

BILL # SB 1245

TITLE: AHCCCS; dental care; expanded coverage

SPONSOR: Gerard

STATUS: As Introduced

REQUESTED BY: Senate

PREPARED BY: Gretchen Logan
Beth Kohler

FISCAL YEAR

EXPENDITURES

	2001	2002	2003
General Fund	\$-0-	\$3,894,900	\$4,442,800
Arizona Tobacco Litigation Settlement Fund	-0-	1,168,300	1,285,100
Federal Funds	-0-	<u>9,394,700</u>	<u>10,628,100</u>
Total	-0-	14,457,800	16,356,000

FISCAL ANALYSIS

Description

SB 1245 would add annual dental examinations and cleaning to the list of covered services for adults under the Arizona Health Care Cost Containment System (AHCCCS). Currently, only emergency dental care and extractions are provided to adults enrolled in AHCCCS.

Estimated Impact

The JLBC Staff estimates this bill would have a General Fund impact of \$3.9 million in FY 2002 and \$4.4 million in FY 2003. This expansion in service would also apply to individuals enrolling in AHCCCS under Proposition 204. Therefore, the bill would also increase expenditures from the Arizona Tobacco Litigation Settlement Fund by \$1.2 million in FY 2002 and \$1.3 million in FY 2003. Because both the standard AHCCCS program and Proposition 204 receive federal matching monies, this bill will also increase federal Title XIX expenditures by \$9.4 million in FY 2002 and \$10.6 million in FY 2003.

One key assumption of the cost estimate is that 50% of the eligible caseload will participate. The fiscal impact will vary depending on actual participation.

Assumptions

Under current law, only emergency dental care and extractions are covered for adults over age 21. SB 1245 would add annual dental examinations and cleaning to the list of covered services for adults, which are currently provided for children up to age 20. Because cleanings and annual check-up costs would not vary significantly due to age, we have assumed that the costs of annual dental examinations and cleaning are similar for adults and children, but that these costs will increase by 10% in both FY 2002 and FY 2003. AHCCCS reports the FY 2001 actual costs for children were \$12.64 per member per month. Using these figures, we estimate the cost to be \$13.90 per member per month in FY 2002 and \$15.29 per member per month in FY 2003.

Based on the JLBC enrollment forecast, we assume that approximately 133,355 members in FY 2002 and 138,286 in FY 2003 would be potentially eligible. However, we have assumed that only 50% of those eligible will present, or take advantage of the program. This is based upon the presentation rate of the population ages 14-20.

In addition, we estimated the costs associated with providing the newly covered services to individuals enrolling in AHCCCS under Proposition 204. Proposition 204 expands AHCCCS eligibility to persons who are uninsured and have annual incomes

less than 100% of the Federal Poverty Level. Based upon an analysis performed by AHCCCS, we assume that 40,000 individuals would enroll under Proposition 204 in FY 2002 and FY 2003 and 50% of the enrolled population would utilize annual dental services. The state costs for this population will be funded from the Arizona Tobacco Litigation Settlement Fund.

Local Government Impact

None

1/9/01