DAVID Y. IGE
GOVERNOR

PANKAJ BHANOT
DIRECTOR

CATHY BETTS
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

March 21, 2019

TO: The Honorable Representative Joy A. San Buenaventura, Chair
House Committee on Human Services and Homelessness

The Honorable Representative John Mizuno, Chair
House Committee on Health

FROM: Pankaj Bhanot, Director

SUBJECT: **HCR 145/HR 134 - URGING THE DEPARTMENT OF HUMAN SERVICES TO CONDUCT A FULL STUDY ON THE REIMPLEMENTATION OF ADULT DENTAL BENEFITS FOR HAWAII RESIDENTS WHO ARE MEDICAID ENROLLEES AND TO SUBMIT A REPORT TO THE LEGISLATURE.**

Hearing: March 22, 2019, 9:00 a.m.
Conference Room 329, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports SCR HCR and HR 134 and offers a friendly amendment.

PURPOSE: The purpose of the resolution is to urge the Department of Human Services (DHS) to conduct a study on the costs and estimated cost savings of restoring the adult dental benefit for Medicaid enrollees, and report back to the legislature.

DHS appreciates and supports the restoration of a basic oral health benefit for adult Medicaid and QUEST Integration recipients. The current limited benefit of emergency-only coverage does not support the goals of whole person care. Additionally, the inability of recipients to access preventive oral health care can have a negative impact on a person's health, especially for individuals with chronic diseases, pregnant women, and the health of their newborns.

We also recognize that there are varied options to restore the adult dental benefit regarding different benefit packages and populations. In the 2018 legislature, DHS estimated that to provide an annual full benefit, an appropriation of $17,000,000 in general funds and about $25,500,000 in federal funds for a total of $42,500,000 would be needed. These estimates were based on a full restoration of the benefit with an annual cap of $600. We based the cost and utilization assumptions on actuarial work done in 2015, utilization of the emergency benefit and information from the Department of Health's oral health program. Nonetheless, updated utilization, cost data and estimated cost offsets from reduced emergency room use, for example, is needed.

We are currently researching how other Medicaid programs have restored their adult dental benefits, and the costs of doing so. However, we have not completed our analyses at this time. Additionally, two QUEST Integration managed care plans, AlohaCare and Ohana Health Plan, just added a basic preventive dental benefit for their adult enrollees starting in January 2019. The two health plans will also share information with us, which will further enable us to update our utilization and cost estimates, as well as providing data about different benefit packages that could be offered. For these reasons, we suggest the following amendments to allow fuller analyses of options for the legislature's consideration:

BE IT FURTHER RESOLVED that the study include:

~~(1) The full cost to restore preventative and restorative adult dental benefits to Medicaid enrollees, including federal matching funds; and~~

(1) A range of adult Medicaid dental benefit options including coverage of basic, comprehensive, population specific benefits and coverage offered by other states for diagnostic, preventive, and restorative dental services; and

(2) The estimated cost to the Hawaii Medicaid program for each option, including costs that qualify for federal matching funds; and

~~(2)~~(3) A projection, to the best of the Department of Human Services' ability, of the long-term ~~cost savings~~ financial benefit of reimplementing adult dental benefits; and".

Thank you for the opportunity to testify.

LĀNA'I COMMUNITY HEALTH CENTER

P. O. Box 630142
Lāna'i City, HI 96763-0142

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Fax: 808-565-9111
dshaw@lanaicommunityhealthcenter.org

The Community is our Patient -- men, women, children, uninsured, insured!

To: Representative San Buenaventura, Chair, Representative Mizuno, Chair, and Members of the House Committee on Human Services and Housing and House Committee on Health

From: Diana M V Shaw, PhD, MPH, MBA, FACMPE, Executive Director

Subject: Support with Comments: HCR 145 and HR 134

Hearing Date: March 22, 2019 in Room #329

Aloha Chair San Buenaventura, Chair Mizuno, and Members of the House Committee on Human Services and Housing and House Committee on Health;

IMy name is Diana M V Shaw, Executive Director of the Lāna'i Community Health Center (LCHC)., a 501c3, federally qualified community health center.

Hawaii has struggled for decades with oral health disparities and problems accessing care for its most needy. The 2009 abolishment of full adult dental benefits under State Medicaid and the problems that resulted from adults receiving emergency-only care since then has spiraled, while the State continues to pay out millions per year in acute oral health emergency room care statewide that does not provide adequate oral health care or support to our at-risk populations.

