

SENATE BILL 233

Introduced by Halligan

1/30	Introduced
1/31	Referred to Public Health, Welfare, & Safety
1/31	First Reading
1/31	Fiscal Note Requested
2/06	Fiscal Note Received
2/07	Fiscal Note Printed
2/08	Hearing
2/08	Tabled in Committee

1 *Senate* BILL NO. *233*
 2 INTRODUCED BY *Hollibaugh*

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A PILOT
 5 PROJECT TO PROVIDE REIMBURSEMENT OF MEDICAID DENTAL SERVICES
 6 THROUGH THE USE OF VOUCHERS; PROVIDING FOR ADMINISTRATION OF
 7 THE PILOT PROJECT; AUTHORIZING A TAX CREDIT FOR DENTISTS WHO
 8 ACCEPT VOUCHERS AS PAYMENT FOR DENTAL SERVICES FURNISHED TO
 9 MEDICAID RECIPIENTS; AND PROVIDING AN EFFECTIVE DATE AND A
 10 TERMINATION DATE."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 NEW SECTION. Section 1. Purpose. It is the purpose of
 14 [sections 1 through 5] to experiment with an alternative
 15 method for reimbursement of dental services under the
 16 medicaid program in order to determine whether dentist
 17 participation in the program can be enhanced, patient choice
 18 in health care options improved, and administrative costs
 19 reduced by not using a state fiscal agent. For this purpose,
 20 [section 2] establishes a pilot project, limited in time and
 21 area, that will use a system of vouchers for payment of
 22 dental services that a dentist may also use to claim an
 23 income tax credit, as provided in [section 6]. It is
 24 intended that the pilot project be established only if
 25 approved by the secretary of the U.S. department of health

1 and human services.

2 NEW SECTION. Section 2. Pilot project -- establishment
 3 -- designation of project area. (1) The department of social
 4 and rehabilitation services shall establish a pilot project
 5 to provide reimbursement of dental services under the
 6 medicaid program through the use of vouchers.

7 (2) The project must be limited to a service delivery
 8 area consisting of not more than four contiguous counties
 9 that must include a mix of urban and rural areas. The
 10 service delivery area may coincide with the boundaries of a
 11 local district of dentists designated by the Montana dental
 12 association and based upon the willingness of dentists
 13 practicing in the area to participate in the project.

14 (3) Within the service delivery area, the department
 15 shall issue vouchers for the payment of dental services
 16 under the medicaid program in lieu of the standard method
 17 for reimbursement of dental services. The total value of
 18 vouchers issued in calendar year 1992 must be the percentage
 19 of the total medicaid funds, including state and federal
 20 funds, budgeted for dental services in the biennium ending
 21 June 30, 1993, that equals the ratio of the population of
 22 the project area to the population of the state, based on
 23 the 1990 census.

24 NEW SECTION. Section 3. Administration of pilot
 25 project -- issuance of vouchers. (1) An eligible person

1 residing in a service delivery area who wishes to receive
2 dental services under the medicaid program shall apply to
3 the department of social and rehabilitation services for a
4 voucher. The application must include a statement from a
5 dentist describing:

- 6 (a) the needed services or treatment; and
- 7 (b) the usual and customary charge for the services or
8 treatment indicated.

9 (2) The department may approve an application for a
10 voucher subject to the provisions of subsection (5). The
11 department shall issue a voucher to an eligible person
12 unless the dental service has already been provided under
13 emergency circumstances. If dental services have already
14 been provided under emergency circumstances, the department
15 shall issue a voucher for approved services to the dentist
16 who provided the service.

17 (3) The department shall issue vouchers in an amount
18 equal to the full charge for services billed by the dentist
19 unless the department determines that:

- 20 (a) the prevailing charge for the service in the
21 project area is significantly less than the amount billed;
22 and

- 23 (b) the dentist is unable to document circumstances
24 that would substantiate a higher charge.

25 (4) If, pursuant to subsection (3), the department

1 makes a determination that would require payment of less
2 than the full charge for services billed, the department
3 shall issue a voucher based on the prevailing charge for the
4 service in the project area.

5 (5) In issuing vouchers for dental services, the
6 department shall allocate the total value of services
7 approved each month for payment by voucher so as to ensure
8 the availability of funding for the pilot project throughout
9 the calendar year. The department may also limit the total
10 value of dental services available to eligible persons
11 during the year.

12 NEW SECTION. **Section 4.** Federal waiver. The department
13 of social and rehabilitation services shall request a waiver
14 under section 1915 of the Social Security Act (42 U.S.C.
15 1396n) from the U.S. secretary of health and human services
16 for the purpose of carrying out the provisions of [sections
17 1 through 5].

18 NEW SECTION. **Section 5.** Report to the legislature. (1)
19 The department of social and rehabilitation services shall
20 actively monitor implementation of the pilot project.

21 (2) Not later than January 1, 1993, the department
22 shall submit a report to the 53rd legislature containing an
23 evaluation of the pilot project and recommending whether
24 some or all of the policies tested under the project should
25 be continued.

1 NEW SECTION. **Section 6. Tax credit.** (1) There is a tax
2 credit against the tax imposed under this chapter allowable
3 to each taxpayer who is licensed to practice dentistry in
4 Montana in an amount equal to 60% of the value of vouchers
5 issued under [section 2] and accepted by the taxpayer as
6 full payment for dental services furnished by him during
7 calendar year 1992.

8 (2) The taxpayer is entitled to a tax refund to the
9 extent the tax credit allowed exceeds his tax liability.

10 NEW SECTION. **Section 7. Codification instruction.** (1)
11 [Sections 1 through 5] are intended to be codified as an
12 integral part of Title 53, chapter 6, and the provisions of
13 Title 53, chapter 6, apply to [sections 1 through 5].

14 (2) [Section 6] is intended to be codified as an
15 integral part of Title 15, chapter 30, part 1, and the
16 provisions of Title 15, chapter 30, part 1, apply to
17 [section 6].

18 NEW SECTION. **Section 8. Effective date -- termination.**
19 [This act] is effective July 1, 1991, and terminates July 1,
20 1993.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0233, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act establishing a pilot project to provide reimbursement of medicaid dental services through the use of vouchers; providing for administration of the pilot project; authorizing a tax credit for dentists who accept vouchers as payment for dental services furnished to medicaid recipients; and providing an effective date and a termination date.

ASSUMPTIONS:


1. The act would require SRS to pay different rates of reimbursement to different dental providers for similar services.
2. The act would require dentists in a pilot project area to be paid manually, rather than through the state's medicaid fiscal intermediary, Consultec.
3. The act would not allow compliance with requirements of the Health Care Finance Administration (HCFA) of the federal Department of Health and Human Services relating to provision of information on possible fraud and abuse.

FISCAL IMPACT:


Not determined due to the technical note.

TECHNICAL OR MECHANICAL DEFECTS OR CONFLICTS WITH EXISTING LEGISLATION:

SRS has received information from HCFA on the proposed act which indicates that the act cannot be implemented in such a way as to comply with federal requirements.



ROD SUNDSTED, BUDGET DIRECTOR DATE
Office of Budget and Program Planning 2-6-91



MIKE HALLIGAN, PRIMARY SPONSOR DATE
Fiscal Note for SB0233, as introduced. 2-7-91
SB 233