HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/CS/HB 139 Dental Care
SPONSOR(S): Appropriations Committee; Health Quality Subcommittee, Cummings and others
TIED BILLS: **IDEN./SIM. BILLS:** SB 234

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Health Quality Subcommittee	7 Y, 0 N, As CS	Guzzo	O'Callaghan
2) Appropriations Committee	24 Y, 0 N, As CS	Garner	Leznoff
3) Health & Human Services Committee	17 Y, 0 N	Guzzo	Calamas

SUMMARY ANALYSIS

The bill requires the Department of Health (DOH) to develop and implement a dental care access account initiative (Initiative) to benefit dentists employed by a public health program or committed to opening a private practice capable of serving at least 1,200 patients in a dental health professional shortage area or medically underserved area.

The bill requires DOH to implement an electronic benefits transfer system enabling selected dentists to spend awarded funds on:

- Repayment of dental school student loans;
- Investment in property, facilities, or equipment required to establish and operate a dental office; and
- Transitional expenses associated with relocation or opening a dental practice.

The bill requires DOH to establish application procedures and selection criteria for the Initiative. An applicant may submit proof to DOH of having spent the capital to have made substantial progress in opening a dental practice to serve at least 1,200 patients. The bill limits the number of new dental care access accounts that may be established by DOH to no more than 10 per fiscal year. The bill authorizes DOH to further limit the number of applicants selected and give priority to dentists in areas with a higher need, as ranked by the Department of Economic Opportunity.

The bill states the funds needed to implement the Initiative are subject to a legislative appropriation. Each award may not be less than $10,000 or exceed $100,000. The bill authorizes local sources to contribute to a dental care access account, but no state award may exceed three times the amount contributed to an account in the same year from local sources. The bill specifies that a dentist's salary and employer expenditures from a public health program not funded by state dollars may constitute local matching funds.

The bill directs DOH to close an account no later than five years after the first deposit, or immediately if the dentist does not follow the requirements of, or no longer participates in, the Initiative and includes provisions for the return or reallocation of unspent funds. The bill requires DOH to create a process to verify whether funds withdrawn from an account have been used for authorized purposes.

The bill requires DOH to develop and submit an annual report on the Initiative to the Governor and the Legislature.

The bill appropriates $90,542 recurring and $19,766 nonrecurring from the General Revenue Fund and one full time equivalent position with a salary rate of $46,381 to administer the Initiative. The bill also appropriates $1,000,000 from the General Revenue Fund to allocate to ten grant recipients. There is no fiscal impact on local governments.

The bill provides an effective date of July 1, 2016.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Health Professional Shortage Areas

Health Professional Shortage Areas (HPSAs) are designated by the U.S. Department of Health and Human Services' Health Resources and Services Administration according to criteria developed in accordance with section 332 of the Public Health Services Act.[1] HPSA designations are used to identify areas and population groups within the U.S. that are experiencing a shortage of health care professionals.[2]

There are three categories of HPSA designation: primary care, dental, and mental health. A HPSA designation may be based on a geographic area, population group, or facility experiencing a shortage of health care providers or a lack of access to health care services. A geographic HPSA indicates that the entire area may experience barriers in accessing care, while a population HPSA indicates that a particular subpopulation of an area, such as homeless or low-income persons, may be underserved. A facility HPSA designation is granted to a unique facility that primarily cares for an underserved population. The primary factor used to determine a HPSA designation is the number of health care professionals relative to the population in a defined area.[3]

In the U.S., there are approximately 4,900 dental HPSAs. The threshold for a dental HPSA is a population-to-provider ratio of at least 5,000 to 1.[4]

Medically Underserved Area

Medically Underserved Areas (MUAs) are also designated by the U.S. Department of Health and Human Services. These areas can be a whole county or group of contiguous counties, or census tracts, and are designated using one of the three following methods.