Given the compelling study of ER costs completed by the Hawaii DOH in 2016-17 and the more recent detailed fiscal analysis from The American Dental Association's Health Policy Institute on *Estimating the Cost of Introducing a Medicaid Adult Dental Benefit in Hawaii-2019*, along with AlohaCare and Ohana cost estimates, we believe that there already exists adequate information and data to support reinstating at least limited adult dental benefits to our adult Medicaid recipients.

LCHC provides oral health services to all adults on Medicaid (as well as the uninsured and those lucky enough to have insurance coverage). The financial burden is great; however, we are committed to providing holistic, high quality care to our those in our community - regard-

less of their ability to pay. We do rely, though, on appropriate insurance coverage—including Medicaid coverage. *Oral Health For All Hawaii*, (OHFAH), which is a project of the Hawaii Children's Action Network, established in 2018 to

My comments concerning the proposed resolution are that oral health coverage for adults does not seem to require Community input into the DHS fiscal study process, and there is no accountability to the Community in reporting what steps will be taken with a timeline for action on this problem of neglected dental care for our Medicaid recipients. There is overwhelming data and research evidence that clearly points to the critical connection between oral health and an individual's overall health and wellness. Full dental benefits need to be re-instated — any study can only be seen as an unnecessary delay and expense.

We ask that you exercise significant political will and leadership on this important neglected health issue, and that we see a successful dental health program implemented immediately—one that is supported and financed by our DHS and State policymakers. Delay is not acceptable. Mahalo.

IRONWORKERS STABILIZATION FUND

March 21, 2019

Joy San Buenaventura, Chair, Committee on Human Services and Homelessness
John Mizuno, Chair, Committee on Health
House of Representative
415 S. Beretania Street
Honolulu, Hawaii 96813

Dear Honorable Chair San Buenaventura and Members of the Committee on Human Services and Homelessness and Chair Mizuno and Members of the Committee on Health:

Re: Strong Opposition HR134/HCR145

We are in strong opposition of HR 134/HCR145 regarding a study on dental benefits for Hawaii Residents. If a study is done it will hold off on the release of funds for needed services that can be provided now to the less fortunate.

First, it should be recognized that there is funding already held by Department of Human Services for this issue. We recognize that these funds are in excess of $564,760,000 that could have been used to assist those who need the funding now and not wait another year. It is in the best interest of the State to use these funds now to reduce the level of services needed. As such, if services are not given now, it will further exacerbate the problems by waiting for services in the future.

Second, these funds are approximately a 1:2 state to federal fund match. This means if the funds are not used the State of Hawaii will not get their fair share of federal funds. It is in the best interest of the State to use more federal funds then their own general funds.

As tax payers it is our best interest to provide services that will cost less now than pay for services that will cost more in the future. This means that preventive services should be done now then have more costly services in the future. The overriding public policy of servicing the general public should not be compromised by not allowing these funds to be released. Consequently, do not hold up the funds for one year while people's health are endangered.

Sincerely,

T. George Paris /s/
Managing Director

HAWAI'I PUBLIC HEALTH INSTITUTE

LATE

Date: March 21, 2019

To: Representative Joy San Buenaventura, Chair
Representative Nadine Nakamura, Vice Chair
Members of the Human Services and Homelessness Committee

Representative John Mizuno, Chair
Representative Bert Kobayashi, Vice Chair
Members of the Health Committee

Re: Support with Comments for HCR 145/ HR 134

Hrg: March 22, 2019 at 9:00am at Conference Room 329

The Hawai'i Public Health Institute[i] is in **Support of HCR 145 / HR 134** which urges the Department of Human Services to conduct a study on the reimplementation for adult dental benefits for Hawaii Medicaid enrollees.

