

BACKGROUND INFORMATION
DENTAL PROVIDER INCENTIVES TO
IMPROVE ACCESS FOR MEDICAID PATIENTS

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The methods that states have utilized to make treating Medicaid patients attractive for dentists are varied and are primarily monetarily rewarding. The following briefly discusses the many strategies enacted by state public health agencies. For the most part, information was obtained from resources other than the individual states. Although several states were directly contacted for additional and specific information, feedback was sparse. Therefore, we can only assume that each of the strategies is probably being used now, but the degree of success related to a strategy is generally unknown.

While states have enacted several different types of incentives that reward a dentist monetarily for providing services to Medicaid patients, they more or less fall into three categories, although there are outliers. The first category involves an increased reimbursement incentive to providers that see a higher volume of Medicaid patients. Another category that seems to be more creative is allowing dentists to participate in the state employees deferred compensation plan. The third type of incentive, and the most popular, is a loan repayment/forgiveness program, which as a rule, is contingent upon providing dental services to Medicaid populations or in an underserved area of the state.

At least 19 states have enacted some type of incentive program for dentists with a small number of the 19 operating a couple of different programs at the same time. These states with multiple programs usually have one from the big three categories with the second program being a little more innovative.

Whether matching federal funds can be drawn down for the incentives is not known, however, one state that has an increased reimbursement incentive verified that they have always drawn the matching funds. Since all the reimbursement incentive types are similar, it is assumed they all get

the federal dollars. However, the way the deferred compensation and loan repayment programs are structured, it is doubtful that federal dollars are available. Since these do not appear to be directly related to Medicaid claims, you have to assume they are totally state funded.

REIMBURSEMENT INCENTIVES

Three states, Texas, Utah, and Vermont, have approved reimbursement incentives for dental providers. Texas and Utah's programs reward what may be considered high-volume Medicaid providers, while Vermont has a plan that rewards high-volume providers but with a little different spin.

Texas defined high-volume dentists as those who provide a minimum average of 300 Medicaid services per month during a specified year (i.e., a minimum of 3,600 dental services). Payments to the high-volume providers had an increase of 3.7% above the standard rate.

Utah adopted a plan that rewarded dentists in rural counties in addition to three specified counties. Dentists in all these counties received a payment incentive if they agreed to treat 100 Medicaid patients a year. According to feedback from Utah's dental program specialist, the plan did increase the number of providers the first few years, but as the reimbursement rates did not increase, the incentive was basically neutralized. Over time, the incentive essentially became the fee schedule.

Vermont's plan, while it rewarded dentists that had a net gain on Medicaid patients over a specified number of years, was more involved and will be discussed later in this document.

DEFERRED COMPENSATION

Presently, it appears that only two states, Arkansas and Mississippi, offer a program that allows dentists to participate in the state employees deferred compensation plan.

Arkansas dentists can put their reimbursements, pre-tax, into the same deferred compensation plan as state employees up to the state limit, which coincides with IRS contribution limits. The maximum pre-tax contribution is \$15,000 per calendar year. In addition, there is an age 50 or older catch-up option. If you are age 50 or older (by December 31 of current year), you may

make an additional pre-tax contribution up to the IRS catch-up limit above the maximum deferral amount. The maximum age 50 and over catch-up contribution is \$5,000.

In Mississippi, dental providers, as independent contractors of the state, may participate in the Mississippi Deferred Compensation Plan and Trust, which works like a personal investment plan in which participants can “defer” or contribute their Medicaid reimbursements up to federally established limits. The plan also has an option by which dentists may defer reimbursements up to the established limit for the year and then switch back to receiving Medicaid reimbursements payments. According to information received, a dentist may defer up to \$16,000 per year if under age 50 and \$13,000 per year if over 50. The deferred compensation is not taxed.

LOAN REPAYMENT/FORGIVENESS

Delaware enacted a loan repayment program for both physicians and dentists that require dentists to agree to maintain a patient population comprising a minimum of 20 percent Medicaid patients and/or low-income (i.e., less than 200 percent of the FPL), dentally uninsured patients.

Maryland created a loan assistance repayment program with the purpose of increasing access to oral health care services for Medicaid patients by increasing the number of dentists who treat this population. Through receipt of the repayment assistance over a three-year period, participating dentists agree that 30 percent of their patients per year will be Medicaid recipients. Maryland’s program provides loan repayment for up to five Maryland licensed dentists a year for the three-year commitment. Program recipients may practice anywhere in the state; they are not required to locate in an underserved area. Four years after it’s beginning, six dentists had been approved for participation.

