

December 1, 2017

The Honorable Thomas V. Mike Miller  
President of the Senate  
State House  
100 State Circle, H-107  
Annapolis, MD 21401

The Honorable Michael E. Busch  
Speaker of the House  
State House  
100 State Circle, H-101  
Annapolis, MD 21401

The Honorable Dennis Schrader  
Secretary  
Maryland Department of Health  
201 W. Preston Street  
Baltimore, MD 21212

**Re: SB 169/Ch. 721, 2017 (MSAR # 11050)**

Dear President Miller, Speaker Busch, and Secretary Schrader:

The Maryland Dental Action Coalition (MDAC) is pleased to submit this report to the Maryland General Assembly and the Maryland Department of Health as requested by Senate Bill 169 – Health – Cost of Emergency Room Visits to Treat Dental Conditions and Coverage of Dental Services Under Medicaid (SB 169/Ch. 721, 2017, MSAR # 11050). MDAC is an incorporated 501 (c)3 nonprofit membership organization whose mission is to improve the oral health of all Marylanders through increased oral health promotion, disease prevention, education, advocacy, and access to oral health care.

SB 169 authorized MDAC to conduct a study of the annual cost of emergency room (ER) visits for individuals who have chronic dental conditions and who are uninsured or are covered under Medicaid, Medicare, or commercial insurance. This information is useful in evaluating the financial impact of ER visits for chronic dental conditions. Particularly for Medicaid, there may be opportunities to redirect the investment in ER visits to basic dental coverage for adults.

SB 169 also authorized MDAC to break down the data by zip code and demographic information so the Maryland General Assembly, the Maryland Department of Health, and stakeholder organizations could assess the impact of the data on their communities. This information is useful in health planning for public health professionals and health care institutions.

MDAC studied the peer-reviewed research literature to identify an expert consultant who could work with us on this project. The DentaQuest Institute has published extensively in peer-reviewed

research journals on trends in ER visits for chronic dental conditions. MDAC is pleased to have been able to contract with them to conduct the study.

This letter outlines the brief summary of the findings of the study. In the attached report, you will find a detailed analysis from the DentaQuest Institute, which includes appendices identifying information by geographic area. We are pleased to provide this information electronically to anyone seeking easier transmission of the data. We can also provide this information in a database format upon request.

As authorized by SB 169, the DentaQuest Institute utilized data from the Health Services Cost Review Commission (HSCRC) for fiscal years 2013 through 2016. In addition to ER visits, the DentaQuest Institute also examined data related to the cost of inpatient admissions as a result of chronic dental conditions.

#### **Summary of Findings on the Cost of ER Visits**

Maryland is in the midst of reengineering its health care system through the Maryland All-Payer Medicare Model Contract. The goal is to lower health care costs and improve health outcomes through a global budgeting system for hospitals. Under the model contract, the health care reimbursement system is being realigned to incentivize that more preventive care be provided in the community. Thus, the model is lowering inpatient and ER visit costs across the whole Maryland system.

SB 169 demonstrates that there is an opportunity to lower hospital costs for chronic dental conditions. Optimally, chronic dental conditions should not be treated in an ER or inpatient setting. These conditions can either be prevented all together or effectively managed by community-based providers. However, almost 3% of ER visits are attributable to chronic dental conditions, resulting in almost 2% of overall ER costs.

Policy-makers have a real opportunity to lower ER visits and costs through improved access to dental care, particularly through Medicaid. While about 15% of adult Marylanders are covered by Medicaid, Medicaid pays for 53% of the ER visits for chronic dental conditions for adults. This means that policy-makers can have the biggest impact by focusing on improving access to dental care for adults in Medicaid.

For fiscal 2016, the total cost of ER visits for chronic dental conditions was nearly \$23 million. Broken down by payor, the visits were funded as follows: \$10 million by Medicaid, \$3.8 million by Medicare, \$5.7 million by commercial insurance, \$2.9 million by uninsured patients, and \$0.5 million by other programs. The cost was for 42,327 visits, including 9,418 repeat visits. In addition to ER visits, the



data shows that the cost of inpatient admissions as a result of chronic dental conditions was \$3.7 million, with \$1.4 million funded by Medicaid.

To identify potential limitations in the HSCRC data, MDAC met with its members in the dental and health care professional community and found that there is a possibility that ER visits are under-coded, as ER staff are not dental professionals and may not have the background to consistently identify chronic dental conditions. Thus, the HSCRC data may not fully capture all visits for individuals with chronic dental conditions. This question warrants further study and potential action, including improving the cross-training of health care and dental professionals in ER and other hospital-based settings. MDAC members also suggested that identifying a source of information with urgent care costs may be of interest for future investigations.

### **MDAC's Recommendations**

In fiscal 2016, Medicaid spent a total of \$10 million for ER visits and \$1.4 million for inpatient admissions for adults with chronic dental conditions. This means that Medicaid paid for 53% of ER visits, even though Medicaid participants only account for 15% of the adult population in Maryland. We believe that this discrepancy is the result of the lack of consistent adult dental coverage in the Medicaid program.

