Department of Health Care Services (DHCS)
Little Hoover Commission Testimony
September 24, 2015

Overview of Medi-Cal Dental Program

The Medi-Cal Dental Program provides dental services to Medi-Cal eligible individuals. Total Medi-Cal enrollment in calendar year (CY) 2014 was approximately 10.5 million beneficiaries of which 4.6 million were children. The current State Fiscal Year 2015/2016 Dental Program budget is an estimated $1.3 billion dollars which is based upon validated claims experience from 2014. *(Please see attached data document for additional details).*

Dental services are offered through one of two delivery systems: Dental Managed Care (DMC) and Fee-For-Service (FFS).

- DMC is offered as a voluntary option for beneficiaries enrolled in Los Angeles County and mandatorily for most Medi-Cal eligibles in Sacramento County. DMC is administered through three DMC plans in both Los Angeles and Sacramento Counties (Liberty, Access and Health Net). Dental providers are contracted with DMC plans to provide services to DMC enrolled beneficiaries, and the DMC plans have network adequacy requirements of maintaining a ratio of 1 dentist to every 2,000 beneficiaries. In CY 2014, there were 485,002 children and 394,658 adults enrolled in the DMC program in both Sacramento and Los Angeles Counties.

- FFS is offered for beneficiaries statewide and is administered through a Fiscal Intermediary (FI) contract. Delta Dental of California is the current FI contractor. In the FFS delivery system, approximately 8,300 rendering dentists participate in the provision of dental services for the Medi-Cal eligible population statewide. In CY 2014, there were 4,116,911 children and 5,424,220 adults eligible for dental services.

There are 38 employees at DHCS that support the Medi-Cal Dental Program, consisting of managers, dental consultants, professional, information technology and administrative staff.

Program Improvement Efforts

DHCS has implemented a series of initiatives and program improvements in response to evolving changes in Medi-Cal and the dental industry. The following detailed efforts and/or initiatives focus on increased efforts to retain providers, improvements to increase beneficiary utilization of services, increased access to dental services, program transparency, and improved program administration:

1. ***AB 97 10% provider payment rate reduction exemption*****:** DHCS is currently working on acquiring approval from the federal government to implement the dental service exemption of the Assembly Bill (AB) 97 provider payment reduction as enacted through the 2015-2016 Governor's Budget. This change is expected to be effective July 1 2015 and was enacted as one effort to help maintain and improve provider participation.

2. ***Administrative simplifications for claims processing:*** Currently providers must provide pre-treatment radiographs with claims for payment for restorations (fillings and stainless steel crowns) with only a small random sample being examined for medical necessity.

This administrative simplification will change the requirement for providers to send such radiographs with the claims by not requiring providers to send pre-treatment radiographs initially but rather only if the claim has been selected for further radiographic review based on a random sample.

3. ***Administrative simplifications for provider enrollment:*** DHCS is evaluating opportunities to streamline the standard dental provider enrollment process and promoting the more expedited “preferred provisional provider” enrollment option that allows providers to have billing numbers issued earlier than the standard process.

4. ***Incentive payment strategies:*** DHCS is considering testing the efficacy of incentive payment strategies for dental providers to assess the impacts on access to care and utilization of services. DHCS has proposed the use value based incentives in Medi-Cal Dental Services aimed at expanding access to oral health services and improving utilization of preventive services. Under the 1115 Waiver Renewal, dental providers would be eligible to receive incentive payments for providing increased access to dental services for Medi-Cal beneficiaries. Incentive payments would be available for dental providers who newly enter the Medi-Cal system and provide specified levels of access to Medi-Cal beneficiaries. In addition, for existing Medi-Cal dental providers, incentives would be available to them for increasing the number of Medi-Cal members they treat.

Dental Request for Proposal (RFP) Highlights

DHCS’ approach to the RFP will result in contractual changes which will benefit DHCS, the Medi-Cal Dental Program, beneficiaries and providers. The Denti-Cal FI contract is being restructured to allow an IT organization to focus on the FI contract, and an Administrative Services Organization (ASO) contractor to focus on ensuring health benefits are available and delivered effectively and efficiently.

The highlights of the new administrative concepts embedded in the new ASO procurement includes increased emphasis on the needs of the beneficiary through outreach, care coordination and case management services, and an emphasis on meeting federal Early Periodic Screening Diagnosis Treatment screening requirements; provider network enhancements and strengthening components; and new and enhanced Liquidated Damages.

