THE STATE OF OKLAHOMA
EMPLOYEES GROUP INSURANCE DIVISION
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES

HEARING REGARDING CHANGES IN
REIMBURSEMENT RATES AND/OR METHODOLOGY
FOR HEALTHCHOICE AND
DEPARTMENT OF CORRECTIONS DENTAL PROVIDERS

IN RE: DENTAL PROVIDER REIMBURSEMENT RATES

TAKEN IN OKLAHOMA CITY, OKLAHOMA

ON OCTOBER 5, 2012

REPORTED BY: TRENA K. BLOYE, CSR
APPEARANCES

EGID OMES ADMINISTRATION MEMBERS:
Frank Wilson, Administrator
Scott Boughton, Legal Counsel
Dr. Frank Lawler, Chief Medical Officer
Teresa South, Director of Provider Relations
Dana Dale, Senior Insurance Auditor
Diana O'Neal, Deputy Administrator of Finance
Paul King, Director of Industry Practice and Compliance
Joe McCoy, Director of Internal Audit
Bo Reese, Deputy Administrator of Administration
Carol Bowman, TPA Liaison

ALSO PRESENT:
Donna Kinzer, Berkeley Research
JoAnna Younts, Berkeley Research

AUDIENCE MEMBERS PRESENT:
Kathy Spurloch, Dr. Youngker
Mark Youngker, Orthodontist
Melissa Gonzales, HPES
Rachel Jackson, OU College of Dentistry
MR. BOUGHTON: Time has come everyone.
We will go ahead and start our 3:00 meeting. I am Scott Boughton, legal counsel for the Employees Group Insurance Division of the Office of Enterprise and Management Services (sic.). We go by the acronym OMES EGID or sometimes just EGID. Prior to recent legislative changes this organization was called the Oklahoma State and Education Employees Group Insurance Board. We are the successors to that group and that is our current designation, EGID.

We are here to discuss proposed changes to reimbursement methodologies for dental providers contracted for EGID. We are having this hearing to listen to your views and concerns.

This is not an official meeting as defined by the State's Open Meeting Act. This is a hearing called pursuant to Title 74, Oklahoma statute Section 1325 which provides, "The Office of Management and Enterprise Services shall schedule a hearing 30 days prior to adopting any major change in the reimbursement rates or methodology. The office shall notify healthcare providers who provide services pursuant to a contract with the office at least 15 days prior to the hearing. The notice shall include proposed changes to
reimbursement rates or methodology. The office shall inform such healthcare providers of the hearing of any proposed changes to the reimbursement rates or methodology. At the hearing the office shall provide an open forum for such healthcare providers to comment on the proposed changes."

This meeting is being recorded and it will be transcribed. The transcript of this meeting, along with any of the EGID's responses to comments offered here today will be posted on our website the week of October 22nd. There are signup sheets in the back. If you would like your presence reflected in the transcript of this hearing, please be sure to sign in.

At this time Deputy Administrator Bo Reese will give a presentation on the proposed dental service reimbursement changes. This will be followed by public comments from the audience. Any person who wishes to speak or comment, after you are recognized, please come to the center podium and speak into the microphone clearly. We'd ask you give us your name and any organization that you may represent. At this time I would like to introduce Frank Wilson, our administrator.

MR. WILSON: Thank you, Scott. I want to welcome everyone today to this public meeting to discuss some of the proposed recommendations for our dental
fees. First I'd like to go through some introductions of staff members here at the Employees' Group Insurance Division.

To my far right is Teresa South. She is the director of our Public Relations Division. And then, of course, Scott Boughton, our legal counsel. Dr. Frank Lawler, our chief medical officer. I'm Frank Wilson, the administrator of HealthChoice.

To my left is Bo Reese, deputy administrator of Operations. And then to Bo's left is Ms. Donna Kinzer. She's with the Berkeley Research Group, our consultants that we utilize, both for dental fees as well as other areas of reimbursement. And then to her left is Ms. JoAnna Younts, also with Berkeley. And then on the end, Ms. Dana Dale, senior insurance auditor within our Internal Audit Department.

Down on the bottom row, far right is Carol Bowman, a senior plan analyst here with the Employee's Group Insurance. And then to her left is Diana O'Neal. She's the deputy administrator of Finance. Mr. Paul King, director of Compliance and Industry Practice. And Joe McCoy, director of Internal Audit.

