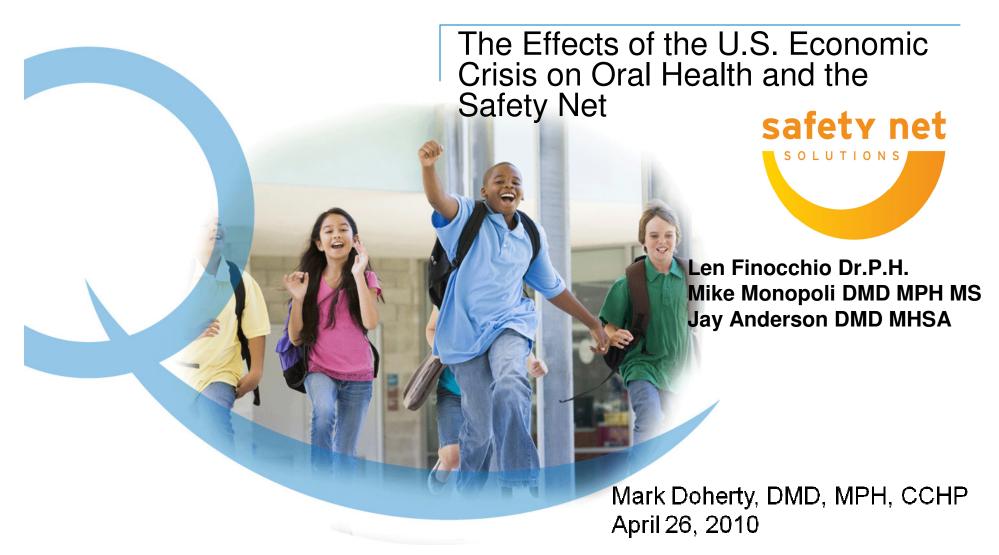


## From Peril to Promise



# Jethro Bodine Purchases a house 2005



5 years interest only, no down payment, no worries... Life is good





OH OH! Value starting to turn upside down <8%



Now the value is also turning inside out and still no equity <13%



Now its inside out ,upside down, collapsing and the value is <18%



Going underground <23%

Value has decreased 30%, still no equity, new mortgage @ 15%! 200% increase in interest!







## Financial Crisis 2006-2010

- Liquidity shortfall in U.S Banking
- Collapse of large financial institutions
- Bank bailout by national governments
- Downturns in stock markets, housing markets folding with foreclosures, evictions.
- The worst crisis since the Great Depression of the 1930s





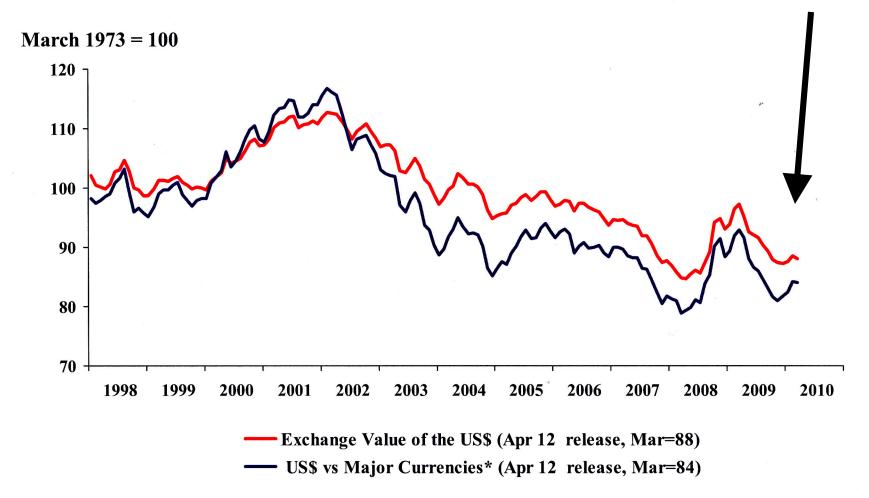
## **Effects on States**

- Center on Budget and Policy Priorities sees 46 states threatened with bankruptcy in 2010!
- \$41billion opened up in the budgets of 42 states in addition to shortfalls of \$48 billion





