

Schedule 13
Funding Request for the 2013-14 Budget Cycle

Department: Health Care Policy and Financing

Request Title: Medicaid Dental Benefit for Adults

Priority Number: R-8

Dept. Approval by: John Bartholomew *JB* 10/26/12
Date

OSPB Approval by: *Grant M. ...* 10/30/12
Date

- Decision Item FY 2013-14
- Base Reduction Item FY 2013-14
- Supplemental FY 2012-13
- Budget Amendment FY 2013-14

Line Item Information		FY 2012-13		FY 2013-14		FY 2014-15
		1	2	3	4	5
	Fund	Appropriation FY 2012-13	Supplemental Request FY 2012-13	Base Request FY 2013-14	Funding Change Request FY 2013-14	Continuation Amount FY 2014-15
Total of All Line Items	Total	\$4,050,146,429	\$0	\$4,089,731,769	\$32,959,416	\$52,786,189
	FTE	326.2	0.0	326.6	1.2	2.0
	GF	\$1,067,895,074	\$0	\$1,110,969,303	(\$747,621)	(\$1,570,715)
	GFE	\$312,202,624	\$0	\$312,202,624	\$0	\$0
	CF	\$654,954,503	\$0	\$629,988,285	\$13,693,726	\$22,763,659
	RF	\$4,570,570	\$0	\$2,409,133	\$0	\$0
	FF	\$2,010,523,658	\$0	\$2,034,162,424	\$20,013,311	\$31,593,245
(1) Executive Director's Office; (A) General Administration, Personal Services	Total	\$22,593,922	\$0	\$23,641,039	\$82,577	\$125,010
	FTE	326.2	0.0	326.6	1.2	2.0
	GF	\$7,971,021	\$0	\$9,149,778	\$0	\$0
	GFE	\$0	\$0	\$0	\$0	\$0
	CF	\$2,038,599	\$0	\$2,077,080	\$41,289	\$62,505
	RF	\$1,176,645	\$0	\$1,069,555	\$0	\$0
	FF	\$11,407,657	\$0	\$11,344,626	\$41,288	\$62,505
(1) Executive Director's Office; (A) General Administration, Operating Expenses	Total	\$1,625,353	\$0	\$1,557,009	\$10,514	\$1,900
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$715,356	\$0	\$708,358	\$0	\$0
	GFE	\$0	\$0	\$0	\$0	\$0
	CF	\$53,049	\$0	\$53,049	\$5,257	\$950
	RF	\$78,257	\$0	\$23,910	\$0	\$0
	FF	\$778,691	\$0	\$771,692	\$5,257	\$950
(1) Executive Director's Office; (C) Information Technology Contracts and Projects, Information Technology Contracts	Total	\$31,899,317	\$0	\$29,586,597	\$1,707,678	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$6,379,650	\$0	\$6,016,590	\$0	\$0
	GFE	\$0	\$0	\$0	\$0	\$0
	CF	\$1,566,666	\$0	\$1,660,853	\$426,919	\$0
	RF	\$100,328	\$0	\$100,328	\$0	\$0
	FF	\$23,852,673	\$0	\$21,808,826	\$1,280,759	\$0
(1) Executive Director's Office; (E) Utilization and Quality Review Contracts, Professional Services Contracts	Total	\$8,414,451	\$0	\$8,414,451	\$355,000	\$355,000
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$2,225,370	\$0	\$2,225,370	\$0	\$0
	GFE	\$0	\$0	\$0	\$0	\$0
	CF	\$114,332	\$0	\$114,332	\$88,750	\$88,750
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$6,074,749	\$0	\$6,074,749	\$266,250	\$266,250

