

Veenstra  
Tinsman  
Hammond

SSB 3207  
Human Resources  
Sub. By  
(SF) HF 2350

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
HUMAN RESOURCES BILL  
BY CHAIRPERSON BOETTGER)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to dental services under the medical assistance  
2 program and providing an effective date.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. DENTAL SERVICES -- MEDICAL ASSISTANCE PROGRAM.

2 1. The department of human services shall request a waiver  
3 under section 1915(b) of the federal Social Security Act from  
4 the health care financing administration of the United States  
5 department of health and human services to provide dental  
6 services under the medical assistance program. If approved,  
7 the waiver shall be effective January 1, 2001. The department  
8 shall issue a request for proposals to implement the waiver  
9 provisions.

10 2. In addition to seeking the waiver as directed in  
11 subsection 1, the department shall provide all of the  
12 following:

13 a. Beginning July 1, 2000, a percentile-based rate  
14 increase for dental services provided under the medical  
15 assistance program.

16 b. Beginning July 1, 2001, implementation of a fully  
17 capitated plan for dental services provided under the medical  
18 assistance program, which includes incentives for access and  
19 quality related to preventive dental care.

20 Sec. 2. EFFECTIVE DATE. This Act, being deemed of  
21 immediate importance, takes effect upon enactment.

22 EXPLANATION

23 This bill directs the department of human services to  
24 request a waiver from the health care financing administration  
25 of the United States department of health and human services  
26 to provide dental services under the medical assistance  
27 program. If the waiver is approved, the department is  
28 directed to implement the waiver through a request for  
29 proposals process.

30 Additionally, the bill directs the department, relative to  
31 dental services, to provide a percentile-based rate increase  
32 for dental services beginning July 1, 2000, and to implement a  
33 fully capitated plan for dental services, including incentives  
34 for access and quality, beginning July 1, 2001.

35 The bill takes effect upon enactment.

FILED FEB 28 '00

SENATE FILE 2350  
BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO SSB 3207)

Passed Senate, Date <sup>(p.651)</sup> 3-14-00 Passed House, Date \_\_\_\_\_  
Vote: Ayes 48 Nays 0 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

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**SENATE FILE 2350  
FISCAL NOTE**

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A fiscal note for **Senate File 2350** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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Senate File 2350 directs the Department of Human Services (DHS) to request and implement a federal waiver to provide dental services under a capitated plan through the Medical Assistance Program. The plan is to provide a percentile-based reimbursement rate increase and to include an incentive for access and quality beginning July 1, 2001.

**BACKGROUND**

A study conducted by the Department of Human Services' Division of Medical Services in January 1999 determined the Iowa Medical Assistance Program is currently reimbursing dentists at 54.0% of usual, customary, and reasonable rates.

**ASSUMPTIONS**

1. The reimbursement rate will increase to 70.0% of usual, customary, and reasonable rates.
2. The annual State cost of reimbursing dentists at 70.0% of usual, customary, and reasonable rates will be approximately \$9.8 million.
3. The current annual State expenditure for dental reimbursements is approximately \$6.9 million.

**FISCAL IMPACT**

The fiscal impact of Senate File 2350 will be an increase in General Fund expenditures of \$2.9 million in FY 2001 and each year thereafter.

**SOURCE**

Department of Human Services

(LSB 6841SV, DAA)

FILED MARCH 6, 2000

BY DENNIS PROUTY, FISCAL DIRECTOR

REVISED

SENATE FILE 2350  
FISCAL NOTE

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Senate File 2350 directs the Department of Human Services (DHS) to request and implement a federal waiver to provide dental services under a capitated plan through the Medical Assistance Program. The plan is to provide a percentile-based reimbursement rate increase and to include an incentive for access and quality beginning July 1, 2001.

**BACKGROUND**

A study conducted by the Department of Human Services' Division of Medical Services in January 1999 determined the Iowa Medical Assistance Program is currently reimbursing dentists at 46.0% of usual, customary, and reasonable rates.

**ASSUMPTIONS**

1. The reimbursement rate will increase to 70.0% of usual, customary, and reasonable rates.
2. The annual State cost of reimbursing dentists at 70.0% of usual, customary, and reasonable rates will be approximately \$9.8 million.
3. The current annual State expenditure for dental reimbursements is approximately \$6.9 million.

**FISCAL IMPACT**

The fiscal impact of Senate File 2350 will be an increase in General Fund expenditures of \$2.9 million in FY 2001 and each year thereafter.

**SOURCE**

Department of Human Services

(LSB 6841SV.2, DAA)

FILED MARCH 8, 2000

BY DENNIS PROUTY, FISCAL DIRECTOR