Dental Services –Effective for dates of service beginning July 1, 2007, the fee schedule shall provide for a fee for each dental service that is equal to a percentile of normal and customary private provider fees, as defined by the Ingenix® Customized Fee Analyzer Report, which percentile shall be determined by the Division. The fee schedule shall be reviewed annually by the Division, and dental fees shall be adjusted each July based on service utilization data for the previous fiscal year, an updated Ingenix® Customized Fee Analyzer Report, and state budgeted amounts in order to meet requirements for a balanced budget. Dental providers will be reimbursed the provider's charge or the allowed fee for the procedure, whichever is less.

The Ingenix® Customized Fee Analyzer Report is a commercially available product produced by Ingenix®, a health care industry information company located at 2525 Lake Park Boulevard, West Valley City, Utah 84120. The Ingenix® Dental Customized Fee Analyzer Report is compiled by the company through collecting charge data from insurance payer clients across the country. The Report then organizes the data into percentiles – 50th, 60th, 75th, 80th, and 95th. A fee at the 50th percentile indicates that 50 percent of submitted charges for that service in the database are equal to or higher than the fee listed. The Report is also customized by arraying the data by geozips. Comparing a fee or charge in the Report indicates how that amount stands in relation to fees from other providers in the geozip area.

Use of the Ingenix® Customized Fee Analyzer Report is intended to provide a benchmark for dental charges in Mississippi in order to set fair and reasonable fees for dental services. Mississippi Medicaid purchased the Report for geozip 392xx, which includes the Hinds and Rankin County areas that constitute the largest metropolitan area in the state and the largest number of dental providers. All dental fees will be set based on this Report and dentists statewide would be reimbursed using the same fee methodology.

The state will use the following process to determine the percentile and percentage reduction on an annual basis:

- The annual fee determination will be done each July, consistent with the state's fiscal year;
- The state will determine the total expenditures for dental services from the previous fiscal year;
- The portion of state funds from the total expenditures will be calculated based on the FFP rate for the previous fiscal year;
- The amount of state funds will be increased by ten percent (10%) and this amount will be added to the previous fiscal year dental expenditure total to give the expenditure total expected to be paid for the upcoming fiscal year;

- The percentile and percentage reduction will be determined by adjusting the allowed fee for each dental procedure code so that expected expenditures will equal approximately the total expenditures plus a ten percent increase over the state's share for the previous fiscal year.

The state will publish the annual percentile and annual percentage amount of the reduction for dental fees on the DOM web site at www.dom.state.ms.us. The dental fee schedule will be posted on the DOM web site and the fiscal agent web portal for providers.

Except as otherwise noted in the state plan, state-developed fee schedule rates are the same for both governmental and private providers of dental services.

Dental services for EPSDT beneficiaries (beneficiaries under age twenty-one (21)) which exceed the limitations and scope for Medicaid beneficiaries as covered in this Plan are reimbursed according to the methodology in the above paragraphs, if medically necessary.

The Division of Medicaid, as required by state law, shall reduce the rate of reimbursement to providers for any service by ten percent (10%) of the allowed amount for that service.

Dentures for EPSDT recipients, if medically necessary are reimbursed according to the fee schedule for dental services.

The Division of Medicaid, as required by state law, shall reduce the rate of reimbursement to providers for any service by ten percent (10%) of the allowed amount for that service.

Notice of Proposed Rule Adoption

State of Mississippi
Office of the Governor
Division of Medicaid

Economic Impact Statement
For
Dental Providers

The Executive Director of Medicaid is required by law to recommend expenditure containments when expenditures are expected to exceed funds available for any fiscal year. Medicaid is facing a $90,000,000 shortfall in state revenues for FY2009; therefore, certain cost containment measures have been identified as necessary to balance Medicaid's budget. These measures include reducing certain non-institutional providers an additional 5% reduction in reimbursement in addition to the 5% reduction as outlined in Miss. Code Ann. § 43-13-117 (1972 as amended).

It is estimated that it will cost the Division of Medicaid approximately $5,000 to enforce the increased reduction in payments to providers. This includes system changes and staff time.

An estimate of the total economic impact for dental providers, including small business providers, is noted in the chart below. The total economic impact for providers in State FY 2009 is equal to the sum of federal and state savings noted in the chart below. The Division of Medicaid estimated the impact utilizing the actual and estimated expenditures for the same services for FY2008.

FFY2008 Federal Savings	FFY2008 State Share Savings	FFY2009 Federal Savings	FFY2009 State Share Savings
$ 356,410.57	$ 110,768.05	$ 2,125,849.57	$ 677,222.12

The Division of Medicaid is facing a $90,000,000 shortfall in state revenues for FY2009. If this cost containment measure is not enacted, there will not be sufficient revenues to reimburse providers for the entire year.

State law limits cost containment measures that may be taken and precludes the Governor from changing eligibility or benefits; therefore, the only option is to reduce expenditures is to reduce payment.