

Fiscal Note

BILL # HB 2338

TITLE: AHCCCS; preventive dental care

SPONSOR: Shah

STATUS: As Introduced

PREPARED BY: Maggie Rucker

Description

The bill would provide preventive dental coverage for AHCCCS adults age 21 or older.

Estimated Impact

We estimate that the bill would increase AHCCCS General Fund formula costs by \$3.5 million annually beginning in FY 2024. We also estimate that AHCCCS would need to increase Hospital Assessment collections by \$3.8 million annually to cover dental costs for AHCCCS recipients receiving coverage via the Proposition 204 or Adult Expansion program. Including Federal Funds, we estimate the bill would increase AHCCCS formula costs by \$31.8 million annually.

Our estimates are based on an actuarial analysis from AHCCCS in 2020 that we have adjusted to account for estimated changes in population and inflation since that time.

AHCCCS has not yet responded with an updated estimate.

Analysis

AHCCCS currently provides emergency adult benefits up to \$1,000 per member per contract year. Under the proposed bill, the acute Medicaid adult population would also be eligible for preventive dental care, though the bill does not reference specific services. Preventive dental coverage typically includes services such as cleanings, oral exams and routine x-rays. Arizona Long Term Care System (ALTCS) Elderly and Physically Disabled (EPD) and Developmentally Disabled (DD) adults, as well as AHCCCS clients under the age of 21, already receive preventive dental care.

In a previous estimate from 2020, AHCCCS assumed member utilization would mirror that of utilization by members between ages 18 - 20 who currently receive Early and Periodic Screening, Diagnostic and Treatment (EPSDT) services. This utilization rate multiplied by the number of acute adults age 21 and older resulted in an annual cost of \$2.6 million General Fund and \$3.0 million Hospital Assessment (\$26.4 million Total Funds). The AHCCCS estimate assumed 2 cleanings, 1 fluoride application, 1 set of x-rays, and 1 exam would be covered.

Adjusting for inflation, changes to the federal match rate, and population growth, we estimate the full year cost of the proposal in FY 2025 would increase General Fund spending by \$3.5 million and Hospital Assessment spending by \$3.8 million (\$31.8 million Total Funds).

AHCCCS has informed us they do not expect to have a revised estimate until mid-February 2023, as they are in the process of collecting additional data.

Local Government Impact

None

2/3/23

