



Pediatric Restorative Dental Surgery and Analysis of Rates for Anesthesia Services

October 24, 2013

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Overview

- Background
- Key Findings
- Recommendations



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Background

- Promoting health and well-being of children in Medicaid is one of the Department's primary goals
- High-quality dental care is an important contributor to children's overall well-being
- Although Maryland has significantly improved dental care access for low income Marylanders, concerns about access remain
- One of the concerns is access to restorative dental procedures

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Restorative Dental Surgery

- Goal: "To repair or limit the damage from caries, protect and preserve the tooth structure, reestablish adequate function, restore esthetics, and provide ease in maintaining good oral hygiene."
- Although this procedure is preventable, children who require the service need to be able to access this in a timely manner in order to maintain good health.

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Response to Access Concerns

The Senate Budget and Taxation Committee and the House Appropriations Committee requested that the Department provide a report on the utilization of pediatric dental surgery.

Additionally, the Department was requested to compare reimbursement rates for anesthesia services with rates paid by other payers.

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Key Findings

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Maryland Medicaid Fee is Below Medicare and Commercial Rates

- MD Medicaid's fee-for-service (FFS) anesthesia rates (CPT Code 00170) are higher than all neighboring states that responded, but are below Medicare and commercial rates
- Commercial rates may be as much as twice as high as Medicare rates

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MD Medicaid FFS Program Reimburses About 76% of Medicare Rates

Anesthesia Payment Comparison for CPT Code 00170

State	Medicaid Payment for 60-Minute Session	Medicare Payment for 60-Minute Session
MD	\$155.06	\$207.90
DC	\$45.00	\$213.12
DE	N/A	\$194.94
PA	\$140.94	\$211.86
VA	\$115.56	\$192.06
WV	N/A	\$195.66

Commercial insurers in Maryland reimburse anesthesiologists approximately \$476 for a 60-minute session

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Why is Medicare Used As a Benchmark for Provider Fees?

- CMS regulates Medicaid payments to certain institutional providers using Medicare payment principles
- MedPAC reports annually on the adequacy of the Medicare payment rates to Congress
- Congress uses Medicare as a benchmark when targeting physician fee increases
- GAO report found no correlation between the variance in Medicare rates and commercial payers and supply of anesthesiologists

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Why Are ADA Charges Used As a Benchmark for Dental Fees?

- Medicare does not provide dental benefits, so there is no Medicare rates to benchmark against
- As a result, the Department uses the ADA median charges for the South Atlantic Region

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Provider Rate Increases

- Rate Stabilization Fund created to assist with increasing Medicaid physician fees
 - Anesthesiology rates are about 76% of Medicare
- Governor allocated monies for dental fee increase in FY 2009. Subsequent planned rate increases delayed due to budget
 - Many rates remain low, *e.g.*, dental code D7240 is reimbursed at \$103.01. The ADA comparison is \$435


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Utilization Rates Have Increased

- The number of Medicaid recipients receiving this procedure grew at an average annual rate of 9.2% from FY 2006 to FY 2012
- Children age 1 to 5 years were the fastest growing group, representing more than half of the total users
- The volume of commercial insurance claims declined slightly from FY 2009 to FY 2011, a period during which Medicaid volume was increasing


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Average Number of Minutes per Claim has Grown Significantly

- For CY 2011, private claims had an average duration of 52.9 minutes, compared to 64.8 minutes for Medicaid enrollees
- This could indicate that enrollees are receiving more complex dental services in ORs
- The number of units per Medicaid claim grew significantly from FY 2006 to FY 2010; it declined in FYs 2011 and 2012

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Claim Volume Differs Among Individual Hospitals

Top 5 Hospitals that Billed CPT Code 00170 by Number of Claims/Encounters, FY 2006-FY 2012

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
	Total Claims	Total Claims	Total Claims	Total Claims	Total Claims	Total Claims	Total Claims
Shady Grove Adventist Hospital	177	322	420	546	1,219	1,514	1,251
All University of Maryland, including Children's Hospital	1,052	760	922	1,245	1,106	1,027	992
All Kernan Hospital	691	998	960	1,544	1,511	1,141	808
All Johns Hopkins Hospital	315	374	432	509	582	786	689
Franklin Square Hospital	98	213	295	437	422	447	350