Maryland is behind most states in Medicaid adult dental coverage. Over two-thirds of states – including Kentucky, Kansas, and North Dakota – provide some kind of basic adult benefits<sup>1</sup>. Maryland only provides adult dental coverage for narrow eligibility categories, such as pregnant women and young adults who have aged out of foster care. For most adults, Maryland Medicaid will only guarantee coverage for antibiotics and pain management for dental conditions.

In addition to the ER costs documented by this study, MDAC believes that there are direct medical costs associated with the lack of dental coverage. In a just released analysis by the National Association of Dental Plans (NADP), researchers estimated that costs for seven chronic conditions were lowered by 31 to 67 percent when Medicaid provided coverage of preventative dental services. The study, based on 2014 data, examined the costs of medical care for conditions such as diabetes, high blood pressure, stroke, and asthma. NADP concluded that, “The results of this analysis suggest that

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<sup>1</sup> Center for Health Care Strategies, Medicaid Adult Dental Benefits – An Overview, 2016. Download: [https://www.chcs.org/media/Adult-Oral-Health-Fact-Sheet\\_051617\\_updated.pdf](https://www.chcs.org/media/Adult-Oral-Health-Fact-Sheet_051617_updated.pdf)



policies and programs within Medicaid that encourage recipients to receive preventive dental care have the potential to dramatically reduce the health care costs associated with these conditions.”<sup>2</sup>

In addition to direct costs to Medicaid, there are the economic costs as a result of individuals not being able to seek employment. Good oral health is essential for people to obtain jobs. Eighty-one percent of people have reported that the appearance of their mouths impacted their ability to interview for a job<sup>3</sup>. This statistic translates into real people in Maryland. Although no direct estimates on the economic impact in Maryland are available, health and social service organizations across Maryland have reported on their work to help people improve their employment opportunities by addressing their dental issues.

MDAC recommends that the Governor be authorized to include coverage of adult dental services in the State budget, as delineated under Health General §15-103 by Senate Bill 169. Maryland spent almost \$11.5 million in total funds on ER visits and admissions for adults with chronic dental conditions in fiscal 2016. While the data did not allow us to break down the funding into State funds and federal funds, we know that the State can pay as much as 50% of the total costs, depending on whether a participant is in the base Medicaid population or the expanded population. For the expansion population, the State receives a higher match rate.

If the State invested in basic adult dental coverage, Maryland could redirect some of the ER spending into preventative services. It is critical to note that some managed care organizations voluntarily invest their administrative dollars in limited adult dental coverage, with a cap on annual spending per participant, often at \$250. This voluntary investment was worth \$14.4 million in calendar 2015<sup>4</sup>. However, because it is not a mandated benefit, the State could not claim a federal match on these dollars. MDAC recommends that the Governor and General Assembly work with stakeholders to determine how the State could use the dollars already invested, either in ER visits or in voluntary MCO coverage, to create meaningful dental coverage for adults. Coverage should cover preventative services and some core restorative services. In this way, Maryland could have a basic coverage package that allows the state to lower costs for ER visits and for managing chronic diseases. It would make a real

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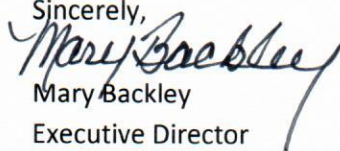
<sup>2</sup> “NADP Analysis Shows Adults with Medicaid Preventative Dental Benefits Have Lower Medical Costs for Chronic Conditions”, National Association of Dental Plans, National Association of Dental Plans, November 16, 2017. Download: [http://www.nadp.org/Media\\_Center/PressReleases/PressReleasesArchive/2017/11/16/nadp-analysis-shows-adults-with-medicaid-preventive-dental-benefits-have-lower-medical-costs-for-chronic-conditions](http://www.nadp.org/Media_Center/PressReleases/PressReleasesArchive/2017/11/16/nadp-analysis-shows-adults-with-medicaid-preventive-dental-benefits-have-lower-medical-costs-for-chronic-conditions)

<sup>3</sup> “Oral Health and Well Being in the United States, Health Policy Institute, 2015. Download: <http://www.ada.org/~media/ADA/Science%20and%20Research/HPI/OralHealthWell-Being-StateFacts/US-Oral-Health-Well-Being.pdf?la=en>

<sup>4</sup> “Analysis of the FY 2018 Medical Care Programs Administration Budget, Maryland Department of Legislative Services, February 2017. Download: <http://mgaleg.maryland.gov/pubs/budgetfiscal/2018fy-budget-docs-operating-m00q01-dhmf-medical-care-programs-administration.pdf>

difference to managing Medicaid costs in the long-run and a very meaningful difference in the lives of Marylanders across the State.

Oral health is a part of overall health. MDAC looks forward to working with the Maryland General Assembly and Governor to ensure that Marylanders have access to the services they need to improve their overall health outcomes.

Sincerely,  
  
Mary Backley  
Executive Director

cc: Sarah Albert, Department of Legislative Services Library

Attachments