



EXHIBIT 13
DATE Thurs Jan 27 2005

Montana Dental Association

Constituent: AMERICAN DENTAL ASSOCIATION

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Executive Director

Mary K. McCue, J.D.

TO: Joint Appropriations Subcommittee on Human Services

FR: Mary McCue, Executive Director
Montana Dental Association

RE: Medicaid Dental Background

Date: January 27, 2005

Montana's current Medicaid dental expenditure is about \$6.4 million annually. If services provided by denturists are included this amount is approximately \$7 million. That is only about 1.08% of the total \$650 million dollar Medicaid budget. Not all that amount is spent on preventive or restorative dental services. Nearly half a million Medicaid dental dollars each year are spent in hospital emergency rooms, where dental services generally are not provided.

Over the past two years the Medicaid dental program has suffered reductions in services due to the Legislature's past failure to fully fund the program. For a period during the past biennium the adult dental program was suspended, except for emergency care.

Of approximately 450 actively practicing Montana dentists, 348 are listed as Medicaid providers. Dentists may choose to limit the number of Medicaid patients in their practices for several reasons:

1, Low Medicaid reimbursement rates: Overhead expense (excluding the doctor's income) consumes about 65-70% of revenue for the average dental office. Montana Medicaid dental rates for adults fall below this cost of providing services. Medicaid reimbursement rates average about 60-65% of dentists' usual fees. This means the dentist is providing his or her time at no charge and generally subsidizing the cost of care.

2. Medicaid patients breaking appointments: Patients who break appointments create a financial stress on the dental practice. A survey by MDA in 2000 indicated that more than one-fourth of Medicaid patients failed to keep appointments.

The mission of the Montana Dental Association is to represent the interests of the members of the dental profession and to promote the art and science of dentistry, so as to improve the health of Montanans.

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3. Many dentists provide other charitable and donated care: Montana dentists participate in treating patients for no charge in their own private offices and at public dental clinics. They also donate their care to disabled and elderly Montanans through the Donated Dental Services (DDS) Program. Montana helps to fund the administrative costs of that program. For every state dollar spent dentists are currently donating almost \$12 of care. This is the highest rate of donated care in the 34 DDS programs across the country.

Young dentists graduating from dental school cannot afford to treat this portion of the Montana population due to their large debt load.. Many graduating dentists have school debts in excess of \$160,000. It takes about \$175,000 to finance the establishment of a new dental practice.

MDA asks the 2005 Legislature to significantly raise the funding level for the dental program so that dentists are receiving 90% of their usual and customary charges for serving Medicaid patients. This would mean increasing dental spending by \$2.8 million per year.

MDA, along with other health care advocates, also urges the 2005 Legislature to fully implement I-149, the 2004 "Healthy Kids Healthy Montana" tobacco tax increase. A portion of the tax increase is intended to fund increases in the Medicaid program, including increase for dental services. We urge you to spend the tax increase as directed by the initiative. There are numerous other legislative proposals to spend it for other purposes. We urge the 2005 Legislature to honor the letter of the law of I-149.