Again, thank you for coming this afternoon. Just a couple of quick comments. The
proposed changes that we're talking about today are the culmination of several months of research and analysis of claim data. And a lot of work involved, both on the part of staff here at Employee's Group Insurance as well as our consultants with Berkeley.

I want to say thanks to the Oklahoma Dental Association and to the many dentists who work together with much of our staff on a task force to take what amounts to a very comprehensive look at our dental fees and our reimbursement, something that was a long time in the making and was a very productive process and they were very, very helpful in all their comments and feedback. And, hopefully, much of those have been incorporated in what you're going to see today in the way of changes to our reimbursement.

With that, I want to turn it over to Mr. Reese. Again, Bo is deputy administrator of Operations and he has really been at the center of this project and he has worked very closely with the dental association and their task force. I want to thank Bo for all of his hard work in coming up, working through this process with the dentists. I'll turn it over to him to walk us through the changes.

MR. REESE: Thanks, Frank. Before I begin with what, essentially, will be my scripted
just want to echo Frank's comments regarding all the hard work that went into this with the ODA and the dental association panel. They were extremely helpful. Their insight and information they provided is really the type of information that we seek from our provider community, and we certainly couldn't do it without them.

Additionally, it is our challenge and is our goal to find the balance whereby we can provide reimbursement adequate to sustain a large accessible statewide network of providers at a premium that is competitive in the marketplace. And I always like to state that upfront, because that is really the challenging concept that we are charged with at finding that balance. We have to maintain access, but we also have to provide reimbursement to our providers at a level to have that community of providers out there to maintain that access to these members. So with that I'll go through these changes.

EGID intends to adopt a dental fee schedule increase and methodology change effective January 1, 2013. Currently, EGID develops a fee schedule for dental procedures based upon HealthChoice's data of billed charges in comparison to the Oklahoma Medicaid fee schedule for Oklahoma commercial payers and
EGID's dental consultant's recommendations.

In March of 2012 EGID established a dental advisory panel consisting of members of the Oklahoma Dental Association and dental providers from several urban and rural areas of the state. EGID obtained detailed recommendations from the panel in early May. A meeting was held with the panel and EGID's consultant Berkeley Research Group in August to respond to the panel's recommendations. EGID and Berkeley Research Group developed a proposed reimbursement methodology of 75 percent of the national dental advisory service median charge for the Oklahoma City area.

EGID's proposed reimbursement methodology would increase the allowable fees overall to dental providers by approximately 5.8 million or 10 percent above the current fee allowance. This is a significant increase in fee schedule allowables, but more importantly it is a consistent methodology -- or a consistent methodology will be adopted that will be updated on an annual basis.

In lieu of or in addition to any of your attendance here today, direct comments are solicited for consideration, which I have several that I will be addressing today. One comment I wanted to make, those
fees that were addressed with this change in methodology, specifically the D8000 series codes, the orthodontia codes are not included in those modifications for our changes for 2013, just to be specific.

To note, before we open up the floor for public comments I would like to share some letters and other feedback that we have received from providers. I did receive a letter Dr. Johnson and Dr. Anderson from Tulsa regarding three specific endodontics codes, D3346, D3347 and D3348. The proposed fee schedule for those specific codes will be receiving approximately a 7 percent increase in the allowable.

I also received a letter from Dr. Randy Hess. Dr. Hess bills at HealthChoice's fee schedule to accurately estimate the patient's copay. Dr. Hess provided his regular billing rates for 18 specific codes. I would also comment that the proposed fee schedule for the majority of the codes proposed allowables are very close to Dr. Hess's regular rates.

I also received a letter from Dr. Youngker, who I believe is with us today and certainly will have an opportunity to join us at the mic for some of his comments regarding orthodontia. He and I did speak yesterday on the phone and he had some
very -- what I thought were very interesting and very specific points regarding orthodontia and some issues that he had regarding some severe cases of orthodontia that I think are important and will be heard today.

I certainly appreciate his joining us here today and we look forward to hearing more from him. And even though we are not specifically going to be addressing, with these modifications to the fee schedule, the orthodontia codes, we do look forward to working with him in taking the feedback that he provided in his letter and working with him going forward on any additional information he can provide to our consultants so we can take a really in-depth dive looking at orthodontia, our benefits, the fee schedule we have in place and see if there is any modifications we need to put in place for that going forward.

