

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1419 Elder Dental Care/Medicaid
SPONSOR(S): Bendross-Mindingall and others
TIED BILLS: None. **IDEN./SIM. BILLS:** SB 2650 (i)

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Health Services (Sub)		Rawlins	Collins
2) Health Care			
3) Health Appropriations (Sub)			
4) Appropriations			
5)			

SUMMARY ANALYSIS

The Medicaid program is funded through federal and state participation with counties contributing to the cost of inpatient hospital and nursing facility services. Matching federal funds are contingent upon the state's continued compliance with the federal laws in Title XIX of the Social Security Act and regulations in Title 42 of the Code of Federal Regulations. It is estimated that Florida will spend \$11.9 million on Medicaid services in FY 2002-03. Florida's Medicaid spending has increased with the corresponding increase in enrollment, in FY 97 there were 1,454,932 individuals enrolled in the Florida Medicaid plan, and in FY 2002 there were over 2,012,877 enrolled participants.

During the special session of 2002, the Legislature eliminated services for all adult Medicaid recipients' care necessary to "seat" complete upper dentures, lower dentures, or both dentures, and repair and relined dentures for Medicaid recipients age 21 and older. The state's reduced dental coverage affected 77,000 people. The change in funding was expected to cut 18.9 million from last year's \$25 million Medicaid dental budget.

This bill reenacts limited provisions for adult dental services that were repealed during the last special session of 2002. The limited provisions specify that adult dental and denture services are limited to persons who are 65 or older, whose income is at or below 88 percent of the federal poverty level, and whose assets do not exceed specified limitation.

Fiscal impact to the state, <\$3,299,830>, annually.

Provides that the bill is effective upon becoming law.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h1419.hc.doc
DATE: March 25, 2003

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|---|--|------------------------------|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |

For any principle that received a “no” above, please explain:

This bill expands the role of government by requiring the state to provide medical benefits to certain persons.

This bill does not lower taxes, but increases the amount of tax dollars used in supporting state-aided programs.

This bill decreases an individual’s responsibility to care and provide for him or herself.

B. EFFECT OF PROPOSED CHANGES:

Medicaid

Florida implemented the Medicaid program on January 1, 1970, to provide medical services to low-income people. Over the years, the Florida Legislature has authorized Medicaid reimbursement for additional services. A major expansion occurred in 1989, when the United States Congress mandated that states provide all Medicaid services allowable under the Social Security Act to children under the age of 21.

The Medicaid program is funded through federal and state participation with counties contributing to the cost of inpatient hospital and nursing facility services. Matching federal funds are contingent upon the state’s continued compliance with the federal laws in Title XIX of the Social Security Act and regulations in Title 42 of the Code of Federal Regulations. It is estimated that Florida will spend \$11.9 million on Medicaid services in FY 2002-03. Florida’s Medicaid spending has increased with the corresponding increase in enrollment. In FY 97, there were 1,454,932 individuals enrolled in the Florida Medicaid plan, and in FY 2002 there were over 2,012,877 enrolled participants.

Chapter 409, Florida Statutes, and Chapter 59 G, Florida Administrative Code, authorize the Florida Medicaid Program. It is administered by the Agency for Health Care Administration (AHCA).

DENTAL PLANS

Dental services are defined in the Medicaid Dental Coverage and Limitations Handbook and statutorily classified as an “optional Medicaid service.”

Currently, Medicaid children’s dental services include:

- Diagnostic services;
- Preventive treatment;
- Restorative treatment;
- Endodontic treatment;

- Periodontal treatment;
- Surgical procedures and/or extractions;
- Orthodontic treatment and complete and partial dentures;
- Complete and partial denture relines and repairs; and
- Adjunctive and emergency services.

Medicaid Adult dental services include:

- One cleaning per year; and
- Emergency services, limited to extractions and incision and drainage procedures, to relieve pain and/or infection.

Because of the wide variety of people to whom Medicaid offers health insurance, states have gone back and forth on what services to include in their benefits package. Some states offer extensive benefits with a limited amount of restriction to the access of services while others offer few “optional” benefits.” Cost of the service is a big factor in deciding whether to offer coverage.¹

Most adults 65 years and older are covered by the federal Medicare plan. However, the Medicare program does not cover most routine dental services. The Medicare law clearly excludes coverage “for services in connection with the care, treatment, filling, removal or replacement of teeth or structures directly supporting teeth.” For the elderly, this means that Medicare will not pay for the most routine dental care, such as fillings, cleanings, x-rays, and dentures, even if those services are preformed in a hospital, with narrow exceptions.²

On April 29, 2002, The Governor issued an Executive Order calling the Legislature to special session because the Legislature adjourned without passing a General Appropriations Act for fiscal year 2002-2003.³ The Governor required that the Legislature convene in a special session to address appropriations issues and added health care items to the call for consideration.

In the 2002 special session, the Legislature eliminated services for all adult Medicaid recipients’ care necessary to “seat complete” upper dentures, lower dentures, or both dentures, and repair and relines dentures for Medicaid recipients age 21 and older. The state’s reduced dental coverage affected 77,000 people. The change in funding was expected to cut \$18.9 million from last year’s \$25 million Medicaid dental budget.

The action of the 2002 Legislature, which eliminated certain Medicaid services for the poor, prompted Florida Legal Services to file a class-action lawsuit against the Governor and the Department of Children and Families [the agency that determines Medicaid eligibility] alleging that the termination notices for such services were “unintelligible and provide misleading information on the right to an administrative hearing.”⁴

This bill reenacts limited provisions for adult dental services that were repealed during the last special session of 2002.⁵ The limited provisions state that adult dental and denture services are restricted to persons who are 65 or older, whose income is at or below 88 percent of the federal poverty level, and whose assets do not exceed specified limitation.

However, federal regulations preclude the expansion of services to a limited subpopulation, in this case, a limited age group, with limited exception through the Medicaid waiver process. The bill does

¹ National Conference of State Legislatures, *Health Policy Tracking Service*.

² American Dental Association, “*Advance Notice to People with Medicare that Medicare will not pay for most Dental Care & Dentures.*”

³ Jeb Bush, Governor of Florida, “*Proclamation to the Honorable Members of the Florida Senate and House of Representatives*”, April 29, 2002.

⁴ The Miami Herald, *State’s poor are feeling Medicaid cutback*, August 1, 2002.

⁵ See Chapter 2002-400, Laws of Florida, or HB 59-E.

not allow for comparability of services under this program to the overall adult Medicaid population. Therefore, to implement the bill, it will be necessary for AHCA to obtain a waiver from The Centers for Medicare and Medicaid Services (CMS).

C. SECTION DIRECTORY:

Section 1. Amends s. 409.906, F.S., authorizing the Agency for Health Care Administration to provide certain elder persons with Medicaid coverage for dentures and basic preventive dental care.

Section 2. Provides that the bill is effective upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

According to the Agency for Health Care Administration:

Grants/Title XIX Medical Assistance Payments: \$ 4,713,600

2. Expenditures:

Adult Denture Services (Assumes HIFA Waiver) \$ 8,013,430

Total Fiscal Impact: <\$3,299,830>

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill provides dental services to individuals that otherwise may not have such care.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenues.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES