

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 780** HLS 18RS 1665
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 10, 2018 9:40 AM	Author: MAGEE
Dept./Agy.: LDH/Medicaid	Analyst: Shawn Hotstream
Subject: Independent review	

MEDICAID OR INCREASE SG EX See Note Page 1 of 2
 Provides for an independent review process in Medicaid managed care program for dental services claims

Proposed law provides for an independent review in the event a dental providers claim is subject to an adverse determination taken against a dentist by a dental coordinated care network. Proposed law provides that a dental coordinated care network shall pay the fee for an independent review to the LSU School of Dentistry, with exceptions. The amount of the fee paid to the independent reviewer for review of a dental claim shall be established contractually or through an MOU between the LDH and the LSU School of Dentistry. Proposed law creates a Dental Claims Review Panel within LDH, and provides for members and duties of the panel. Panel members shall serve without compensation. Proposed law provides all decisions of the panel shall be made by majority vote, requires the panel to meet at least once a year, and requires the panel to select an appropriate number of independent reviewers to comprise a reviewer pool. The reviewer pool selected by the panel shall receive compensation. The reviewer pool shall be made up of qualifying dental providers. No dentist shall be eligible to submit denied Medicaid claims for independent review while participating in the reviewer pool. Proposed law provides for reporting requirements of the secretary of LDH.

Proposed law provides for a procedure and timelines for an independent review of an adverse determination of a dental claim, defines claims eligible for independent review, and provides for responsibilities of the dental provider, the dental coordinated care network, and the department.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

Proposed law establishes a standardized independent review process for claims disputes between a Medicaid dental benefit program manager (managed care entity) and a dental provider. In the event a claim denial, partial denial, or re-coupment of payment of a claim (adverse determination) is upheld, fees of the independent reviewer will be paid by the provider. Likewise, if the adverse determination is overturned by the reviewer, the dental program manager (managed care entity) is responsible for the review fee. The fee for an independent review of a dental claim shall be established in a contract between LDH and the LSU School of Dentistry.

The reviewer pool (dentists on the faculty of the LSU School of Dentistry that will conduct independent reviews) shall receive some indeterminable level of compensation, agreed upon by the LSU School of Dentistry. Presumably, fees for the independent review paid by either the dental provider or dental program manager will cover these costs. Additionally, LDH anticipates duties of the department to manage the program can be absorbed with existing staff and resources, as the number of annual appeals associated with adverse determinations is anticipated to be minimal. Duties include tracking incoming appeals, review determinations, ensure provider records are received and transmitted to appropriate reviewer timely, and reporting of claims review outcomes/trends.

Note: To the extent this process adds additional administrative costs for the Dental Benefits Program Manager or if a significant number of denied claims are overturned, capitation rates to the DBPM may increase. Although costs associated with these factors are indeterminable, LDH does not anticipate a significant level of utilization of the review process.

REVENUE EXPLANATION

A fee charged for the independent review of a dental claim shall be established in a contract between LDH and the LSU School of Dentistry. The level of fee collections received by the LSU School of Dentistry under this measure is indeterminable, and will ultimately depend on the number of annual adverse determination appeals.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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Staff Director

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CONTINUED EXPLANATION from page one:

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