

**California's Medi-Cal 2020 1115 Demonstration Waiver (11-W-00193/9)
Dental Transformation Initiative (DTI) Amendment
Special Terms and Conditions (STCs) and Attachment JJ
August 1, 2016**

This document contains the proposed changes to the current STCs language in red with asterisks for ADA-compliance. Striked-out language is indicated with one asterisk (*) and additions are indicated with two asterisks ().**

106. Domain 1: Increase Preventive Services Utilization for Children

In alignment with the CMS Oral Health Initiative, this program aims to increase the statewide proportion of children ages one (1) through twenty (20) enrolled in Medi-Cal who receive a preventive dental service in a given year. The Department's goal is to increase the utilization amongst children enrolled in the FFS and DMC dental delivery systems by at least ten (10) percentage points over a five (5) year period. The Department will commit to re-assessing the goal ~~*annually throughout the Demonstration period*~~ **(**)**after PY 2**(**)** and increase said percentage, if appropriate, based on the success of the domain. For example, the 2014 rate for the state using the Form CMS-416 methodology was 37.84 percent of children. Thus, if this rate remained the same for the demonstration baseline year, the ten (10) percentage point improvement goal for this five (5) year demonstration would be to increase this rate to 47.84 percent of children statewide. DHCS will use the CMS 416 methodology for reporting purposes, but will pay out incentives using unrestricted eligibility criteria.

DHCS will offer payments as financial incentives for dental service office locations to increase delivery of preventive oral care to Medi-Cal children, and to maintain preventive oral care for children who previously received that service. As of September 2015, there are 5,370 service office locations across California that participate in the Medi-Cal Dental Program. DHCS will stage a messaging campaign to explain the new incentive program to the provider community and to generate interest among beneficiaries. DHCS will leverage existing contract provisions specific to provider and beneficiary outreach to operationalize the commitments of these STCs.

a. Program Criteria. The incentive program will provide semi-annual incentive payments to dental provider service office locations that provide preventive services to an increased number of Medi-Cal children, as determined by the Department. Eligible providers will receive payments based on them achieving an increased number of Medi-Cal children who received eligible preventive dental services, as compared to a baseline pre-determined by the Department. Providers who render preventive services to a number of children that meets or exceeds a Department pre-determined number of beneficiaries, by ~~*county*~~ **(**)**~~service office location(**,)~~ would qualify for the incentive payment.

Further, the program will also disburse incentive payments to providers who were not previously participating in Medi-Cal and rendering preventive services, but who do so during the demonstration, on the condition that they meet or exceed the provision of services based on the Department pre-determined number of beneficiaries, by county, needed to be served to achieve the goal. ****The new service office location's pre-determined number will be the average number of beneficiaries among all existing service office locations in the county needed to**

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increase the statewide goal of two (2) percentage points. In subsequent demonstration years, the Department will re-evaluate the service office location and develop a benchmark using the same methodology as described above for existing dental providers in the program.**

Safety net clinics would also be eligible for these incentives and would be supplied with incentive payments separate and apart from their Prospective Payment System (PPS) or Memorandum of Agreement (MOA) rates for Federally Qualified Health Centers/Rural Health Centers and Tribal Health Centers, respectively. Each safety net clinic office location would be considered a dental service office location for purposes of this domain.

To illustrate, if a service office location provided preventative services to 1,000 beneficiaries for the selected benchmark year, its baseline benchmark is 1,000. In the first year, the annual target benchmark will be to increase by two percentage points over 1,000 thus, this service office location would need to provide preventive services to an additional 20 new beneficiaries ($1,000 \times 0.02 = 20$).

The Department will determine the number of additional beneficiaries to be served in order to achieve the goal of ten (10) percentage point utilization increase statewide.

~~(*)That number will be distributed across counties based the county's proportional expected contribution to the statewide utilization increase. For example, if the number of child Medi-Cal beneficiaries in County A account for thirty (30) percent of the statewide Medi-Cal children population, and 100 users are necessary to increase the statewide utilization by ten (10) percentage points, then County A service office locations will need to serve an additional thirty (30) beneficiaries. If County A needs to serve thirty (30) additional beneficiaries and there are ten (10) service office locations enrolled in the program, that goal of thirty (30) additional users would then be equitably distributed across the number of service office locations in the county; therefore, each service office location in County A would need to see three (3) additional users to qualify for the incentive payment. The same Departmental established per service office location goal, by county, would apply to both current and newly enrolled providers. (*)~~

Incentive payments will be based on each ~~(*)Each(*)~~ service office location ~~**that meets or exceeds**~~ ~~(*)will receive credit towards meeting or exceeding(*)~~ the Department pre-determined goal for ~~**increases in preventive services provided to**~~ every child ~~*to which they provide a preventive service*~~ within frequency limitations regardless of whether that child is a previously established patient of that service office location. ~~*However, service office locations will only be paid incentive payments on preventive services provided to those beneficiaries they provide services to once they have met the Department established goal.*~~