The state of Nebraska has been operating two loan repayment programs. Dental students were eligible to apply for the state’s Rural Health Student Loan Program, through which the student could receive up to \$20,000 per year (a maximum of \$60,000 for three years) and must agree to practice one year in a dental shortage area for each year a student receives the loan. The other repayment program allows dentists specializing in general dentistry, pediatric dentistry or oral surgery to also receive loan repayments of up to \$20,000 per year for three years, if they practice in a shortage area through the state’s Loan Repayment Program for Rural Health Professionals.

Both repayment programs require the recipients to accept Medicaid patients, but no specific number or percentage of Medicaid patients is required.

North Dakota began a loan forgiveness program for dentists that supports up to three dentists per year serving in underserved and rural areas of the state for four years per loan recipient. The award total per participant cannot exceed \$80,000. A criterion for selecting participants is a willingness to accept Medicaid patients. Early on, the program stipulated that participants must practice in communities of varying population size, but that was eliminated a couple of years later.

Through legislation, Ohio created a dentist student loan repayment program, which is administered through the Ohio Department of Health. The program provides up to \$20,000 per year in loan repayment to new graduates who agree to practice in dental HPSAs. Participants are required contractually to agree to provide Medicaid services.

Rhode Island has an ongoing state loan repayment program for health professionals, including dentists and dental hygienists, requiring the loan recipient to provide care in an underserved area and accept payment under the Medicaid program.

To address dental workforce issues, South Dakota dentists are able to participate in the state's loan forgiveness program if they practice in a designated underserved area. The state created a tuition reimbursement program that provides approximately \$88,000 in debt reduction to a dentist who practices in a qualifying rural South Dakota community for a period of three years and agrees to see all Medicaid patients seeking care. One year after its introduction, all three of the tuition reimbursement slots were filled.

Wisconsin's loan assistance require the dentist and dental hygienist loan participants to provide a level of dental services to Medicaid patients not to fall below a certain minimum dollar amount of claims paid to the dentist for services provided to Medicaid patients.

Wyoming dentists are eligible to participate in an allied health provider loan repayment program. The program requires participants to work in an area with a shortage of dental providers and treat a specified number of KidCare patients. Dentist eligibility is related to the federally determined health manpower shortage areas.

STATES WITH MULTIPLE PROGRAMS

Colorado created a dental loan repayment program for dentists and dental hygienists while simultaneously continuing a program, which awarded “seed money” grants to clinics, dentists, and public hospitals as a one-time support to expand services to low-income children. As a condition of receiving loan repayment assistance, the dentist and dental hygienist agree to provide dental care to underserved populations in designated dental HPSAs, including Medicaid and SCHIP clients. They claim the program as being successful since after two years of implementation, 18 dentists and six hygienists were participating and over 8,000 Medicaid and 1,700 SCHIP children had been treated by the participating providers. The grant program, after nearly three years of existence, had awarded grants to provide one-time support to expand services to low-income children to 20 vendors ranging from \$50,000 to more than \$100,000. Colorado estimates that 25,000 children received dental care as a result of the grant program approximately five years after its inception.

For a couple of years, Louisiana had three programs operating concurrently. The state legislature enacted a provision that included higher reimbursement rates for EPSDT dental providers for two years. They also allowed an income tax credit for dentists who practiced in federally designated Health Professional Shortage Areas (HPSA) of the state. At the same time, the Department of Health and Hospitals provided loan repayment to dentists in return for a two- to three-year commitment to practice in a designated underserved area.

In 2004, the Tennessee legislature enacted several access-to-care-related bills, two of which were related to dentist incentives. Dentists whose sole practice is working in free clinics are exempt from the privilege tax on occupations and dentists can obtain no-cost special volunteer licenses, provided they have been issued a license in Tennessee or another state and have never been the subject of disciplinary action.

While Vermont may not fit the definition of multiple programs simultaneously, their programs appear to succeed each other, but unable to verify. Vermont has managed a competitive grant program that makes awards to private dental offices and clinics as an incentive whereby they are obligated to achieve a certain net gain of Medicaid patients for at least two years. There also was a dentist bonus incentive plan for about two years for dentists that participated in Medicaid. With

this, each dentist was to receive a supplemental payment on a six-month basis that equaled one percent of gross Medicaid payments. This supposedly was discontinued due to a lack of interest. Vermont is presently preparing to initiate a new incentive program whereby high volume providers will be paid more than low volume. No other information is presently available since the program is still on the drawing board.

OTHER PROGRAMS

Two states have incentive programs for dentists that fall out of the scope of those previously mentioned. Connecticut reduced the licensing fee to \$100 for retired dentists who practice at least 100 hours in a “public health facility,” including community health centers, group homes, schools, and nursing homes. New Mexico has a program whereby dentists that complete a “special needs” training module and hands-on training in the office of a mentor, can receive a supplemental fee over and above the Medicaid fees when treating special needs patients.