Additionally, I know we have Kathy Spurloch who is with us today. We spoke just earlier. I think she's going to be deferring to Dr. Youngker. I appreciate you being here today.

That pretty much concludes the majority -- or everything that I had to say regarding the modifications. At this time I'm going to turn it over to Scott Boughton for considerations and further comment.
MR. BOUGHTON: Well, like we said earlier, anybody that would like to address this meeting please come to the podium.

DR. YOUNGKER: Hello, I'm Dr. Mark Youngker. I'm an orthodontic provider for HealthChoice. My concern is just about the reimbursement methodologies for orthodontic treatment. Mainly, there's four things I was concerned about. One is the extremely low reimbursement rates for orthodontic treatment.

Number two would be the difficult cases are not being reimbursed adequately at all. I am not able to even spend the time necessary and skill and devotions to those cases that they need at those kind of rates. You can't have one price for everything that you do. It's no different than doing different type surgeries and complexities involved and such. You have that much more so in orthodontic treatment.

The other thing is not being able to charge more adequately for the orthopedic appliances to treat skeletal problems. It's just important that you try to create those corrections while children are young while they are growing to correct those. I cannot afford, at the rates, to see a patient for an impression, mail it to the lab, pay the lab fee, deliver the appliance; and then later in treatment, remove the
appliance, clean the teeth off and proceed with braces and just absorb that by the fees being paid by HealthChoice.

And the fourth thing would be, you know, in cases, rare cases, but there are some cases where people extend treatment due to non-compliance. At some point you be able to, after adequate warnings, written warnings or verbal warnings with the parents and patient involved, be able to charge if the patient is not complying to allow you to finish the treatment. Missing rubber bands, showing up, missed appointments numerous times, broken braces so that you cannot adequately finish the treatment in a timely basis.

So, you know, I think if HealthChoice cannot adequately address those reimbursement concerns then we should be able to at least charge the patient for the documented cases of extended or difficult treatment. I don't think that's any different than they do for most of the other insurance plans that I accept. I don't understand why they can do all of that and why all their consultants feel that is fine, but we can't do that for HealthChoice. It's not anything that's not that industry wide.

So, I mean, if it's a situation where, you know, if HealthChoice wants to pay a certain amount
of money based on what you're charging your payers, then that's fine. But we should be able to go to parents, explain the necessary additional treatment time and appliances needed. If they don't want to do that, that's fine. They can go to another orthodontic specialist or they can choose not to have the treatment done. We should be able to present that option to them.

So with that I appreciate the time to address you. I certainly appreciate your help. Do you have any questions for me?

MR. WILSON: I would just ask, Dr. Youngker, do you accept the -- are you a provider for the other plans offered through HealthChoice, Delta Dental, some of the others?

DR. YOUNGKER: Yes. I have numerous plans that I provide for. None of them are this low. None of them allow -- don't allow you to charge the patient additional treatment time or additional treatment times, different appliances that you need.

Any other questions?

MR. WILSON: Thank you.

MR. REESE: Thank you.

MR. BOUGHTON: Is there anyone else that would like to comment today?

(No response.)
MR. BOUGHTON: Mr. Wilson, I turn it back to you.

MR. WILSON: This will conclude our meeting. I do want to say thank you on behalf of all of our HealthChoice members, our teachers, our state employees and our other public employees. We very much appreciate your service to our members.

And thanks in particular to the Oklahoma Dental Association. We very much value our relationship with them. And that relationship is certainly critical for this plan to continue providing quality dental care to all of our members across the state. So thanks very much to them.

That will conclude our meeting today.

Thank you very much.

(Hearing concluded at 3:15 p.m.)
CERTIFICATE

STATE OF OKLAHOMA } ) SS:
COUNTY OF OKLAHOMA )

I, Trena K. Bloye, Certified Shorthand Reporter for the State of Oklahoma, certify that the foregoing transcription is a true and correct transcript of the proceedings; that I am not an attorney for nor a relative of any said parties, or otherwise interested in the event of said action.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office on this the 15th day of October, 2012.

Trena K. Bloye
State of Oklahoma
Certified Shorthand Reporter
CSR # 1522
My Certificate Expires DEC 31 2012

Trena K. Bloye, CSR
State of Oklahoma CSR No. 1522