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- b. Responsibilities of Providers Service office locations are expected to continue to follow claiming and billing guidelines of the Medi-Cal Dental Program and to adhere to requirements of this incentive program.
- c. Performance Metrics The Department will calculate a baseline measure of the rate of children's utilization of preventive services statewide and for each ~~*county*~~ ~~(**)*service office location(**)~~, within the Medi-Cal FFS and DMC dental delivery systems, with a goal of increasing the statewide utilization of preventive services for children by at least ten (10) percentage points over five (5) years. The Department will also calculate the number of service locations that are providing preventive services to an increased number of children. The baseline year will consist of data from the most recent complete year preceding implementation of the waiver. Beneficiary utilization and service office location participation will be reassessed ~~*on an annual basis thereafter*~~ ~~(**)*after PY 2(**)~~.

The first metric that will be used for monitoring domain success is the percentage of beneficiaries who received any preventive dental service during the measurement period, which is calculated as follows:

- i. Numerator: Number of unduplicated children ages one (1) through twenty (20) enrolled in Medi-Cal for at least ninety (90) continuous days who received any Medi-Cal covered preventive dental service (D1000-D1999) in the measurement period.
 - ii. Denominator: Number of unduplicated children ages one (1) through twenty (20) enrolled in Medi-Cal for at least ninety (90) continuous days during the measurement period.
 - iii. The second metric that will be used is claims data to determine the number of service office locations in each county that are providing preventive dental services to children, compared to the number of these locations in the baseline year.
 - iv. A third metric will track statewide the number and percentage change of Medicaid participating dentists providing preventive dental services to at least ten (10) Medicaid-enrolled children in the baseline year, and in each subsequent measurement year.
- d. State Oversight, Monitoring, and Reporting
- i. Program Integrity: To ensure program integrity, the Department will perform annual assessments of service utilization, billing patterns and shifts in enrollment for anomalies that may be indicators of fraud, waste or abuse. The Department is required to ensure that all claims submitted for adjudication are handled in a timely manner. Any suspicious claim activity is tracked through the program's Surveillance Utilization Review System (SURS) to prevent fraud and abuse.
 - ii. Monitoring Plan/Provisions: To measure the impact on the utilization of preventive services, there will be monitoring of actively participating service

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office locations and monitoring of preventive services utilization statewide and by county via claims utilization.

- iii. Reporting of Activity: The Department will be responsible for reporting on data and quality measures to CMS on an annual basis in the demonstration annual report. A preliminary report will be delivered only to CMS for internal review six (6) months following the end of the applicable PY. An updated report will be delivered to CMS and published publicly twelve (12) months following the end of the applicable PY. Content will include, but not be limited to:
 - i. A detailed description of how DHCS has operationalized this domain, including information about which entities (DHCS, MCOs, dental vendor, others) have responsibility for the components of this domain;
 - ii. The number of individual incentives paid, and the total amount expended, under this domain in the current PY;
 - iii. A plan (awareness plan) that describes (a) how the Department has generated awareness of the availability of incentives for providing preventive dental services to children, including steps taken to increase awareness of the DTI among dental as well as primary care providers, and (b) how the Department has generated awareness among enrollees of the availability of, the importance of, and how to access preventive dental services for children. Specific approaches will break out for example, age groupings, rural and urban residents, or primary language and should be developed in conjunction with interested dental and children's health stakeholders.
 - iv. An annual analysis of whether the awareness plan has succeeded in generating the necessary utilization, by subgrouping, to meet the goals of this domain, and a description of changes to the awareness plan to address any identified deficiencies;
 - v. Data describing the use of preventive dental services and, separately, other dental services, and expenditures on preventive dental services and, separately, other dental services;
 - vi. A discussion of the extent to which the metrics described for this domain are proving to be useful in understanding the effectiveness of the activities undertaken in the domain;
 - vii. An analysis of changes in cost per capita;
 - viii. A descriptive analysis of any program integrity challenges generated by this domain and how those challenges have been, or will be, addressed; and
 - ix. A descriptive analysis of the overall effectiveness of the activities in this domain in meeting the intended goals, any lessons learned, and any adjustments recommended.

