

CICP Clinics Executive Forum

Dental Services & Long-Term Funding Options

Nancy Dolson, Director,
Special Financing Division
September 15, 2015



COLORADO

Department of Health Care
Policy & Financing

Our Mission

Improving health care access and outcomes for the **people** we serve while demonstrating sound stewardship of financial **resources**



COLORADO

Department of Health Care
Policy & Financing

Objectives

- Add dental services to CICIP and establish a funding methodology for CICIP clinic providers of dental services
- Discuss long-term funding options for the CICIP that:
 - Are congruent with the post-ACA environment
 - Serve the remaining low-income, uninsured population
 - Meet the needs of local communities
 - Are administratively efficient



COLORADO

Department of Health Care
Policy & Financing

Why Dental Services?

- An opportunity exists to offer dental services through the CACP
 - Following Medicaid expansion, enrollment in CACP has fallen by nearly 75% while funding for CACP clinics has remained unchanged
- Medicaid now provides an adult dental benefit
- Most clinics are already providing dental services to CACP clients, but not being reimbursed through the CACP for those services



Clinic Dental Services to CICP Clients in FY 14-15

- Clients receiving dental services: 54,700
- Total Dental Charges: \$8.1 million
- Third Party Payments: \$2.7 million
- Patient Liability: \$1.3 million
- Implies \$4.1 million potential write-off to CICP



COLORADO

Department of Health Care
Policy & Financing

Clinic Dental Services to CICP Clients in FY 14-15

- Of the 19 CICP Clinic providers, only 4 do not provide dental services:
 - Basin Clinic
 - Northwest Colorado Community Health Centers
 - Olathe Community Clinic
 - Grace Health Clinic



COLORADO

Department of Health Care
Policy & Financing

Allowable Dental Services

- Propose to follow Medicaid dental benefit with the following exceptions:
 - No prior authorizations required
 - No \$1,000 limit per client per year
 - FY 2014-15 average charges per client were \$148
- Allow dentures because:
 - Medicaid covers dentures
 - 12 of the 19 CICP clinics currently provide dentures
 - Including dentures does not significantly alter reimbursement outcomes



COLORADO

Department of Health Care
Policy & Financing

Sliding Fee Scale for Dental Services

- CICP will not establish a statewide, uniform copayment scale for dental services
- Prior implementation, CICP clinics wishing to receive reimbursement for dental services provided to CICP clients must submit a sliding fee scale for approval



COLORADO

Department of Health Care
Policy & Financing

Sliding Fee Scale for Dental Services

- The sliding fee scale must:
 - Ensure that lower-income patients are charged less than higher-income patients
 - Have at least 3 tiers for income levels between 0% and 250% of the FPL
 - Charge fees below usual and customary charges, and
 - Be applied uniformly to all CICP clients, as demonstrated through each clinic's organizational policy



Questions or Concerns?



Determining Funding for Dental

- **Foregone Option:** Distributing the \$6.1 million appropriation based on combined dental and medical expenditures
 - Why not selected
 - Dental services will be allowed beginning in January 2016 but reimbursement could not begin until the following fiscal year
 - Reimbursement calculations could not be based on much historical data. For example, reimbursement for FY 2016-17 would be based only on submitted dental data covering January to March of 2016.



Determining Funding for Dental

- **Selected Option:** Set-Aside a fixed amount of the \$6.1 million appropriation for dental services reimbursement
 - Why selected
 - Financial impact will be known up front
 - Dental reimbursement will be subordinate to reimbursement for medical services
 - Clinics can be reimbursed for dental in both FY 2015-16 and FY 2016-17
 - Reimbursement can be calculated on more dental data than in the combined medical and dental option



How Much to Set Aside for Dental?

- The Department seeks the Executive Forum's input in determining the dollar amount of the set-aside.
- The table below summarizes the estimated reimbursement as a percentage of write-off charges for medical and dental services as the set-aside for dental varies from \$0 to \$1,500,000 in FY 2016-17.

