

February 6, 2003

**Ladysmith Rural Dental Clinic**  
**Progress Report-To-Date: Years One and Two**  
10/01/01 to 2/01/03

**Project Goal:**

Increase access to preventive and restorative oral health services for underserved populations (developmentally disabled, elderly, low-income) in Rusk, Price, Taylor, Sawyer and Chippewa Counties.

**Project History:**

The legislative directive for the rural dental clinic in Ladysmith, as Marshfield-Family Health Center understand it, was to create a dental clinic in Ladysmith, Wisconsin that would be open to all, have a sliding-fee schedule to make dental care affordable for poor and near-poor uninsured, and open up access to needed dental care for the region's Medicaid and BadgerCare population. The legislation envisioned these dental services to be a regional resource, available for the residents of Rusk County and the neighboring counties of Chippewa, Taylor, Price and Sawyer. To complete this task the legislature budgeted \$618,000 in the first year of the biennium and \$232,000 in the second and subsequent years. Finally, the legislature directed that the clinic attempt to maximize federal funding.

It is our understanding that this desire by the legislature to maximize federal funding was the principle reason why the state agency approached Family Health Center (FHC) to work on this task. Through its partnership with Marshfield Clinic, FHC and Marshfield Clinic operate the only two medical facilities in the county, both of which carry a federally qualified health center (FQHC) designation. This is important from two perspectives, first FQHCs are reimbursed at cost for services to Medical Assistance patients and secondly, FQHCs have an opportunity to seek federal dollars through service expansions for oral health.

**Objective 1:** Explore and develop a practice model to maintain and build upon dental service and community-based prevention capacity for the low-income patients in the targeted service area.

In discussions with the State, FHC agreed to attempt a model that would not attempt to segregate the poor, but would be open to all members of the community, irrespective of their ability to pay and be accessible to those with limited incomes through a sliding-fee scale. This is particularly important in rural Wisconsin where geographic access, even for those with means, can present problems. It is also important because it provides an opportunity to generate revenue in excess of expenses for commercial or full pay patients that can be used to help subsidize those patients with insufficient resources to pay for their care. The model further contemplated a closer working relationship between medicine and dentistry to identify and capitalize on possible synergies in both the treatment and prevention areas.

Recognizing the extreme difficulty in recruiting dentists throughout the state, let alone in a small rural community up north, FHC sought to approach this task in partnership with Marshfield Clinic, a large stable health care organization that has experienced significant success in recruiting physicians to rural communities. Marshfield Clinic committed to partner with FHC and support the network's expansion into dental care.

The next major decision for the project was whether to start from scratch or see if we could acquire an existing practice. A survey of all existing practices in the county determined that all would be willing to work with us on school-based or community-wide prevention efforts, but only one practice, that of Dr. Blane Christman's, was interested in converting to a not-for-profit status and becoming part of the Marshfield Clinic/FHC partnership. The approach to acquisition of the private dental clinic in the first year of the project, was that FHC would acquire the land, building and equipment. Marshfield Clinic would hire the staff and lease the dental clinic space back from FHC (described more later). FHC would then open up the clinic operation to all patients, implement a sliding-fee scale, and move to expand capacity through a facility expansion, additional equipment acquisitions and recruitment of additional dental health professionals. This planned purchase and approach was derailed on Labor Day 2002, when a tornado struck downtown Ladysmith, severely damaging Dr. Christman's building, as well as some of the equipment.

Post tornado planning involved Dr. Christman's efforts to re-establish his practice in the previously vacated Mt Senario college facilities, and a search for alternative building sites. The Mt Senario college location was reviewed and determined to be minimally acceptable for a temporary location. A priority was placed on finding a new building site and plans for the new facility construction. At this point, it was recognized that new construction would be more expensive than the previously planned facility expansion and renovation. We attempted to "right size" the new dental clinic by considering: existing and potential financial resources (e.g., state, federal and private), the population of the county and the existing number of dentists serving the area, and the cost-benefit of a larger dental clinic to serve as a regional dental resource for low-income patients.

Two phases of the project were considered: an infrastructure phase including the cost of the facility, land and equipment; and an ongoing sustainability phase which assessed the annual demand for sliding-fee subsidy at different levels of dentists in the context of long term sustainable revenue streams needed to meet subsidy requirements. Given the regional need, we decided to attempt a 17-chair facility with five dentists and five oral hygienists on site. We assumed this would be achieved in stages with the initial stage defined by the completion of a new facility with 12 chairs and the employment of four dentists and four oral hygienists. The facility would contain shelved in space that could be infilled in the second stage to include an additional five operatories and a fifth dentist and hygienist. Given the tornado and the shortcomings of the temporary facilities, a priority was placed on building through the winter and completing the building project for occupancy on or about July 1, 2003.

Right sizing the project is complicated because the overwhelming unmet need in the uninsured and publicly insured patient populations virtually guarantees that each new dentist added to the existing practice would primarily expand our BadgerCare, Medicaid, and uninsured patient

population adding few new commercial or full pay patients. This would rapidly increase the demand for sliding-fee subsidy and raise sustainability issues.

**Objective 2:** Provide preventive and/or restorative oral health services at a rate in excess of 65 visits per week above existing levels to low-income patients in the targeted service area.

During the initial project year discussions about acquisition and expansion of the private dental clinic, owner, Dr. Blane Christman, the private dental clinic increased the number of new Medicaid patients that were being served, and graciously accepted a number of referrals from Marshfield. While we do not have data on the exact number, several Medicaid and uninsured patients had difficult cardiac conditions that required initial and follow-up dental care prior to addressing the cardiac condition.

