. Cuts in state spending in Medi-Cal/Denti-Cal automatically result in the loss of federal matching funds. Of the approximate \$246.6 million spent on dental services for adult Medi-Cal beneficiaries in 2007, half came from the federal government. This means that California spent 50 cents to purchase each dollar's worth of care. With the elimination of the adult dental benefit, these federal matching funds would be lost to the State. Federal matching dollars have been shown to stimulate the economy, increase jobs, and increase state income. It has been estimated that for each \$1 million cut in State Medi-Cal spending in California, \$2.38 million and 20.75 jobs will be lost due to reduction in federal reimbursements and economic activity.<sup>15</sup> Thus, the proposed \$115 million general fund reduction will result in the loss of \$285.6 million and 2,490 jobs in California's economy. Given the current

economic conditions in California, this blow to the economy would come at a difficult time.

## **EMERGENCY ROOM AND COUNTY-FUNDED USE WILL RISE AND INCREASE COSTS**

It is also a near certainty that savings due to the proposed cuts will be lower than projected as individuals seek and require care in more expensive emergency and county-funded settings that do not bring in federal matching funds.<sup>4</sup> When individuals cannot get preventive care or early treatment in outpatient settings, they must turn to county systems for prevention and treatment, or seek treatment in emergency rooms, which are much more costly. When Maryland eliminated Medicaid reimbursement to dentists for treating adults in 1993, emergency room visits for dental issues rose by 21 percent in one year.<sup>21</sup> Similarly, when Massachusetts eliminated its Medicaid adult dental benefit, community health centers found that they could not accommodate the large influx of new patients.<sup>16</sup> California community clinics estimate that they will lose \$56.5 million in federal and state Medi-Cal revenue with the loss of adult dental which accounts for 407,000 visits annually.<sup>20</sup> With diminished reimbursement, some clinics will face closure of their dental programs, which includes services to children, often the only source of dental services in rural areas.

Elimination of the adult dental benefit, therefore, would not only transfer costs from Denti-Cal to overtaxed community-

based institutions and other payers, but would also lead to higher costs.

## **REDUCED PROVIDER PARTICIPATION IN DENTI-CAL**

Few private dentists currently accept Denti-Cal patients, either children or adults. Currently, approximately 4,000 dentists (out of about 34,000 active licensed dentists in the state) provide 97% of the dental services for the 6.6 million adults and children covered under the Medi-Cal dental program.<sup>22</sup> Dentists cite multiple reasons for not accepting Denti-Cal beneficiaries, including low reimbursement rates, excessive paperwork, and cumbersome procedures such as requirements for prior authorizations to provide care.<sup>2,17</sup>

Many who currently accept Denti-Cal patients have indicated that the elimination of the adult dental benefit, particularly when coupled with the 10% rate reduction, will either cause them to close their doors or stop seeing any Denti-Cal patients, including children. If this decline in reimbursement takes effect July 1, as proposed, it will make recruitment of additional providers extremely problematic and the serious effort will be directed to stemming erosion of the existing thin provider base.<sup>22</sup> When Massachusetts eliminated its adult dental program, many Medicaid participating dentists dropped from the program.<sup>16</sup>

The Governor's reduction in Medi-Cal and Denti-Cal reimbursement rates by 10% would further exacerbate the already tenuous relationship between

private providers and the Denti-Cal program. Reimbursement rates for Denti-Cal in California are currently among the lowest in the country.<sup>2</sup> The synergy of the 10% cut and elimination of adult dental could mean the end to Denti-Cal as a viable program.

As the economy improves and program cuts are rescinded, it will be difficult to restore the program and recruit providers willing to accept Denti-Cal.

## **CONCLUSION**

Those who lose Denti-Cal coverage can expect to experience not only worsening oral health problems but also adverse impacts on other concomitant health conditions such as pregnancy, diabetes, and heart disease, as well as a lessened likelihood that newly acquired diseases will be detected early.

The consequences of this reduction in coverage will have ripple effects, not only on the affected individuals and their families and communities, but also on to Medi-Cal and the overall health care system.

The proposed \$115 million reduction in general fund allocation will result in the loss of \$285 million to California's economy due to forfeited federal reimbursements and loss of economic activity.

Not only will nearly 3 million adult Californians lose access to critical oral health care, but children will also receive more limited services as there are expected to be fewer providers accepting Denti-Cal and parents without

Denti-Cal coverage are less likely to take their children for dental services. Coupled with the 10% rate reductions to all Medi-Cal providers, the loss of adult dental coverage could well mean an evisceration of an already barebones program. Costs will be shifted to safety net clinics, low-income Californians and emergency rooms. With the increased understanding of the need for early and preventive care, and the association of oral health with overall health, the proposed elimination of Denti-Cal benefits is heading in the wrong direction for California.

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## **Dental Health Foundation**

For the past twenty years the Dental Health Foundation (DHF) has been one of the few organizations in the country dedicated to the vision of “**oral health for all.**”

**O**ur mission is to build and work through community partnerships to promote oral health for all by:

- *Providing leadership in advocacy, education and public policy development*
- *Promoting community-based prevention strategies*
- *Improving access to and the quality of oral health services*
- *Encouraging the integration of oral health and total health*

## **California Primary Care Association**

California Primary Care Association (CPCA) is the statewide leader and recognized voice of California’s community clinics and health centers and their patients. CPCA’s member clinics provide high quality medical, dental and mental health services, children’s day care, and early intervention programs for low-income, uninsured and underserved Californians, who might otherwise not have access to health care. The more than 650 community clinics and health centers that CPCA represents share a common mission to serve all who walk through their doors, regardless of ability to pay. The mission of CPCA is to strengthen its member community clinics and health centers and networks through advocacy, education, and services in order to improve the health status of their communities.

## **Oral Health Access Council**

In 2001, California Primary Care Association (CPCA) and the Dental Health Foundation (DHF) together launched the Oral Health Access Council (OHAC), a major campaign aimed at solving California’s oral disease epidemic. OHAC is a multi-lateral, non-partisan effort whose mission is to improve the oral health of the California’s underserved and vulnerable populations. With a membership of over 44 organizations representing a diversity of oral health stakeholders, OHAC has become California’s most broad-based and unified voice for oral health.