#### Real Value of the Dollar



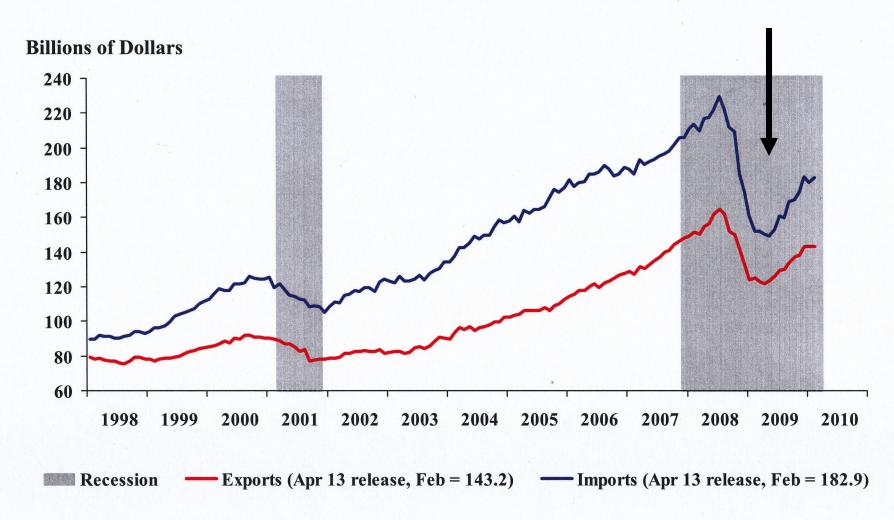
<sup>\*</sup> Euro Area, Canada, Japan, UK, Switzerland, Australia, and Sweden

**Source: Federal Reserve Board** 

http://www.dallasfed.org



## U.S. Imports and Exports

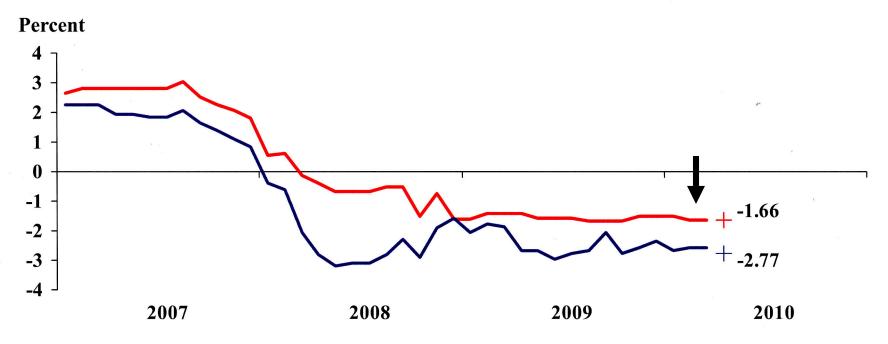


**Source: Bureau of the Census** 

http://www.dallasfed.org



#### **Real Federal Funds Rate**

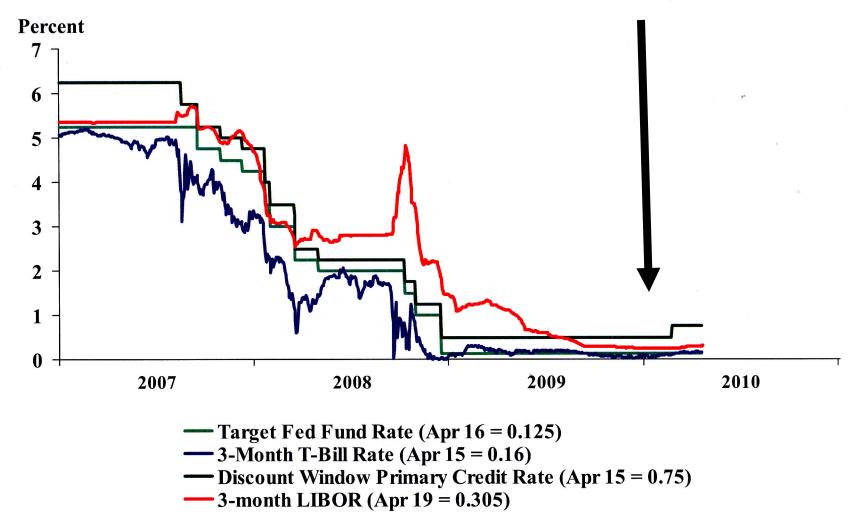


- End-of-Month Target Fed Funds Rate less SPF Expected Inflation
- + Target Fed Funds Rate (Apr 16) less SPF Expected Inflation (Feb 12)
- End-of-Month Target Fed Funds Rate less U. of Michigan Expected Inflation
- + Target Fed Funds Rate (Apr 16) less U. of Michigan Expected Inflation (Mar 26)

