POLICY at Healthforce Center at UCSF

Policies and Initiatives Impacting Medi-Cal Dental Care: 2014 - 2023

by Aubri Kottek, MPH, and Elizabeth Mertz, PhD, MA

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Overview

Access to dental care for millions of Californians is tied to coverage by California's Medicaid (Medi-Cal) Dental insurance program. While child dental coverage is federally mandated, adult dental coverage is optional. In 2009, adult dental coverage was mostly eliminated but was partially reinstated in 2014 followed by several other policy initiatives designed to improve dental care access. Healthforce Center's Associate Director of Research Beth Mertz has been leading a team to analyze Medi-Cal claims and provider data and understand how well these policies worked to incentivize provider participation and improve dental care access for adults enrolled in Medicaid. This policy explainer details each of the policies impacting the Medi-Cal Dental program from 2014 through mid-2023. This document serves as a reference for advocates and researchers examining access to dental care and as a supplement to subsequent research reports.

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Healthforce Center at UCSF, Box 1242, 490 Illinois Street, Floor 11, San Francisco, CA, 94143

Introduction

Dental care services are covered under the California Medi-Cal Dental Program (formerly Denti-Cal). Numerous reports have found the program to be deficient in providing adequate access to care for both adults and children. The state has instituted a number of programs and policies to improve dentist participation in the program and access to care for Medi-Cal enrollees. These policies are detailed below.

Policy Summary Timeline

Month and Year	Description
July 2009	Elimination of adult dental benefits
January 2014	Affordable Care Act expanded Medicaid eligibility
May 2014	Partial adult benefits (AB 82)
December 2014	State Auditor's report
July 2015	10% rate increase
January 2016	Dental Transformation Initiative (DTI) began* (focus on children)
April 2016	Little Hoover Commission report
July 2016	HRSA Oral Health Service Expansion (OHSE) grants
July 2017	Prop 56 supplemental payments for procedures
January 2018	Full adult benefits (SB 97)
July 2018	Prop 56 supplemental payments expanded
September 2018	Letter from Little Hoover Commission
May 2019	CalHealthCares FY18-19 loan repayment awards (20 dentists)
September 2019	HRSA Oral Health Infrastructure grants
March 2020	Six-week shut down of most dental services (COVID-19)
May 2020	CalHealthCares FY19-20 loan repayment awards (38 dentists)
June 2021	CalHealthCares FY20-21 loan repayment awards (44 dentists)
January 2022	CalAIM initiatives launch
July 2022	CalHealthCares FY21-22 loan repayment awards (33 dentists)
June 2023	Medi-Cal eligibility redeterminations begin
June 2023	Final report evaluating the DTI
July 2023	CalHealthCares FY22-23 loan repayment awards (34 dentists)

* Impact on service would vary by demonstration pilot sites, which also vary by domains and counties.
HRSA = Health Resources and Services Administration; CalAIM = California Advancing and Innovating Medi-Cal

Policies and Initiatives Discussion

2014-15: ACA, Adult Benefits Reinstated, Auditor's Report, Fee Reinstatement

On the heels of the implementation of expanded Medi-Cal eligibility from the Affordable Care Act (ACA), Assembly Bill 82 partially restored dental benefits to adults retroactive to May 2014 (bill enacted in June 2013). The restored benefits included basic preventive, diagnostic, restorative, limited root canal treatments, and complete dentures. In December of 2014, the state auditor's report identified weaknesses in the Medi-Cal Dental Program that limited access for children. Then, as part of the Budget Act of 2015, California eliminated a prior payment reduction, increasing most dental service fees by 10% effective July 1, 2015.

2016: Little Hoover Commission Report, Dental Transformation Initiative, HRSA Expansion Grants

In 2016, the Little Hoover Commission, an independent state oversight committee, released a highly critical report on the state of the Denti-Cal program. The report found that California's Medicaid dental program, Denti-Cal, "ranks among state government's greatest deficiencies, falling disastrously short in providing dental care to a third of California's population and half of its children." A number of recommendations were made for improvement.

At the same time, in response to the 2014 auditor's report, a major investment in children's oral health, the Dental Transformation Initiative was launched. The large and multifaceted initiative, focused exclusively on children, was part of the Medi-Cal Section 1115 waiver and ran through December 2020.

DTI had four major domains of activities:

1. **Activity Domain 1:** Goal was to increase utilization of preventive services for members ages 1 through 20; dental offices received incentive payments of varying amounts for meeting or exceeding certain benchmark rates of increasing preventive services delivered to the target population (implemented statewide across all counties and delivery systems).