- MUA Designation, which applies the Index of Medical Underservice (IMU) and calculates a score based on the:
  - Ratio of primary care physicians per 1,000 population;
  - Percentage of the population with incomes below the poverty level;
  - Infant mortality rate; and
  - Percentage of population age 65 and older.
- Medically Underserved Populations (MUP) Designation, which builds off data collected under the MUA designation process and reviews the ratio of primary care physicians serving the population seeking the designation. A MUP is a group of people who encounter economic or cultural barriers to primary health care services.
- Exceptional MUP Designation, which includes those population groups that do not meet the criteria of an IMU, but may be considered for designation because of unusual conditions. Requests for this designation must be requested by the Governor or another senior executive level official and local state health official.[5]

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[1] Pub L. No. 107-251 codified at 42 U.S.C. s. 256(f).
[2] 42 C.F.R. §5.1; *see also* Health Resources and Services Administration, Guidelines for Primary Medical Care/Dental HPSA Designation, available at http://bhpr.hrsa.gov/shortage/hpsas/designationcriteria/medicaldentalhpsaguidelines.html (last visited February 14, 2016).
[3] Health Resources and Services Administration , Shortage Designation: Health Professional Shortage Areas & Medically Underserved Areas/Populations , available at http://www.hrsa.gov/shortage/ (last visited February 14, 2016).
[4] *Id.*
[5] Health Resources and Services Administration, Medically Underserved Areas/Populations, available at http://www.hrsa.gov/shortage/mua/index.html (last visited February 14, 2016).

Cost of Dental Education

In the U.S., combined undergraduate and dental school debt jumped from $106,000 in 2000 to more than $220,000 in 2012, an increase of 109 percent in 12 years. Approximately two-thirds of all undergraduates and 90 percent of dental students rely on student loans to finance their degrees. Among all U.S. dental schools, the total cost of attendance over the past 10 years for four years of dental school rose dramatically—by 93 percent for in-state residents (from about $89,000 to $171,000) and by 82 percent for out-of-state residents (from $128,000 to $234,000).[6]

Unlike Florida, 30 states have a state dental student loan repayment program.[7] Those states may have an advantage in recruiting dentists to serve low-income populations or rural areas.

Access to Dental Care and Dental Workforce in Florida

Florida has a high population of residents who lack access to dental services; there are currently 218 designated dental HPSAs in Florida.[8] There is a noticeable shortage of dentists in certain parts of the state, especially in the central Panhandle counties and interior counties of south Florida. Most dentists are disproportionately concentrated in the more populous areas of the state. The ratio of dentists to Florida residents is approximately 1 to every 2,200 people.[9]

Lower patient densities, rural income disparities, and lower dental care reimbursement levels make it difficult to recruit and retain dentists in rural communities of the state. According to the most recent population data, 16.3 percent of Florida residents[10] were living below the poverty level.[11] The majority of these residents have access to dental public health programs[12] for their dental care,[13] but only 1.4 percent of Florida dentists practice in public health programs and only 14 percent of Florida dentists accept Medicaid.[14] Only 27.4 percent of low-income Floridians have access to dental care.[15]

DOH provides dental care in some county health departments. According to DOH, there are currently 16 vacant dentist positions out of the 82 total positions within DOH.[16]

Effect of Proposed Changes

Florida Dental Care Access Account Initiative

HB 139 creates the dental care access account initiative (Initiative) to be implemented by the Department of Health (DOH). The Initiative is conditioned on the availability of funds to be appropriated