The contract will include a financial holdback of two percent, consisting of one percent for beneficiary outreach and utilization performance levels and one percent for provider outreach and participation performance levels, from the administrative payment until the end of the fiscal year. Contractually, the funds will only be released when all utilization increases have been met. Performance standards will be established at the start of operations, and all increases will be measured against this original baseline. If, for example, the provider outreach-specific required performance levels are met for the given contract year, the contractor will be entitled to receive the one (1) percent holdback related to provider outreach. Increasing utilization, points of access, participating providers and providers taking referrals will improve access to care, increase the number of services performed and increase utilization for California’s children.

Contractual requirements will include:

- Increase utilization of preventive services for children and an increase in the number of sealants applied on molars of children 6-9 as a provision to receive full payment. Care

coordination and case management is included to require the Contractor to increase oversight and monitoring of care for those beneficiaries who are the most at risk.

- Creation and staffing of a beneficiary outreach unit which will be responsible for improving access to care, utilization, facilitating coordination of care, overseeing case management and coordination, and producing/delivering education materials. Beneficiary performance levels must increase by 3.3 percentage points above the first year, 6.6 percentage points the second year, and ten (10) percentage points the third year for those metrics chosen in the contract. If the beneficiary outreach-specific required performance levels are met for the given contract year, the contractor will be entitled to the one (1) percent holdback related to beneficiary outreach and utilization.

	Beneficiary Utilization Increase	Potential Financial Holdback per Fiscal Year
Year 1	3.3 percentage points	1%
Year 2	6.6 percentage points	1%
Year 3	10.0 percentage points	1%

- Creation of a provider outreach section to focus on expanding the provider network, increasing the number of service offices or points of access, and the ability to locate a provider accepting new patients. Provider performance levels must increase from the initial base metrics established at the start of operations. The initial baseline increase must be 2.5 percentage points above baseline in the first year, five (5) percentage points above in the second year, 7.5 percentage points above in the third year, and ten (10) percentage points above in the fourth year. If the provider outreach-specific required performance levels are met for the given contract year, the contractor will be entitled to the one (1) percent holdback related to provider outreach and participation. Reimbursement of activities will only occur once the contractor can demonstrate an ability to accomplish the work and meet the goals associated with the contractual requirements. Minimally to receive full payment compensation the contractor must increase the number of actively participating Medi-Cal providers, increase the number of services offices treating and accepting new patients, and increase the number of providers accepting referrals.

	Provider participation increase	Potential Financial Holdback per Fiscal Year
Year 1	2.5 percentage points	1%
Year 2	5.0 percentage points	1%
Year 3	7.5 percentage points	1%

DHCS perceives the aforementioned changes to the contracts as positive improvements for increased contractor responsiveness; and believes the procurement of the new FI and ASO contracts will have a positive impact on the quality of service delivered to the Medi-Cal beneficiary population.

Alternative Service Delivery

DHCS has been exploring alternative modalities to improve access to care and utilization within the Medi-Cal Dental Program, including but not limited to:

Teledentistry (FFS) & Virtual Dental Home (DMC) – On September 27, 2014, Assembly Bill (AB) 1174 was approved by the Governor to establish the use of teledentistry as an alternative modality under the Medi-Cal program, to the extent federal funding is available. Additionally, this bill authorized scope of practice expansions for several types of allied dental professionals. As of July 1, 2015, DHCS implemented teledentistry in the FFS delivery system and the Virtual Dental Home in the DMC delivery system. DHCS is optimistic the implementation of teledentistry, combined with the administrative changes regarding allied professionals' participation in the program, will have a positive impact on increasing access to care for underserved populations, assist in overcoming geographic, economic, and physical barriers to care by using technology to bring care to the individual and through store and forward technology and/or two-way, real time interactive communication between the patient and the dental provider. Initially, the provider participation rate is expected to be low as a result of provider disinterest and the costs associated with purchasing store and forward technology.

Mobile Vans – The Medi-Cal Dental FI is currently in the process of conducting events to promote utilization of dental services by providing access to dental providers through mobile vans in underserved areas. Given historically low beneficiary utilization rates, Amador, Alpine, and Calaveras Counties will be first to benefit from services provided through mobile vans. In order to maximize the potential for success, local entities, such as First 5 and Head Start organizations, schools, and other stakeholders, are engaged to help ensure services will be utilized. DHCS and the FI are evaluating needs in other underserved areas to expand this service. It is also important to recognize that mobile vans are available on a limited basis for basic preventive and restorative treatment and must refer to nearby safety net clinic providers for continuity of care purposes as well as the cost of operating a mobile van is significant and is seen as a stop-gap solution as opposed to a long term solution to the problem of low beneficiary utilization and provider participation. DHCS will continue to assess underserved areas for effective strategies in delivering needed dental care to Medi-Cal beneficiaries, some of which can be alleviated through the use of teledentistry in safety net clinics.