Dental Set Aside Amount	\$0	\$500,000	\$1,000,000	\$1,500,000
Estimated Medical Reimbursement	\$0.65	\$0.60	\$0.55	\$0.50
Estimated Dental Reimbursement	\$0.00	\$0.10	\$0.21	\$0.31

Financial Impact of Dental Set-Aside by Clinic

- The following tables illustrate the estimated financial impact of setting aside \$500,000, \$1,000,000 and \$1,500,000 for dental services in FY 2016-17
- Clinic names have been hidden and estimated reimbursement has been rounded to the nearest \$100
- Estimated baseline reimbursement uses estimated FY 2016-17 reimbursement assuming preliminary CICP utilization data through the fourth quarter of FY 2014-15



COLORADO

Department of Health Care
Policy & Financing

\$500,000 Dental Set-Aside

Provider	Baseline Reimbursement	Reimbursement with Dental	Dollar Change	Percent Change
A	\$3,800	\$3,500	-\$300	-8%
B	\$4,100	\$8,700	\$4,600	112%
C	\$14,200	\$13,100	-\$1,100	-8%
D	\$18,400	\$19,800	\$1,400	8%
E	\$33,800	\$39,200	\$5,400	16%
F	\$34,600	\$31,800	-\$2,800	-8%
G	\$40,100	\$35,600	-\$4,500	-11%
H	\$44,100	\$40,500	-\$3,600	-8%
I	\$57,600	\$55,200	-\$2,400	-4%
J	\$85,200	\$78,200	-\$7,000	-8%
K	\$108,400	\$151,800	\$43,400	40%
L	\$133,900	\$129,600	-\$4,300	-3%
M	\$209,800	\$197,600	-\$12,200	-6%
N	\$270,300	\$249,800	-\$20,500	-8%
O	\$491,300	\$718,300	\$227,000	46%
P	\$987,400	\$920,700	-\$66,700	-7%
Q	\$1,067,300	\$1,044,900	-\$22,400	-2%
R	\$1,201,200	\$1,122,500	-\$78,700	-7%
S	\$1,254,000	\$1,196,900	-\$57,100	-5%
Total	\$6,060,000	\$6,060,000	\$0	



\$1,000,000 Dental Set-Aside

Provider	Baseline Reimbursement	Reimbursement with Dental	Dollar Change	Percent Change
A	\$3,800	\$3,200	-\$600	-16%
B	\$4,100	\$13,300	\$9,200	224%
C	\$14,200	\$11,900	-\$2,300	-16%
D	\$18,400	\$21,100	\$2,700	15%
E	\$33,800	\$44,500	\$10,700	32%
F	\$34,600	\$28,900	-\$5,700	-16%
G	\$40,100	\$35,600	-\$4,500	-11%
I	\$44,100	\$36,900	-\$7,200	-16%
H	\$57,600	\$52,800	-\$4,800	-8%
J	\$85,200	\$71,200	-\$14,000	-16%
P	\$108,400	\$195,100	\$86,700	80%
K	\$133,900	\$125,200	-\$8,700	-6%
L	\$209,800	\$185,500	-\$24,300	-12%
M	\$270,300	\$229,400	-\$40,900	-15%
Q	\$491,300	\$945,300	\$454,000	92%
N	\$987,400	\$854,000	-\$133,400	-14%
R	\$1,067,300	\$1,022,500	-\$44,800	-4%
O	\$1,201,200	\$1,043,800	-\$157,400	-13%
S	\$1,254,000	\$1,139,800	-\$114,200	-9%
Total	\$6,060,000	\$6,060,000	\$0	



