

May 12, 2007

Dear Doctor:

We wanted to thank you for your participation in the Georgia Medicaid dental program. June will mark the one-year anniversary of Avesis' administration the Georgia Medicaid dental and vision programs. Our dental program for Peach State Health Plan has had some administrative challenges, but we believe that today these issues have been resolved.

Over the past weeks, there have been discussions at the state legislature and at the CMOs about the costs of the dental Medicaid programs, both Medicaid and Peach Care for Kids. At Avesis, we have attempted to be fair and responsive in our handling of your claims and clinical issues. However, based upon the higher than expected dental costs for our CMO partner, Peach State Health Plan, we are being asked to make modifications to our dental program.

The following letter explains our plan for modifying the Avesis Medicaid dental program. Effective July 15, 2007, pursuant to the Avesis' Provider Agreement, paragraph G2; this letter is official notice that we are changing the Covered Benefits and Fee Schedule. The following fees and benefit guidelines will replace the current information in 60 days. We believe that these are the most appropriate for reducing costs while continuing to encourage routine preventive and restorative services. Rather than simply reducing fees, we have tried to use appropriate treatment limitations to maintain all but a few of the current fees. These changes are different than the recent changes announced by the other dental administrator, so please be aware of our specific changes for Peach State Health Plan members.

I. Administrative Changes:

- A) Avesis is closing the dental network to new providers. Effective immediately, we will not accept any new locations to be added to our network. If your practice is currently enrolled, any new dentists or dental specialists you hire will be allowed, but we will not add any additional locations, unless an existing office terminates and Avesis determines that we need to allow a replacement.
- B) Frequency limitations requiring a time interval between services, such as the six month interval for D1110 and D1120 services, will continue despite a new benefit year.
- C) D1203 (Fluoride treatment) will be allowed 2 times per year, but must have a six month interval between treatments.

D) Avesis will now require prior authorization *with radiographs* for the following situations:

- 1) All treatment for any Members requiring more than 10 restorative services (excluding sealants) within a six month period from the date of the first restoration.
- 2) All treatment for any Members requiring more than one stainless steel crown, within a six month period from the date of the first restoration.
- 3) All non-emergency third molar extractions.

E) Avesis will now follow the standard for the frequency of D0150 (comprehensive oral examination) as indicated in the ADA CDT-7 code guide. The D0150 will be allowed for new Members or after an interval of three years for Members who have been in regular treatment. The D0120 will now be allowed up to 2 times per benefit year. So a member may be eligible for one D0120 and one D0150 or two D0120 services per benefit year.

F) Full mouth radiograph charges will be limited to a maximum of the D0210 (full mouth series) fee during any day of treatment. A panoramic x-ray with 2 or 4 bitewings will be considered a full mouth series and paid at the D0210 fee. The total payment for any combination of radiographs for any single day of service will be limited to a D0210 fee.

G) Panoramic radiographs will now be considered part of the total radiograph annual maximum and limited to once every three years for either a D0210 or a D0330. Requests for additional panoramic x-rays for oral surgery treatment will be considered.

H) Avesis considers a tooth with two interproximal carious lesions that have penetrated beyond the DEJ as the appropriate indication for a stainless steel crown. Avesis will not reimburse for stainless steel crowns on posterior teeth where the carious lesion has penetrated beyond the DEJ on only one interproximal surface of the tooth. The only exception will be if the tooth had a previous pulpotomy or root canal or required a pulpotomy with decay shown to be into the pulp on radiograph.

I) All third molar extractions will require authorization in the form of a pre-treatment estimate with radiographs and notation of the pathology present. Avesis will require that symptoms are present for approval of all third molar extractions. Those symptoms may include, cysts, resorption of adjacent teeth, angulation causing inability for tooth to erupt and other clinical symptoms. Normal eruption pain is not considered a pathological symptom that would require an extraction.

II. Age Limitation Changes. The following age limitations will be effective July 15, 2007:

A) The D0272 will be allowed for Members ages 2 – 20 , the D0274 will be allowed for Members ages 10 – 20.

B) Full mouth x-rays – either D0210 or D0330 – will be limited to Members ages 6 or older.

- C) The D1203 (fluoride treatment) shall be limited to Members ages 15 or younger. For adults and Members ages 16 or older, fluoride treatment may be requested based upon special needs. This will require a pretreatment estimate approved by Avesis before treatment is rendered.

III. Fee Changes. The following eight fee changes will be in place and applied to all services rendered on July 15, 2007 and after:

- A) The D0120 (routine examination) and the D0150 (comprehensive examination) will be averaged into a common fee (**\$25.50**) based upon one D0150 every third year and 5 D0120 services in between. The new fee is based upon the current Avesis fees.
- B) The D0140 (emergency examination) will have the same fee as the D0120 and D0150 - **\$25.50**.
- C) The D0240 (occlusal radiograph) will have the same fee as the D0220 - **\$13.45**.
- D) The posterior composite series (D2391, D2392, D2393 and D2394) shall have the following fees:

D2391	Post Comp 1 surface	\$74.59	D2393	Post Comp 3 surface	\$102.50
D2392	Post Comp 2 surface	\$90.62	D2394	Post Comp 4 surface	\$122.23

Avesis believes that these changes as a group will reduce some of the dental costs experienced by the Medicaid dental program while maintaining your ability to properly treat your Medicaid Members. These changes have been calculated to address perceived inequities in the fee schedule while encouraging conservative dental care.

Avesis is using common dental plan limitations, rather than larger fee reductions to achieve the necessary savings. We are attempting to work with our dental network to contain costs and at the same time try to limit the impact on the treatment of our Medicaid Members. While we did not embark on this Medicaid program with the intent of having to cut costs, the growing financial impact of the dental program on our CMO partner mandated that we make these changes.

Thank you for your continued participation in the Georgia Medicaid dental program. A revised version of our Avesis Provider Manual reflecting these administrative and fee changes will be available on our website at www.avesis.com June 1, 2007.

Sincerely,



Fred L. Sharpe, DDS
Chief Dental Officer
Avesis Dental Plans