Medical Complexity Remained Constant

- Users of CPT code 00170 are more medically complex than the average Medicaid enrollee
- However, users of CPT code 00170 have maintained approximately the same level of medical complexity from FY 2006 to FY 2012
 - The increase in utilization does not appear to be driven by increasing medical complexity
 - Medical complexity criteria, however, does not consider gingivitis and dental caries


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Preventive Care Results in Fewer Restorative Visits

- Review of academic literature conducted
- Findings:
 - Preventive dental visits did reduce the subsequent use of restorative and emergency dental services among children enrolled in Medicaid and CHIP
 - Maryland had an increase in enrollees receiving preventive/diagnostic dental services over the study period (FY 2006-FY 2012)

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Hospital OR Restrictions – Points of View


Dentists

- Restrictions on OR time limit access
- Have been told that hospitals prefer to book higher-revenue services in the OR
- No facility fee for Ambulatory Surgery Centers limits access

Anesthesiologists

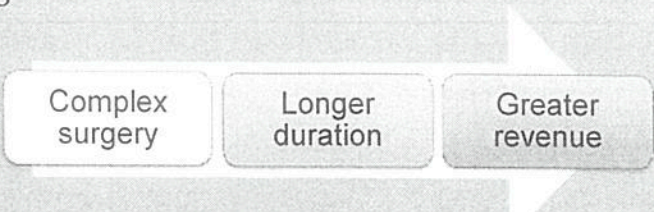
- Hospital revenue is not the driving factor
- Low fees for anesthesiologists are driving access problems (these are complex cases)

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Procedures with Similar Complexity Receive the Same Revenue


- HSCRC regulates rates on a per-minute basis for hospital clinic services
- Similar time-based methodology applied for outpatient surgeries performed in hospital ORs




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graph LR
    A[Complex surgery] --> B[Longer duration]
    B --> C[Greater revenue]
    
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Anesthesiologist Input

- When compared with other payers in Maryland, Medicaid anesthesia rates are low and limit access
- Raising these rates would increase anesthesiologist participation

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Dentist Input



- Willing to operate under anesthesia in ambulatory surgery centers (ASCs) – would reduce backlog
- ASCs do not receive a facility fee from Medicaid for dental cases
- Currently, seven of 233 ASCs participating in Medicaid perform dental cases for other payers who do reimburse for these procedures

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Recommendations

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Increase the Medicaid rate for CPT code 00710 to 100 percent of Medicare

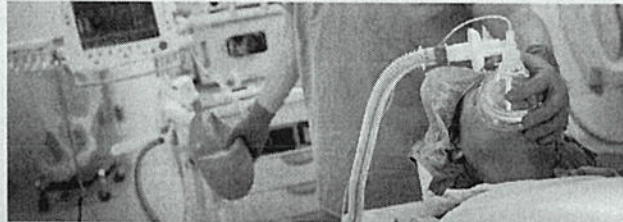
- Raise to 100% of Medicare rate to promote fairness and access
- Estimated cost: \$475,818
- Should not exceed Medicare rate
 - Medicare rates used as benchmark for Medicaid by CMS, MedPAC and Congress
 - GAO: No correlation between the variance in Medicare and commercial payer rates vs. the supply of anesthesiologists

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Recommend that hospitals offer OR block times for dental cases

- Provide dentists with set operating times
- Reduces the need to scramble for OR times that are not regularly available



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Establish a facility rate to pay ASCs for dental cases

- Increases the number of sites where dentists may perform OR procedures, reducing pressure on hospitals
- Budget-neutral: Facility rate will be lower than hospital rate to offset an increase in utilization
- Potential confounder: Most ASCs would need to procure equipment for dental surgical procedures

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Continue to improve access to dental care

- Downward utilization trend (FY 2012) likely associated with increased access to preventive dental care
- Continued investment to further improve preventive dental care could support additional decrease in need for restorative dental surgery


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Require hospitals to report stipends paid to hospital-based physicians

- HSCRC should reiterate its request for the amount of stipends paid by hospitals to anesthesiologists, primarily for larger billers of dental OR cases
 - Expand the data requested to include physicians
 - Make this an annual exercise
- HSCRC does not regulate physicians services; however, such services are tied to the overall financial health of the hospital

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Questions?

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