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MEMORANDUM

TO: Senator Donne Trotter
FROM: Dave Marsh, Director of Government Relations
DATE: March 9, 2009
SUBJECT: Senate Committee on Deficit Reduction



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Thank you Mr. Chairman and members of the committee for allowing The Illinois State Dental Society the opportunity to discuss the state of dental care for the underserved population of Illinois.

As you are aware the Illinois State Dental Society has been promoting our solution to this critical need through our *Bridge to Healthy Smiles* campaign.

Background

For more than three decades, government-sponsored dental health care programs have been grossly under-funded by the State of Illinois. In 2002, the General Assembly even voted to reduce Medicaid dental funding by seven percent to help balance the state's budget.

Illinois has one of the lowest funding rates in the U.S. for most dental procedures. Dentists who treat patients covered by programs such as Medicaid, KidCare, All Kids, Family Care and Illinois Covered are reimbursed only about \$46 for every \$100 in fees. About 64 percent of a typical dentist's fee is the basic cost of care. Funding rates do not even cover the out-of-pocket costs of keeping doors open, supplies, and staff salaries.

The federal government has designated 66 counties in Illinois as Dental Health Professions Shortage Areas (HPSAs). Underserved areas are determined based on the number of dentists compared to the overall population, or the number of dentists enrolled in the Medicaid program compared to the Medicaid population. Because of low funding rates paid by the state to dentists who treat patients in government health care programs, these underserved areas have great difficulty recruiting and retaining dentists. The problem is growing, with four additional HPSAs added between February 2008 and January 2009.

There is an undeniable link between overall health and oral health. Studies show that poor oral health may be linked to heart disease, stroke, pre-term childbirth and oral cancer.

Oral cancer is the fourth most common cancer in the United States among African-American males and the seventh most common cancer among Caucasian males. More than 40 percent of persons diagnosed with oral cancer die within five years of diagnosis, mostly due to late diagnosis.

In Illinois, 55 percent of third graders have experienced cavities, 30 percent have untreated cavities, and four percent have urgent treatment needs. In Cook County, 64 percent of third graders have experienced cavities and 38 percent have untreated cavities.

For patients who need specialty care the drive could be more than five hours to find a dentist who specializes in their condition. The cost to the state was an additional \$500,000 just to transport patients from underserved areas to receive this critical care.

The *Bridge to Healthy Smiles* campaign is led by a diverse coalition of oral health care advocates and community groups committed to bringing dental care to the two million Illinois children and adults who rely on government sponsored health care. Our three point legislative plan offers a long term solution:

- Increase funding so more dentists can serve low income Illinois families
- Fund the Student Loan Repayment Program and Establish a Dental Tax Deferral Program
- Fund 10 dental clinics in 10 underserved counties

Increase in dental funding means improved access to care for families: It has been clearly shown in the six states where funding increases brought dental payment rates to a level that simply covered expenses, provider participation increased by at least one-third and in some cases doubled. That's according to a 2008 study by the National Academy for State Health Policy. Raising dental funding rates in Illinois would bring better care to thousands of working poor Illinois families. And the change is long overdue. To provide necessary dental services, the funding rates must be raised to at least 64 percent of the average cost for dental procedures.

Fund Dental Clinics: Public dental clinics have long served as a primary source of health care for many residents in underserved areas. Many clinics provide comprehensive dental services, from fillings to extractions, providing accessible and quality dental treatment that local residents need and deserve

Attract Dentists: The *Bridge to Healthy Smiles* campaign creates an incentive for new dentists to begin their careers in communities where people have inadequate access to dental care. The average new dentist has accumulated \$160,000 in educational debt by the time he or she graduates. Our student loan repayment program will allow dentists to apply for loan forgiveness in exchange for working in designated underserved areas. For new dentists, it provides financial assistance as well as practical experience with a diverse array of patients. For the entire community, it provides improved access to dentists as well as the diagnostic, restorative and specialty care services that are currently unavailable.

Tax Deferral Program: Dentists who treat public aid patients can opt to defer payments from the state directly into an investment portfolio. This will allow them to voluntarily participate in a tax deferral investment plan to help save for retirement. It is similar to an existing plan offered to state employees. Student Loan Repayment Program: The Loan Repayment Assistance for Dentists Act, intended to attract dentists to rural Illinois, became law in 2007. The state still has not funded or implemented the law. Funding this program will allow 10 graduates from the University of Illinois College of Dentistry and

Southern Illinois University School of Dental Medicine to apply for grants of \$25,000 annually to be used toward paying down student loan debt. In exchange, these grantees agree to treat Medicaid patients in underserved areas of the state. Similar programs have shown success in other states.

Response to Committee on Deficit Reduction

The problem, as we see it with the dental portion of the Medicaid program is that enrollment during the past five years has increased from 1.6 million in FY03 to 2.4 million in FY08. This is a 50% increase in only five years. This additional 800,000 individuals added to an already over burdened system has resulted in a major failure in providing dental care to the uninsured.

The formula of additional enrollees, low reimbursement rates, and an inadequate number of dental clinics has produced a system where the wait for dental care is between 8 and 12 months on average. Illinois has one clinic per 8,400 children who rely on government assistance.

Solutions

1. It is critical that the underlying structure of Medicaid dental care be addressed. While it may be true that under the federal economic stimulus package states are prohibited from reducing eligibility, it is unclear whether this provision prohibits states from applying more stringent stipulations in verifying eligibility for Medicaid. Reducing the Medicaid enrollment in the short term could free up needed funds to begin fixing the infrastructure and safety net for this population.
2. Increase the number of dental clinics. Our proposal asks for 2 million dollars to build 10 new dental clinics statewide by 2010. A single dentist in a dental clinic can treat a minimum of 3,000 patients a year.
3. Savings could also be directed to increase the payment rates for specialty services. The state of Illinois is paying \$500,000 for transportation costs for patients in need of this care instead of providing it in the areas where they live.
4. Survey results show that if the reimbursement rate is increased enough to cover overhead costs an additional 1,000 dentists would participate in the state Medicaid program.

In summary, we do not feel that it is an appropriate time to burden taxpayers with additional costs on a system that is broken. Until we fix the underlying problems and develop a safety net of clinics and provider rates that address the cost of providing services to the most needy, the dental crisis will continue.

Thank you again for allowing the Illinois State Dental Society the opportunity to address the dental concerns related to the underserved in Illinois.