

SUBJECT: Medicaid reimbursement for dental services

COMMITTEE: Public Health — committee substitute recommended

VOTE: 9 ayes — Gray, Coleman, Capelo, Delisi, Glaze, Longoria, Maxey, Uresti, Wohlgemuth  
0 nays

SENATE VOTE: On final passage, April 20 — 30-0, on the Local and Uncontested Calendar

WITNESSES: None

DIGEST: CSSB 1411 would define dental services that could be reimbursed by Medicaid. Only services or products that were a dental necessity, or considered necessary by a prudent dentist acting in accordance with generally accepted practices, could be provided under Medicaid.

In providing dental services under the medical assistance program, the Texas Department of Health (TDH) would have to:

- ! ensure that a stainless steel crown was not used as a preventative measure;
- ! require dentists to document the dental necessity of stainless steel crowns used in treatment;
- ! require dentists to comply with a record-keeping standard for all patients, whether private-pay or Medicaid;
- ! develop an alternative evaluation system in conjunction with the Board of Dental Examiners and use it to replace the 15-point system used to determine the dental necessity of hospitalization and general anesthesia; and
- ! implement antifraud measures, including a zero-tolerance policy, aggressive investigation and prosecution, and random audits.

In setting reimbursement rates for dental services under Medicaid, TDH would have to:

- ! make the reimbursement rate the same for a stainless steel crown as for an amalgam or resin filling;
- ! reduce the reimbursement rate for hospitalization;
- ! eliminate the behavior management fee, except for patients with a mental or physical disability or in documented cases where a dentist's attempts to control the behavior of the patient have failed;
- ! eliminate the nutritional consultation fee; and
- ! redistribute funds from the reduced or eliminated fees to other dental services.

CSSB 1411 would direct state agencies to seek any necessary federal waivers or authorizations needed to implement the bill's provisions. The agency could delay implementation until the federal waiver or authorization was granted.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001.

**SUPPORTERS  
SAY:**

The changes in reimbursement proposed in CSSB 1411 would prevent fraud in the Texas Health Steps Dental Services Program, the medical and dental prevention and treatment program for children of low-income families. During the interim before the 77th Legislature, the House General Investigating Committee uncovered procedures and billing codes in this program that were prone to fraud, including improper use of stainless steel crowns, unnecessary hospitalization, and bill padding. CSSB 1411 would change the reimbursement regulations to prevent fraud by removing the financial incentive and by removing reimbursement for two services, behavior management and nutritional counseling.

The bill also would help prevent fraud by directing the Health and Human Services Commission to perform audits. Audits are the only way for the state to reconcile billing with claims in cases where fraud is suspected. Random audits also could prevent fraud because providers would understand that they could be audited and that the fraud could be discovered even if it did not appear to be outside normal billing patterns.

OPPONENTS  
SAY:

Preventing fraud is important, but the changes in CSSB 1411 would lower or remove some legitimate fees. Hospitalization is warranted in some cases, and reducing the rate could make it difficult for patients to receive adequate care. Also, the behavior management fee is appropriate in cases where children who do not receive regular dental care are apprehensive about the visit and “act out.” Regular and random audits alone would prevent fraud, while ensuring that patients received the care they needed.

NOTES:

The committee substitute added the provision directing HHSC to make the reimbursement rate the same for a stainless steel crown as for an amalgam or resin filling.

HB 3507 by Maxey, et al., which passed the House as amended on May 3 and was reported favorably, without amendment, by the Senate Health and Human Services Committee on May 11, includes provisions substantially the same as those in CSSB 1411. In addition, HB 3507 would change the regulation of dentistry by adding Medicaid reimbursement limitations and considerations; establishing a teledentistry pilot project for school children; creating an alternative training program for dental hygienists; redefining delegated duties; establishing a temporary reciprocal licensing program; and expanding the student loan repayment grant program.