



**Department of Health Care Services  
Dental Transformation Initiative (DTI)  
Domain 1: Increase Preventive Services Utilization  
Frequently Asked Questions  
Revised Payment Methodology  
April 24, 2018**

This document is a compilation of frequently asked questions and responses regarding the Dental Transformation Initiative (DTI) Domain 1 revised payment methodology for Program Year (PY) One effective for the January 2018 payment. The Department of Health Care Services (DHCS) will update this document as necessary.

**Q:** What changes to the incentive calculation methodology were made for each of the domains?

**A:** The recalculation only impacts D1; no other domains were revised. Factors contributing to the methodology updates:

1. The cut-off point for partial vs. full benchmark (1% to 2%) was corrected. Under the original methodology, the system generated rounding errors, causing procedures to round up or down. This impacted payments based on which way it rounded. Once corrected, some providers were deemed to have been underpaid, and some overpaid.
2. Full run-out of claims – in some cases, claims were paid based on the provider claims submitted by the cut-off date for PY payment in January; after full run-out of claims, the claims that were paid did not necessarily match the actual approved claims. This caused some providers to be underpaid, and others overpaid.
3. Provider merge – some providers had prior data under different NPIs that were not accounted for in the original methodology. Once the provider NPIs were merged, the benchmarks were updated. This caused the system to correct for over and underpayment.
4. Self-reporting errors – Providers without system generated claims data were allowed to self-report. Once data was uploaded into the system, corrections were made by comparing submission to actual data.
5. Procedure code counts vs. beneficiary counts – in some cases payments were tied to beneficiary count as opposed to procedure code count. In the bulk of those, the state underpaid.

**Q:** When did the new methodology become effective and what is the impact of this new methodology on incentive payments. More specifically, are incentive payments expected to increase or decrease as a result of this change? Which incentive payment cycles were/will be impacted by the change?

**A:** The revised methodology was finalized and systematically implemented within PY 2, but was applied to PY 1. Incentive payments overall were expected to increase as a result of these recalculations, and our expectations were realized once January 2018 payments were issued. The financial impact of this recalculation only applied to the January 2018 D1 payment, and PY 1 expenditures/payments will likely be fully realized by the July 2018 payment. The baseline/benchmarks should not change again post implementation of the recalculations until DHCS re-baselines for future PYs.

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**Q:** There was a Domain 1 letter from DHCS regarding methodology and documentation being revised. Does this apply to PY 1 and how will the changes be applied?

**A:** Yes, the letter applies to PY 1. The financial impact of this recalculation only applied to the January 2018 D1 payment, and PY 1 expenditures/payments will likely be fully realized by the July 2018 payment.

**Q:** How can health centers know if their incentive was calculated using the recent updated methodology?

**A:** The recent updated methodology was applied to all participating providers' incentive payment calculation, as informed via a Revised Payment Methodology Letter issued to all participating providers on January 25, 2018.

**Q:** Did this impact all providers or just SNCs?

**A:** This change impacted all participating dental service office locations, including SNCs.

**Q:** How can I find out what my practice qualifies for in Domain 1?

**A:** You can send your email inquiry, including your practice's billing NPI, to [dti@dhcs.ca.gov](mailto:dti@dhcs.ca.gov)