Line Item Information		FY 2012-13		FY 2013-14		FY 2014-15
		1	2	3	4	5
	Fund	Appropriation FY 2012-13	Supplemental Request FY 2012-13	Base Request FY 2013-14	Funding Change Request FY 2013-14	Continuation Amount FY 2014-15
(2) Medical Services Premiums	Total	\$3,985,613,386	\$0	\$4,026,532,673	\$30,803,647	\$52,304,279
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$1,050,603,677	\$0	\$1,092,869,207	(\$747,621)	(\$1,570,715)
	GFE	\$312,202,624	\$0	\$312,202,624	\$0	\$0
	CF	\$651,181,857	\$0	\$626,082,971	\$13,131,511	\$22,611,454
	RF	\$3,215,340	\$0	\$1,215,340	\$0	\$0
	FF	\$1,968,409,888	\$0	\$1,994,162,531	\$18,419,757	\$31,263,540
Letternote Text Revision Required? <input checked="" type="checkbox"/> Yes: <input type="checkbox"/> No:		If yes, describe the Letternote Text Revision:				
Medical Services Premiums: Of this amount, \$482,144,867 \$482,432,447 shall be from the Hospital Provider Fee Cash Fund created in Section 25.5-4-402.3 (4), C.R.S.; and, \$12,843,931 shall be from the Unclaimed Property Trust Fund, created in Section 38-13-116.5 (1) (a), C.R.S.						
Cash or Federal Fund Name and COFRS Fund Number: CF: Hospital Provider Fee Cash Fund [22A]; Unclaimed Property Trust Fund [B2A]. FF: Title XIX.						
Reappropriated Funds Source, by Department and Line Item Name:						
Approval by OIT?		<input type="checkbox"/> Yes: <input type="checkbox"/> No:		<input checked="" type="checkbox"/> Not Required:		
Schedule 13s from Affected Departments: N/A						
Other Information: N/A						



DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

John W. Hickenlooper
Governor

FY 2013-14 Funding Request
November 1, 2012

Susan E. Birch
Executive Director

Signature

10/23/12
Date

*Department Priority: R-8
Medicaid Dental Benefit for Adults*

Summary of Incremental Funding Change for FY 2013-14	Total Funds	General Fund	FTE
Medicaid Dental Benefits for Adults	\$32,959,418	(\$747,620)	1.2

Request Summary:

The Department requests \$32,959,418 total funds, including a reduction of \$747,620 General Fund, to provide a dental benefit for adults in the Medicaid program. This benefit would be subject to an annual \$1,000 cap on services. Further, the Department requests legislative authority to use funding from the Unclaimed Property Trust Fund. This funding will become available when the CoverColorado program is phased out as a result of federal requirements in the Affordable Care Act that health insurers must cover pre-existing conditions.

Problem or Opportunity:

Oral health is a critical aspect of an individual's overall health status, but the Department does not generally provide dental coverage for adults, except for emergency services. With funding potentially becoming available from the CoverColorado program, the Department has the unique opportunity to meet unmet medical need by providing a dental benefit for adults without a General Fund impact.

Brief Background:

The Department currently provides a comprehensive dental benefit to children 21 years of age and under who are eligible through the Early

and Periodic Screening, Diagnosis and Treatment (EPSDT) program. For clients over 21 years old, the Department generally reimburses for emergency dental services only. Clients with certain allowable concurrent medical conditions – including neoplastic disease requiring chemotherapy or radiation, pre- and post-organ transplant, or pregnancy – can receive treatment for oral cavity conditions; however, preventive services and any restorative treatment for dental caries, tooth replacement procedures, and adjunct oral surgery procedures are not a benefit.

The Need for Dental Coverage

Research indicates that a lack of dental coverage can create costs for both emergency dental services and non-dental medical services. Studies show that the cost of providing preventive dental treatment is potentially 10 times less than the cost of managing symptoms of dental disease in emergency rooms. The Pew Center estimates that emergency department visits for preventable dental conditions increased 16% nationally between 2006 and 2009. According to researchers, untreated oral disease may increase a person's risk for acquiring or exacerbating some systematic/chronic diseases - including diabetes, heart disease, strokes, kidney disease, Alzheimer's disease, and even mental illness.

