

Fiscal Note

BILL # SB 1037

TITLE: AHCCCS; comprehensive dental care

SPONSOR: Shope

STATUS: Senate Engrossed

PREPARED BY: Maggie Rocker

Description

The bill would provide comprehensive dental coverage for AHCCCS members 21 and older, capped at \$1,000 annually. This benefit would be in lieu of the existing emergency dental benefit, which is also subject to a \$1,000 cap.

Estimated Impact

We estimate that the bill would increase annual costs to AHCCCS by \$148.8 million Total Funds (\$17.1 million General Fund/\$16.2 million Hospital Assessment). This estimate is based on an actuarial analysis provided by AHCCCS, which assumes the number of member dental claims would increase in response to the expansion of dental coverage.

Analysis

AHCCCS currently provides emergency adult benefits up to \$1,000 per member per contract year. Emergency dental services are defined by AHCCCS as acute disorders of oral health resulting in severe pain and/or infection. Members enrolled in the Arizona Long Term Care System may additionally receive up to \$1,000 per member per contract year for diagnostic, therapeutic, and preventive care, including dentures.

Under the proposed bill, AHCCCS would be required to provide comprehensive dental coverage for all members 21 and older, capped at \$1,000 annually. This coverage would be in lieu of the current emergency dental benefit. The bill does not further define comprehensive coverage.

AHCCCS estimates that the bill's provisions would increase its costs by \$148.8 million on a Total Funds basis, contingent on approval by the Centers for Medicare and Medicaid Services. This estimate assumes an increase in member dental claims as a result of increased coverage. While AHCCCS has not yet provided detailed calculations for its estimate, past actuarial analyses for dental coverage expansions have assumed member utilization consistent with actual benefit utilization of members 18-20, who already receive comprehensive dental coverage. Based on this data, in 2023 AHCCCS estimated for a similar bill that adult members with comprehensive dental coverage would use \$117 of dental services annually. We estimate that the previous \$117 figure would produce a fiscal impact comparable to AHCCCS's \$148.8 million estimate. As a result, we concur with the agency's estimate.

Local Government Impact

None

3/13/24

