



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



GAVIN NEWSOM
GOVERNOR

DATE: September 21, 2020

TO: ALL MEDI-CAL DENTAL MANAGED CARE PLANS

SUBJECT: APL 20-002: CONTINUATION OF SUPPLEMENTAL PAYMENTS FOR CERTAIN DENTAL SERVICES USING PROPOSITION 56 TOBACCO TAX FUNDS FOR JULY 1, 2020 THROUGH DECEMBER 31, 2020

PURPOSE:

The purpose of this All Plan Letter (APL) is for the Department of Health Care Services (DHCS) to direct DMC plans to continue making supplemental payments to providers from July 1, 2020 through December 31, 2020 and remind DMC plans to continue submitting quarterly reports to DHCS documenting Prop 56 payments.

BACKGROUND:

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. Under Prop 56, a specified portion of the tobacco tax revenue is allocated to DHCS for use as the non-federal share of health care expenditures in accordance with the annual state budget process. In accordance with Assembly Bill 120 (Chapter 22, §3, Item 4260-101-3305, Statutes of 2017), Senate Bill 856 (Chapter 30, §3, Item 4260-101-3305, Statutes of 2018), and Assembly Bill 74 (Chapter 23, §3, Item 4260-101-3305, Statutes of 2019), DMC plans provided supplemental payments during State Fiscal Years (SFY) 2017-18, 2018-19, and 2019-20 as an increase to the current dental Schedule of Maximum Allowances (SMA) for specific dental procedures.

For SFY 2017-18, the supplemental payment was at a rate equal to 40 percent of the SMA for specific restorative, endodontic, prosthodontic, oral and maxillofacial, adjunctive, and visits and diagnostic services. For SFYs 2018-19 and 2019-20, the supplemental payments for existing codes were continued with the exception of 8 codes that were increased and 23 new codes that were added (including general anesthesia, periodontal, and orthodontia) to receive supplemental payments which varied between 20-60 percent of the SMA, or a specific dollar increase. DHCS previously issued APLs

17-007¹, 18-010², 19-002³, and 20-001⁴ to inform DMC plans of Prop 56 funding allocated for SFYs 2017-18, 2018-19, and 2019-20 and direct DMC plans to making supplemental payments to providers.

On September 15, 2020, DHCS received approval from the Centers for Medicare and Medicaid Services (CMS) to continue the directed payment arrangement for DMC plans from July 1, 2020 through December 31, 2020.

POLICY:

Continuation of Directed Payments

For July 1, 2020 through December 31, 2020, DMC plans shall continue making supplemental payments for certain dental services in the following dental categories restorative, endodontic, prosthodontic, oral and maxillofacial, adjunctive, visits and diagnostic services.

The supplemental payment rates for the existing categories stated above remain between 20-60 percent of the SMA. For the previously identified 26 utilized dental services, including general anesthesia, periodontal and orthodontia, the supplemental payment will continue to either reflect a specific dollar increase per the identified code or will be a percentage increase above the existing Medi-Cal SMA rate.

The Prop 56 Supplemental Dental Payments webpage⁵ of the DHCS website continues to contain updated resources for DMC plans including hyperlinks to:

- The “Current Dental Terminology (CDT) Codes and SMAs for Prop 56 Supplemental Payments” table⁶
- The Provider Bulletin (June 2019, Volume 35, Number 21)⁷

In addition, the Medi-Cal Dental Program Provider Handbook⁸ (Section 5, pages 5-106 through 5-126) publishes the SMA for all dental procedures.

¹ <https://www.dhcs.ca.gov/services/Documents/MDSO/2017%20DAPLs/APL-17-007-ADAC.pdf>

² http://www.dhcs.ca.gov/services/Documents/MDSO/2018%20DAPLs/APL_18-010_Prop_56_FINAL.pdf

³ https://www.dhcs.ca.gov/services/Documents/MDSO/2019%20DAPLs/APL_19-002_Prop_56.pdf

⁴ <https://www.dhcs.ca.gov/services/Documents/MDSO/2020%20DAPLs/APL-20-001.pdf>

⁵ <https://www.dhcs.ca.gov/services/Pages/Proposition-56-Dental.aspx>

⁶ <https://www.dhcs.ca.gov/services/Documents/MDSO/Prop%2056/Prop56DentalFY1921Codes.pdf>

⁷ <https://www.dhcs.ca.gov/services/Documents/MDSO/Prop%2056/Volume-35-Number-21.pdf>

⁸ https://dental.dhcs.ca.gov/DC_documents/providers/provider_handbook/handbook.pdf#page=134

Continuation of Quarterly Reporting

DMC plans shall continue reporting all Prop 56 directed payments made to providers using the Prop 56 Directed Payment Report (P56 Report). P56 Reports shall be submitted by the plan to DHCS no less than 45 days following the end of the calendar year (CY) reporting quarter. DMC plans shall ensure that each quarterly P56 Report is inclusive of all dates of services for which supplemental payments were paid to providers during the CY reporting quarter. Dates of service should be filtered from oldest to most recent and delineate not only the supplemental payment made for each line entry, but also the total supplemental payments made during the CY reporting quarter.

If you have any questions, please contact dmcdeliverables@dhcs.ca.gov.

Sincerely,

Original Signed by:

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