



# Eliminating Medi-Cal Adult Dental: Costs and Consequences

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## **Oral Health Access Council**

Launched in 2001 by DHF and the California Primary Care Association (CPCA), the Oral Health Access Council (OHAC) is the only statewide coalition aimed at improving the oral health of California's underserved and vulnerable populations. It supports policies that: increase access to oral health services; eliminate barriers to care; acknowledge that oral health is essential to overall health; prevent disease; increase the public's awareness of California's oral health needs and the measures needed to address them effectively; and reduce disparities

OHAC includes over 50 member organizations representing the dental professions, community clinics, children's advocacy organizations and health advocacy organizations. The breadth of membership provides credibility for OHAC's ability to speak on behalf of all oral health stakeholders and to link with other health advocates.

OHAC regularly sponsors legislative briefings and press conferences. This year OHAC organized two press conferences in Oakland and San Francisco to highlight the impact of eliminating the adult dental program. During 2008 OHAC organized three policy briefs: Adult Dental Medi-Cal Cuts: Costs & Consequences; Putting Teeth in Health Reform; and What California Should Know about Other states' and Federal Efforts to Fund Children's Oral Health. In 2007 OHAC organized four policy briefs: Put Your Money Where Your Mouth Is: Prevention, Parity and Partnership; Putting Teeth Into Health Care Reform; Pregnancy/Early Childhood and Oral Health; A Mother's Oral Health Profoundly Impacts the Health of Her Child.

## **California Primary Care Association**

California Primary Care Association (CPCA) is the statewide leader and recognized voice of California's community clinics and health centers and their patients. CPCA's member clinics provide high quality medical, dental and mental health services, children's day care, and early intervention programs for low-income, uninsured and underserved Californians, who might otherwise not have access to health care. The more than 650 community clinics and health centers that CPCA represents share a common mission to serve all who walk through their doors, regardless of ability to pay. The mission of CPCA is to strengthen its member community clinics and health centers and networks through advocacy, education, and services in order to improve the health status of their communities.

## **Dental Health Foundation**

For the past twenty years the Dental Health Foundation (DHF) has been one of the few organizations in the country dedicated to the vision of "**oral health for all.**"

**Our mission is to build and work through community partnerships to promote oral health for all by:**

- *Providing leadership in advocacy, education and public policy development*
- *Promoting community-based prevention strategies*
- *Improving access to and the quality of oral health services*
- *Encouraging the integration of oral health and total health*

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“Those who suffer the worst oral health are found among the poor of all ages, with poor children and poor older Americans particularly vulnerable.”

--Oral Health in America: A Report of the Surgeon General, 2000

Oral health status affects overall health and well being, as well as employability and productivity. Denti-Cal is a critical source of dental services for more than 3 million poor, disabled and elderly adults in California. Coverage includes diagnostic and preventive dental services, emergency treatment for control of pain and infection, fillings and tooth extractions, root canal treatments and prosthetic appliances (e.g., dentures). Reimbursement for dental services for adults under the Denti-Cal program is currently capped at \$1,800 per year, per adult, although there are a number of exempt beneficiaries (e.g., those living in nursing facilities) and procedures (e.g., dentures, emergency dental services, oral surgery).

## THE IMPORTANCE OF GOOD ORAL HEALTH

An abundance of health research over the last few decades demonstrates the adverse effects of poor oral health. Some of the immediate short-term consequences include pain and discomfort, which can lead to disruptions of daily life, such as difficulty working and sleeping.<sup>1</sup> Some of the longer-term consequences include the need for more costly procedures and restorative treatment for dental problems that could have been more easily and inexpensively prevented or treated if detected earlier.<sup>1</sup> Extensive research also shows that oral health and physical health are inextricably linked, as oral diseases can have systemic effects.<sup>2 3 4</sup> Untreated oral health problems are associated with a variety of adverse health outcomes, which include, diabetes, stroke, heart disease, bacterial pneumonia and preterm and low birth weight deliveries.<sup>1,2,5,6</sup> Left untreated, dental disease or medical conditions resulting from dental disease can also lead to death.

The 2009-2010 budget agreement by the California legislature and signed into law on February 20, 2009, eliminates the Denti-Cal program for adults (“Adult Dental”), with the exception of federally required adult dental services (primarily emergency services), pregnancy-related services and dental services for persons living in nursing facilities, unless federal legislation has been enacted that will

make available by June 30, 2010, additional federal funds that may be used to offset not less than \$10 billion in state general fund expenditures.