2. **Activity Domain 2:** Goal was to diagnose early childhood caries, manage caries using preventive services and non-invasive treatment approaches instead of more invasive and costly restorative procedures, and focus on rewarding caries risk assessments (CRAs) and treatment plans for those ages 6 and under; incentives were paid for the use of a bundled package of services that included use of a CRA tool and related educational and motivational interventions for patients and caregivers. Providers had to opt into this domain and needed to complete training and submit a certification of completion for the training. In February 2017, 11 pilot counties launched this domain (Glenn, Humboldt, Inyo, Kings, Lassen, Mendocino, Plumas, Sacramento, Sierra, Tulare, and Yuba) followed by another 18 counties in January 2019 (Contra Costa, Fresno, Imperial, Kern, Los Angeles, Madera, Merced, Monterey, Orange, Riverside, San Bernardino, San Diego, San Joaquin, Santa Barbara, Santa Clara, Sonoma, Stanislaus, and Ventura).

3. **Activity Domain 3:** Goal was continuity of care for members ages 20 and under; incentives were paid annually at the service office/location level, the amounts paid increased incrementally with each year of additional continuity an office achieved for a given member (also increased by $60 per member after 2019). Fee-for-service (FFS) providers were not required to opt in, but safety net clinic (SNC) providers were required to complete an opt in form. In January 2016, 17 pilot counties launched this domain (Alameda, Del Norte, El Dorado, Fresno, Kern, Madera, Marin, Modoc, Nevada, Placer, Riverside, San Luis Obispo, Santa Cruz, Shasta, Sonoma, Stanislaus, and Yolo) with another 19 counties joining in

January 2019 (Butte, Contra Costa, Imperial, Merced, Monterey, Napa, Orange, San Bernardino, San Diego, San Francisco, San Joaquin, San Mateo, Santa Barbara, Santa Clara, Solano, Sutter, Tehama, Tulare, and Ventura).

4. **Activity Domain 4:** This domain covered Local Dental Pilot Programs (LDPPs), the first of which launch in April 2017 with 12 other LDPPs approved by the end of 2017. The 13th LDPP was added in early 2018. The goals of the LDPPs varied by site but the overarching goals had to be focused on one or more of the other three domains through alternative programs, including local case management initiatives and innovative partnerships.

The Dental Transformation Initiative was evaluated by Mathematica.

Federal investment in oral health service delivery focused on SNCs. The Health Resources and Services Administration (HRSA) funded $156 million to 420 health centers across the country in federal fiscal year 2016-2017 with explicit goals of adding at least 1.0 new full-time equivalent dental provider to existing health centers along with support for some additional equipment. Sixty-five SNCs in California were awarded a total investment of $15.9 million statewide for oral health service expansion.

2017-18: Proposition 56 Supplemental Payments, Reinstatement of Full Adult Benefits

The next major statewide policies aimed at Medi-Cal dental services came in fiscal year 2017-2018 and calendar year 2018: Proposition 56 (Prop 56) supplemental payments and full reinstatement of adult dental benefits.

California has long been ranked toward the bottom for fee schedules in dental Medicaid programs. Prop 56, also known as the California Healthcare Research and Prevention Tobacco Tax Act, was passed in 2016 to fund health care programs for low-income Californians covered by Medi-Cal.

Prop 56 supplemental payments for select restorative, endodontic, prosthodontic, oral and maxillofacial, adjunctive, and visits and diagnostic services were reimbursed to eligible providers (SNCs are excluded) at a rate equal to 40% of the Dental Schedule of Maximum Allowances (SMA). These payments were approved by the legislature (Assembly Bill 120) on 6/27/17 and by the Centers for Medicare and Medicaid Services (CMS) via State Plan Amendment (SPA) 17-031 on 11/22/17, and retroactive payments for services rendered as of 7/1/17 were mailed to providers on 12/7/17.

In the next fiscal year (2018-2019), supplemental payments were continued, increasing payment for 8 procedure codes, and adding 23 new codes (including general anesthesia, periodontal, and orthodontia) to receive supplemental payments that vary between 20% and 60% of the SMA or a specific dollar increase. These payments were effective as of 7/1/18 and continued each fiscal year via Assembly Bill 74 and SPA 19-0038 through 12/31/21, with a new set of eligible procedure codes detailed in SPA 20-0015 and authorization to continue supplemental payments indefinitely via Assembly Bill 128 and SPA 21-0030. These supplemental payments brought the fee schedule up significantly as one way to increase provider participation in the program.

At the same time that Prop 56 supplemental payments were first enacted, the legislature (Senate Bill 97) fully restored optional adult dental benefits that were not restored by Assembly Bill 82 on 7/10/17, followed by CMS approval (SPA 17-027) on 3/27/18. These restored benefits included laboratory-processed crowns, posterior root canal therapy, periodontal services, and partial dentures, including denture adjustments, repairs, and relines. New benefits were retroactive to 1/1/18 for all adults over the age of 21.

