

Further Expansion of Medicaid Program

Overview and Background Facts:

The Illinois Medicaid program covered 1.6 million Illinois citizens before January 1, 2006.

The State of Illinois expanded the Medicaid program in January 2006 to cover the parents of children enrolled in the Kidcare program. An estimated 56,000 adults are projected to be eligible.

The State of Illinois again expanded Medicaid by developing the All Kids program that would allow any uninsured child, estimated at 253,000 children and regardless of income, to enroll effective July 1, 2006.

Illinois also added Veterans Care, a program that, effective July 1, 2006, would allow an estimated 9,000 uninsured Illinois veterans under age 65 to enroll in the Medicaid program.

The State of Illinois has not taken the initiative to raise dental reimbursement in the Medicaid program in decades. Rates were even reduced 7% in 2002 to help balance the state's budget. A federal court decree in January 2006 required the State of Illinois to raise the reimbursement on children's periodic exams, prophylaxis, fluoride treatments and sealants to what the State of Illinois pays for these services that are provided to its employees. This more than doubled the level of reimbursement for these specific services.

The Illinois Medicaid program ended its current fiscal year June 30, 2006, nine weeks behind in payments to dentists.

On average, reimbursement to dentists is less than the cost of providing care.

Comments:

The Illinois Medicaid program is already strained and cannot support additional enrollment. Illinois cannot pay the current obligations on time and has not attracted a significant increase in the number of dentists that participate in the program to compensate for the increasing enrollment.

Currently, the major issue in the Medicaid program is much greater than the need for preventive services. Medicaid significantly increased its reimbursement for preventive services and has seen an increasing number of prevention programs in schools. These changes may actually hinder additional growth in the program and eventually affect the number of dentists that are willing to provide restorative care and other services because the high reimbursed services have already been done.

Until Medicaid reimbursement is raised to a minimum level for all dental procedures that at least covers the cost of providing care, there will not be a significant increase in dentists enrolling in the program. The minimum level of reimbursement should be at least 64% of the median fee charged by dentists according to the most current regional ADA fee survey.

In states where reimbursement has been raised near the medium fee, the number of participating dentists has increased, in some cases dramatically.

ISDS Position Statement:

The Medicaid program appears to have begun to take adequate steps to address the preventive aspects of the children's program with recent reimbursement increases for preventive services and the increasing number of school-based preventive programs. However, but until the rest of the program achieves similar advances, the entire program will continue to suffer.

The existing Medicaid program is already strained and, until additional funding is used to raise reimbursement rates for all of the services needed to obtain a primary level of dental care as defined by the ADA, the current participating dentists will not be able to supply the dental care needs of this population. The minimum level of reimbursement for all covered services should be at least 64% of the median fee charged by dentists according to the most current regional ADA fee survey.