Elimination of the Adult Dental program will result in significant restrictions in access to cost-effective preventive care and early intervention, leading to poor oral health and poor general health as well as significant short- and long-term costs to the State budget and the State economy.

With the recently approved increases in federal match, California will forego approximately \$134.5 million of federal matching funds, substitute more expensive services for less expensive treatments and preventive services, and exacerbate the problems of the safety net by placing more pressure on community clinics and emergency rooms. Other consequences will include lower participation by dentists in the Denti-Cal program, fewer children receiving oral health services, and, ultimately, significant oral health and medical problems in low-income pregnant women, women of childbearing age, children and low-income, disabled and elderly adults. This brief details the health and access consequences for adults and children that will result from elimination of the Adult Dental program as well as the negative fiscal implications for the State.

## THE ROLE OF DENTAL COVERAGE

Dental coverage is a key ingredient to ensuring access to dental care. Research indicates that a child, adult or senior with dental coverage is significantly more likely to seek and use regular dental services than their uninsured counterparts.<sup>3</sup> The loss of coverage can result in declines in oral health status. When Massachusetts eliminated dental benefits for adults enrolled in Medicaid, there was a significant increase in the number of patients with serious dental pain who had to resort to tooth extraction instead of less invasive procedures since tooth extractions were still covered. Other patients reported living with low self-esteem, stress, and chronic pain instead of having a tooth extraction because they worried about the impact of toothlessness on their social lives and their ability to find employment.<sup>7</sup>

## Adult Dental Services and the California Economy

Eliminating the Adult Dental program will result in the loss of tens of millions of federal dollars, thousands of jobs and hundreds of millions of dollars of business activity at a time when California can least afford it, with only modest, short term State savings to the budget.

- **California will lose \$134.5 million in federal matching dollars each year.** By eliminating the Adult Dental program with estimated state general fund “savings” of \$109.3 million<sup>8</sup>, California will achieve only a minor reduction in state outlays (less than 2% of the entire \$36.6 billion Medi-Cal budget is spent on *all* dental services) while causing the loss of at least \$134.5 million of federal matching funds.<sup>9</sup>

- ***Due to the multiplier effects of cuts in Medi-Cal spending, the detrimental impact on California's economy will be even greater, exceeding \$500 million.*** The elimination of Adult Dental services at the estimated cost of \$218.7 million in combined federal and state spending-will cause the loss of an estimated 4,240 jobs, \$205.5 million in wages, and \$516.1million in business activity as the effects of the cuts impact dental offices, dental suppliers, consumer consumption and tax receipts.<sup>10</sup>
- ***The elimination of Adult Dental will likely result in even greater job loss resulting from dental disease and its effects on a person's ability to work.*** According to the Surgeon General, the availability of dental care affects both a person's employability and their ability to go to work. Persons with dental disease are less employable than persons with good oral health as employers are reluctant to hire persons with poor visual appearance due to tooth loss and more reluctant to have employees with potential frequent absences due to unmet dental needs. The Surgeon General estimates that 1.9 work days are lost each year due to acute dental conditions for every 100 persons.<sup>1</sup> This means that for each 100,000 working Medi-Cal recipients, 1,900 work days are lost due to acute dental conditions. Without dental coverage, dental disease will undoubtedly increase and lost work days will even be greater for this economically vulnerable population.
- ***The cumulative impacts of the Adult Dental cuts will be felt in future years as untreated decay and disease increases.*** Whatever savings may accrue in the first year of the elimination of Adult Dental are likely to diminish over time as untreated dental disease becomes more prevalent. Unable to afford dental treatment out-of-pocket, many beneficiaries will likely delay treatment, thereby making treatment more

complex and expensive. Many are also likely to seek treatment in far costlier emergency rooms, which are ill-equipped to provide more than extractions, antibiotics and pain medication.