Furthermore, 90% of symptomatic diseases, including HIV and cancer, have oral health symptoms, making regular dental visits a critical tool in screening for and detecting many costly and life-threatening conditions. Early detection also manifests into lower treatment costs for the life-threatening illnesses. For instance, oral cancer treatment can cost 60% less in the earliest stages of the diseases than in the advanced stages.

Offering a dental benefit for adults would provide clients access to regular dental care and preventive dental services specifically, which can prevent minor oral conditions from developing into more complex conditions that would eventually require emergency and palliative care. Avoiding worsening health conditions with oral disease and detecting certain serious illnesses sooner would also lead to improved health outcomes.

Funding from the CoverColorado Program

CoverColorado is a non-profit unincorporated public entity created by the Colorado General Assembly to serve as the state's high-risk health insurance pool. Since its inception, CoverColorado has been available to any Colorado resident who is ineligible for health coverage through a public program and is unable to obtain health insurance or unable to obtain health insurance except at prohibitive rates or with restrictive exclusions. CoverColorado receives partial funding from the State's Unclaimed Property Trust Fund (UPTF), which is administered by the Department of Treasury. Through its Guaranteed Availability of Insurance Provision (section 2702), the Affordable Care Act will prohibit private insurers from denying coverage to individuals with pre-existing conditions, which will in turn eliminate the need for the CoverColorado program and potentially free up funds from the UPTF. The Guaranteed Availability of Insurance Provision will be implemented in October 2013, and CoverColorado anticipates having all members transitioned off the program by May 2014. Based upon the Department of Treasury's FY 2011-12 Joint Budget Committee Briefing Document, the Department anticipates the UPTF to generate

revenue of \$33 million annually, which would be used to fund this Medicaid dental benefit for adults.

Proposed Solution:

In order to expand access to care and improve health outcomes, the Department would utilize the available funding from the UPTF to develop a Medicaid dental benefit for adults, which would cover a range of services that would be determined through the Benefits Collaborative process. Due to the finite amount of funding available from the UPTF, the benefit would employ an annual per-client cap of \$1,000. In order to track each client's service costs and ensure proper utilization, the Department anticipates that the benefit would be managed by a third party administrator under an administrative services organization (ASO) structure. The Department estimates that the benefit would be implemented in April 2014.

Alternatives:

A number of potential alternatives exist to the Department's proposed implementation plan. For example, the dental benefit could be designed without an annual per-client cap. This would enable clients to immediately receive all the covered dental services they require, but could also make the benefit so costly that it would require significantly larger expenditures from the General Fund to fund the benefit. Further, the program could be implemented without a third party administrator; this would likely increase service costs, and require additional administrative funding and staff for the Department to administer the program.

Anticipated Outcomes:

The Department anticipates that utilization of the dental benefit would improve clients' oral and physical health, reduce emergency dental procedure costs, lower costs associated with managing chronic health conditions, and save lives by detecting certain life-threatening conditions at an earlier stage.

The Department would continue to utilize the Benefits Collaborative process and build relationships with various dental stakeholder groups to define which services would be covered and how exceptions to the annual cap would be made. The Benefits Collaborative serves as the Department's formal coverage standard development process, and is a stakeholder-driven process for ensuring that benefit coverage standards: are based on the best available clinical evidence; outline the appropriate amount, duration, and scope of Medicaid services; set reasonable limits upon those services; and promote the health and functioning of Medicaid clients. Once the Benefits Collaborative has established the coverage standards, the Medicaid Director approves the standards and, if appropriate, the Department promulgates rules to the Medical Services Board.

The Department anticipates that the program will be managed by an administrative services contractor (ASO). An ASO would assume the general administration of the dental program, potentially including managing provider networks, claims processing and benefits management. A number of states including Tennessee, Virginia, Illinois, and Kansas, have implemented dental ASO programs in an attempt to streamline burdensome administration and improve dental outcomes. Through connections with these states and research into best practices, the Department believes implementing a dental ASO would be the most effective structure to improve health outcomes and reduce costs. A dental ASO would align with other Department initiatives such as the Accountable Care Collaborative by coordinating care, improving preventive services and reducing costs.

