



JENNIFER KENT  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

August 16, 2018

The Honorable Kevin McCarty  
State Capitol, Room 2136  
Sacramento, CA 95814

Dear Assemblymember McCarty:

ASSEMBLY BILL 11 (AS AMENDED JULY 3, 2018) – OPPOSE

The Department of Health Care Services (DHCS) must inform you of its opposition to Assembly Bill (AB) 11. AB 11 would require screening services provided under the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Medi-Cal benefit to include developmental screening services for children ages zero to three years, inclusive. The bill would also require an external quality review organization (EQRO), as part of the federally required annual detailed technical report on external quality review results, to annually review, survey, and report on Medi-Cal managed care health plan (MCP) reporting and compliance with the use of the validated developmental screening tools and periodicity schedule recommended by the American Academy of Pediatrics (AAP) for children zero to three years of age. The EQRO component of the bill would apply to contract periods commencing on or after July 1, 2018, and would be effective until July 1, 2023.

Consistent with both federal and state requirements, Medi-Cal's delivery systems cover periodic and inter-periodic screenings in accordance with the AAP's periodicity schedule and recommendations, which include developmental screenings performed at 9, 18, and 30 months of age using a standardized screening tool and developmental surveillance at every scheduled well child visit up until 21 years of age. Furthermore, pursuant to the Medi-Cal State Plan, providers are required to screen all children for developmental delays through EPSDT. As such, the portion of the bill that relates to requiring screening services provided under EPSDT to include developmental screenings is unnecessary.

In regards to the portion of the bill dealing with an annual EQRO report on developmental screening rates, such a requirement is unnecessary given DHCS' existing administrative authority and recent experience. In 2017, DHCS commissioned its EQRO to conduct a focus study on developmental screening rates in MCPs. The

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EQRO utilized a quality metric, which relied on the presence of a specific Current Procedural Terminology (CPT) code in the encounter data reported by the provider to the MCP. Though the study found a low rate of developmental screening based on the presence of the CPT code, the study also found that the presence, or lack thereof, of a specific CPT code may not reflect the true rate of developmental screening services provided and should not be used as the sole source to evaluate MCP performance for developmental screening. The quality metric may underestimate the rate of developmental screening because many providers are not aware of the need to code for a developmental screening using a specific CPT code. For example, a provider may bill for a general office visit, rather than for the specific screenings that took place at that visit, which would result in a lower reported screening rate.

While DHCS supports efforts to improve the effectiveness of developmental screening services for children, requiring the EQRO to report on the rate of developmental screening would only produce additional incomplete data, as evidenced by the 2017 focus study. In an effort to produce more complete data, DHCS, through its existing authority, is updating the Medi-Cal policy manual in order to provide clear guidance to Medi-Cal providers regarding covered and reimbursable periodic and inter-periodic preventive care and screening for infants and children. DHCS anticipates that by clarifying policy and billing guidance, providers will be more likely to bill specifically for screenings provided to infants and children, rather than for a general office visit, thereby yielding more accurate data on the number of screenings provided. In addition, this guidance may serve to increase provider awareness of the requirement that development screenings occur.

Though DHCS is supportive of the intent of AB 11, given existing efforts and requirements, it is not clear that AB 11 is necessary.

For these reasons, DHCS opposes AB 11.

If you have any questions, please contact me at 440-7500.

Sincerely,

*o/s/by: CG*

Carol Gallegos  
Deputy Director

cc: The Honorable Rob Bonta  
Senate Republican Caucus  
Senate Floor Analysis  
Department of Finance  
CHHS Legislative Unit  
GO Deputy Legislative Secretary