\$1,500,000 Dental Set-Aside

Provider	Baseline Reimbursement	Reimbursement with Dental	Dollar Change	Percent Change
A	\$3,800	\$2,900	-\$900	-24%
B	\$4,100	\$17,800	\$13,700	334%
C	\$14,200	\$10,700	-\$3,500	-25%
D	\$18,400	\$22,400	\$4,000	22%
E	\$33,800	\$49,800	\$16,000	47%
F	\$34,600	\$26,000	-\$8,600	-25%
G	\$40,100	\$33,300	-\$6,800	-17%
I	\$44,100	\$33,200	-\$10,900	-25%
H	\$57,600	\$50,400	-\$7,200	-13%
J	\$85,200	\$64,100	-\$21,100	-25%
P	\$108,400	\$238,500	\$130,100	120%
K	\$133,900	\$120,900	-\$13,000	-10%
L	\$209,800	\$173,300	-\$36,500	-17%
M	\$270,300	\$208,900	-\$61,400	-23%
Q	\$491,300	\$1,172,300	\$681,000	139%
N	\$987,400	\$787,300	-\$200,100	-20%
R	\$1,067,300	\$1,000,100	-\$67,200	-6%
O	\$1,201,200	\$965,100	-\$236,100	-20%
S	\$1,254,000	\$1,082,700	-\$171,300	-14%
Total	\$6,060,000	\$6,060,000	\$0	



Questions or Concerns?



A Bit About Process

- Department will submit a rule to the Medical Services Board seeking approval of today's decisions
- The rule will propose an effective date of January 1, 2016
- An opportunity for public discussion on the proposed rule occurs on September 21
- Providers must submit their dental write off charges by April 30, 2016 in order to receive a dental reimbursement in June 2016
- The Department will notify all CICP clinics of their June 2016 CICP Clinic payment at least 10 business days prior to disbursement



COLORADO

Department of Health Care
Policy & Financing

Long-Term Funding Options

- Goal: Preserve access to health care services for low-income, uninsured Coloradans, post-Affordable Care Act, by directing funds to local community safety net providers
- Timeline:
 - Long-term funding options today
 - Finalize recommendation March 2016
 - Legislative proposal for Department's executive team consideration late spring 2016
 - Legislation in 2017 session
 - Program changes effective FY 2017-18
- Consensus to date: grant program for CICP clinics



Long-Term Funding Options

- Assumptions
 - Funds must continue to be disbursed by Children's Hospital to receive federal match
 - Qualifications follow current CICP program: federally qualified health centers, rural health centers, or state licensed community health clinics
 - Meaningful sliding fee scale or no-cost for services
 - Quality Assurance Program
- Options for discussion
 - Competitive grant program
 - Distributive grant program based on utilization and performance indicators



Long-Term Funding Options

- Option 1: Competitive Grant Program
 - Department developed application
 - Applicants propose how funds will be used, such as for operations or staffing or capital improvements with detailed budget
 - Review committee evaluate proposals and executive director makes funding decision
 - Quarterly and annual reporting of expenditures



Long-Term Funding Options

- Option 1 Considerations
 - Funds directed to needs of community provider
 - Quantifiable reports of how funds were used
 - Increased administrative burden for state and clinics
 - Funding distribution may vary significantly from current situation



Long-Term Funding Options

- Option 2: Distributive Grant Program
 - Department developed application
 - Funding to all applicants who meet program qualifications
 - Funds distributed based on formula that includes utilization of services and performance metrics



COLORADO

Department of Health Care
Policy & Financing

Long-Term Funding Options

- Option 2 Considerations
 - Funds directed to needs of community provider
 - Lower administrative burden for state and clinics
 - Must develop distribution formula and choice of performance metrics
 - Lower ability to quantify how funds were used and impact on access



Timeline

- Department develops detailed proposal for discussion at March 2016 executive forum
 - In consideration of feedback heard today and additional feedback received
- Following March 2016 forum, legislative proposal will be submitted to Department's executive team for approval
- Goal: legislation in 2017 session for implementation in FY 2017-18



Questions or Concerns?



Contact Information

Nancy Dolson

Special Financing Division Director

Nancy.Dolson@state.co.us

Cindy Arcuri

Financing Section Manager

Cynthia.Arcuri@state.co.us



COLORADO

Department of Health Care
Policy & Financing

Thank You!



COLORADO

Department of Health Care
Policy & Financing