



*Caring People • Quality Programs • Exceptional Service*

# MEMO

**To:** Mayor and City Council  
**From:** Brian Phillips, Assistant City Manager  
**Date:** September 30, 2016  
**Subject:** MICA Dental Clinic

At the September 13, 2016, City Council meeting, the City Council referred a letter from MICA requesting additional funding in the amount of \$50,000 for the Story County Dental Clinic. The Dental Clinic provides dental services to low-income residents in the community. MICA reports 1,635 patient appointments for the six months ending in March 2016, of which approximately 50% are Ames residents.

The City's contract with MICA for FY 2016/17 provides \$37,905 for 183 units of service (1 clinic hour each) at a rate of \$206.52 per unit. During the FY 2016/17 budgeting process, MICA made requests for substantial increases from the City, Story County, and United Way for this service (84% total increase requested). The volunteers recommended increases for the service that, on a percentage basis, were larger than typical for this budget cycle (33.5% total increase). However, these increases fell short of MICA's requests:

Funder	FY 2015/16 Contract Amounts	MICA FY 2016/17 Request		FY 2016/17 Volunteer Recommendation		% of Request Funded
		\$	% Increase Over FY 15/16 Adopted	\$	% Increase Over FY 15/16 Adopted	
City of Ames	\$ 27,750	\$ 52,608	89.6%	\$37,905	36.6%	72.1%
Story County	8,950	18,312	104.6%	12,370	38.2%	67.6%
United Way	14,250	25,940	82.0%	19,120	34.2%	73.7%
ISU Stu. Gov.	3,388	3,140	-7.3%	3,140	-7.3%	100.0%
<b>TOTAL</b>	<b>\$ 54,338</b>	<b>\$100,000</b>	<b>84.0%</b>	<b>\$72,535</b>	<b>33.5%</b>	<b>72.5%</b>

MICA has indicated a need for additional funding for the Dental Clinic, primarily due to the fact that the Medicaid reimbursement rate does not completely cover the costs for the services. MICA receives very little Medicaid reimbursement for basic services, such as checkups and cleanings. Medicaid reimburses at a higher rate for more advanced services, such as those that resolve dental pain issues. The Dental Clinic has been successful in that a dentist has been retained on staff for the past three years. High turnover in the on-staff dentist position in the past led to fewer clients coming in for basic services. As consistency in the dentist position has generated more patient visits for basic services, MICA's funding shortfall has grown.

MICA has instituted electronic billing to improve its efficiency. In addition, MICA has been supporting the Dental Clinic on a temporary basis with its Community Service Block Grant funds, which it normally uses to fund an array of services provided by the agency. An endowment fund has been established to provide ongoing funding for dental services through donations. MICA is also appealing to area dentists to provide operational support through donations to the endowment.

MICA has appealed to other local organizations for operational funding. It requested \$50,000 each from United Way of Story County and from the Story County Board of Supervisors.

**Earlier this year, UWSC and Story County each awarded \$35,000 to MICA on a one-time basis. Mary Greeley Medical Center has provided \$15,000 in support.**

MICA's request for \$50,000 from the City of Ames matches the requests made to Story County and United Way of Story County. It is unusual for the City to receive requests for operational support outside the ASSET budgeting process. Typically, requests made outside the ASSET budgeting process are to shift funds within an agency's budget in response to changes in service demand. On occasion, the City has provided one-time funds for a new agency to start up operations (e.g., Eyerly Ball in the early 2010s). **City staff would be hesitant to recommend operational funding for an agency outside the ASSET budgeting process unless the circumstances were very grave.**

It is City staff's expectation that MICA will again request a substantial increase in ASSET funding for the Dental Clinic in the FY 2017/18 ASSET budgeting process. Since the expectation is that the Dental Clinic will require more funding on an ongoing basis, the City Council should consider how comfortable it is with providing funds for this service at a higher level going forward. MICA may struggle to continue keeping the Dental Clinic operational without a consistent source of additional funding.

At the end of FY 2015/16, MICA had drawn down all but \$12.48 of the City's overall ASSET allocation to it. A total of \$62,166.71 in City funds went undrawn by ASSET agencies in FY 2015/16, although \$28,272.42 was carried over for potential drawdown by the Emergency Residence Project. Therefore, \$33,894.29 in ASSET allocations was returned to the Local Option Sales Tax fund balance at the end of the 2015/16 fiscal year. As the City Council may recall, the City's adopted FY 2016/17 budget includes approximately \$1,633,215 in unreserved fund balance in the Local Option Sales Tax fund. If the City Council provided additional funds to MICA, City staff would suggest looking to the Local Option Sales Tax fund to provide it.

If the City Council wishes to proceed with MICA's request, it would be appropriate to request that this item be placed on a future agenda for discussion. Alternatively, City staff would be happy to research this issue further if the Council has additional questions.



# Mid-Iowa Community Action, Inc.

---

## Story County Dental Clinic

Mayor Ann Campbell  
and City Council Members  
Ames City Council  
515 Clark Ave,  
Ames, IA 50010

Dear Mayor Campbell and City Council Members,

This is somewhat of a lengthy letter, however I wanted to provide a clear picture of the current situation of the Story County Dental Clinic.

