



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



EDMUND G. BROWN JR.  
GOVERNOR

DATE: August 1, 2016

TO: ALL MEDI-CAL DENTAL MANAGED CARE PLANS

SUBJECT: **APL 16-009 Waiver of the Capitation Payment Withhold for Performance Measures and Benchmarks**

The Department issues this All Plan Letter (APL) under Exhibit E, Additional Provisions, Provision 5, section d, of the Medi-Cal Dental Geographic Managed Care and Prepaid Health Plan contracts (Contracts). This APL informs the Medi-Cal Dental Managed Care Plans (DMCs) that the Department of Health Care Services (Department) has waived the ten percent capitation invoice withhold for performance measures and benchmarks (PMBs) for service periods dated July 1, 2014 or later, and through the end of the current contract term period subject to publication of a subsequent APL as described below. In addition, this waiver is valid for subsequent contract extensions.

Welfare and Institutions Code § 14459.6(a)(5), which sets forth the performance measure standards for the DMCs, identifies that the Department will update PMBs and establish additional PMBs. Moreover, Exhibit A, Attachment 6, section D, of the Contracts, requires the Department to re-evaluate PMBs. The Department is currently re-evaluating the capitation invoice withhold methodology and related PMBs. This re-evaluation will be undertaken in consultation with our plan partners and other stakeholders. Upon completing this re-evaluation, the Department will issue an updated APL describing the application of the updated PMBs to the capitation withhold for invoices. The updated capitation invoice withhold and PMBs will apply only to invoices dated after the publication of said subsequent APL. Any outstanding amounts on invoices to be paid pursuant to this APL will be paid via the CAPMAN system.

If you have any questions with respect to this letter, please contact DHCS at [dmcdeliverables@dhcs.ca.gov](mailto:dmcdeliverables@dhcs.ca.gov).

Sincerely,

[Redacted Signature]

Eric Mayes, Chief  
Dental Managed Care Contract Management and Policy Unit  
Medi-Cal Dental Services Division