

CDHP Fact Sheet

Medicaid innovators are paving the way for new state changes in dental Medicaid

The current momentum to modernize Medicaid may be catching on in the states. What does this mean for children's access to dental services? It isn't completely clear yet, but trends are emerging from the early adopters and those in the planning phase. The Centers for Medicare and Medicaid Services (CMS) recently released guidance for Medicaid Transformation grants to states. The grants, authorized by the Deficit Reduction Act of 2005 (DRA), are available to assist states to, "fund research and design ways to transform their Medicaid systems and to increase the quality and efficiency of care." This federal funding gives states the financial incentive to investigate new strategies for serving Medicaid populations.

Prior to the grant announcement, a number of states had initiated Medicaid redesign. Kentucky, West Virginia and Idaho received approval for state plan amendments with options made available through DRA. Florida revamped their Medicaid program through a federal waiver. Massachusetts created a new requirement for health insurance for all citizens by utilizing employer-based insurance combined with Medicaid. Many others are looking at these state models that call for increasing personal responsibility, private and employer sponsored health plans with Medicaid, and increasing cost-sharing.

New State Medicaid Plans

The following chart shows that six out of eight states are promoting personal responsibility, five out of eight are creating employer incentives and four out of eight are considering creating or increasing cost-sharing in Medicaid. For more details on each state plan or plans being considered see the Sources section at the end of this document.

| <i>The information in this chart only includes issues discussed in this paper. This is <u>not</u> a comprehensive list of changes being made/considered in states. For more details on each plan see the Sources at the end of this document.</i> | Personal Responsibility | Private and Employer Sponsored Plans | Cost-sharing (i.e., premiums or co-payments) | Changes Initiated |
|---|-------------------------|--------------------------------------|---|--------------------------------|
| Florida | x | x | x | Executive/Legislative Branches |
| West Virginia | x | | | Executive Branch |
| Kentucky | x | | x | Executive Branch |
| Idaho | x | x | | Executive Branch |
| Massachusetts | | x | x | Executive Branch |
| States Considering Changes | | | | |
| Virginia | x | x | | Legislative Branch |
| Louisiana | x | | x | Joint State/Federal |
| New Mexico | | x | | Executive Branch |

Florida led the way this year with a Medicaid waiver that provides beneficiaries in two counties with financial support to purchase one of a number of state-approved commercial-style health plans. **West Virginia's** plan (initially in two counties) focuses on personal responsibility by providing beneficiaries a comprehensive benefits package only after signing a membership responsibility agreement. Failure to abide by the agreement causes the beneficiary to be reassigned to a lesser benefit package. The **Kentucky** plan, *KyHealth Choices*, creates four health plans for different Medicaid populations (general Medicaid enrollees, children, persons with mental retardation or developmental disabilities, and persons in nursing facilities). The new health plans state their intent for beneficiaries to be "personally involved" in their health care, provide "soft limits" on services, and require new co-pays for most beneficiaries. **Idaho** created a new Medicaid system that provides a separate benefit package for each of the new population groups (children and adults, persons with disabilities, and Medicaid-Medicare dual eligible). The plan for children and adults emphasizes prevention, personal responsibility and employer-based health insurance.

Next Phase of Changes

The momentum from these initial plans has rapidly motivated a new phase of state changes. Although there are clearly commonalities in addressing personal responsibility, employer-based incentives, and cost-sharing the strategies for making changes can vary significantly. For example, **Virginia's** legislature established the Medicaid Revitalization Committee to consider new options in Medicaid. The Committee's focus includes increasing personal responsibility in health care decisions and public subsidies for employer-sponsored health insurance. **Louisiana** created the Louisiana Health Care Redesign Collaborative with federal CMS officials to create a national model to promote more cost-efficient, evidence-based strategies based on guiding principles that include increasing personal responsibility and cost-sharing. **New Mexico's** Governor is looking to decrease the number of uninsured individuals in the state by expanding public coverage and increasing employer-based coverage for low- and working-class residents.

Stay Informed

As the impact of redesigning Medicaid on children's dental care could be positive or negative, it is critical that oral health advocates remain dependable resources for information. The best way to influence Medicaid changes is to stay in touch with policymakers, stay informed on state activities around the issue, and continue to educate policymakers on the importance of maintaining access, quality, and comprehensive benefits for children's dental care.

August 2006 by Meg Booth MPH and Burton Edelstein DDS MPH

Sources: Kentucky- <http://chfs.ky.gov/dms/kyhealthchoices.htm>, Florida-http://www.fdhc.state.fl.us/Medicaid/medicaid_reform/index.shtml, Virginia-http://165.176.249.159/ab-revitalization_home.htm, Louisiana- <http://www.hhs.gov/louisianahealth/>, Idaho-<http://www.healthandwelfare.idaho.gov/site/3629/default.aspx>, West Virginia-<http://www.wvdhhr.org/bms/>, New Mexico-<http://insurenwemexico.state.nm.us/index2.html>, Massachusetts-<http://www.mass.gov/?pageID=gov2subtopic&L=3&L0=Home&L1=In+Focus&L2=Governor's+Health+Care+Plan&sid=Agov2>