



Joint Committee on Ways and Means Subcommittee on Human Services

March 2, 2021

RE: DCO rates

Co-Chair Nosse, Co-Chair Lieber and Members of the Committee,

My name is Dr. Teri Barichello and I am the Vice President and Chief Dental Officer for ODS Community Dental. ODS has been a dental Medicaid administrator since the inception of the Oregon Health Plan and is committed to serving our community by providing access to quality oral health care. Our ability to do that is at grave risk due to the Medicaid dental rate cut that became effective in January.

The DCOs administer the dental benefit for Medicaid under two models, through a direct contract with the Oregon Health Authority and as a subcontracted entity under CCOs. The current rate setting process uses fee-for-service models that don't reflect the realities and total cost to deliver dental care and whole health improvement under CCO 2.0.

The 11% cut was made in response to a perceived problem identified in the OHA actuarial calculation which is driven by costing out claims based upon a derived fee schedule. This process overlooks delivery costs that have extended beyond payment for services to supporting alternative delivery models, sub-capitation and value-based arrangements; approaches promoted by CCO 2.0 and encouraged under the CCO contracts.

As the table below demonstrates, the 11% cut results in rates for 2021 that are below 2014 levels (Table 1).

Table 1: DENTAL RATE – TRI-COUNTY (2014 – 2021)

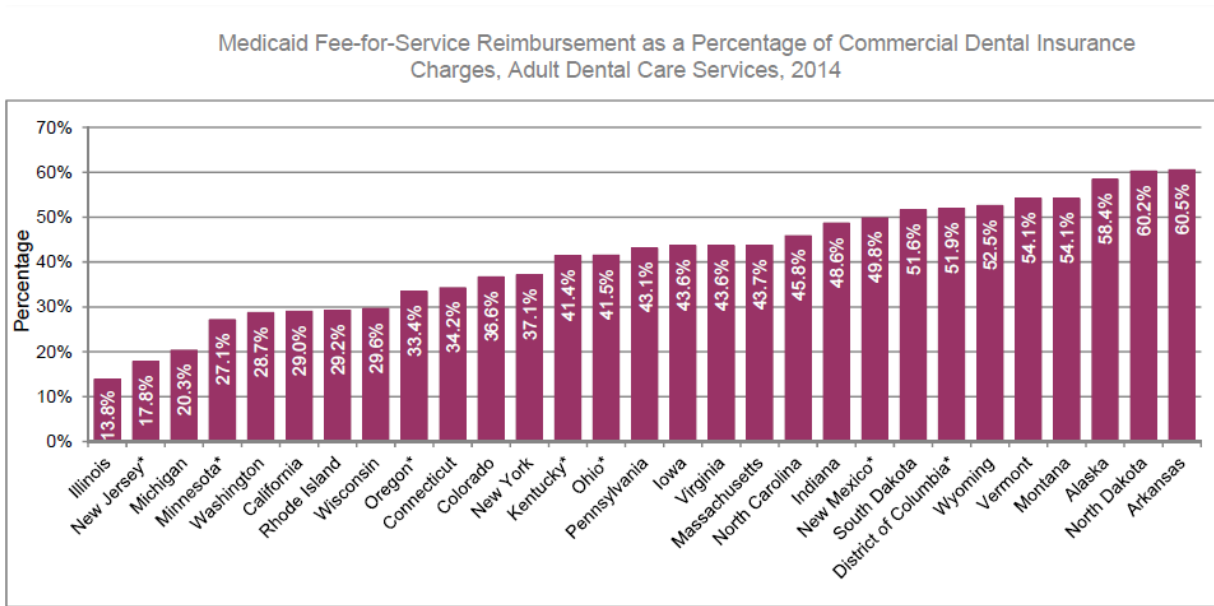
		1.1- 6.30	7.1- 12.31					
2014	2015	2016	2016	2017	2018	2019	2020	2021
\$ 26.20	\$ 26.00	\$ 28.50	\$ 31.00	\$ 30.00	\$ 28.50	\$ 28.00	\$ 28.00	\$ 25.00

The OHA has stated that Oregon's dental Medicaid reimbursement is double that of two other states. OHA has not shared the detail as to the identity of those states. We do know that in 2014, the American Dental Association's Health Policy Institute conducted a national comparison of Medicaid rates to commercial rates. Their analysis (see Table 2) showed that Oregon Medicaid reimbursement was 32.6% of commercial rates which put us in the lowest

third of the entire United States. Commercial rates have only increased since 2014. Returning the dental rate to 2014 levels just further exacerbates the reimbursement gap.

The 11% rate cut does not appear to take into account that under CCO 1.0 and now CCO 2.0, DCO performance and member utilization has continued to improve year after year. How can we continue to provide more care with a declining rate? This is unsustainable. Further, the DCOs have made significant investments in alignment with the transformational principles outlined in OHA’s vision for CCOs. The 11% cut contradicts those principles and undermines our ability to achieve the goals of transformation.

Table 2



Source: ADA.org/hpi

Devastating impacts

The rate cut will have an immediate and detrimental impact on access to dental care for the most vulnerable Oregonians. This comes at a time when, due to the pandemic, there is pent up demand for dental services and that delay has resulted in the needs being more complex and extensive. This not only impacts members’ oral health, but as it has been well documented, untreated dental disease negatively impacts multiple chronic medical conditions- for example diabetes and heart disease. Also, when access is limited, members are more likely to use emergency rooms as an alternative- a costly and ineffective endeavor.

We have already seen this rate cut impact our provider networks. Recruiting and retaining dentists for Medicaid networks is challenging in the best of times. Providers are currently facing increased costs to deliver care due to increased infection control protocols and limitations in the number of patients they can treat due to the pandemic.

A rate cut will force some providers to terminate participation with OHP and others to reduce dental office personnel dedicated to Medicaid and reduce the number of patients they can see. The rate cut will gravely destabilize access to care and undermine quality.

In order to achieve the objectives and performance measures outlined in CCO 2.0, we have made significant efforts to build out community care models and focus on the social determinants of health. All of these efforts are in dire jeopardy in the face of the rate cut.

The 11% rate cut creates an untenable future for dental care delivery. We ask that the 2021 dental rate be restored to the 2020 levels and ensure the OHP dental program is fully funded through the next biennium.

A handwritten signature in black ink that reads "Teri Barichello". The signature is fluid and cursive, with a long horizontal stroke at the end.

Teri Barichello, DMD

VP, Chief Dental Officer Moda Health/Delta Dental of Oregon/ODS Community Dental