[6] American Dental Education Association, *A Report of the ADEA Presidential Task Force on the Cost of Higher Education and Student Borrowing,*17 (March 2013), available at: http://www.adea.org/uploadedFiles/ADEA/Content_Conversion_Final/publications/Documents/ADEACostandBorrowingReportMarch2013.pdf (last visited February 14, 2016).
[7] National Health Services Corps, State Loan Repayment Program, *State Loan Repayment Program Fact Sheet,* available at https://nhsc.hrsa.gov/loanrepayment/stateloanrepaymentprogram/index.html (last visited February 14, 2016).
[8] National Health Services Corps, *State-by-State Guide,* available at http://nhsc.hrsa.gov/ambassadors/states/FL.html (last visited February 14, 2016).
[9] Florida Dep't of Health, *Report on the 2011-2012 Workforce Survey of Dentists*, April 2014, available at http://www.floridahealth.gov/programs-and-services/community-health/dental-health/workforce-reports/florida-workforce-survey-of-dental-hygienists-2011-2012.pdf. (last visited February 14, 2016).
[10] Florida Dep't of Health, Florida CHARTS, *Percentage of Individuals Living Below Poverty Level*, available at http://www.floridacharts.com/charts/OtherIndicators/NonVitalIndRateOnlyDataViewer.aspx?cid=0294 (last visited February 14, 2016).
[11] This figure is $11,880 for an individual as defined by the US Department of Health and Human Services, effective January 25, 2016.
[12] "Public health program" includes a county health department, a children's medical services program, a federally funded community health center, a federally funded migrant health center, or other publicly funded or nonprofit health care program designated by the DOH. Section 381.0302(2)(e), F.S.
[13] In 2012, 2,970,623 Floridians were living below the poverty level. Of those individuals, 2,406,631 (81%) had access to dental care through public health dental programs, Florida Dep't of Health, Florida CHARTS, *Percentage of Individuals Living Below the Poverty Level*, and *Access to Dental Care by Low-Income Persons,* available at http://www.floridacharts.com/charts/HealthResourcesAvailability/default.aspx (last visited February 14, 2016).
[14] Supra, FN 9 at pg. 6.
[15] Florida Dep't of Health, Florida Charts, Access to Dental Care by Low Income Persons 2012, available at http://www.floridacharts.com/charts/OtherIndicators/NonVitalIndNoGrpDataViewer.aspx?cid=0266 (February 14, 2016).
[16] Florida, Dep't of Health, *Legislative Bill Analysis HB 139* (September 23, 2015) (on file with Health Quality Subcommittee staff).

by the Legislature and is intended to increase the number of dentists practicing in dental HPSAs or MUAs.

Eligible Dentists

The Initiative may benefit Florida licensed dentists who are:

- Actively employed by a public health program in a dental HPSA or a MUA; or
- Committed to opening a private practice in a dental HPSA or MUA by residing in the area, maintaining a Medicaid provider agreement, enrolling with one or more Medicaid managed care plans, expending capital to open an office to serve at least 1,200 patients, and obtaining community financial support.

Applications

The bill requires DOH to establish application procedures for dentists who wish to apply for a dental care access account (account). The bill allows an applicant to demonstrate in the application that he or she has spent sufficient capital to make progress in opening a dental practice that is capable of serving at least 1,200 patients by providing proof of:

- Contracts for the purchase or lease of a practice location; and
- Acquisition of at least 30 percent of the value of equipment and supplies necessary to operate a dental practice.

The bill limits the number of new dental care access accounts that may be established by DOH to no more than 10 per fiscal year. The bill authorizes DOH to further limit the number of applicants selected and give priority to practitioners in areas with a higher need, as ranked by the Department of Economic Opportunity. The bill also authorizes DOH to establish additional priority selection criteria.

Use of the Account

The bill requires DOH to establish individual dental care access accounts for selected dentists. The accounts will be managed through an electronic benefits transfer system that enables each participating dentist to spend funds for the following purposes:

- Repayment of dental school student loans;
- Investment in property, facilities, or equipment necessary to establish and operate a dental office consisting of at least two operatories; and
- Payment of transitional expenses related to the relocation or opening of a dental practice that are specifically approved by DOH.

The bill authorizes DOH to create a verification process to confirm that funds withdrawn from an account have been used for authorized purposes.

Account Monetary Limits

Subject to available state appropriations, the bill requires DOH to distribute funds in amounts of at least $10,000 but not to exceed $100,000 per account. The bill authorizes DOH to accept funds for deposit into a designated account from local sources. No state award may exceed three times the amount contributed to an account in the same year from a local source.

