

**Department of Planning and Budget
2025 General Assembly Session
State Fiscal Impact Statement**

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ORIGINAL

Bill Number: HB 2539

Patron: Mundon King

Bill Title: Dental care services for pregnant women; state plan for medical assistance services, report

Bill Summary: The proposed legislation directs the Department of Medical Assistance Services (DMAS) to amend the state plan for medical assistance services to include a provision for payment for comprehensive dental care services for pregnant women. These services must include: (i) preventive services, such as cleanings, oral exams, and x-rays; (ii) diagnostic services, including periodontal assessments and consultations; (iii) restorative procedures, including fillings, root canals, and crowns; (iv) emergency dental care to address acute pain and infection; (v) periodontal treatment for gum disease, including deep cleanings; and (vi) any other dental services deemed medically necessary DMAS. Such provision must also provide for at least four dental visits during pregnancy, with additional visits permitted upon recommendation from a licensed dentist or obstetrician. In addition, the bill requires DMAS to report annually on the implementation and outcomes of the provision. The first such report is due by December 31, 2026.

Budget Amendment Necessary: Yes

Items Impacted: 287, 288, and 290

Explanation: Funding is needed in the following programs: Children's Health Insurance Program Delivery, Medicaid Program Services, and Medical Assistance Services for Low Income Children.

Fiscal Summary: The proposed legislation will require expenditures for which the agency is not currently appropriated. See table and fiscal analysis below.

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
DMAS (602)	-	\$517,699	\$545,232	\$572,494	\$601,119	\$631,175

Nongeneral Fund Expenditure Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
DMAS (602)	-	\$907,223	\$950,936	\$998,482	\$1,048,407	\$1,100,827

Fiscal Analysis: Since 2015, Virginia Medicaid has included a dental benefit for pregnant women. The Medicaid state plan currently includes: (i) diagnostic x-rays and exams; (ii) three preventive cleanings; (iii) restorative fillings; (iv) endodontics (root canals); (v) periodontics (gum related treatments); (vi) prosthodontics, both removable and fixed (crown, partial plates,); (vii) oral surgery (tooth extractions and biopsies, alveoloplasty); (viii) pre-treatment evaluations for deep sedation or general anesthesia; and (ix) adjunctive general services. These services require prepayment review, and some limitations may apply. As such, it is expected that all required provisions of the bill are already covered except for the fourth preventive cleaning. DMAS indicates that adding the additional cleaning would increase medical assistance costs.

DMAS estimates that 31,467 pregnancies were covered in FY 2024. Assuming five percent year over year growth, it is assumed that 34,692 individuals would be eligible for the fourth cleaning in FY 2026.

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Based on available data, DMAS reports that the cost per cleaning would be \$63.19. Assuming 65 percent of pregnant women took advantage of the fourth cleaning, medical assistance costs would increase by \$1,424,922 (\$517,699 general fund) in FY 2026. Out year cost estimates reflect a federal match rate change effective October 1, 2025, and five percent enrollment growth. Enrollment is assumed to be 57 percent base Medicaid, 24 percent FAMIS/MCHIP, 19 percent Medicaid expansion.

DMAS, via its External Quality Review Organization (EQRO), compiles an annual Dental Utilization in Pregnant Women. A study brief of each year's report is included on the DMAS website. The report outlines dental care utilization among pregnant women and impact on selected health outcomes. As such, DMAS does not expect to incur any additional costs to meet the bill's reporting provisions.

Other: None