Oversight Concerns of Medi-Cal Dental Program

DHCS has been responsive to the California State Auditor's (CSA) Office recommendations and has completed implementation for the majority of findings. Certain efforts, such as DHCS' completion of the annual rate review and development and implementation of dental measures, provide DHCS with greater insight into the status of the Medi-Cal Dental Program and any emerging barriers to access and utilization. Such remedies will assist DHCS to identify and implement needed program improvements on an ongoing basis.

Medi-Cal Dental Dashboard

DHCS received a grant from the California Health Care Foundation to develop an interactive dental dashboard that is useful to DHCS in monitoring the delivery of Medi-Cal dental services. The dashboard has been used by program staff as a tool in monitoring and effectively administering the dental program. The dashboard provides the Medi-Cal Dental Program the ability to easily modify parameters and create data visualizations to answer questions and determine what is driving trends in dental care. DHCS plans to release a custom version of the dental dashboard that meets the DHCS data release guidelines, for the public in the second half of calendar year 2015.

How California Compares with Other Sizeable States

There is not a lot of public data available for other states' provider participation rates nor is there available data on other states' ability to provide quality care in any area, including rural areas. There is however, utilization rate data that we have included to compare California to other similarly sized states. Please see below for utilization rates for California and comparable states, as reported in the CMS-416 report.

Federal Fiscal Year 2014 Medicaid Dental Utilization Rates As reported in the annual CMS-416 Report – based on 90 days continuous eligibility					
Performance Measures	**California**	**Florida**	**Illinois**	**New York**	**Texas**
Total Eligibles Receiving Any Dental Services	44.8%	29.4%	52.3%	42.4%	59.4%
Total Eligibles Receiving Preventive Dental Services	36.3%	25.6%	49.4%	40.9%	49.0%
Total Eligibles Receiving Dental Treatment Services	20.1%	11.4%	19.7%	19.5%	27.6%
Total Eligibles Receiving a Sealant on a Permanent Molar Tooth	15.7%	10.2%	19.4%	12.4%	20.1%
Total Eligibles Receiving Dental Diagnostic Services	37.6%	26.9%	50.4%	37.9%	58.3%

Promising Experiments and Best Practices Beyond California

Arizona: California is currently participating in the Children's Oral Health Initiative sponsored by CMS, which aims to increase dental utilization among children, ages 0-20, who receive a preventive dental service. As part of this initiative, Arizona's Performance Improvement Project (PIP) to increase the rate of annual dental visits for children ages 3-8 was showcased as an example of a successful PIP. Using data from Contract Year End (CYE) 2002 as a baseline, Arizona found that by CYE 2007, there was a relative increase of approximately 25% in the rate of annual dental visits for children ages 3-8. Arizona identified provider "no-show" logs, provider profiling, recruiting dental providers to the network, and working with outside stakeholders, such as Head Start, as some of their efforts that contributed to the increase in utilization. At the conclusion of the PIP, utilization appeared to level off and decline in some areas, and Arizona is continuing to implement efforts to increase utilization. DHCS continues to remain open to researching successes in other states as it looks for effective methods to increase provider participation and beneficiary utilization in the California Medicaid program.

Iowa: According to a recent report issued by the Children's Dental Health Project, Iowa's I-Smile dental home program for children in Medicaid uses 24 dental hygienists as regional coordinators. In 2005, the Iowa Legislature directed the Iowa Department of Human Services to assure Medicaid children age 12 and younger have a dental home. The I-Smile program provides targeted care coordination, risk-assessment, education and provider training, and health promotion through contracts with public or private non-profit organizations. I-Smile has seen a 59 percent increase from 2005 to 2014 in the number of children who visited a dentist; nearly four times as many children ages 0-5 had preventive dental care in 2013 compared to 2005.

Other Possible Considerations for the Medi-Cal Dental Program

DHCS acknowledges that the Medi-Cal Dental Program has inherent challenges. Provider compensation is often cited as a reason for providers to not participate in the program or to limit the extent of their participation. However, concerns about claims processing requirements, the need to find administrative simplifications, the provider enrollment process, and the

concern that appointments made for dental appointments often result in a patient no-show all contribute to the perceived challenges in developing a more robust provider network. DHCS must balance the need for reforms within its program while ensuring program integrity is upheld to secure the health and safety of its beneficiary population.

In response to provider concerns regarding high rates of no-shows for dental appointments, DHCS has issued a provider bulletin on best practices that have been effective for providers in encouraging patients to keep their appointments. DHCS will continue to assess effective strategies and consult with the dental stakeholder community to pursue strategies that have not previously been pursued.