HIPHI appreciates the legislature's intent to collect further data on the costs to implement adult dental benefits. HIPHI would like to request the following amendments:

Page 2, lines 29-37

BE IT FURTHER RESOLVED that the study include:

~~(1) The full cost to restore preventative and restorative adult dental benefits to Medicaid enrollees, including federal matching funds; and~~

(1) A range of adult Medicaid dental benefit options including coverage of basic, comprehensive, population specific benefits and coverage offered by other states for diagnostic, preventive, and restorative dental services; and

(2) The estimated cost to the Hawaii Medicaid program for each option, including costs that qualify for federal matching funds,; and

~~(2)~~(3)A projection, to the best of the Department of Human Services' ability, of the long-term ~~cost savings~~ financial benefit of reimplementing adult dental benefits; and

Page 2, lines 39-41:
BE IT FURTHER RESOLVED that the Department of Human Services is requested to seek input from members with a demonstrated interest in oral health prevention or oral health care and submit a report of its findings and recommendations, including any proposed legislation,

Medicaid does not provide any preventive oral healthcare for adults, only emergency dental (extraction or pain management). Adult Medicaid enrollees have no coverage for preventive or routine dental care, and this lack of access has a negative impact on one's health, especially for individuals with chronic diseases such as coronary disease and diabetes. In addition, because of the lack of coverage, many low-income adults only seek dental care for acute conditions that have been allowed to reach a crisis stage.

HIPHI continues to strongly support the restoration of adult dental benefits. In a survey conducted by Ward Research for HIPHI[ii], 9 in 10 registered Hawaii voters (89%) strongly agreed that preventative dental benefits should be included in adult Medicaid coverage.

Thank you for the opportunity to provide testimony.

Mahalo,

Trish La Chica, MPA
Policy and Advocacy Director

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[i] Hawai'i Public Health Institute is a hub for building healthy communities, providing issue-based advocacy, education, and technical assistance through partnerships with government, academia, foundations, business, and community-based organizations.

[ii] Findings from a Ward Research Study commissioned by the Hawaii Public Health Institute that summarizes findings from a phone survey among n=812 registered Hawaii voters (maximum sampling error of +/-3.3%) conducted between November 5 to 8, 2018. A copy of the results are available upon request.

HR-134
Submitted on: 3/22/2019 7:45:21 AM
Testimony for HSH on 3/22/2019 9:00:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Mark Yamakawa	Hawaii Dental Service	Support	No

Comments:

HPCA

HAWAI'I PRIMARY CARE ASSOCIATION

Testimony to the House Joint Committee on Human Services and Homelessness and Health
Friday, March 22, 2019; 9:00 a.m.
State Capitol, Conference Room 329

RE: COMMENTING ON HOUSE CONCURRENT RESOLUTION NO. 145 AND HOUSE RESOLUTION NO. 134, URGING THE DEPARTMENT OF HUMAN SERVICES TO CONDUCT A FULL STUDY ON THE REIMPLEMENTATION OF ADULT DENTAL BENEFITS FOR HAWAII RESIDENTS WHO ARE MEDICAID ENROLLEES AND TO SUBMIT A REPORT TO THE LEGISLATURE.

Chair San Buenaventura, Chair Mizuno, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA offers **COMMENTS** on House Concurrent Resolution No. 145 and House Resolution No. 134

The resolutions, as received by your Committee, would urge the Department of Human Services (DHS) to conduct a full study on the reimplementation of adult dental benefits for Hawaii residents who are Medicaid enrollees, including:

(1) The full cost to restore preventative and restorative adult dental benefits to Medicaid enrollees, including federal matching funds; and

(2) A projection, to the best of DHS' ability, of the long-term cost savings of reimplementing adult dental benefits.

The resolutions request DHS to report its findings and recommendations to the 2020 Legislature.

Over the past seven legislative sessions, the HPCA has urged the Legislature to appropriate additional funds to HMS401 for the reinstatement of adult dental Medicaid coverage, without success. As such, during the 2018 Regular Session, we offered an alternative solution for your consideration. Last year, we believed additional funds for fiscal year 2018-2019 were not necessary because it was our contention that there were sufficient resources within HMS401 to reinstate this essential benefit.

ADD 1003 BISHOP STREET PAUAHI TOWER SUITE 1810 HONOLULU, HI 96813 TEL 808.536.8442 WEB HAWAIIPCA.NET

Our position has not changed and we continue to assert that there are sufficient resources in HMS401 to reinstate the benefit immediately.

During the Regular Session of 2018, DHS requested $4,704,480 in general funds, and $7,066,720 in federal funds for fiscal year 2018-2019, to restore adult dental Medicaid benefits, including preventative and restorative oral health services.

Later, in communications to the Legislature, DHS reported that the total cost to reinstate the benefit would be "about $43 million" of which "$17 million would be [general] funds." [**See**, attached email from Judy Mohr Peterson to Rep. Bertrand Kobayashi, dated March 14, 2018.]. It should be noted that this communication did not include any discussion on how the Department came up with that amount.

