

Feds reject Utah's low Medicaid pay for dentists

Budget » Restoring higher pay adds to state's health budget woes

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Updated:

A federal agency has rejected the low pay that Utah allots to dental providers who see Medicaid patients because the rates are too low to guarantee pregnant women and children's access to services.

Last session, state lawmakers took back a one-time 24 percent jump in pay that dentists received in 2008, on top of rolling back their 4.5 percent cost of living raise.

Dentists said they couldn't keep their doors open if they saw Medicaid patients at the lower rate. Some limited the number of Medicaid patients they accept; others stopped seeing them or threatened to do so if the Legislature didn't take action.

Gov. Gary Herbert recommended restoring the funding for fiscal year 2011, a move the Legislature would have to approve. That action is likely moot, however, since the Centers for Medicare and Medicaid Services (CMS) has rejected the state's Plan Amendment, which it is required to file when it changes its reimbursement to providers.

The amendment "was resoundly denied," said David Sundwall, executive director of the Utah Department of Health. CMS said it "received this and [said] we believe it would create access problems for kids and we will not do it," Sundwall summarized.

Whether the dentists' previous rate will be fully restored isn't clear. CMS wants the state to negotiate with dentists for a reasonable fee.

Utah's Medicaid had factored the dentists' \$1.4 million rate reduction into its fiscal year 2010 budget. Now that's unlikely given CMS' decision, which will force Medicaid to reprocess every claim filed since May.

Sundwall shared the news Tuesday with the Health and Human Services Appropriations Subcommittee, which mulled over scenarios for a 4 percent budget cut to fiscal year 2010 and a 5 percent cut for fiscal year 2011 in anticipation of a \$194 million state budget shortfall.

For Health and Human Services, that means trying to trim \$23.5 million and \$29.4 million, respectively.

Options for the 2011 cuts could include discontinuing health coverage for moderate-income women with breast or cervical cancer; closing enrollment in the state insurance plan PCN, which means 5,700 fewer parents and adults without dependent children would receive services; and shrinking public health service programs, such as the state's sexually transmitted disease media campaign.

Advocates argued lawmakers should look elsewhere, including better utilization of the Preferred Drug List, which guides how Medicaid patients are prescribed drugs or finding administrative savings.

Tom Metcalf, a pediatrician representing the Utah Chapter of the American Academy of Pediatrics, implored the committee to not carve into provider reimbursement rates. Physicians' overhead costs are about 63 percent, and Medicaid reimburses 62 percent.

"Basically they don't meet our overhead and every Medicaid patient we see is a charity case," he said.

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Already gone

Gov. Gary Herbert has already asked state departments to trim 3 percent from their budgets. The state health department:

- Is requiring employees to take a one-day furlough this month, which will save \$687,000.
- Offered early retirement, which 23 employees took.
- Leaving vacated positions open.
- Has combined four of its divisions into three and eliminated two director positions. The state epidemiologist now also serves as director of the Division for Disease Control and Prevention.

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