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Department of Health Care Services



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DATE: June 22, 2018

TO: ALL MEDI-CAL DENTAL MANAGED CARE (DMC) PLANS

SUBJECT: APL 18-009: REQUIREMENTS FOR USE OF NON-MONETARY MEMBER INCENTIVES

PURPOSE:

The purpose of this All Plan Letter (APL) is to inform all Dental Managed Care (DMC) plans of guidelines for use of any non-monetary member incentive(s) (MI). In addition, this APL introduces the MI Request for Approval Form, and clarifies the process for DMC plans to obtain Department of Health Care Services (DHCS) approval prior to implementing any incentive programs.

BACKGROUND:

Welfare and Institutions (W&I) Code §14407.1(a) and (b) authorizes DMC plans to use non-monetary incentives to promote good health practices if prior written approval is obtained by DHCS. Furthermore, W&I Code §14407.1(e) requires DHCS to develop and publish written guidelines for the appropriate use of non-monetary incentives.

The use of incentives to motivate individuals to adopt healthy behaviors, such as accessing preventive dental treatment or pre/post-partum dental care, could ultimately lead to improved dental health status, enhanced prevention, and better oral health outcomes.

POLICY:

DMC plans must obtain DHCS approval prior to implementing any form of MI program. DMC plans are required to submit an annual report to justify continuation or termination of a MI program by describing whether or not the MI program was successful. DMC plans have the ability to submit their own proposal for a non-monetary incentive program to DHCS for review by submitting an MI Request for Approval Form to the dental@dhcs.ca.gov inbox. This form must be submitted to DHCS 30 calendar days prior to the desired start date of the MI program.

A. Value of Incentives

The value amounts of MI programs must not be disproportionately large, and should correspond to the value of the service and the level of commitment and time required for the member to carry out the desired action. The perception of value for

an MI may differ from region to region and from program to program. DMC plans should use their best judgement when determining the amount to give for incentive. However, a non-monetary MI should be valued at \$25 or less. The suggested value is provided to assist DMC plans in determining an appropriate current dollar value for incentives. The suggested dollar value is expressed in 2018 dollars and may be adjusted for inflation in future years.

DMC plans are required to include what type of incentive they would like to offer on the MI Request for Approval Form and how it relates to the focus of the MI program.

B. Incentive Restrictions

The following provides guidance on restrictions of incentive use:

1. *Inducing Enrollment or Continuation of Enrollment.* DMC plans are prohibited from offering incentives or any other form of remuneration for the purpose of encouraging enrollment or continuing enrollment. Therefore, incentives can only be offered to existing members enrolled in the DMC plan.
2. *Cash Incentives.* DMC plans are prohibited from offering monetary incentives.
3. *Cash-Redeemable Incentives.* DMC plans must avoid providing incentives that can be redeemable for cash.

C. Submission and Approval Process

DMC plans must obtain DHCS approval prior to implementing an MI program. As of the date of this letter, please follow the steps outlined below when submitting the MI Program Request for Approval Form:

1. Fill out an MI Program Request for Approval Form completely and email the form to dental@dhcs.ca.gov. Incomplete forms will be returned and the program denied until a completed form is submitted and approved.
2. DHCS will review the request form and provide a response within 15 calendar days.
3. If the MI program request is approved by DHCS, the DMC plan may proceed with implementation. If the MI program is denied or conditionally approved, the plan will have 15 calendar days to resubmit the form. If the form is not resubmitted timely, the request process starts over and the plans will need to adjust its initial requested implementation date.
4. For long-term MI programs (e.g. greater than six months) that have been approved, submit the first annual report 60 days after the program start date. The deadline for subsequent annual reports will be based on the date the first annual report was submitted. For short-term MI programs (e.g. six months or less) that have been approved, submit a report 60 days after completion of the program. All reports are to be submitted to dental@dhcs.ca.gov.
5. When there are substantial changes to an approved MI program, submit a new MI Program Request for Approval Form and check the box indicating it is a "Change to Current MI Program." Include the DHCS approved MI Program Request for Approval Form with the email and send to dental@dhcs.ca.gov.

Please send questions regarding this APL and/or specific questions about an individual request to dental@dhcs.ca.gov.

Sincerely,

Originally signed by:

Alani Jackson, MPA
Chief, Medi-Cal Dental Services Division
Department of Health Care Services

Enclosure