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

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DATE: October 9, 2015

TO: ALL MEDI-CAL DENTAL MANAGED CARE PLANS

SUBJECT: **APL 15-009: MODIFICATIONS TO THE PERFORMANCE MEASURES AND BENCHMARKS FOR THE MEDI-CAL DENTAL MANAGED CARE PROGRAM**

The purpose of this All Plan Letter (APL) is to inform the Medi-Cal Dental Managed Care (DMC) plans that effective effective January 1, 2016, for Sacramento County Geographic Managed Care (GMC) and July 1, 2016, for Los Angeles County Prepaid Health Plan (PHP), the Department of Health Care Services (DHCS) will be initiating the following Performance Measure and Benchmark (PMB) modifications. DHCS anticipates the following changes will improve data reporting by easing administrative processes and incentivize the DMC plans to increase beneficiary utilization.

Eligibility Calculation Modification
In order to align with the Centers for Medicare and Medicaid Services (CMS) data reporting requirements for dental program data, DHCS will define eligibility as the number of members enrolled for at least 90 continuous days in the same plan during the reporting period, excluding multi-year measures. This method will replace the existing method of calculation in which eligibility is based on the number of members continuously enrolled in the same plan for 11 out of 12 months with no more than a one month gap in eligibility, as delineated in Exhibit A, Attachment 6, Performance Measures and Benchmarks of the DMC contract(s) prior to the applicable contract amendment. All PMBs, including the following modifications, will be subject to the new eligibility criteria.

Age Stratifications
The PMB age stratifications will be reduced from a total of eight stratifications to six, and will closely align with the age stratifications in the CMS 416 Report. The new age stratifications will replace the existing age stratifications outlined in Exhibit A, Attachment 6, Performance Measures and Benchmarks of the DMC contract(s) prior to the applicable contract amendment. The Use of Sealants and Sealant to Restoration Ratio measures will be exempted from this change and will retain their defined age stratifications as outlined in aforementioned contract provision.

The new age stratifications are as follows:

- Ages zero through two;
- Ages three through five;
- Ages six through nine;
- Ages ten through 14;
- Ages 15 through 18; and
- Ages 19 through 20.

DHCS will evaluate age stratifications annually and make changes as necessary to facilitate achievement of program goals.

Adult Beneficiary PMBs

DHCS will be establishing adult beneficiary PMBs to monitor utilization of adult beneficiaries. The DMC adult beneficiary performance measures will closely align with established Fee-For-Service (FFS) performance measures and are consistent with the California Welfare and Institutions Code §14132.915. Fresno County FFS utilization data will be used to set the benchmarks for Sacramento County GMC, and Los Angeles County FFS utilization data will be used to set benchmarks for Los Angeles County PHP.

The adult beneficiary performance measures, which will include all adult beneficiaries age 21 and above with no other age stratifications, are as follows:

1) **Use of Preventive Services** - Percentage of Medi-Cal beneficiaries, who received any preventive service during the measurement period. The numerator shall be defined as the number of Medi-Cal beneficiaries enrolled in the same plan for at least 90 continuous days, who received any preventive dental service (D1000-D1999) during the measurement period. The denominator shall be defined as the number of Medi-Cal beneficiaries enrolled in the same plan for at least 90 continuous days during the measurement period;
2) **Treatment/Prevention of Caries** - Percentage of Medi-Cal beneficiaries, who received either treatment for caries or a caries-preventive procedure. The numerator shall be defined as the number of Medi-Cal beneficiaries enrolled in the same plan for at least 90 continuous days, who received a treatment for caries (D2000-D2999) or a caries-preventive procedure (D1203-D1206, D1310, D1330, D1351) during the measurement period. The denominator shall be defined as the number of Medi-Cal beneficiaries enrolled in the same plan for at least 90 continuous days during the measurement period;

3) **Exams/Oral Health Evaluations** - Percentage of Medi-Cal beneficiaries, who received a comprehensive or periodic oral health evaluation during the measurement period. The numerator shall be defined as the number of Medi-Cal beneficiaries enrolled in the same plan for at least 90 continuous days, who received a comprehensive or periodic exam (D0120 or D0150) or, for members under three years of age, who received an oral evaluation and counseling with the primary caregiver (D0145), during the measurement. The denominator shall be defined as the number of Medi-Cal beneficiaries enrolled in the same plan for at least 90 continuous days for the measurement period**;**
4) **Annual Dental Visit** - Percentage of Medi-Cal beneficiaries, who had at least one dental visit during the measurement period. The numerator shall be defined as the number of Medi-Cal beneficiaries continuously enrolled in the same plan for at least 90 days, who received any dental procedure (D1000-D9999) during the measurement period. The denominator shall be defined as the number of Medi-Cal beneficiaries enrolled in the same plan for at least 90 continuous days; and
5) **Usual Source of Care** - Percentage of Medi-Cal beneficiaries, who received any dental service each year for two consecutive years. The numerator shall be defined as the number of Medi-Cal beneficiaries continuously enrolled for two consecutive years with no gap in coverage, who received at least one service in each of those years. The denominator shall be defined as the number of Medi-Cal beneficiaries continuously enrolled for two consecutive years with no gap in coverage.

DHCS will evaluate the PMBs for adult beneficiaries annually and make changes as necessary to facilitate achievement of program goals. DMC plans will submit encounter data for adult beneficiary PMBs in accordance with the submission requirements outlined in Exhibit A, Attachment 4, Management Information Systems, and Exhibit A, Attachment 7, Utilization Management of the DMC contract(s). Adult beneficiary PMBs will be subject to the ten percent withhold as delineated in Exhibit A, Attachment 6, Performance Measures and Benchmarks of the DMC contract(s) following the applicable contract amendment.