For sake of argument, if the amount needed for one year is $17 million in general funds, we believe that at a minimum, there is sufficient funds in HMS401 to reinstate the benefit for fiscal year 2019-2020.

In their budget request this year, DHS requested an adjustment to the "base" budget approved during the 2018 Regular Session. Citing changing utilization in the Medicaid population, DHS requested a reduction of $16,511,000 in general funds for fiscal year 2019-2020, and an increase of $38,369,000 in general funds for fiscal year 2020-2021.

As noted in our testimony to the Senate Committee on Ways and Means on House Bill No. 1900, House Draft 1, dated March 27, 2018, we identified a significant variance in HMS401 that further supported our belief that there are sufficient funds in the existing budget to reinstate the benefit. On page 3 of our testimony, we wrote:

> *". . . We also note that the Variance Report showed that more than $79 million of budgeted funds in HMS401 was unspent during fiscal year 2017. . . "* [Citing page 411 of the Variance Report issued in December 2017]

Because of the scale of the appropriations authorized for HMS401, any variance equates to large sums of funds.

When the Governor submitted the budget in December 2018, he also submitted a revised Variance Report for fiscal year 2018:

STATE OF HAWAII — VARIANCE REPORT — REPORT V61
PROGRAM TITLE: HEALTH CARE PAYMENTS — 12/10/18
PROGRAM-ID: HMS-401
PROGRAM STRUCTURE NO: 06020305

	FISCAL YEAR 2017-18				THREE MONTHS ENDED 09-30-18				NINE MONTHS ENDING 06-30-19			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
PART I: EXPENDITURES & POSITIONS												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES ($1,000's)												
OPERATING COSTS												
POSITIONS	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES ($1000's)	2,633,657	2,068,897	- 564,760	21	236,027	193,091	- 42,936	18	2,533,366	2,576,302	+ 42,936	2
TOTAL COSTS												
POSITIONS	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
EXPENDITURES ($1000's)	2,633,657	2,068,897	- 564,760	21	236,027	193,091	- 42,936	18	2,533,366	2,576,302	+ 42,936	2

	FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS								
1. % MANAGD CARE PYMNTS DEVOTD TO DIRECT HTH CARE	90	90	+ 0	0	90	90	+ 0	0
2. % MANAGED CARE CLIENTS SATISFIED WITH THE PROGRAM	62	66	+ 4	6	64	66	+ 2	3
3. # MANAGED CARE CLIENTS AS % OF TOTAL CLIENTS	99	99	+ 0	0	99	99	+ 0	0
4. % LTC CLIENTS RCVNG CARE UNDR HME/COM PRG	70	76	+ 6	9	71	76	+ 5	7
PART III: PROGRAM TARGET GROUP								
1. # ELIGIBLE AGED, BLIND & DISABLED PERSONS	50000	51114	+ 1114	2	50000	51000	+ 1000	2
2. # ELIGIBLE PERSONS FOR QUEST MANAGED CARE PRGRM	320000	353000	+ 33000	10	325000	360000	+ 35000	11
3. # ELIGIBLE PERSONS FOR HME/COM BASED PROGRAM	4500	4487	- 13	0	4550	4500	- 50	1
PART IV: PROGRAM ACTIVITY								
1. NUMBER OF PAID CLAIMS TO PROVIDERS	1500000	1572896	+ 72896	5	1500000	1550000	+ 50000	3
2. # PARTICIPATING PROVIDERS WITHIN THE PROGRAMS	7000	13400	+ 6400	91	7000	13400	+ 6400	91
3. # CHILDREN IMMUNIZED BY THE AGE OF TWO	2500	4158	+ 1658	66	2500	4200	+ 1700	68
4. # CHLDRN RCVNG EARLY/PERIODC SCREENG/DIAG/TRTM SVC	81305	83278	+ 1973	2	82900	83000	+ 100	0

The Director of Finance reported that for fiscal year 2017-2018, the total amount budgeted for all means of financing was $2,633,657,000. The total amount actually spent for all means of financing was $2,066,897,000. The difference was $564,760,000, or a variance of 21 percent.

In other words, DHS could have spent $564,760,000 MORE on Medicaid in fiscal year 2017-2018, but DID NOT.