Sources: Target Fed Funds Rate: Federal Reserve Board; SPF Expected Inflation: FRB Philadelphia; U. of Michigan Expected Inflation: Survey of Consumers, Survey Research Center, U. of Michigan <a href="http://www.dallasfed.org">http://www.dallasfed.org</a>



### **Short-Term Interest Rates**

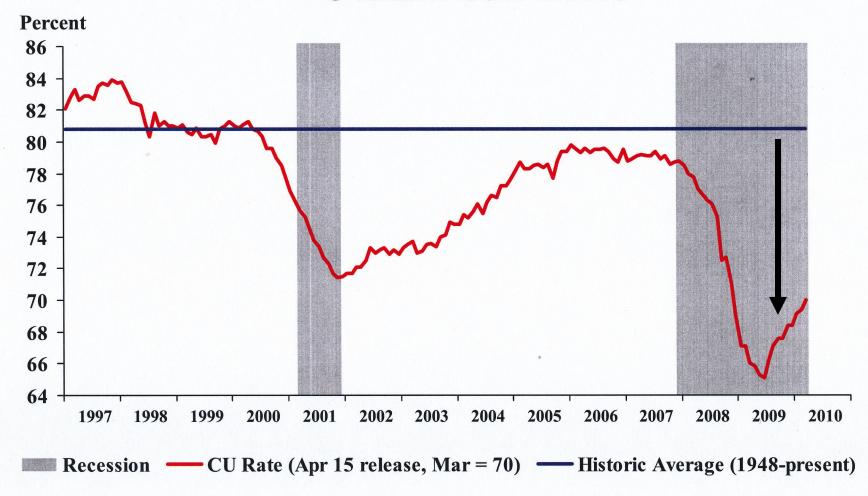


**Source: Federal Reserve Board** 

http://www.dallasfed.org



## **Manufacturing Capacity Utilization Rate**



**Source: Federal Reserve Board** 

http://www.dallasfed.org

Desperation

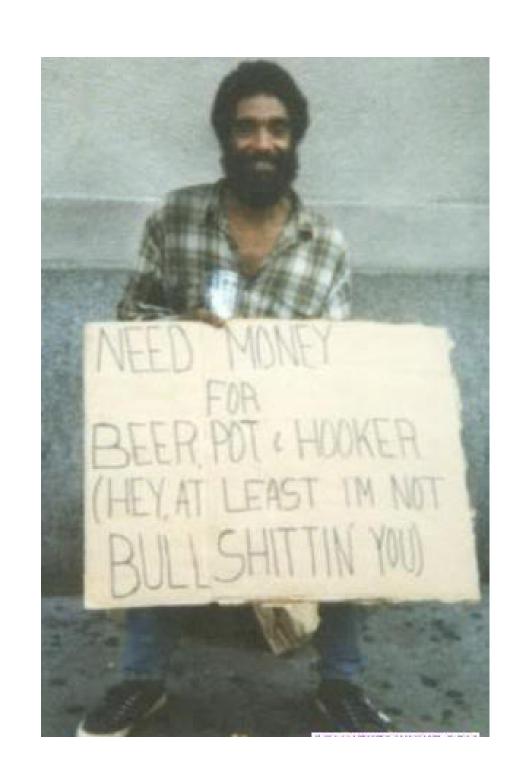


Marketing Mayhem





Direct!??









