

Texas Medicaid Dental Managed Care

Delivering Results: Savings, Access, and Oversight

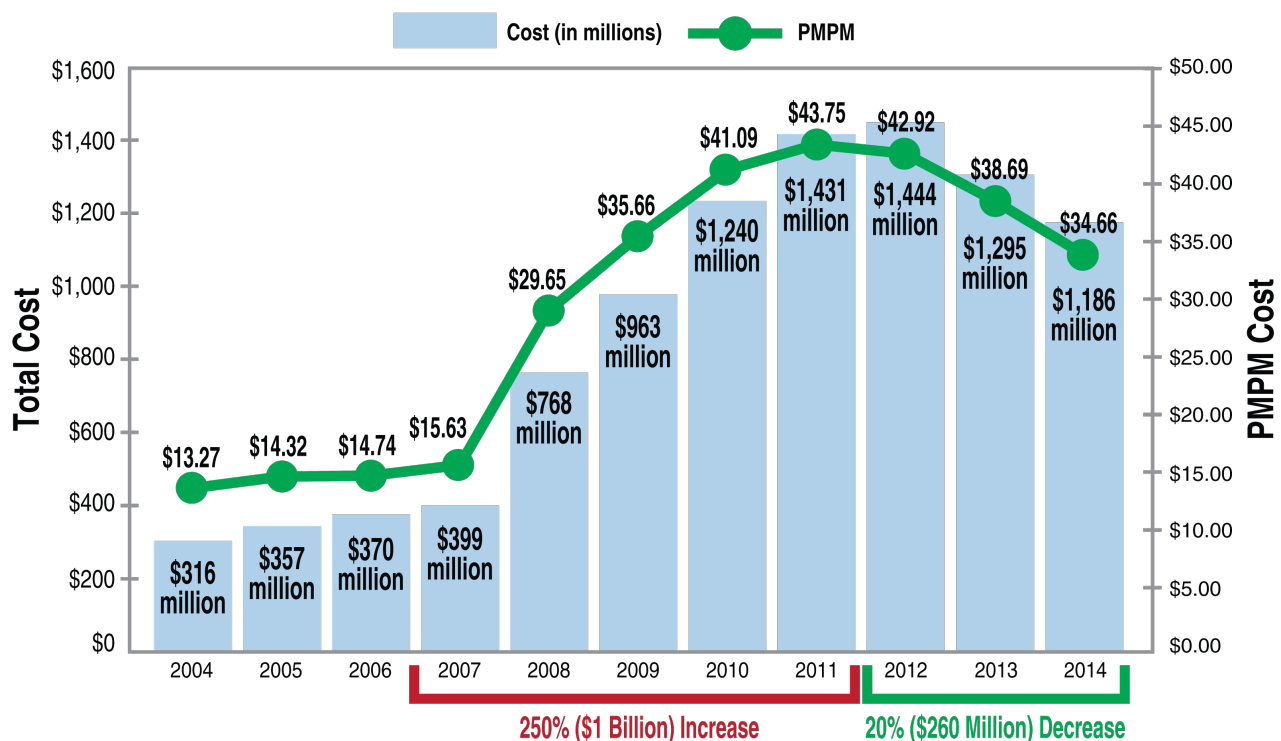
Medicaid DMOs Are a Proven, Cost-Effective Delivery Model

After several years of explosive cost growth in the Medicaid dental program, HHSC transitioned Medicaid dental benefits from the traditional fee-for-service (FFS) model to dental managed care to better manage costs and increase access and quality of care. Since 2012, the use of managed care for Medicaid dental services has successfully improved access to timely, preventive care for children in Texas while driving down dental costs.

Medicaid DMOs Reduced Spending By 20%

Between 2007 and 2011, under FFS, Medicaid dental costs **grew more than 250% (\$1 billion)**. Both total cost and cost per recipient began declining after the implementation of dental managed care in 2012. During the first two full years of dental managed care, state spending on Medicaid dental services **decreased by 20% (\$260 million)**, even though caseloads continued to grow. A majority of savings was due to better oversight of orthodontic services, including a **decrease in orthodontia utilization by 72%** during the first 6 months of implementation.

