

**Department of Health Care Services (DHCS)
One-Year Supplemental Payment
Funded by Proposition 56 Tobacco Tax Funds
Allocated for the 2019 State Fiscal Year
Frequently Asked Questions (FAQ)**

This document is a compilation of Proposition 56 (Prop 56) tobacco tax funds FAQ and responses about the supplemental payments for certain dental services. DHCS will update this document as necessary.

1. What is the Prop 56: Supplemental Payment?

Answer: On November 8, 2016, California voters approved the California Healthcare, Research and Prevention Tobacco Tax Act (commonly known as Prop. 56) to increase the excise tax rate on cigarettes and tobacco products to help fund health care expenditures. Prop 56 funding, allocates a specified portion of the tobacco tax revenues beginning in FY 2017-2018. DHCS was authorized to extend supplemental payments in FY 2018-19, for certain categories of health care expenditures, including dental services. In June 2019, DHCS was authorized to continue the existing Prop 56 supplemental payments effective July 1, 2019 through December 31, 2021 without changes.

2. How will Prop 56 help the Medi-Cal population or what is the intent?

Answer: As a result of the Prop. 56-tobacco tax increase, approved by voters in 2016, the 2017-18 state budget allocated up to \$546 million for additional Medi-Cal provider reimbursements, including \$140 million for dentists who bill under the Dental Fee-for-Service fiscal intermediary or the Dental Managed Care Plans. The 2018-19 state budget approved an extension of supplemental payments including the top 26 utilized dental services in addition to general anesthesia, periodontal, additional time for patients with special needs, and orthodontia. With the accompanying federal matching funds, this will amount to a supplemental increase to dental providers that serve California's Medi-Cal population for hundreds of dental procedures in the following categories: restorative, endodontic, prosthodontics, surgical, diagnostic and adjunctive services. The state's intent is to increase access to dental care for Medi-Cal members by offering supplemental payments to providers who render services in the identified categories.

3. When is Prop 56 effective?

Answer: Prop 56 became effective July 1, 2017, and continues through December 31, 2021.

4. Will 2019 Prop 56 supplemental payments be *retroactive* to the effective date?

Answer: No, retroactive payments for the extension for dental procedures with dates of service July 1, 2019, to December 31, 2021, were not necessary because the existing dental procedures for supplemental payments continued without interruption.

5. When will 2019 supplemental payments start?

Answer: Payments for dental procedures with dates of service beginning July 1, 2019, continued without interruption.

6. What CDT codes are covered under Prop 56? (Where can I find the list)

Answer: Dental procedures eligible for the supplemental payment are listed by CDT codes and are published in two locations linked below:

[Provider Bulletin - September 2021 Volume 37, Number 19](#)

[Current CDT Codes for Proposition 56 Supplemental Payments](#)

7. Where can I find a list of the Schedule of Maximum Allowances (known as the dental fee schedule)?

Answer: The SMAs can be found in the Medi-Cal Dental Provider Handbook, Section 5, pages 5-106 through 5-126 linked below: _

[Medi-Cal Dental Provider Handbook SMA Section 5](#)

8. Was there a public notice posted announcing Prop 56? If so, when and what dates were available for comments?

Answer: Yes, the public notice was posted on Tuesday, June 18, 2019, and the public comment period ended on Thursday, July 18, 2019. The public notice can be found [here](#).

9. Has CMS (federal government) approved Prop 56 supplemental payments?

Answer: Yes, there were multiple SPAs approved by CMS. CMS approved the most current SPA (SPA 19-0038) on Wednesday, August 14, 2019.