Assumptions for Calculations:

Based on the most recent caseload estimates and utilization rate, the Department estimates that 46,242 clients would receive services in FY 2013-14 and 88,669 would receive them in FY 2014-15. See Table 3.B for more details.

Based on the evidence available from other states that have implemented dental benefits, the Department assumes a overall utilization rate of 27%, although it would take a full 12 months to reach this level as clients gradually become aware of and utilize the benefit. See Table 3.B for more details.

The Department assumes that not all clients who utilize services would use the full amount available. Based on information provided by the North Carolina Division of Medical Assistance, which administers the state's Medicaid dental benefit for adults, the Department estimates that clients would utilize only \$600 of the \$1,000 cap on average.

Through the competitive bid process, the Department would procure an ASO as the program administrator, which would be required to have efficient processes in place to ensure accurate processing of claims, authorizations, and appeals. The Department assumes that the administrative costs of managing this benefit would be between \$1 and \$3 per member per month (PMPM). This estimate is based on current knowledge of administrative rates and could increase or decrease, depending on the vendor selected through the request for proposal (RFP) process. The Department may pay the vendor a fixed price per year, as opposed to a monthly fee based on the number of clients served; this would be determined through the RFP process.

Operationally, in order to implement a dental ASO program, the Department would be required to make changes to the Medicaid Management Information System (MMIS) at an estimated cost of \$1,707,678 in FY 2013-14. Of this sum, \$1,152,144 would be used to set up a monthly capitation payment process, while \$555,534 would be used to establish the \$1,000 annual per client cap in the MMIS.¹

¹ Please note that the Department has also requested the same \$1,152,144 total funds in request R-9 "Dental ASO for Children"; should both requests be approved, the Department would only need a single appropriation of

The Department currently has only one dental benefit administrator, who manages the existing dental program. Given the scope of this proposed benefit, the Department would require additional staff resources to adequately manage this benefit. Therefore, the Department requests 1.0 FTE at the General Professional IV level to provide dental benefit management such as promulgating rules, coordinating stakeholder feedback, and writing any necessary waivers. This position would be the Department's official benefit manager for the adult dental program, and would start July 1, 2013 in order to begin the stakeholder outreach and benefit design processes.

The Department also requests 1.0 FTE at the General Professional II level to oversee the benefit's daily administration. The FTE would assist the dental benefit manager in managing provider, client, and ASO concerns that have been escalated to Department staff. This position would also resolve complaints, claims processing issues, and client appeals, enabling the benefit manager to facilitate higher level policy analysis and decision-making. This position would start March 1, 2014 for training purposes in anticipating of the program's April 1, 2014 start date.

The Department anticipates that implementation of an adult dental benefit would offset current dental expenditures for adults, disabled, and elderly individuals. In FY 2011-12, the Department spent roughly \$11 million on dental expenditures for emergency services and services provided to individuals with concurrent medical conditions. Research has shown that preventive dental services reduce emergency dental expenditures, but it is not clear how quickly emergency services are reduced or by how much. The Department assumes a 15% reduction in FY 2013-14 and a 30% reduction in FY 2014-15 in emergency dental expenditures, which the Department considers to be reasonable and

\$1,152,144, to make changes necessary to establish the capitation rate process for both ASO benefits.

conservative estimates. See Table 2.A and 2.B for more details. The Department is not assuming any savings from systematic or chronic conditions that are no longer potentially being affected by oral disease, as it is difficult to estimate the magnitude of such savings and the time frame on which those savings may occur. Any savings the Department realizes would be accounted for through the normal budget process.

Consequences if not Funded:

If this request is not funded, the Department would avoid accruing non-emergency dental expenditures, but clients would continue to suffer from poor oral health and the exacerbation of certain health conditions, resulting in the Department spending additional money to cover emergency dental services and management of exacerbated health conditions.