## **Access to Dental Care, Health Status and Added Health Care Costs for Adults and Children**

**Dental coverage** links individuals to a source of regular dental care. Research shows that a child, adult or senior with dental coverage is significantly more likely to seek and use regular dental services than their uninsured counterparts.<sup>3</sup> Individuals who receive preventive dental care and early treatment avoid costly reconstructive and invasive surgeries as well as the need to seek high cost emergency treatment. Access to regular dental care is not only critical for optimal oral health, but it provides windows of opportunity to detect and diagnose early manifestations of osteoporosis, certain cancers, eating disorders, substance abuse, and HIV infection and progression to AIDS, all of which result in better outcomes and lower costs if identified and treated early.

With the elimination of Adult Dental, an estimated 3 million adults in California will lose access to dental services, both preventive care and treatment. This, in turn, will negatively affect both oral and general health status, and lead to far greater costs for conditions that could be treated early, if not altogether prevented.

- ***Millions of children could suffer along with their parents.*** Children with good oral health are better learners and have less frequent school absences due to dental disease.<sup>11</sup> Research demonstrates that children whose parents received preventive dental care are five times more likely to visit a dentist themselves when compared to children whose parents received no dental

care or had visited the dentist only for an emergency situation.<sup>12</sup> Another study of Medicaid families found that when parents do not make at least one dental visit annually, their children are 13 times less likely to visit a dentist that same year.<sup>13</sup> These studies underscore the importance of ensuring that low-income adults have access to dental services not only for their own health and wellness, but also for their children's wellbeing.

- ***Lack of access to oral health care increases emergency room use, at greater cost to the health care system.*** Individuals who cannot get preventive care or early treatment in an outpatient setting must seek treatment in emergency rooms, which is much more costly. Based on the experience of Maryland which eliminated Medicaid reimbursement to dentists treating adults in 1993,<sup>14</sup> and charges for dental-related emergency room services in California,<sup>15</sup> elimination of Adult Dental in California would result in nearly 17,000 additional emergency room visits for dental conditions in the first year alone, representing emergency room charges of more than \$11 million. Emergency visits will only *increase* in future years if access to preventive care and early treatment is further restricted.
- ***Lack of dental care can jeopardize overall health and can lead to added costs associated with a wide range of medical conditions, such as low birth weight, diabetes, and cardiovascular disease.*** For example, periodontal disease among pregnant women has been shown to be associated with preterm and low birth weight babies.<sup>16</sup> It is estimated that about 45,500 preterm low birth-weight newborns could be avoided nationally each year by eliminating gum infections among pregnant women, thereby reducing neonatal intensive care unit costs by nearly \$1 billion.<sup>17</sup> Based on this analysis, Medi-Cal estimated that California could save \$29.2

million per year if women enrolled in Medi-Cal received periodontal treatment during pregnancy.<sup>18</sup> Adults with other medical conditions also benefit from preventive dental care. One study found that those with diabetes experience a 21% lower health risk and 9% lower healthcare costs with early dental care; those with coronary artery disease experience a 19% lower risk and 16% lower costs; and those with other cardiovascular diseases experience 17% lower risk and 11% lower costs.<sup>19</sup> The cost implications for Medi-Cal are huge since nearly 485,000 adults enrolled in Medi-Cal were reportedly diagnosed with diabetes and 372,000 diagnosed with heart disease in 2007.<sup>20</sup>

- ***Failure to cover reproductive age women can have multi-generational implications for health and related costs.*** The oral bacteria of mothers are passed on to their infants; thus, increased decay-causing bacteria in the mother increases the likelihood that the infant will develop caries.<sup>5,6</sup> Even though pregnant women would be "protected" under the current plan to eliminate Adult Dental, failure to cover women of reproductive age can have lasting consequence if mothers' poor oral health is not treated. The significance of the oral health disease among reproductive age women is illustrated by the fact that women aged 18-34 years already have the highest rates of emergency department visits for ambulatory care sensitive dental conditions.<sup>15</sup> Dental disease in women of this age group – as well as their children -- would likely increase with the elimination of Adult Dental.

## Dental Providers

California's already fragile network of providers for Denti-Cal patients could altogether evaporate if the Adult Dental program is eliminated. The major providers of dental services to Denti-Cal patients -- community and county clinics and a limited group of private dentists--anticipate significant impacts if the program cut is implemented.