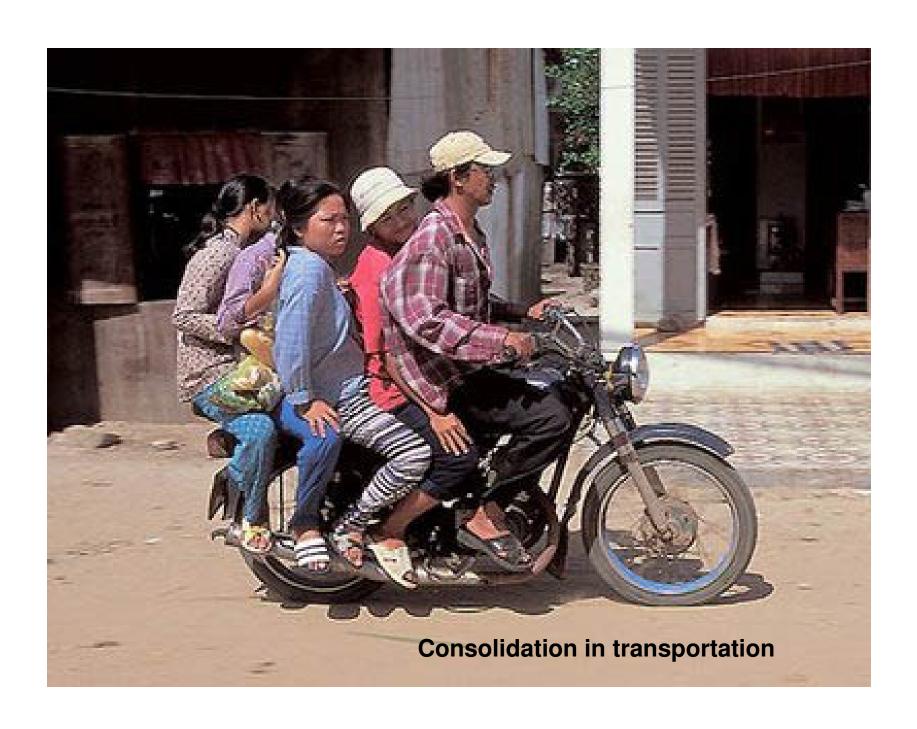




Apple









What's the effect on Oral Health?





# The Economic Downturn in California:

Implications for the Oral Health Safety Net

Len Finocchio, Dr.P.H.

Senior Program Officer
California HealthCare Foundation



## The California Economy

- Unemployment rate 12.6% 2.2 million
- Recent job losses deeper than prior recessions; all major sectors impacted
- Workers lost purchasing power
- 2.2m more uninsured; 29% of adults
- Outlook modest growth in 2010, moderate growth in 2011; and good growth in 2012



# The Economy and the State Budget

- Closed \$60B deficit last year
- Deep cuts to all programs
- Many budget solutions not realized
  - Lower spending in Medicaid & prisons
  - Funding guarantee to schools
- Additional \$20B deficit this year



# Reductions to Health Programs

- Medi-Cal
  - Eliminated 10 optional benefits
  - Reduced payments to public hospitals
     & community health centers
  - Reduced county administrative funds
- Healthy Families (CHIP)
  - Increased family co-pays
  - Reduced benefits
- TANF & other program cuts



# Cuts Affecting Dental Programs

- Cut Medicaid adult dental benefits
  - -3.9 million beneficiaries
  - \$274 million in expenditures
  - \$109 million in estimated savings
- Suspend Children's Dental Disease Prevention Program
- Restrict high cost dental plans in Healthy Families



## **Anticipated Impact**

- Increased morbidity for adults
- Increased safety net clinic uncompensated care
- Increased emergency room use
- More dentists dropping Medi-Cal
- Limited savings to the state
- Decreased use by kids & pregnant women

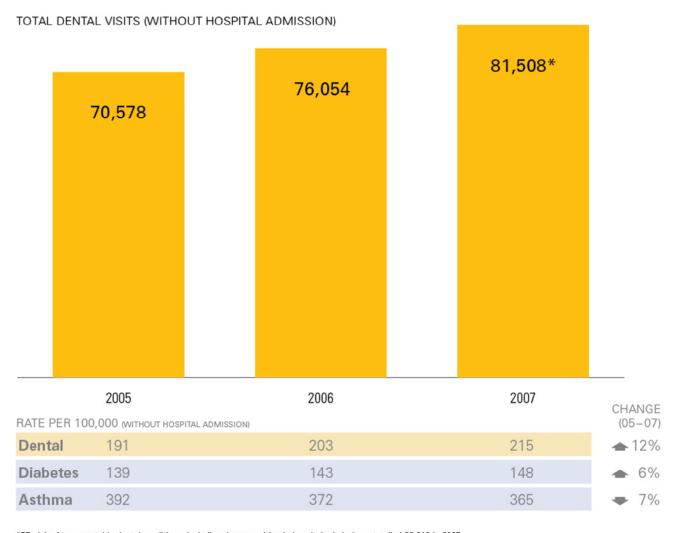


## Reports from the Field

- Kids' visits down in some settings
- Confusion about coverage, benefits
- Adults delaying care until painful
- Unaddressed denture problems
- Dentists leaving Medi-Cal altogether
- ED visits increasing



## ED Visit Rates per 100K for ACS Conditions



FD visits for preventable dental conditions (without hospitalization) were higher than those for diabetes. The number of ED visits for preventable dental conditions increased 12% over three years.