Historically, since the last significant change in the Medicaid population in Fiscal year 2010-2011 because of the implementation of the Affordable Care Act, the variance in HMS401 has ranged from -2% in fiscal year 2014-2015 and +3% in fiscal years 2011-2012 and 2016-2017.

HMS401 VARIANCE HISTORICALLY

Fiscal Year	Budgeted (In Thousands)	Actual (In Thousands)	Change	Percentage of Budgeted Amount Unspent	Page
FY2017-2018	2,633,657	2,068,897	564,760	21	438
FY2016-2017	2,499,388	2,419,670	79,718	3	411
FY2015-2016	2,250,936	2,149,974	100,962	4	414
FY2014-2015	2,009,623	2,051,771	-42,148	-2	410
FY2013-2014	1,888,241	1,913,755	-25,514	-1	409
FY2012-2013	1,692,643	1,627,787	64,856	4	416
FY2011-2012	1,645,461	1,588,011	57,450	3	416
FY2010-2011	1,387,615	1,612,035	-224,420	-16	422

Also, because this is the reinstatement of a pre-existing benefit, and no additional statutory authorization is needed for DHS to reinstate the benefit, **any subsequent change in resources for this benefit could be incorporated into the "base" budget so that future adjustments could be made citing "changes in utilization" as DHS did this year.**

It should also be noted that the cost of reinstating the benefit in Hawaii has already been studied by the Health Policy Institute of the American Dental Association (ADA). (**See**, attached report). In it, the ADA estimates that the State's share (in general funds) would range between a low of $6 million per year and a high of $15 million per year, depending on the package of benefits offered.

If the Administration has concerns on utilization, why not begin with what they previously requested in 2018 and go from there? They can come back next year and cite "changes in utilization" as the reason for making adjustments to the base budget.

If the Legislature truly believes that reinstating the benefit is the right thing to do, why not also urge the Administration to reinstate the benefit immediately? As stated in the findings of these resolutions:

> *". . . it has been nearly a decade since the State removed all but emergency Medicaid adult dental benefits, and the Legislature finds that it* ***is in the best interests of its residents*** *to consider restoring dental benefits, including diagnostic, preventative, and restorative dental benefits, and to expand access to care for adult Medicaid enrollees; . . ."* [Emphasis added.]

For nearly a decade, Medicaid recipients have gone without this benefit. For an adult Medicaid recipient, if they have a tooth ache, they just have to bear it. They have to deal with the pain until they can't bear it any more. Then then have to go to the emergency room where the only options will likely be for the tooth to be pulled, antibiotics prescribed, and some pain medications given to ease the suffering.

Does allowing this to continue truly serve the public good?

For these reasons, we urge Adminstration to reinstate this benefit immediately, and ask the Legislature and our partner community organizations to urge them as well.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact us.

attachments

Estimating the Cost of Introducing a Medicaid Adult Dental Benefit in Hawaii

Cassandra Yarbrough, M.P.P.

Background

Previous analysis estimated the cost of implementing an extensive Medicaid adult dental benefit in states that provide either emergency-only or no dental benefits to their adult Medicaid population.[1] The American Dental Association Health Policy Institute (HPI) worked with Ms. Nancy Partika, Disparities Director for Oral Health For All Hawaii to estimate the cost of introducing a Medicaid adult dental benefit in Hawaii. We estimate the cost of introducing both a limited and extensive Medicaid adult dental benefit in Hawaii under varying reimbursement and utilization assumptions. We also explore potential cost savings attributable to a reduction in dental emergency department (ED) visits and decreased health care costs among diabetic patients who receive dental services.

Results

The estimated total cost of providing a limited Medicaid adult dental benefit in Hawaii is between $17 million and $24 million. The state share of this cost is between $6 million and $8 million. Comparatively, the estimated total cost of providing an extensive Medicaid adult dental benefit in Hawaii is between $31 million and $45 million. The state share of this cost is between $10 million and $15 million. See Table 1 for more details on these estimates.

