



State of California

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November 20, 2017

The Honorable Edmund G. Brown Jr.
Governor of California

The Honorable Kevin de León
President pro Tempore of the Senate
and members of the Senate

The Honorable Patricia Bates
Senate Minority Leader

The Honorable Anthony Rendon
Speaker of the Assembly
and members of the Assembly

The Honorable Brian Dahle
Assembly Minority Leader

Pedro Nava
Chairman
Sean Varner
Vice Chairman
David Beier
Iveta Brigis
Anthony Cannella
Senator
Joshua LaFarga
Chad Mayes
Assemblymember
Don Perata
Bill Quirk
Assemblymember
Richard Roth
Senator
Janna Sidley
Helen Torres
Carole D'Elia
Executive Director

Re: Department of Health Care Services, Denti-Cal Program Still Broken

Dear Governor and Members of the Legislature,

In its 2016 report, *Fixing Denti-Cal*, the Little Hoover Commission found that California's Department of Health Care Services (DHCS) was "broken, bureaucratically rigid and unable to deliver the quality of dental care most Californians enjoy." After listening to a progress update from DHCS Director Jennifer Kent at its October meeting, the Commission is not yet convinced that enough has changed to improve the administration of the program and provide service to California's neediest children. Specifically:

- DHCS has chosen to ignore the legislature's 60 percent utilization target, instead striving for a far more modest increase in the number of eligible children who use their benefits to make annual dental visits.
- DHCS has not provided data collection and reporting information necessary to measure and evaluate progress.
- DHCS has not explained overall program performance or demonstrated streamlined administrative processes that improve administration of the program.

Perhaps most troubling to the Commission was the director's tone and tenor when discussing the millions of Californians the department is charged to serve. Referring to the program's population, Director Kent said "[it's not like us](#)," further explaining that they are burdened by many economic, employment, transportation and housing challenges. Program participants were described as "bennies" by both Ms. Kent and DHCS colleagues.

Despite promises to transform a troubled program that exists to serve half of California's children, DHCS is ignoring a state law, adopted without a single no vote by both the Assembly and Senate. SB 1098 (Cannella) called for the department to set a 60 percent utilization goal for Denti-Cal eligible children. Though approximately 20 percent of U.S. states have achieved a utilization rate well into the 60 percent range, as pointed out in the Commission's 2016 report, DHCS is unapologetically slouching toward a 47 percent target. In an October 19, 2017 letter to the Commission, Director Kent dismissed the 60 percent utilization target, instead stating "[the](#)

utilization goal of a ten percentage point increase over five years [from 37.84 percent of children ages one through 20 enrolled in Medi-Cal in 2014 to 47.84 percent by the end of 2020] seems like an appropriate benchmark to aim for.” Additionally, DHCS failed to submit a status report on achieving the 60 percent target to the Legislature on October 1, 2017, a second requirement of SB 1098. Ms. Kent failed to explain to Commissioners how and when the department could achieve the target, nor could she adequately explain how DHCS was measuring and monitoring progress or what steps would be taken to increase utilization rates beyond 2020, so that millions of eligible Californians may avoid preventable tooth disease and decay.

Further, Ms. Kent and her department provided scant information to the Commission when asked how it was addressing the 11 recommendations outlined in its *Fixing Denti-Cal* report. These recommendations sought to provide necessary solutions to transform a department culture long-dominated by fraud prevention, to one that balances the need to also focus on easing the path to enroll and reimburse dental professionals and ultimately expand access to dental care.

The Commission recognizes several major programmatic improvements underway since it last conducted its review due to appeals for change by the federal government, state lawmakers and voters. Namely, passage of Proposition 56 in 2016 to increase Denti-Cal provider reimbursement rates and plans to restore benefits to adults enrolled in the program, as well as the Dental Transformation Initiative – a five-year \$740 million joint venture of DHCS and the Centers for Medicare & Medicaid Services – to provide targeted financial incentives to dentists to treat more Denti-Cal patients and develop preventative approaches to oral health care through 2021. After years of calls for reform to the challenged program, these actions indicate steps in the right direction. Yet, a successful transformation is dependent on the ability and commitment of DHCS to implement the reforms and measure and track progress. To date, despite minor and long-needed administrative improvements in some areas – notably, creating an application specific to dental providers – Commissioners remain underwhelmed by the department’s progress.