Sources: Cohen, L.A., Manski R.J., Magder, L.S., et al. "Dental Visits to Hospital Emergency Departments by Adults Receiving Medicaid: Assessing Their Use." *JADA* 2002;133(6): 715–724. State of California, Department of Finance, E-4 Population Estimates for Cities, Counties and the State, 2001–2008, with 2000 Benchmark. Sacramento, California. California OSHPD emergency department data, 2005–2007.

<sup>\*</sup>ED visits for preventable dental conditions, including those resulting in hospital admissions, totalled 83,610 in 2007.



## Safety Net Clinic Impact

- Four rural FQHC clinics have closed
  - Eleven more on the verge...
- \$33m decline in Medi-Cal revenue
- Increased uninsured
  - Higher uncompensated care
  - More self-pay patients
- Staff layoffs in some clinics



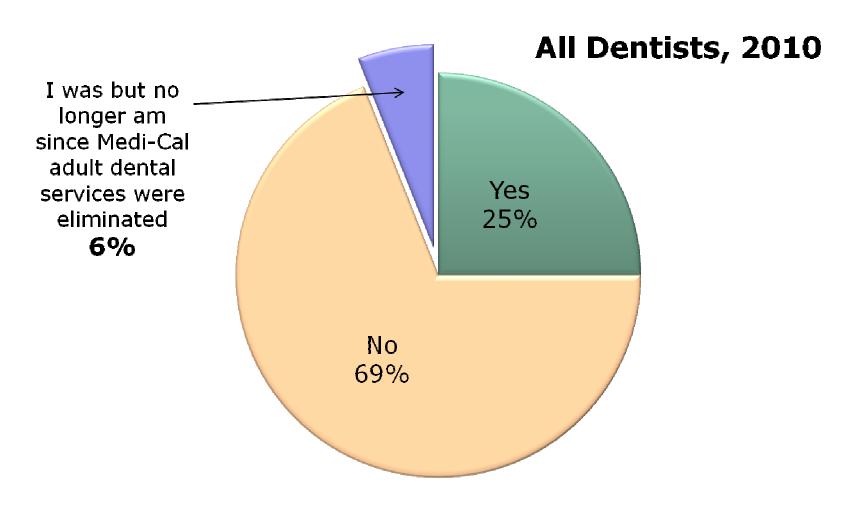
## Clinic Coping Strategies

- Change payer mix:
  - Outreach to kids, pregnant women
- Revisit and update fee schedule
- Revisit sliding fee scale policy and ask for payments
- Implement no-show policy



## Dentists' Participation in Medi-Cal

n = 707



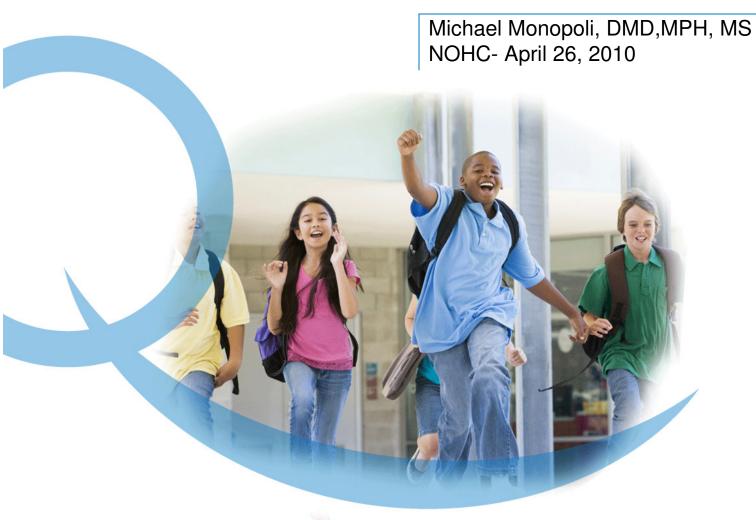


## Studying the Impact

- Examine claims data to assess impact on:
  - Beneficiaries' dental service utilization, with an emphasis on vulnerable populations;
  - Dental providers, including dentists, clinics, and hospital EDs and inpatient care; and
  - The Medi-Cal program, particularly program expenditures.
- Inform legislature, state program leadership, and others of findings