Table 1: Estimated Increase in State Medicaid Expenditure from Implementing a Medicaid Adult Dental Benefit

	Limited			Extensive		
Scenario	Total Adult Dental Spend	Federal Share 66.0%	State Share 34.0%	Total Adult Dental Spend	Federal Share 66.0%	State Share 34.0%
1	$23,744,727.22	$15,677,755	$8,066,972	$45,246,618	$29,874,650	$15,371,968
2	$17,944,682	$11,848,202	$6,096,480	$31,370,989	$20,713,091	$10,657,898

Potential savings from reduced ED use for dental conditions among Medicaid adult enrollees are estimated to be $1,008,993 per year. Potential savings from reduced medical costs among Medicaid-enrolled adult diabetics resulting from increased access to dental care are estimated to be $118,014 to $1,675,798.80 per year. See Data & Methods section for more details on these estimates.

Data & Methods

In earlier analysis, we estimated the cost of introducing a Medicaid adult dental benefit in 22 states that did not provide any dental benefits beyond emergency procedures.[2] We use the methodology from our earlier brief, updated with more current data, to estimate the cost associated with implementing both a limited and an extensive Medicaid adult dental benefit in the state of Hawaii.

We estimated the number of adults enrolled in Hawaii's Medicaid program as of November 2018 by using figures provided by CMS.[3] CMS provides figures for total Medicaid and CHIP enrollment (331,537 individuals), and total child Medicaid and CHIP enrollment (140,574). We subtracted total child Medicaid and CHIP enrollment from total Medicaid and CHIP enrollment to estimate the number of adults enrolled in Hawaii's Medicaid program. As of November 2018, there were approximately 190,963 adults enrolled in Hawaii's Medicaid program.

We created two scenarios for our modeling. The two scenarios have different assumptions for adult dental care utilization and dental expenditure per dental care user depending on the benefit level: limited or extensive. We also vary the level of reimbursement to dental care providers. Scenarios are summarized in Table 2.

Table 2: Assumptions for Alternative Medicaid Adult Dental Benefit Expenditure Scenarios

Assumptions	Limited Medicaid Adult Dental Benefit		Extensive Medicaid Adult Dental Benefit	
	Scenario 1	**Scenario 2**	**Scenario 1**	**Scenario 2**
Percentage of Medicaid adults with a dental visit	Average across states that provide a limited adult dental benefit in Medicaid (2012 MEPS): 22.21%		Average across states that provide an extensive adult dental benefit in Medicaid (2012 MEPS): 27.37%	
Dental expenditure per year per Medicaid dental care user	Average dental expenditure per Medicaid-enrolled individual with a dental visit in states that provide a limited adult dental benefit in Medicaid (2012 MEPS): $398.58		Average dental expenditure per Medicaid-enrolled individual with a dental visit in states that provide an extensive adult dental benefit in Medicaid (2012 MEPS): $556.91	
Medicaid reimbursement rate for adult dental care services.	60% of typical private dental benefits plan charges (2013 HPI)	41.6% of typical private dental benefits plan charges (2016 rate for child dental care services)	60% of typical private dental benefits plan charges (2013 HPI)	41.6% of typical private dental benefits plan charges (2016 rate for child dental care services)

To estimate dental care utilization among Medicaid adults, we used the average dental care utilization rate among Medicaid-enrolled adults in states that currently provide either limited or extensive Medicaid adult dental benefits. We estimated this utilization rate using 2012 data from the Medical Expenditure Panel Survey (MEPS). These data were provided via personal correspondence from Dr. Richard Manski at the University of Maryland in January 2015. We requested Dr. Manski calculate the percentage of Medicaid adults ages 21 through 64 with a dental visit in the past 12 months. Dr. Manski calculated Medicaid dental utilization rates for four groups of states based on the level of dental benefits covered by the state's Medicaid program: Extensive or Limited. States were grouped based on the level of dental

benefits covered by the Medicaid program in 2012 (see Table 3 for state groupings and category definitions).

Table 3: State Medicaid Adult Dental Benefit Groupings, Limited and Extensive

	Category	
	Limited	**Extensive**
Definition	A benefit that covers 100 or fewer dental procedures and has an expenditure cap at or below $1,000 per user per year.	A benefit that covers 100 or more dental procedures and has an expenditure cap at or above $1,000 per user per year.
States	AR, DC, IN, KY, LA, MA, MI, MN, NE, NJ, PA, SD, VA, VT, WY	AK, CT, IA, NM, NY, NC, ND, OH, OR, RI, WI

We used the average utilization rate across states with a limited benefit in our cost estimate for adding a limited dental benefit, and the average utilization rate across states with an extensive benefit in our cost estimate for adding an extensive dental benefit. Dental visits that took place in an emergency department were not included. The average percentage of Medicaid adults with a dental visit in a year across limited states in 2012 was 22.2 percent. The average percentage of Medicaid adults with a dental visit in a year across extensive states in 2012 was 27.4 percent.