Modification of the Ten Percent PMB Withhold
DHCS will evaluate the PMBs tied to the withhold on an annual basis and make changes as necessary to facilitate achievement of program goals. The withhold will apply to all age stratifications for child beneficiaries. DHCS has elected to tie the ten percent withhold for children to only the following three PMBs:

1) **Annual Dental Visit** - Percentage of Medi-Cal beneficiaries, who had at least one dental visit during the measurement period;
2) **Use of Preventive Services** - Percentage of Medi-Cal beneficiaries who received any preventive dental service during the measurement period; and
3) **Use of Sealants** - Percentage of Medi-Cal beneficiaries ages six through nine and ten through 14, enrolled in the same plan for at least 90 continuous days during the measurement period, who received a dental sealant on at least one permanent molar.

DHCS will evaluate the PMBs tied to the withhold on an annual basis and make changes as necessary to facilitate achievement of program goals. The withhold will apply the adult beneficiary age stratification of age 21 and above. DHCS has elected to tie the ten percent withhold for adults to only the following two PMBs:

1) **Annual Dental Visit** - Percentage of Medi-Cal beneficiaries, who had at least one dental visit during the measurement period; and
2) **Use of Preventive Services** - Percentage of Medi-Cal beneficiaries, who received any preventive dental service during the measurement period.

DMC plans will continue submit encounter data for all PMBs in accordance with the submission requirements outlined in Exhibit A, Attachment 4, Management Information Systems, and Exhibit A, Attachment 7, Utilization Management, of the DMC contract(s).

PMB Ten Percent Withhold Calculation Methodology

As part of the DMC contracts, DHCS withholds ten percent of the plan's monthly capitation payment. In 2014, DHCS modified the methodology utilized to calculate which portion of the ten percent PMB withhold would be released to the plan. The new methodology became effective January 1, 2013, for Sacramento County GMC and July 1, 2013, for Los Angeles County PHP. This methodolgoy determines the amount reimbursed to the plan based on the number of beneficiaries served, not to exceed ten percent of the annual capitated rate.

The benefits portion of the rate shall be calculated by utilizing the "Projected Cost" delineated in the capitated rates package for the applicable contract period. The "Projected Cost" dollar amount is different for children and adults and should be calculated accordingly. If there is more than one rates package, then the weighted average "Projected Cost" should be calculated utilizing all applicable rates packages. The steps for calculating the withheld dollars retained by DHCS are delineated below in Attachment 1.

Updated Templates
DHCS will provide updated templates under separate cover outlining the abovementioned PMB modifications, and expects that DMC plans will utilize these templates for the submission of the quarterly PMB deliverable.

If you have any questions regarding this letter, please contact DHCS at dmcdeliverables@dhcs.ca.gov.

Sincerely,

[redacted]

Kalanie Lipscomb, Chief
Contract Management & Policy Unit
Medi-Cal Dental Services Division

APL 15-009 Attachment 1

Performance Measure and Benchmark

Ten Percent Withhold Calculation Methodology

Performance Measure and Benchmark Withhold Dollars Retained by the Department of Health Care Services

Step 1: Determine the number of eligibles and actual users based on 90-day continuous eligibility criteria in the same plan (submitted by the Dental Managed Care [DMC] plan on the External Quality Review Organization [EQRO] Report).

Step 2: Utilizing the benchmark and the number of eligibles, calculate the number of users that are required to achieve the benchmark ("Total Req. Users").

Step 3: Subtract the number of actual users from the number of required users to obtain the number of unserved beneficiaries.

Step 4: Multiply the number of unserved beneficiaries by the benefits portion of the capitated rate for the applicable contract year to obtain the amount the Department of Health Care Services (DHCS) will retain of the ten percent withheld amount.

Step 5: Repeat steps 1 – 4 for all benchmarks except Sealant to Restoration Ratio. The Sealant to Restoration Ratio methodology is outlined in detail below.

Sealant to Restoration Ratio Withhold Dollars Retained by the Department of Health Care Services

Step 1: Determine the number of actual Fee-For-Service (FFS) sealants and actual FFS restorations rendered (retrieved from Dental Dashboard).

Step 2: Determine the number of unduplicated FFS users of sealants based on 90-day continuous eligibility criteria in the same plan (retrieved from Dental Dashboard).

Step 3: Calculate the FFS sealant to restoration ratio utilizing the FFS sealants and restorations derived in Step 1.

Step 4: Determine the number of actual DMC sealants and actual DMC restorations rendered (submitted by the DMC plan on the EQRO Report).

APL 15-009 Attachment 1

Performance Measure and Benchmark

Ten Percent Withhold Calculation Methodology

Step 5: Calculate the ideal number of users per sealant, who are necessary to achieve the benchmark based on FFS data.

Step 6: Based on the number of DMC restorations, calculate the number of sealants required to meet the benchmark by multiplying the DMC restorations with the FFS Sealant to Restoration Ratio.

Step 7: Subtract the number of actual DMC sealants rendered from the number of required sealants to obtain the number of deficient sealants.

Step 8: Calculate the number of unserved beneficiaries.

Step 9: Multiply the number of unserved beneficiaries by the benefits portion of the capitated rate for the applicable contract year to obtain the amount of dollars the state will retain of the ten percent withheld amount.