In her letter to the Commission, Director Kent wrote “the department is continually monitoring the program to identify areas where improvement can be made. Data collection and reporting are critical elements in identifying areas of improvement and measuring program goals both from the perspective of service utilization and provider participation.” Yet, when asked to provide specific data around utilization rates, as well as provider enrollment figures, application processing times and processing times for reimbursement requests, the department was not prepared to respond with updated concrete figures, some of which are required reporting elements. In follow-up requests for data, the department provided the Commission additional information that seems to indicate an increase in the number of dentists seeking to enroll in the program, as well as shorter application processing times. If this is accurate, it is unclear why the department would not simply provide a definitive number to communicate progress on this vital metric. And without comparative data, it is not clear whether there has been an increase in participating dentists or whether these new enrollees expand access to communities unserved or underserved by the Denti-Cal program.

The Commission also found that the department currently is behind in meeting reporting requirements enacted last year through AB 2207 (Wood), which called for an expedited provider enrollment process and reporting of specified program performance measures. It remains difficult to know with certainty if program changes have resulted in an increase in enrolled providers, how many providers in each county participate in the Denti-Cal program, how many providers accept new clients, and, most importantly, whether more Californians are now accessing their Denti-Cal benefits because of program improvements. The Commission heard from several stakeholders, including providers and health plans that these metrics – and access to the program’s data – are critical for monitoring and

evaluating programs, particularly those that test new interventions intended to increase utilization. For example, the California Dental Association told the Commission that despite improvements made to public reporting of dental quality measures on the DHCS website, the association “[remains concerned with many aspects of the administration of the Denti-Cal program](#),” including a lack of data to confirm whether reforms have encouraged more providers to participate. Informed oversight, by this Commission and other bodies, is hampered without accurate, complete, timely and standardized data.

Additionally, department representatives could not provide the Commission a detailed narrative of how it had improved overall program performance or streamlined administrative processes beyond offering one-off examples. For example, after hearing extensive testimony about the onerous processes to authorize and reimburse providers for treatment services, the Commission recommended the department both overhaul its process for approving treatment authorization requests and also systematically review, and purge as necessary, outdated regulations. In information recently provided to the Commission, Director Kent indicated the department had a process to modify “[overly burdensome](#)” processes, but provided only one example of modifying the restoration radiograph submission requests. Similarly, Director Kent said that the department “[makes efforts to streamline processes where possible](#),” and pointed to the new consolidated dental provider application. While the Commission appreciates these standalone efforts, they do not indicate the kind of comprehensive overhaul necessary to reform and reboot the state’s dental program. Additionally, Commission recommendations to adopt customer-focused program improvements and better engage with stakeholders were met with responses indicating the department leadership believes existing practices already perform these functions.

As we embark on this season of thanksgiving, I can’t help but reflect on the contrasts this holiday presents for some of the neediest in our state. We can’t take for granted even some of the most fundamental daily rituals, like being able to eat a meal without pain. Far too many California children suffer from debilitating tooth decay, with all the associated long-term health consequences, and don’t have access to the most basic dental care. The Department of Health Care Services must do more to prioritize access to critical dental services and preventative oral care for counties and communities throughout the state. Particular thought and sensitivity must be taken to ensure those most vulnerable populations – the ones for whom travel to a dental visit due to lack of providers or have transportation issues, or taking time off of work or school, is difficult – are captured by the program’s safety net. The Commission will continue to monitor the department’s efforts to improve the Denti-Cal program, with at least one public meeting in the spring of 2018 and, in the meantime, stands ready to assist efforts to improve this critical program.

Sincerely,



Pedro Nava, Chairman

CC: Diana Dooley, Secretary, California Health and Human Services Agency
Jennifer Kent, Director, California Department of Health Care Services