Cash Fund Projections:

This request includes Cash Funds from the UPTF and Hospital Provider Fee Cash Fund. For information on associated revenues, expenditures, and cash fund balances, please see the Schedule 9 "Cash Funds Report" in Section O of this Budget Request.

Relation to Performance Measures:

This request would assist the Department in meeting its performance measures to increase access to health care, improve health outcomes, and contain health care costs. The implementation of an adult dental benefit would increase access to dental care, prevent complications from oral diseases and concurrent conditions, and avoid the need for more costly interventions resulting from advanced oral disease or aggravated concurrent conditions.

Current Statutory Authority or Needed Statutory Change:

In order to implement and fund this benefit, the Department needs statutory authorization to provide dental coverage to adult Medicaid clients, as well as to utilize the funds in the Unclaimed Property Trust Fund.

R-8 - Medicaid Dental Benefits for Adults
Appendix A: Calculations and Assumptions

Table 1.A Summary of Request FY 2013-14						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$32,959,416	(\$747,621)	\$13,693,726	\$0	\$20,013,311	1.2
(1) Executive Director's Office; (A) General Administration, Personal Services	\$82,577	\$0	\$41,289	\$0	\$41,288	1.2
(1) Executive Director's Office; (A) General Administration, Operating Expenses	\$10,514	\$0	\$5,257	\$0	\$5,257	0.0
(1) Executive Director's Office; (C) Information Technology Contracts and Projects, Information Technology Contracts	\$1,707,678	\$0	\$426,919	\$0	\$1,280,759	0.0
(1) Executive Director's Office; (E) Utilization and Quality Review Contracts, Professional Services Contracts	\$355,000	\$0	\$88,750	\$0	\$266,250	0.0
(2) Medical Services Premiums	\$30,803,647	(\$747,621)	\$13,131,511	\$0	\$18,419,757	0.0

Table 1.B Summary of Request FY 2014-15						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$52,786,189	(\$1,570,715)	\$22,763,659	\$0	\$31,593,245	2.0
(1) Executive Director's Office; (A) General Administration, Personal Services	\$125,010	\$0	\$62,505	\$0	\$62,505	2.0
(1) Executive Director's Office; (A) General Administration, Operating Expenses	\$1,900	\$0	\$950	\$0	\$950	0.0
(1) Executive Director's Office; (C) Information Technology Contracts and Projects, Information Technology Contracts	\$0	\$0	\$0	\$0	\$0	0.0
(1) Executive Director's Office; (E) Utilization and Quality Review Contracts, Professional Services Contracts	\$355,000	\$0	\$88,750	\$0	\$266,250	0.0
(2) Medical Services Premiums	\$52,304,279	(\$1,570,715)	\$22,611,454	\$0	\$31,263,540	0.0

R-8 - Medicaid Dental Benefits for Adults
Appendix A: Calculations and Assumptions

Table 2.A Summary of Program Costs by Eligibility Type and Fund Source FY 2013-14						
Population	Total Funds	General Fund	Cash Funds: Hospital Provider Fee	Cash Funds: Unclaimed Property Trust Fund	Reappropriated Funds	Federal Funds
Service Costs						
Categorically Eligible Eldery, Disabled Individuals, and Adults	\$25,687,862	\$0	\$0	\$12,843,931	\$0	\$12,843,931
Expansion Adults to 100% FPL	\$5,291,428	\$0	\$0	\$0	\$0	\$5,291,428
Adults without Dependent Children	\$1,117,490	\$0	\$0	\$0	\$0	\$1,117,490
Disabled Buy-In (Adults Only)	\$610,708	\$0	\$305,354	\$0	\$0	\$305,354
Subtotal	\$32,707,488	\$0	\$305,354	\$12,843,931	\$0	\$19,558,203
Savings						
Categorically Eligible Eldery, Disabled Individuals, and Adults	(\$1,495,242)	(\$747,621)	\$0	\$0	\$0	(\$747,621)
Expansion Adults to 100% FPL	(\$308,004)	\$0	\$0	\$0	\$0	(\$308,004)
Adults without Dependent Children	(\$65,047)	\$0	\$0	\$0	\$0	(\$65,047)
Disabled Buy-In (Adults Only)	(\$35,548)	\$0	(\$17,774)	\$0	\$0	(\$17,774)
Subtotal	(\$1,903,841)	(\$747,621)	(\$17,774)	\$0	\$0	(\$1,138,446)
Total Request (2) Medical Services Premiums	\$30,803,647	(\$747,621)	\$287,580	\$12,843,931	\$0	\$18,419,757

