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Executive Director

March 20, 2018

Terri Hardy

Executive Director

Little Hoover Commission

925 L Street, Suite 805

Sacramento, CA 95814

RE: DHS Proposed state plan amendment

(http://www.dhcs.ca.gov/Documents/SPA_18-003.pdf) clarifying

reimbursement policies for federally qualified health centers (FQHC) and rural health clinics (RHC) and adding marriage and family therapists as a new FQHC/RHC billable provider.

Dear Ms. Hardy,

As the Little Hoover Commission is conducting its 'Follow-up Study Concerning Denti-Cal', we would like to bring to your notice, **proposed State Plan Amendments (SPAs), which in our opinion may further limit access to dental care for Denti-Cal beneficiaries.**

The proposed SPAs would change statewide methods and standards for Medicaid payment rates. It is our opinion that the proposed SPAs are misguided, and therefore may result in unwanted consequences. The amendment will primarily undermine access to dental care by limiting dental care to four walls of a FQHC or RHC. It will also make it very difficult for Denti-Cal members to be seen by private dentists who choose to serve them by contracting with a FQHC or RHC. Poor oral health is linked to school absenteeism and low productivity; poor oral health is linked to complications for people with diabetes, heart and lung disease, and to poor birth outcomes. Access to dental services improves overall health and reduces the overall cost of health care; this should be DHCS's priority.

Working directly with DHCS is often challenging for private providers due to administrative burdens and service denials coupled with low reimbursement rate (30% of what commercial plans pay for similar services on average). Therefore, many private dental providers choose to instead, contract with these entities (FQHCs and RHCs) to serve Denti-Cal members. These agreements are beneficial to Denti-Cal members because they make dental care more accessible and available to them. For FQHCs and RHCs, these contracts enhance their capacity to serve underserved populations they are supposed to serve but cannot due to funding and physical space limitations. This model is also beneficial to DHCS because it increases access to care and

improves utilization rates. Paradoxically, DHCS's actions will limit their ability to see Denti-Cal members.

- In the newly proposed SPAs, in order to contract with a private provider, the “(d) services must be rendered within the private dental provider’s established place of business”.
- Special attention is paid to ensuring the patient is a patient of record with the FQHC first: “(g) The patients seen at the private dental provider’s location must be an established patient of the FQHC. The FQHC must refer its patients to the private dental provider and document the date and the reason for the referral.
- The **proposed** language also clarifies what “established patient” means: “(h) An “established patient” is one who **has an established medical record with the FQHC or RHC that was created during a visit within the four walls of the FQHC or RHC** that met the requirements of paragraph C.1. The medical record must have been **created three years prior to date the FQHC or RHC services were rendered**. A patient that has been assigned to an FQHC or RHC by a managed care plan and for which the FQHC or RHC and the managed care plan have entered into a Primary Care Physician (PCP) Agreement is also considered an established patient of the FQHC or RHC.”

These proposed regulations create scenarios that continue to make dental care inaccessible for Denti-Cal beneficiaries. One scenario is that of a Denti-Cal member that receives medical care at a private (non-FQHC/non-RHC) medical site and seeks dental care at a FQHC or RHC. In California, where 55% of physicians accept Medi-Cal but only 15% of dentists accept Denti-Cal, the likelihood of this happening is very high. By making dental care services available to FQHC members only, a large number of Medi-Cal/Denti-Cal members will continue to struggle finding needed dental care. Additionally, the requirement that the medical record must have been created three years prior to the date is not sensible nor justifiable.

Finally, the proposed regulations state that:

- **An FQHC or RHC cannot be reimbursed at the PPS rate for FQHC or RHC outpatient services rendered at a location outside the four walls of the FQHC or RHC...**

This new language may limit school-based activities by restricting how FQHCs and RHCs are paid for services rendered outside their four walls. School-based health care services are essential to improving access to care and offer a great opportunity to deliver preventive services to high-risk Denti-Cal beneficiaries.

Traditionally, SPAs and Medicaid waivers have been used to streamline regulations and create demonstration projects to promote innovations. The Dental Transformation Initiative (DTI) exemplifies its use. However, this new direction by DHCS would have the opposite results.

I welcome the opportunity to discuss this with you in more details and address any questions you might have. Please feel free to reach me by email at CBarzaga@tc4oh.org or by phone at 909-469-8300.

Yours truly,

Conrado E. Bárzaga, MD
Executive Director