The FHC - Ladysmith Dental Center became a reality on November 1, 2002, with Dr. Bergsbaken, Dr. Kwon and Dr. Christman and their dental hygienists who comprised the original practice in temporary space in the Mt. Senario building. In the first two months of operation, the two FTE dentists and their staff dealt with an unprecedented increase in demand for services and saw a total of 1,220 unique patients, including 442 patients new to the dental practice. During these two months preliminary analysis indicates that of the 1, 220 total patients 271 were Medicaid and 103 sliding-fee. These patients came from no less than 26 counties in the northwestern quarter of the state. The waiting list of people who are requesting services is at 800 and growing.

As we add dental capacity beyond Dr. Christman's original capacity, we are projecting the patient growth to overwhelming come from the Medicaid, BadgerCare and low-income uninsured populations. Starting January 2003, the dental clinic has added an additional dentist, Dr. Parry (four days per week) and one part-time and one full-time hygienist. Dr. McCarthy will join us for one day per week in mid-February. The addition of a fourth dentist, Dr. Kim (already signed), will increase our focus on expanding dental services for Medicaid, BadgerCare and uninsured patients. Dr. Kim will start in the new facility this summer. A dentist for our fifth and last Ladysmith Dental Center position will be interviewed in March (from among a number of possible candidates). Patient numbers for January are not available at this time.

**Objective 3:** Maximize federal and other funding sources to support project sustainability and expansion.

#### Blending of funding streams to establish the Ladysmith Dental Clinic

The second year of the project will complete the first phase of infrastructure for the new dental clinic, and we have requested use of the \$232,000 in second year state rural dental clinic funding to offset the new facility construction costs. We are estimating the first phase of the project (exclusive of the five chair future expansion) to cost approximately \$1,720,000 (land, building and equipment). We will be applying the bulk of the first year state appropriation (\$618,000), all of the second year appropriation (\$232,000), and a significant component of our current state community health center grant (\$183,860) to this initial infrastructure phase of the project. In addition, the FHC Board at its November 19, 2002 meeting committed to utilizing their own

reserve funds to help meet total capital costs of the new dental clinic building project (estimated to be between \$650,000 - \$750,000).

FHC received federal approval to expand the project scope for its federally funded community health center at the Ladysmith site to include dental services. This allows FHC to receive cost-based reimbursement for dental services for Medicaid recipients at Ladysmith.

Starting July 1, 2003, continued state rural dental clinic funding will predominantly, if not exclusively, be utilized for sliding-fee subsidy support. Our current projections indicate that at four dentists, 20% of the business will be commercial (original patients-of-record for the dental clinic), 40% Medicaid and 40% sliding-fee. At this size of operation we believe the sliding-fee shortfall (costs minus patient payments) will be in excess of \$425,000 a year. This is above the \$232,000 allocated in the state budget.

Marshfield and FHC have committed to using dental clinic profits from the commercial side of the operation, and rent and lease revenue from the dental clinic to supplement the state rural dental clinic funding and support the costs of the sliding-fee subsidy. This blending of state, commercial pay profits, and rent from Marshfield to FHC, is essential to support ongoing dental care for uninsured, low-income patients. This dental clinic model of integrating a private dental clinic into a community health center that serves Medicaid and uninsured, provides the commercial revenue stream and makes for a more attractive practice for recruiting dentists.

#### Leveraging the Ladysmith Dental Clinic to Get Additional Federal Funding

The state rural dental clinic funds are especially important because they can be used for up-front capital expenses and used as an ongoing subsidy to cover sliding fee care for uninsured patients. Federal oral health expansion funds can then be requested for ongoing equipment/supply expenses, expansion of sliding-fee care, and built into the base award for the community health center – dental clinic.

FHC used the state funding for the Ladysmith rural dental clinic to help secure \$550,000 in annual federal community health funds to improve access to health services in Chippewa Falls, Cadott and Cornell. In 2003 FHC is committed to working with the Oral Health Coalition of Chippewa County to seek federal funds to develop a new dental clinic site in Chippewa Falls. If federal rules allow, we also plan to seek federal dental expansion funds for the Ladysmith dental clinic in 2003-4, to combine with state CHC grant funds and other funding to expand the Ladysmith Dental Center to 17 operatories and add a fifth dentist. Our dilemma is, we are faced with an overwhelming need and unprecedented success in recruiting to most that need. We do not want to miss a recruitment opportunity and yet we are not allowed to apply for a second federal dental expansion grant this year.

#### Federal Policy Barrier to Expansion

Current federal policy (DHHS HRSA BPHC) limits community health center applications for federal expansion funding for oral or behavioral health to one application per CHC per every other year. This creates a time delay and barrier for FHC in developing new dental sites (Chippewa Falls), expanding the current Ladysmith site, and partnering with the community health center in Hayward (and the Rural Dental Clinic in Menomonie) to add dental services.

Both FHC and the Division of Public Health-Primary Care Office have forwarded recommendations to HRSA to revise this federal policy in the interests of improving dental access and developing successful and high quality dental service delivery models.

#### Successful Recruitment of Dental Providers

The Marshfield Clinic/FHC partnership has been incredibly successful in recruiting dentists to Ladysmith, compared to the difficulty experienced by many other community health centers across the U.S. We have a commitment for a dentist to join us in summer and two additional dentists with good qualifications are pursuing employment opportunities with us. Adding a 5<sup>th</sup> dentist at Ladysmith to expand access to dental care for Medicaid and sliding fee patients, would require an expanded sliding fee subsidy of about \$134,000 per year.

Two dentists have also expressed interest in participating in the Chippewa Falls dental clinic, if it receives federal funding to open in fall 2003. So, the barrier to expanding dental clinic capacity at Ladysmith and establishing new dental access sites in Chippewa (and potentially in Hayward), is the federal constraints placed on oral health expansion grant application opportunities and not a shortage of interested dentists.

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