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FY 14/15 Medi-Cal Dental Program Expenditures		
State Funds	**Federal Funds**	**Total Funds**
$395,189,120	**$706,443,410**	**$1,101,632,530**

FY 15/16 Medi-Cal Dental Program Expenditures		
State Funds	**Federal Funds**	**Total Funds**
$525,796,973	**$808,175,465**	**$1,333,972,438**

2013 Medi-Cal Dental Enrollment			
Delivery System	**Beneficiaries ages <21**	**Beneficiaries ages 21 +**	**Total**
Total DMC Beneficiaries	**467,305**	**170,861**	**638,166**
Total FFS Beneficiaries	**3,616,171**	**3,128,458**	**6,744,629**
All Beneficiaries	**4,083,476**	**3,299,319**	**7,382,795**

2014 Medi-Cal Dental Enrollment			
Delivery System	**Beneficiaries ages <21**	**Beneficiaries ages 21 +**	**Total**
Total DMC Beneficiaries	**485,002**	**394,658**	**879,660**
Total FFS Beneficiaries	**4,116,911**	**5,424,220**	**9,541,131**
All Beneficiaries	**4,601,913**	**5,818,878**	**10,420,791**

2013 Medi-Cal Dental Utilization Rates				
Medi-Cal beneficiaries who were continuously enrolled in same plan for 11 out of 12 months, had full scope benefits and no share of cost				
Performance Measures	Plan	Beneficiaries ages <21	Beneficiaries ages 21 +	Total Utilization
Annual Dental Visits-Beneficiaries who had at least one (1) dental visit during the measurement period.	DMC	37.1%	10.6%	28.2%
	FFS	55.0%	12.1%	36.6%
	Total Utilization	53.8%	12.1%	36.2%
Preventive-Beneficiaries who received any preventive dental service during the measurement period.	DMC	29.9%	0.8%	20.1%
	FFS	45.1%	1.4%	26.4%
	Total Utilization	44.1%	1.4%	26.1%
Exams/Oral Health-Beneficiaries who received a comprehensive or periodic oral health evaluation or, for Beneficiaries under 3 years of age, who received an oral evaluation and counseling with the primary care giver during the measurement period.	DMC	29.6%	2.9%	20.6%
	FFS	43.9%	1.8%	25.9%
	Total Utilization	43.0%	1.8%	25.6%
Dental Treatments-Beneficiaries who received any dental treatment service during the measurement period.	DMC	18.5%	8.5%	15.1%
	FFS	25.9%	8.8%	18.6%
	Total Utilization	25.4%	8.8%	18.4%

2014 Medi-Cal Dental Utilization Rates				
Medi-Cal beneficiaries who were continuously enrolled in same plan for 11 out of 12 months, had full scope benefits and no share of cost				
Performance Measures	**Plan**	**Beneficiaries ages <21**	**Beneficiaries ages 21 +**	**Total Utilization**
Annual Dental Visits-Beneficiaries who had at least one (1) dental visit during the measurement period.	DMC	37.8%	22.7%	33.7%
	FFS	52.6%	25.0%	38.9%
	Total Utilization	51.4%	24.8%	38.6%
Preventive-Beneficiaries who received any preventive dental service during the measurement period.	DMC	30.8%	7.3%	24.1%
	FFS	42.8%	10.7%	26.8%
	Total Utilization	41.8%	10.5%	26.7%
Exams/Oral Health-Beneficiaries who received a comprehensive or periodic oral health evaluation or, for Beneficiaries under 3 years of age, who received an oral evaluation and counseling with the primary care giver during the measurement period.	DMC	31.4%	16.2%	27.2%
	FFS	41.9%	15.9%	29.0%
	Total Utilization	41.0%	15.8%	28.8%
Dental Treatments-Beneficiaries who received any dental treatment service during the measurement period.	DMC	17.8%	13.4%	17.1%
	FFS	23.4%	13.7%	18.6%
	Total Utilization	22.9%	13.7%	18.5%

Medi-Cal Dental Program Participating Providers FY 13/14		
Participating Rendering Providers	**Participating billing providers**	**Number of Safety Net Clinics Billing Dental Encounters**
8,361	5,769	432

In the table above, "**participating**" is defined as submitting a claim, or appearing as a rendering provider on a claim.

A **rendering provider** is defined as a dentist who is responsible for the provision of services to the patient. A renderer works at a biller's practice and can be a biller.

A **billing provider** is defined as a business entity enrolled with the program who submits claims to the Medi-Cal Dental Program within the 12 month period. There is a system purge at the beginning of each month to deactivate providers who fail to submit claims within a 12 month period. All billers have a rendering provider ID as well and can provide services in their own practice.