- ***Entire dental programs in community clinics will close.*** California community clinics estimate that they will lose \$56.5 million in Medi-Cal revenue with the loss of the Adult Dental program, accounting for 407,000 visits annually.<sup>21</sup> With diminished reimbursement, many clinics will face closure of their entire dental programs, including services for children. As a major provider of dental services to low-income Californians, closure of these practices will severely limit patients' options for care. Similarly, the clinics in the State's dental schools, which are a major source of care for low-income patients as well as the training ground for future dentists, rely on Medi-Cal revenue to treat the patients and train new general and specialist dentists. Elimination of adult dental benefits will adversely affect the dental schools' abilities to both treat and train.
- ***The "cost of doing business" with Denti-Cal could be too high for private dentists.*** Private dentists indicate that the on-going uncertainty about the future of the Denti-Cal program is a major disincentive to accept Denti-Cal patients, particularly when coupled with low reimbursement rates and cumbersome paperwork. Continued incorporation of Denti-Cal patients of all ages into their practices, dentists report, may be too risky and too costly to their business model if the Adult Dental program is eliminated.

- ***If these sources of dental care were to close, the chances that they could re-emerge if Adult Dental were to return are minimal.*** The availability of dental providers for Medi-Cal patients is extremely fragile even with the Adult Dental program in place. The ability of these providers, particularly community clinics, to reconstruct their dental practices after forced closure, is tenuous because of their limited resources. Eliminating the Adult Dental program in 2009 could, therefore, mean the end of the program in the future, even if the Legislature approves funding later on.

## Summary

Poor oral health not only results in needless and avoidable pain and suffering but also is associated with a variety of other diseases and conditions, including respiratory disease, diabetes, stroke, heart disease and preterm and low birth weight deliveries. Poor oral health also can lead to loss of employment and reduced hours of work due to pain, infection and associated dental visits. These are the anticipated human costs of eliminating the Adult Dental program under Medi-Cal.

The consequences of this reduction in coverage will have ripple effects, not only on the affected individuals and their families and communities, but also on Medi-Cal, the entire health care system and the California economy. The loss of tens of millions of dollars in federal funds, as well as approximately 4,500 jobs and over one-half billion dollars in economic activity makes eliminating Adult Dental benefits a very costly proposition. It will also decimate the fragile safety net of dental providers who currently struggle to provide dental care to children and adults alike. Whatever savings that are achieved in the first year will be diminished over future years as preventable dental disease increases, resulting in more costly interventions.

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<sup>1</sup> U.S. Department of Health and Human Services. Oral Health in America: A Report of the Surgeon General. Rockville, MD: U.S. Department of Health and Human Services, National Institute of Dental and Craniofacial Research, National Institutes of Health, 2000.

<sup>2</sup> California HealthCare Foundation. Denti-Cal Facts and Figures: A Look at California's Medicaid Dental Program. May 2007. Available at [http://www.chcf.org/topics/medi-cal/index.cfm?item\(D=131431](http://www.chcf.org/topics/medi-cal/index.cfm?item(D=131431). Accessed March 3, 2009.

<sup>3</sup> Manski R, Brown E. Dental Use, Expenses, Dental Coverage and Changes, 1996 and 2004. Rockville (MD): Agency for Healthcare Research and Quality; 2007. MEPS Chartbook #17.

<sup>4</sup> Aetna. Aetna Launches Dental/medical Integration Program That Includes Specialized Pregnancy Benefits. 2006; Available at: [http://www.aetna.com/news/2006/pr\\_20061030a.htm](http://www.aetna.com/news/2006/pr_20061030a.htm). Accessed April 14, 2008.

<sup>5</sup> Boggess KA, for the Society for Maternal-Fetal Medicine Publications Committee. Maternal Oral Health in Pregnancy. *Obstet. Gynecol.* 2008 Apr;111(4):976-986.

<sup>6</sup> Sanchez AR, Kupp LI, Sheridan PJ, Sanchez DR. Maternal chronic infection as a risk factor in preterm low birth weight infants: the link with periodontal infection. *J.Intern.Acad. Periodontol.* 2004;6(3):89-94.

<sup>7</sup> Pryor C, Monopoli M. Eliminating adult dental coverage in Medicaid: an analysis of the Massachusetts experience. Kaiser Commission on Medicaid and the Uninsured. Washington, DC. September 2005. Available at <http://www.kff.org/medicaid/7378.cfm>.