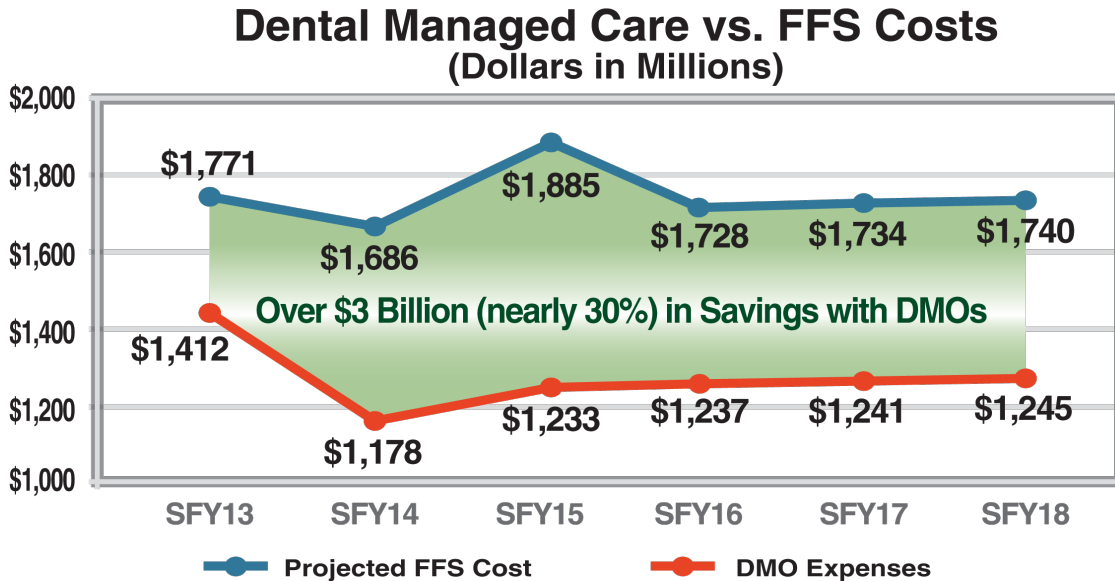
THSteps Dental Total Cost and Cost per Recipient per Month, Medicaid Dental Services SFYs 2004-2014, DMO & FFS Combined



Source: HHSC, Financial Services, HHS System Forecasting

Medicaid DMOs Contain Taxpayer Costs Compared to FFS

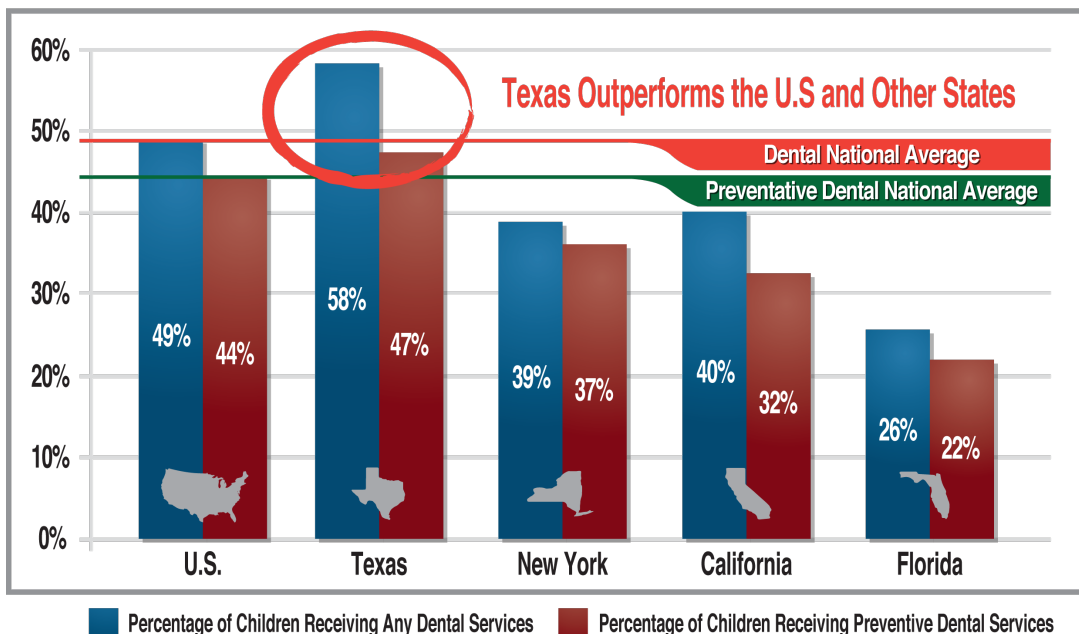
Medicaid DMOs contain costs for Texas taxpayers. Between 2012 and 2015, actuaries estimate that dental managed care **reduced Medicaid costs by nearly 30% or \$1.5 billion AF** compared to what the traditional FFS program would have cost. Texas DMOs are expected to **save another \$1.5 billion AF through 2018** compared to FFS.



Source: Texas Managed Care Cost Impact Study, Milliman, February 2015.

Medicaid DMOs Enhance Access and Prevention

Texas continues to exceed the national average and other large states on the number of children receiving dental and preventive dental services. **More than 75% of children in Texas Medicaid had at least one annual dental visit**, which exceeds national standards (above the HEDIS 90th percentile). Similarly, **74% of children in Texas Medicaid also had at least one preventive dental visit per year**, exceeding HHSC expectations by 10%. Families also report having good access to dental care from DMOs. **More than 80% of Medicaid families reported having access** to a dental appointment as soon as they wanted.



Source: "Early and Periodic Screening, Diagnostic, and Treatment." Medicaid.gov. CMS. 2013.

TAHP
The Texas Association of Health Plans