Table 2.B Summary of Program Costs by Eligibility Type and Fund Source FY 2014-15						
Population	Total Funds	General Fund	Cash Funds: Hospital Provider Fee	Cash Funds: Unclaimed Property Trust Fund	Reappropriated Funds	Federal Funds
Service Costs						
Categorically Eligible Eldery, Disabled	\$43,778,318	\$0	\$0	\$21,889,159	\$0	\$21,889,159
Expansion Adults to 100% FPL	\$1,860,002	\$0	\$0	\$0	\$0	\$1,860,002
Adults without Dependent Children	\$9,153,072	\$0	\$0	\$0	\$0	\$9,153,072
Disabled Buy-In (Adults Only)	\$1,556,264	\$0	\$778,132	\$0	\$0	\$778,132
Subtotal	\$56,347,656	\$0	\$778,132	\$21,889,159	\$0	\$33,680,365
Savings						
Categorically Eligible Eldery, Disabled	(\$3,141,430)	(\$1,570,715)	\$0	\$0	\$0	(\$1,570,715)
Expansion Adults to 100% FPL	(\$133,469)	\$0	\$0	\$0	\$0	(\$133,469)
Adults without Dependent Children	(\$656,804)	\$0	\$0	\$0	\$0	(\$656,804)
Disabled Buy-In (Adults Only)	(\$111,674)	\$0	(\$55,837)	\$0	\$0	(\$55,837)
Subtotal	(\$4,043,377)	(\$1,570,715)	(\$55,837)	\$0	\$0	(\$2,416,825)
Total Request (2) Medical Services Premiums	\$52,304,279	(\$1,570,715)	\$722,295	\$21,889,159	\$0	\$31,263,540

R-8 - Medicaid Dental Benefits for Adults
Appendix A: Calculations and Assumptions

Table 3.A - Summary of Program Expenditure				
Row	Item	FY 2013-14	FY 2014-15	Source
A	Estimated Program Costs	\$32,707,488	\$56,347,656	Table 3.B.H
B	Estimated Savings	(\$1,903,841)	(\$4,043,377)	Table 3.C.C
C	Net Program Costs	\$30,803,647	\$52,304,279	Row A + Row B

Table 3.B - Estimated Utilization of a Dental Benefit for Medicaid Adults				
Row	Item	FY 2013-14	FY 2014-15	Source
A	Estimated Caseload	292,687	302,944	FY 2013-14 R-1 "Request for Medical Services Premiums", Exhibit B, Page 1. ¹
B	PMPM Administration Costs	\$2.00	\$2.00	Assumed, see narrative for additional information.
C	Estimated Administration Costs	\$7,024,488	\$7,270,656	Row A * Row B * 12 months
D	Estimated Percentage of Dental Utilization	14.63%	27.00%	See Table 4 for utilization rate sources. The Department assumes that client utilization would linearly increase over time to a maximum of 27% utilization in FY 2014-15; 14.63% is the average of this linear increase over 12 months.
E	Total Estimated Number of Clients Utilizing Dental	42,805	81,795	Row A * Row D
F	Estimated Amount of Cap Utilized per Client	\$600	\$600	Assumed, based on North Carolina Medicaid utilization. See narrative for additional information.
G	Estimated Claims Total	\$25,683,000	\$49,077,000	Row C * Row F
H	Total Cost of Dental Program	\$32,707,488	\$56,347,656	Row E + Row G

¹ Includes the following eligibility groups: Adults 65 and Older, Disabled Adults 60-64, Disabled Individuals up to Age 59, Categorically Low-Income Adults, Expansion Adults up to 60% FPL, Expansion Adults up to 100% FPL, Baby Care Adults, Adults without Dependent Children, and Working Adults with Disabilities.