<sup>8</sup> California Department of Health Care Services November 2008 Medi-Cal Estimate Policy Change Number 164. [http://www.dhcs.ca.gov/dataandstats/reports/mcesimates/Documents/2008\\_nov\\_estimate/NOV08 REG02\\_Reg\\_PC\\_Narr.pdf](http://www.dhcs.ca.gov/dataandstats/reports/mcesimates/Documents/2008_nov_estimate/NOV08 REG02_Reg_PC_Narr.pdf). Accessed March 19, 2009.

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Total Adult Dental savings is estimated to be \$218,738,000, half of which is state general fund.

<sup>9</sup> The current federal contribution for Medi-Cal spending is 50%, but will increase to approximately 61.6% under the recently signed federal economic stimulus legislation.

<sup>10</sup> The US Department of Commerce Bureau of Economic Analysis has developed multipliers in its Regional Input-Output Modeling System (RIMS II) to estimate the impact of changes in a regional economy. California specific multipliers have been developed for various industries including one for physician and dental offices. According to the most recent multipliers for 2006, every \$1 million in dental offices supports 19.4 jobs, every \$1 change in dental offices affects \$2.36 in economic activity, and every \$1 generates \$.94 in salaries. <https://www.bea.gov/regional/rims/>; See also, Kaiser Commission on Medicaid and the Uninsured, The Role of Medicaid in State Economies: A Look at the Research, January 2009. Available at: <http://www.kff.org/medicaid/7075a.cfm>, Accessed on March 10, 2009.

<sup>11</sup> National Maternal and Child Oral Health Resource Center, Oral Health and Learning: When Children's Health Suffers, So Does Their Ability to Learn (2nd ed.) 2003. Available at <http://www.mchoralhealth.org/PDFs/learningfactsheet.pdf>.

<sup>12</sup> Sohn W, Ismail A, Amaya A, Lepkowski J. Determinants of dental care visits among low income African-American children. *J.Am.Dent.Assoc.* 2007 Mar; 138(3):309-18; quiz 395-396, 398.

<sup>13</sup> Bonito AJ, Gooch R. Modeling the Oral Health Needs of 12-13 Year Olds in the Baltimore MSA: Results from One ICS-II Study Site. American Public Health Association (APHA) Annual Meeting; November 12, 1992.

<sup>14</sup> Leonard A. Cohen, Richard J. Manski, and Frank J. Hooper, "Does the Elimination of Medicaid Reimbursement Affect the Frequency of Emergency Department Dental Visits?" *J.Am.Dent.Assoc.* 1999 May; 127(5): 605-609.



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<sup>15</sup> Even with adult Denti-Cal in place, California experienced more than 83,000 emergency room visits for “ambulatory care sensitive” dental conditions in 2007. About 80% of all emergency department visits in 2005-2007 were for adults ages 18-64 at a charge of \$660 per visit. (Maiuro L and Finocchio L. Emergency Department Visits and Hospitalizations for Ambulatory Care Sensitive Dental Conditions: Preliminary Results from Forthcoming Report. *California HealthCare Foundation*. December 2008.)

<sup>16</sup> Offenbacher S, Katz V, Fertik G, Collins J, Boyd D, Maynor G, et al. Periodontal infection as a possible risk factor for preterm low birthweight. *J.Periodontol*. 1996 Oct;67(10 Suppl):1103-1113.

<sup>17</sup> Ibid.

<sup>18</sup> Dental Health Foundation. Mommy, it hurts to chew: The California smile survey, an oral health assessment of California’s Kindergarten and 3<sup>rd</sup> Grade Children. February 2006. Available at [http://www.kpbs.org/downloads/Kids/CA\\_Oral\\_Health\\_Survey\\_2606.pdf](http://www.kpbs.org/downloads/Kids/CA_Oral_Health_Survey_2606.pdf), Accessed March 15, 2009.

<sup>19</sup> Conicella ML. Aetna Dental Weighs in on Oral Systemic Medicine. Grand Rounds in Oral Systemic Medicine 2007;2(1):41-42.

<sup>20</sup> California Health Interview Survey 2007. Available at <http://chis.ucla.edu/default.asp>. Accessed March 10, 2009.

<sup>21</sup> California Primary Care Association. The Impact of the Proposed Elimination of Medi-Cal Adult Dental Services on the Clinic Safety Net. *CPCA*. Spring 2008.

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