#### Oral Health Funders Perspective





### **Changing Perspective**

Impact to Change Systems

Quality Improvement Initiatives

 Technical Assistance to Improve Program Sustainability and Long Term Impact





## Systems Change

Support Development of Policy Solutions

- Build Political Support and Awareness of the Problems and Solutions
  - Engaging Key Constituencies
  - Convening
  - Fund Pilots





### Quality Improvement Initiatives

 Support Faster Transfer of Evidence Based Care Improvements

Support Spread of Innovation





#### **Technical Assistance**

Protect Private and Public Investment

 Maximize the Impact of Programs and Provider

Support Information Sharing





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## American Recovery and Reinvestment Act the Oral Health Safety Net

April 26, 2010

Jay R. Anderson, DMD, MHSA
HRSA Chief Dental Officer
U.S. Department of Health and Human Services
Health Resources and Services Administration
Office of Special Health Affairs
Office of Strategic Priorities



#### **Primary Health Care Mission**



Improve the health of the Nation's underserved communities and vulnerable populations by assuring access to comprehensive, culturally competent, quality primary health care services





#### HRSA's Oral Health Mission

 Oral Health Mission Statement: To improve the nation's health by ensuring access to comprehensive, culturally competent, quality oral health care for all, as an integral component of comprehensive health care.





#### HRSA's Oral Health Goals

- Improve infrastructure and systems of care
- Improve oral health status and outcomes to eliminate disparities
- Improve the quality of oral health care
- Promote oral health by building pubicprivate partnerships



#### **Oral Health Activities**



- In FY 2009, HRSA awarded \$8.7M to support expanded oral health services at 40 health centers
- Since 2001, a total of \$55M has been awarded to support 312 oral health service expansion grants in health centers

Source: Uniform Data System, 2008





- Health Centers (in CY 2008):
  - 86% of health centers provided preventive oral health care services on site or by paid referral
  - Provided care to 3.1M dental patients;
     131% increase since 2001
  - Employed:
    - 2,299 dentists: 119% increase since 2001
    - 892 dental hygienists; 183% increase since 2001
    - 4,329 other dental staff; 122% increase since 2001



# American Recovery and Reinvestment Act (ARRA)



- Signed into law on February 17, 2009
- Provides \$500 million for services:
  - support new sites and services areas
  - increase services at existing sites and provide payments for spikes in uninsured populations.
- Provides \$1.5 billion for modernization:
  - Equipment
  - Facility renovation
  - Construction
  - Health Information Technology systems.



## **ARRA Funding**



- Awarded \$155 million to support 126 New Access Point (NAP) grants in March 2009.
- Awarded \$338 million to support almost 1130 grants for Increased Demand for Services (IDS) in March 2009.
- Awarded \$851 million to support over 1120 grants for Capital Improvement Program (CIP) in June 2009.
- Awarded \$500 million to support 85 grants under the Facility Investment Program (FIP) in December 2009.
- \$88M to be awarded for Health Information Technology/Network Grants



- Through New Access Point and Increased Demand for Services Funding:
  - Serve over 2.85 Million Additional Patients
  - Create or Retain over 11,900 Jobs
- Through Capital Improvement Program Funding:
  - 1,500+ New or Improved Health Center Sites
  - 650+ Health Centers with new equipment or health information technology systems
  - 380+ Health Centers with new/enhanced certified EHRs





## As of December 31, 2009, through ARRA, health centers have:

- Provided dental services to an additional 264,000 patients, providing more than 575,000 dental visits
- Supported more than 550 dental professionals, including 192 dentists and 73 dental hygienists



## Health Center Oral Health Funding Opportunities



- There will be opportunities for grants to health centers in FY2011, using funds from the "Community Health Center Fund" created by the new health reform law.
- However, the Department and HRSA have not yet finalized decisions regarding the specific allocation of FY2011 funds.
- As those decisions are made, we will share this information with health centers and other State, National, and local organizations.





#### **THANK YOU!**

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# Partnering to Strengthen and Preserve the Oral Health Safety Net

A PROGRAM OF THE

