

## FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3506

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session  
Legislative Fiscal Office

***Only Impacts on Original or Engrossed  
Versions are Considered Official***

---

Prepared by: Kim To  
Reviewed by: Ken Rocco  
Date: 4/17/2015

---

### **Measure Description:**

Prohibits certain restrictions on medical assistance coverage of dentures, partial dentures and tooth extractions.

### **Government Unit(s) Affected:**

Oregon Health Authority (OHA)

### **Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

### **Analysis:**

House Bill 3506 requires OHA to change the criteria the agency uses to approve payment for dentures and replacement of partial dentures in the medical assistance program. The bill specifies that OHA:

- Cannot use a specified period of time since the individual's last tooth was extracted to deny coverage;
- Must allow a partial denture to be replaced at least once every five years if medically appropriate; and
- May not base tooth extraction coverage on the absence of acute infection or abscess if the individual is experiencing severe pain and the dental care provider determines that an extraction is medically appropriate.

The fiscal impact of this bill to OHA is indeterminate. At this time, OHA cannot predict the number of additional dentures and partial dentures that would need to be covered by the medical assistance programs if this bill passes. However, OHA provides the following information for a point of reference on the potential fiscal impact to the medical assistance programs if this bill passes:

The bill eliminates the absence of acute infection or abscess as a reason to deny payment for the extraction of a tooth, as long as the client is experiencing severe pain and a dental care provider determines an extraction is medically appropriate. This provision has no fiscal impact because this is current practice.

However, the bill precludes using a specified period of time since the client's last tooth was extracted as a condition under which payment for dentures are allowed. Currently, full dentures are only covered for adult clients (age 21 and older) who have the last tooth removed from their jaw within the prior six months. If the tooth removal took place more than six months ago, dentures are not covered. As a point of reference, based on OHA utilization rates and fee schedule, OHA projects that if this provision in the bill would result in an additional 584 sets of dentures that will need to be paid for during the 2015-17 biennium, OHA could incur an additional \$741,000 (\$265,000 General Fund and \$476,000 Federal Funds) in expenditures.

In addition, the bill allows a partial denture to be replaced at least once every five years, if it is medically appropriate. Currently, the Oregon Health Plan will pay for the replacement of a partial denture once every 10 years, if needed. Assuming passage of this bill would result in an additional 4,735 partial dentures that would need to be paid for during the 2015-17 biennium, OHA could incur a total cost of \$3,407,000 (\$1,220,000 General Fund and \$2,187,000 Federal Funds) in expenditures.