Our estimate for dental expenditure per user per year among dental care users is also based on an analysis of MEPS data from 2012. Specifically, we used average total dental expenditure among Medicaid-enrolled adults with a dental visit in the past year, averaged across states that provided either a limited or an extensive adult dental benefit in Medicaid. The 2012 MEPS data yield an average expenditure level of $398.58 per dental care user per year in states with a limited adult dental benefit in Medicaid. The 2012 MEPS data yield an average expenditure level of $556.91 per dental care user per year in states with an extensive adult dental benefit in Medicaid. Dr. Richard Manski provided this analysis through personal correspondence in July 2015.

We adjusted these dental expenditure estimates in two ways. First, we set reimbursement for adult Medicaid dental services at the same level as child dental services in Hawaii. For this assumption, we use 2016 child dental care services reimbursement rates in Hawaii that were previously calculated by the Health Policy Institute.[4] Second, we set reimbursement for adult Medicaid dental services at 60 percent of typical private dental benefits plan charges.

In summary, to calculate the total incremental expenditure of implementing a Medicaid adult dental benefit, we used the following formula:

*Expenditure = Enrollment * Utilization Rate * Spending per User * Reimbursement Rate Adjustment*

All estimates were inflated to 2018 dollars using the CPI-U.[5]

To determine the potential federal and state shares of this estimated expenditure, we used the most recent medical assistance expenditure cost-sharing data available from CMS from the Medicaid Budget and Expenditure System/State Children's Health Insurance Program Budget and Expenditure System for the quarter ending September 30, 2017, posted November 2018.[6] This report includes spending for expansion-eligible populations and reports both total Medicaid spending and total federal share of Medicaid spending. Using these data, we approximated the percentage of federal versus state spending and applied these percentages to estimate the cost to the federal government and to Hawaii of implementing a Medicaid adult dental benefit.

Potential Emergency Department Savings

To estimate potential emergency department savings we analyzed 2016 emergency department data from the Hawaii State Department of Health.[7] In 2016, there were 1,176 ED visits among the Medicaid population in Hawaii where a dental condition was the principle diagnosis (hereinafter referred to as dental-ED visit). Approximately 86 percent of dental-ED visits among the entire Hawaii population were for adults ages 18 through 64 in 2016; thus, we estimate that 1,011 of Medicaid dental-ED visits are for adults. Based on prior analysis, we assume that 78.7 percent of these visits could be diverted to a local dental office (795.9).[8] Total cost of ED visits in 2016 where a dental condition was the primary diagnosis totaled $2.6 million. For simplicity, we will average this total across visits (2,051 total), yielding an average cost per visit of $1,267.67. Multiplied by 795.9 adult visits that could be diverted to dental offices yields a total potential savings in ED costs of approximately $1.009 million.

Potential Savings Due to Reduced Medical Care Costs among Diabetics with Increased Access to Dental Care

To estimate potential savings due to reduced medical care costs among diabetics with increased access to dental care we drew on data from the Centers for Disease Control and Prevention (CDC), as well as savings estimates from prior analysis. According to the CDC, 10.3 percent of Medicaid-enrolled adults in Hawaii have diabetes.[9] Using Medicaid enrollment numbers from CMS, there were approximately 19,669 Medicaid-enrolled adults in Hawaii with diabetes as of November 2018. We estimate that 15 percent of these adults had a dental visit prior to Medicaid adult dental benefits being implemented based on an estimate provided by Dr. Richard Manski through personal correspondence in May 2016. Dental care use increases by 20 percent when an adult dental benefit is introduced.[10] Thus, we estimate that and additional 3 percent of Medicaid-enrolled adults with diabetes will visit a dentist following the implementation of an adult Medicaid dental benefit (1.15 x 20% = 3%). Medical cost savings from diabetic adults visiting the dentist for periodontal treatment range from $200[11] to $2,840 per year.[12] Thus, total number of diabetic Medicaid adult enrollees visiting the dentist would be 19,669 x 3% = 590.07. This may

result in a range of cost savings between $118,014.00 ($200 x 590.07) and $1,675,798.80 ($2,840 x 590.07).

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