

Title of Rule: Adult Dental Annual Limit Decrease  
Rule Number: MSB 20-08-27-A  
Division / Contact / Phone: Health Programs / Russ Zigler / 303-866-5927

## STATEMENT OF BASIS AND PURPOSE

1. Summary of the basis and purpose for the rule or rule change. (State what the rule says or does and explain why the rule or rule change is necessary).

The 2020 Long Bill (HB20-1360), and House Bill 20-1361, passed by the Colorado General Assembly decrease the Colorado Medicaid annual adult dental limit from \$1,500 to \$1,000, effective April 1, 2021, or beginning when the higher federal match afforded through the federal "Families First Coronavirus Response Act", Pub.L. 116-127, expires, whichever is later. This rule decreases the adult dental annual limit from \$1,500 to \$1,000 to comply with HB20-1360 and HB20-1361. This bill impacts adult clients and reduces the maximum reimbursable dental services per year by \$500.

2. An emergency rule-making is imperatively necessary

to comply with state or federal law or federal regulation and/or  
 for the preservation of public health, safety and welfare.

Explain:

3. Federal authority for the Rule, if any:

42 CFR § 440.100 (2020)

4. State Authority for the Rule:

Sections 25.5-1-301 through 25.5-1-303, C.R.S. (2020);

C.R.S. § 25.5-5-202(1)(w) (2020)

Initial Review  
Proposed Effective Date

**01/08/21**  
**04/15/21**

Final Adoption  
Emergency Adoption

**02/12/21**

**DOCUMENT #04**

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## REGULATORY ANALYSIS

1. Describe the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.

Adult members will be affected by this rule and will bear the cost of the reduction in the adult dental annual limit.

2. To the extent practicable, describe the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons.

Adult members will have \$500 less dental coverage per year.

3. Discuss the probable costs to the Department and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.

The Department estimates that this rule change will impact 22,260 clients. This is based on the number of clients who utilized the full \$1500 maximum benefit in FY 2018-19. The Department spent approximately \$143.3 million on dental services for adult clients (about \$195 per capita) in FY 2019-20. The Budget Division calculates that this decrease will result in a decrease of \$2.8 million total funds, including \$735k state funds and \$2.0 million federal funds, in FY 2020-21 and \$11.1 million total funds, including \$2.9 million state funds and \$8.2 million federal funds, in FY 2021-2022.

4. Compare the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.

The probable cost of the proposed rule is that members will have less dental coverage each year. The probable benefit of the proposed rule is that it will bring Department rule in alignment with HB 20-1360 and save funding in the State's budget. The probable cost of inaction is that the Department will be out of compliance with state statute and unable to achieve the savings accounted for in the budget. The probable benefit of inaction is that members would continue to have \$1500 of dental coverage per year.

5. Determine whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.

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There are no less costly or less intrusive methods for bringing Department rule in alignment with HB 20-1360.

6. Describe any alternative methods for achieving the purpose for the proposed rule that were seriously considered by the Department and the reasons why they were rejected in favor of the proposed rule.

There are no alternative methods for bringing Department rule in alignment with HB 20-1360.

1 **8.201 ADULT DENTAL SERVICES**

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6 **8.201.6 ANNUAL LIMITS**

7 1. Beginning July 1, 2019, dental services for Adult Clients age 21 years and older shall be limited to  
8 a total of \$1,500 per Medicaid Adult Client per state fiscal year. An Adult Client may make  
9 personal expenditures for any dental services that exceed the \$1,500 annual limit.

10 2. Effective April 1, 2021, or beginning when the higher federal match afforded through the federal  
11 "Families First Coronavirus Response Act", Pub.L. 116-127, or any amendment thereto, expires,  
12 whichever is later, and continuing through June 30, 2022, the dental services for Adult Clients  
13 age 21 years and older shall be limited to a total of \$1,000 per Medicaid Adult Client per state  
14 fiscal year. An Adult Client may make personal expenditures for any dental services that exceed  
15 the \$1,000 annual limit.

16 23. The complete and partial dentures benefit shall be subject to prior authorization and shall not be  
17 subject to the ~~\$1,500~~ annual maximum for dental services for Adult Clients age 21 years and  
18 older. Although the complete and partial dentures benefit is not subject to the ~~\$1,500~~ annual  
19 maximum for the adult dental services, it shall be subject to a set Medicaid allowable rate.

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