2019: Prop 56 Dental Loan Repayment Program; HRSA Oral Health Expansion Grants

In addition to supplemental payments for specific services, Prop 56 also funded loan repayment awards to California physicians and dentists who provide care to Medi-Cal patients through the CalHealthCares program. Eligible dentists may apply for a loan repayment up to $300,000 in exchange for a five-year service obligation. Eligible dentists may also apply for a practice support grant up to $300,000 to relocate, expand, or establish their practice to one of the geographic target regions in exchange for a ten-year service commitment. All dental specialties are eligible, but they must maintain a patient caseload of at least 30% Medi-Cal members, have graduated since 2017 (loan repayment) or 2007 (practice support grant), and have an unrestricted license to practice in California. The 2018-19 grant cycle awarded $10.1 million to 38 dental awardees in 19 counties. Most awardees (90%) were general dentists, 10% were pediatric dentists, and most practiced in a SNC (17) with another 12 in a group practice, 7 in solo private practice, and the remaining 2 in academic dentistry. These loan repayment awards and practice support grants have continued each fiscal year, with 173 total dentist awardees. This investment, administered by CalHealthCares, far exceeds the loan repayment programs run by the California Dental Association Foundation, the California Department of Health Care Access and Information (HCAI), the Dental Board of California, and the National Health Service Corps.

The last notable progressive policy affecting dental access in California in the timeframe of this study was a subsequent investment in SNC infrastructure. HRSA awarded over $85 million to 298 health centers across the country in fiscal year 2019 to expand their oral health service capacity through new infrastructure enhancements. Applicants could apply for up to $300,000 to support one-time physical and organizational infrastructure investments to provide new or enhance existing high-quality, integrated oral health services in health centers (e.g., alteration and renovation expenses, equipment, health IT, teledentistry, etc.). In California, 46 SNCs received these awards for a total investment of $12.8 million statewide in oral health infrastructure.

2020-23: COVID-19 Public Health Emergency, CalAIM, Medicaid Redeterminations

The latest waves in Medi-Cal reform are transformative: redesigning Medi-Cal through the California Advancing and Innovating Medi-Cal (CalAIM) initiative, and member eligibility redeterminations after three years of the COVID-19 public health emergency's continuous coverage requirements. CalAIM is a sweeping transformation of the Medi-Cal delivery system toward a population health approach that prioritizes prevention and whole-person care. CalAIM is expected to influence Medi-Cal Dental access through a few key initiatives:

1. New dental benefits and statewide pay-for-performance (P4P) measures:
    - CRA bundle for young children (0 to 6 years of age)
    - Silver Diamine Fluoride for young children (0 to 6 years of age) and specified high-risk and institutional populations (persons with underlying conditions such that nonrestorative caries treatment may be optimal, which may include adults living in a Skilled Nursing Facility/ Intermediate Care Facility [SNF/ICF] or part of the Department of Developmental Services [DDS] population)
    - P4P payments rewarding preventive services and establishing/maintaining continuity of care through a dental home
        - Preventive P4P services: A flat rate performance payment (75% of SMA) for each paid preventive service rendered by a service office location. Eligible preventive services include 24 codes total, 17 codes specific for children only.
        - Continuity of care P4P: An annual flat rate performance payment ($55 per patient) to a dental service office location that maintains dental continuity of care by establishing a dental home for each patient and performing at least one annual dental exam/evaluation

(D0120/D0150/D0145) for two or more years in a row.

2. Building capacity and infrastructure of non-clinical partners (e.g., community-based organizations, tribes, schools), through grant mechanisms (e.g., PATH and CITED funds), to provide enhanced care management and offer community support services addressing enrollee's social determinants of health

3. Requiring managed care plans to assess and manage their enrollee's whole health risks, needs, and health-related social needs through population health management strategies tied to financial incentives (i.e., Incentive Payment Program)

Finally, the COVID-19 public health emergency (PHE) essentially shuttered all dental care services between mid-March to early May 2020. As well, during the PHE, states were required to maintain Medicaid coverage for people already enrolled in the program (i.e., providing continuous coverage). When the PHE designations ended on April 1, 2023, states were given the green light to start eligibility "redeterminations" – the process of collecting information from people with Medicaid to re-check income and other documentation and determine whether they remain eligible for the program. The first month of California's Medi-Cal redeterminations was June 2023. Since July 2023, Medi-Cal enrollment has steadily decreased, with a 6.4% cumulative percent change in Medi-Cal enrollment over the first year of redeterminations. Medi-Cal coverage was renewed for over 8.7 million enrollees while just over 2 million individuals were disenrolled from Medi-Cal as of May 2024.

Conclusion

The past decade has seen significant change for the Medi-Cal Dental Program, yet access to dental care for Medi-Cal enrollees continues to be a significant problem. Low participation by dental providers in the program, shortages of dental hygienists and assistants following the COVID-19 pandemic, and limited capacity of the dental safety net continue to hinder making progress on the state's oral health goals.

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