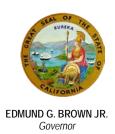


State of California—Health and Human Services Agency Department of Health Care Services



May 11, 2017

The Honorable Lorena Gonzalez Fletcher Assembly Appropriations Committee State Capitol, Room 2114 Sacramento, CA 95814

Dear Assemblymember Gonzalez Fletcher:

ASSEMBLY BILL 15 (AS AMENDED MARCH 23, 2017) - OPPOSE

The Department of Health Care Services (DHCS) must inform you of its opposition to Assembly Bill (AB) 15, which is on the Assembly Appropriations Suspense File. AB 15 would require DHCS to double the Denti-Cal provider reimbursement rates for the 15 most common prevention, treatment, and oral evaluation services, based on the average rates per service established in Fiscal Year (FY) 2015-16. The bill would also appropriate funds for FY 2017-18 from the Healthcare Treatment Fund (HCTF) created by Proposition 56 of 2016, as well as commensurate federal matching funds.

As proposed, AB 15 would increase costs by over \$243 million (\$113 million HCTF/\$130 million federal funds) annually. Adjustments to provider rates with fiscal implications are more appropriately addressed as part of the budget process.

If you have any questions, please contact me at 440-7500.

Sincerely,

Original signed by

Carol Gallegos Deputy Director

cc: The Honorable Brian Maienschein Member of the Assembly

State Capitol, Room 4139 Sacramento, CA 95814 The Honorable Lorena Gonzalez Fletcher Page Two May 10, 2017

cc (continued):

Co-Chair and Members, Assembly Appropriations Committee Assembly Republican Caucus

bcc: CHHSA Legislative Unit Department of Finance