Table 3.C - Savings				
Row	Item	FY 2013-14	FY 2014-15	Source
A	FY 2011-12 Dental Expenditure for Medicaid Adults	\$11,255,688	-	FY 2013-14 R-1 "Request for Medical Services Premiums", Exhibit M, Page 1
B	Dental Services Trend	6.19%	6.19%	FY 2013-14 R-1 "Request for Medical Services Premiums", Exhibit N, Page 1; Average percent change from FY 2009-10 to FY 2011-12.
C	Estimated Dental Expenditure	\$12,692,270	\$13,477,922	Row A * (1 + Row B) ²
D	Estimated Savings Percentage	-15.00%	-30.00%	Assumed, see narrative for additional information.
E	Estimated Savings Percentage	(\$1,903,841)	(\$4,043,377)	Row C * Row D

R-8 - Medicaid Dental Benefits for Adults
Appendix A: Calculations and Assumptions

Table 4 - Utilization Rates in Other States			
Source	Population	Year	Utilization Rate
PA Medicaid	PA Medicaid adults	2009-10	28.28%
American Journal Public Health	National, ages 55+, 200% FPL	2004	27.46%
Journal American Dental Association	Iowa Medicaid adults	1998	27.20%
Health Affairs	CA Medicaid kids	2005	48.00%
HCPF	CO Medicaid kids	2011-12	27.32%
Assumed Utilization Rate for CO Medicaid Adults			27.00%

R-8 - Medicaid Dental Benefits for Adults
Appendix A: Calculations and Assumptions

Calculation Assumptions:

Personal Services -- Based on the Department of Personnel and Administration's August 2012 Annual Compensation Survey Report, a General Professional IV at the bottom of the pay range will require a monthly salary of \$4,733. A General Professional II at the bottom of the pay range will require a monthly salary of \$3,366.

Operating Expenses -- Base operating expenses are included per FTE for \$500 per year. In addition, for regular FTE, annual telephone costs assume base charges of \$450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).

General Fund FTE -- New full-time General Fund positions are reflected in FY 2012-13 as 0.9166 FTE to account for the pay-date shift.

Expenditure Detail	FY 2013-14		FY 2014-15	
Personal Services:	FTE	\$	FTE	
GENERAL PROFESSIONAL IV	0.9	52,059	1.0	56,796
PERA		5,284		5,765
AED		1,874		2,272
SAED		1,692		2,130
Medicare		755		824
STD		92		101
Health-Life-Dental		4,421		4,421
Subtotal GENERAL PROFESSIONAL IV, ## FTE	0.9	\$ 66,177	1.0	\$ 72,309
GENERAL PROFESSIONAL II	0.3	10,098	1.0	40,392
PERA		1,025		4,100
AED		364		1,616
SAED		328		1,515
Medicare		146		586
STD		18		71
Health-Life-Dental		4,421		4,421
Subtotal GENERAL PROFESSIONAL II, ## FTE	0.3	\$ 16,400	1.0	\$ 52,701
Subtotal Personal Services	1.2	\$ 82,577	2.0	\$ 125,010
Operating Expenses				
Regular FTE Operating Expenses	500	583	2.0	1,000
Telephone Expenses	450	525	2.0	900
PC, One-Time	1,230	2,460		-
Office Furniture, One-Time	3,473	6,946		-
Subtotal Operating Expenses		\$ 10,514		\$ 1,900
TOTAL REQUEST	1.2	\$ 93,092	2.0	\$ 126,910
<i>General Fund:</i>		\$ -		\$ -
<i>Cash funds:</i>		\$ 46,546		\$ 63,455
<i>Reappropriated Funds:</i>		\$ -		\$ -
<i>Federal Funds:</i>		\$ 46,546		\$ 63,455