

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



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A P P E A R A N C E S

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

1 (Hearing commenced at 3:00 p.m.)

2 MR. BOUGHTON: Time has come everyone.

3 We will go ahead and start our 3:00 meeting. I am Scott
4 Boughton, legal counsel for the Employees Group
5 Insurance Division of the Office of Enterprise and
6 Management Services (sic.). We go by the acronym OMES
7 EGID or sometimes just EGID. Prior to recent
8 legislative changes this organization was called the
9 Oklahoma State and Education Employees Group Insurance
10 Board. We are the successors to that group and that is
11 our current designation, EGID.

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

16 This is not an official meeting as
17 defined by the State's Open Meeting Act. This is a
18 hearing called pursuant to Title 74, Oklahoma statute
19 Section 1325 which provides, "The Office of Management
20 and Enterprise Services shall schedule a hearing 30 days
21 prior to adopting any major change in the reimbursement
22 rates or methodology. The office shall notify
23 healthcare providers who provide services pursuant to a
24 contract with the office at least 15 days prior to the
25 hearing. The notice shall include proposed changes to

1 reimbursement rates or methodology. The office shall
2 inform such healthcare providers of the hearing of any
3 proposed changes to the reimbursement rates or
4 methodology. At the hearing the office shall provide an
5 open forum for such healthcare providers to comment on
6 the proposed changes."

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

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

23 MR. WILSON: Thank you, Scott. I want to
24 welcome everyone today to this public meeting to discuss
25 some of the proposed recommendations for our dental

1 fees. First I'd like to go through some introductions
2 of staff members here at the Employees' Group Insurance
3 Division.

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

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

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

24 Again, thank you for coming this
25 afternoon. Just a couple of quick comments. The

1 proposed changes that we're talking about today are the
2 culmination of several months of research and analysis
3 of claim data. And a lot of work involved, both on the
4 part of staff here at Employee's Group Insurance as well
5 as our consultants with Berkeley.

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

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

24 MR. REESE: Thanks, Frank. Before I
25 begin with what, essentially, will be my scripted

1 description of the proposed changes in methodology I
2 just want to echo Frank's comments regarding all the
3 hard work that went into this with the ODA and the
4 dental association panel. They were extremely helpful.
5 Their insight and information they provided is really
6 the type of information that we seek from our provider
7 community, and we certainly couldn't do it without them.

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

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

1 EGID's dental consultant's recommendations.

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

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

22 In lieu of or in addition to any of your
23 attendance here today, direct comments are solicited for
24 consideration, which I have several that I will be
25 addressing today. One comment I wanted to make, those

1 fees that were addressed with this change in
2 methodology, specifically the D8000 series codes, the
3 orthodontia codes are not included in those
4 modifications for our changes for 2013, just to be
5 specific.

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

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

21 I also received a letter from
22 Dr. Youngker, who I believe is with us today and
23 certainly will have an opportunity to join us at the mic
24 for some of his comments regarding orthodontia. He and
25 I did speak yesterday on the phone and he had some

1 very -- what I thought were very interesting and very
2 specific points regarding orthodontia and some issues
3 that he had regarding some severe cases of orthodontia
4 that I think are important and will be heard today.

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

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

21 That pretty much concludes the
22 majority -- or everything that I had to say regarding
23 the modifications. At this time I'm going to turn it
24 over to Scott Boughton for considerations and further
25 comment.

1 MR. BOUGHTON: Well, like we said
2 earlier, anybody that would like to address this meeting
3 please come to the podium.

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

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

18 The other thing is not being able to
19 charge more adequately for the orthopedic appliances to
20 treat skeletal problems. It's just important that you
21 try to create those corrections while children are young
22 while they are growing to correct those. I cannot
23 afford, at the rates, to see a patient for an
24 impression, mail it to the lab, pay the lab fee, deliver
25 the appliance; and then later in treatment, remove the

1 appliance, clean the teeth off and proceed with braces
2 and just absorb that by the fees being paid by
3 HealthChoice.

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

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

24 So, I mean, if it's a situation where,
25 you know, if HealthChoice wants to pay a certain amount

1 of money based on what you're charging your payers, then
2 that's fine. But we should be able to go to parents,
3 explain the necessary additional treatment time and
4 appliances needed. If they don't want to do that,
5 that's fine. They can go to another orthodontic
6 specialist or they can choose not to have the treatment
7 done. We should be able to present that option to them.

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

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

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

20 Any other questions?

21 MR. WILSON: Thank you.

22 MR. REESE: Thank you.

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

25 (No response.)

1 MR. BOUGHTON: Mr. Wilson, I turn it back
2 to you.

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

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

14 That will conclude our meeting today.
15 Thank you very much.

16 (Hearing concluded at 3:15 p.m.)
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C E R T I F I C A T E

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