The bill specifies that a dentist's salary and employer expenditures from a public health program not funded by state dollars may constitute local matching funds. State funds may not be included in a determination of the amount contributed from a local source.

Account Closure

HB 139 directs DOH to close an account no later than five years after the first deposit, or immediately if the dentist:

- No longer works for a public health program, unless the dentist opens a private practice in a dental HPSA or MUA within 30 days of no longer working for a public health program;
- No longer practices in a HPSA or MUA;
- Has been terminated from Medicaid; or
- Has participated in any fraudulent activity.

The bill authorizes DOH to award remaining state funds, after 5 years or from terminated accounts, to another account. A dentist is required to repay any funds withdrawn from the account after the occurrence of an event which requires account closure. The bill authorizes DOH to recover inappropriately spent funds through disciplinary enforcement actions and other methods authorized by law.

The bill also requires DOH to proportionately return unspent funds from donated sources that remain in a closed account to the appropriate donor source.

Reporting Requirements

The bill establishes a reporting process for the evaluation and accountability of the Initiative. Starting January 1, 2018, DOH must submit an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives, which must include the:

- Number of patients served by Initiative participating dentists;
- Number of Medicaid recipients served by Initiative participating dentists;
- Average number of hours worked and patients served per week by Initiative participating dentists;
- Number of Initiative participating dentists in each dental health professional shortage area or medically underserved area;
- Amount and source of local matching funds received by DOH;
- Amount of state funds awarded to Initiative participating dentists; and
- Complete categorical accounting of the use of funds which may include:
    - Loans;
    - Supplies and equipment;
    - Rental property;
    - Real property purchases; and
    - Salary and wages.

The bill provides an effective date of July 1, 2016.

B. SECTION DIRECTORY:

Section 1: Creates s. 381.4019, F.S., relating to dental care access accounts.
Section 2: Provides an appropriation.
Section 3: Provides an effective date of July 1, 2016.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   None.

2. Expenditures:

The bill appropriates $90,542 recurring and $19,766 nonrecurring from the General Revenue Fund to implement the initiative. The bill authorizes one full time equivalent position and 46,381 salary rate to review applications and award grants, manage accounts and compliance, and submit program reports. Funding is included in the appropriation for an electronic benefits transfer contract to support ten grant recipients at $31,250 in the initial year of the program and $15,625 each subsequent year.[17] The bill also appropriates $1,000,000 from the General Revenue Fund to fund the maximum state expenditure for ten grants at an award of $100,000.[18]

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Selected dentists will receive grants in amounts ranging from $10,000 to $100,000 per account. These funds will be utilized as loan repayment assistance and will realize cost reductions in their student loan debt. Such dentists will also be able to spend awarded funds on their business startup costs putting them in a more stable financial situation upon opening their practice.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill provides sufficient rulemaking authority to DOH to implement the Initiative.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 11, 2016, the Health Quality Subcommittee adopted two amendments and reported the bill favorably as a committee substitute. The first amendment limited the number of new dental care access accounts that may be established by DOH to no more than 10 per fiscal year. The second amendment removed the requirement for DOH to develop a marketing plan for the dental care access account initiative.

On February 9, 2016, the Appropriations Committee adopted an amendment and reported the bill favorably as a committee substitute. The amendment appropriated $90,542 recurring and $19,766 nonrecurring

[17] Id.
[18] Florida Dep't of Health, *Legislative Bill Analysis HB 139* (September 23, 2015) (on file with Health Quality Subcommittee staff). Analyzed utilizing only Senior Management Analyst II position and 10 grant recipients for the EBT contract rather than the anticipated 32.

from the General Revenue Fund and one full time equivalent position and 46,381 salary rate to administer the Initiative. The amendment also appropriated $1,000,000 from the General Revenue Fund to allocate to ten grant recipients.

The analysis is drafted to the committee substitute as passed by the Appropriations Committee.