As you know the Story County Dental Clinic (SCDC) has been serving the Central Iowa Community for over ten years. Serving only low-income families, the SCDC has attempted to close the gap between revenue from Medicaid, Dental Wellness Plan and those who self-pay the Medicaid rate, with community support and individual donations. At the present time Mid-Iowa Community Action, Inc. (MICA) is supporting the clinic with Community Service Block Grant (CSGB) dollars at an unsustainable rate.

In an effort to reduce the CSGB dollars used to support the clinic, new strategies to increase funds are being put in place. The MICA Story County Dental and Oral Health Endowment was established through the Story County Community Foundation. It was opened with a \$7,632.98 donation and since has received additional contributions.

In progress is an appeal to dentists in Central Iowa to both support the current operational cost and contribute to the foundation for long term support. In addition, MICA will be contacting communities that have high SCDC usage both for awareness as well as requesting support and increase donor base. MICA is redefining role of the SCDC Advisory Committee to increase the focusing on resource development and community awareness.

The SCDC has a strong compelling story to tell, serving those with limited to no access to dental care and the impact that has on preventing work loss and school absences, not to mention the positive impact on over all wellbeing and quality of life.

The Dental Wellness Program (DWP) has had an impact on the level of revenue due to the tiered model of service and low reimbursement rate for required assessments. However, there has been a higher rate of patient return preventative visits so that restorative procedures can begin for those patients that are reaching tier two and three of DWP services. Electronic billing has been instituted in the last month which should reduce denials as well as address issues around pre-authorization and improve efficiency.

At this time the SCDC is needing additional support for the operational budget to allow the plans in place to improve the difference between cost and revenue have time to produce results.

*Helping People. Changing Lives. Building Communities.*

---

We are requesting an additional \$50,000 from the City of Ames to help bridge this gap. Current budget projections as well as a three year plan is enclosed. I have also included a history of funding provided by the Story County United Way. I have asked United Way for \$50,000 and they have contributed \$35,000. I have approached Mary Greeley Medical Center to help the Story County Dental Clinic as well. MGMC has contributed \$15,000. MICA requested \$50,000 from Story County and received \$35,000. I will continue to seek funds in other ways to reduce the gap as much as possible. Operating cost funds are hard to find. Most often grants and foundation funding is available for equipment purchases or special one-time projects. They will not fund operating cost. As with many other community programs, the greatest SCDC need and the greatest challenge is to fund operating costs.

MICA administrative and executive team is monitoring the situation very closely. MICA is instituting every possible cost saving and revenue generating strategy. We firmly believe that in the long run these strategies will lead to success. However the immediate need is real. The resources MICA has to support the clinic are limited and currently exceed operating the clinic as it is currently. All options would need to be considered if funding support was not available. As with any business the Story County Dental Clinic has to have funds to operate. It is difficult for me to consider the final option but all options are on the table. With the contributions afore mentioned, the situation has moved in the right direction. However, MICA has put at stake agency resources at two and a half times the expected rate and leaves the agency with less available resources to support other agency programs that are impacted by the current and on-going changes that make funding and revenue uncertain.

MICA is making in long term planning for the SCDC. These are designed to increase revenue and support to the SCDC. Additional activities are designed to decrease cost. In addition to the efforts identified above, MICA will be contacting communities outside Story County that have SCDC patient usage both for awareness as well as requesting support and increase donor base.

The budget projections are based on \$2100 in fees and Title XIX revenue each clinic day. An average of 16 days a month, each increase of a hundred dollars a day is an additional \$19,200 dollars a year. The SCDC is streamlining office procedures, staffing and scheduling so that continued increase revenue is possible. This year the SCDC had under gone staffing changes which until positions were filled limited the procedures that were possible. Now that key positions are being filled with highly capable staff, it will become possible to achieve the level of service required to generate the revenue required to support the SCDC.

The clinic staff is working hard to move patients from urgent care to preventative care. Patients do consider the Story County Dental Clinic their Dental Home. In addition MICA is working with hospitals to help provide an alternative to visits to emergency rooms for acute dental pain. Alternatives for dental care continue to be limited for uninsured, and those served by Medicaid or Dental Wellness Plan. Many of the phone calls to the SCDC begin or end with "there are no other dentists that will take me".

Below please find the appointment numbers for October through March.

- Appointments at the Story County Dental Clinic: 1653  
New patients - 288      Return appointments – 1365
- Appointments with patients over 65 years of age: 139

*Helping People. Changing Lives. Building Communities.*

New patients – 18    Return appointments – 121  
Percentage of total appointments - 8%

- Appointments with patients between 30 and 64 years of age – 929  
New patients – 126    Return appointments – 803  
Percentage of total appointments - 56%
- Appointments with patients between 18 and 29 years of age – 215  
New patients – 63    Return appointments – 152  
Percentage of total appointments - 13%
- Appointments with patients under 18 years of age – 370  
New patients- 107    Return appointments – 263  
Percentage of total appointments - 22%
- Appointments with Ames residents are approximately 50% of total appointments

Thank you for your consideration.

Gloria Symons  
Health Services Director

*Helping People. Changing Lives. Building Communities.*