- e. Incentives DHCS may earn additional demonstration authority, up to a maximum of \$10 million, to be added to the DTI Pool for use in paying incentives to qualifying providers under DTI, by achieving higher performance improvement, as

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indicated in the below table:

PY	Target	\$1 million in additional demonstration authority for achieving:	\$2 million in additional demonstration authority for achieving:
1	+ two (2) percentage points over baseline year	Not Applicable	+ three (3) or more percentage points over baseline year
2	+ four (4) percentage points over baseline year	+5 or more percentage points over the baseline	+ six (6) or more percentage points over baseline year
3	+ six (6) percentage points over baseline year	+7.5 or more percentage points over the baseline	+ nine (9) or more percentage points over baseline year
4	+ eight (8) percentage points over baseline year	+10 or more percentage points over the baseline	+ twelve (12) or more percentage points over baseline year
5	+ ten (10) percentage points over baseline year	+12.5 or more percentage points over the baseline	+ fifteen (15) or more percentage points over baseline year

- f. Financing The incentive payment for preventive services will equate to a payment of approximately seventy-five (75) percent above the Schedule of Maximum Allowances (SMA) ~~**or partial incentive payments at thirty-seven and a half (37.5) percent above the SMA reflecting achievement of a 1 to 1.99 percentage point increase if the benchmark is partially met. To the extent that the projected funding limit is reached for this Domain, a pro-rata share payment amount will be determined based on remaining funds.** (*)for all preventive services provided to the children above the Department pre-determined threshold for the number of beneficiaries served, (*)~~ ~~**This number of beneficiaries is**~~ subject to the annual funding limits contained herein and any annual limit applicable to this specific domain. The incentive funding available for payments within this domain will not exceed the amount apportioned from the DTI pool to this domain for the applicable PY, except

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as provided for in STC 105.

- g.** Evaluation The results of this project will be used to determine if provider incentive payments are an effective method by which to encourage service office locations to provide preventive dental services to more Medi-Cal children and to what extent an incentive payment is an effective method for increasing Medi-Cal provider participation which could then impact better access to care for children.

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**Project 1: Increase Preventive Service Utilization for Children
Required Project**

Project Domain	Increase Preventive Services Utilization for Children
Rationale (Evidence base and reasoning behind project idea)	
Based on reports produced by the Department of Health Care Services (DHCS), as of September 2015 the Denti-Cal provider network had 5,370 service office locations across California. DHCS is proposing to incentivize dental provider service office locations to increase preventive oral care to Medi-Cal children.	
Goals/Objectives (Project-specific Triple Aim goals and expected project outcomes)	
<ul style="list-style-type: none"> ➤ Increase the statewide proportion of children ages one (1) through twenty (20) and under enrolled in the Medi-Cal Dental Program and who receive a preventive dental service by ten (10) percentage points over a five (5) year period ➤ Maintain preventive oral care for children who previously received this service 	
<p>The incentive program will provide semi-annual incentive payments to dental provider service office locations that provide preventive services to an increased number of Medi-Cal children, as determined by the Department. Eligible providers will receive payments based on them achieving an increased number of Medi-Cal children who received eligible preventive dental services, as compared to a baseline pre-determined by the Department. Providers who render preventive services to a number of children that meets or exceeds a Department pre-determined number of beneficiaries, by *county* (**service of location(**), would qualify for the incentive payment.</p>	
<p>Further, the program will also disburse incentive payments to providers who were not previously participating in Medi-Cal and rendering preventive services, but who do so during the demonstration, on the condition that they meet or exceed the provision of services based on the Department pre-determined number of beneficiaries, by county, needed to be served to achieve the goal. **The new service office location's pre-determined number will be the average number of additional beneficiaries among all existing service office locations in the county needed to increase the statewide goal of two (2) percentage points. In subsequent demonstration years, the Department will re-evaluate the service office location and develop a benchmark using the same methodology as described above for existing dental providers in the program.**</p>	
<p>Safety net clinics would also be eligible for these incentives and would be supplied with incentive payments separate and apart from their Prospective Payment System (PPS) or Memorandum of Agreement (MOA) rates for Federally Qualified Health Centers/Rural Health Centers and Tribal Health Centers, respectively. Each safety net clinic office location would be considered a dental service office location for purposes of this domain.</p>	

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The Department will determine the number of additional beneficiaries to be served in order to achieve the goal of ten (10) percentage point utilization increase statewide.

****To illustrate, if a service office location provided preventative services to 1,000 beneficiaries for the selected benchmark year, its baseline benchmark is 1,000. In the first year, the annual target benchmark will be to increase by two (2) percent of 1,000; thus this service office location would need to provide preventive services to an additional 20 new beneficiaries (1,000 x 0.02 = 20).****

~~(*)That number will be distributed across counties based the county's proportional expected contribution to the statewide utilization increase. For example, if the number of child Medi-Cal beneficiaries in County A account for thirty (30) percent of the statewide Medi-Cal children population, and 100 users are necessary to increase the statewide utilization by ten (10) percentage points, then County A service office locations will need to serve an additional thirty (30) beneficiaries. If County A needs to serve thirty (30) additional beneficiaries and there are ten (10) service office locations enrolled in the program, that goal of thirty (30) additional users would then be equitably distributed across the number of service office locations in the county; therefore, each service office location in County A would need to see three (3) additional users to qualify for the incentive payment. The same Departmental established per service office location goal, by county, would apply to both current and newly enrolled providers. (*)~~

DHCS may earn additional demonstration authority, up to a maximum of \$10 million, to be added to the DTI Pool for use in paying incentives to qualifying providers under DTI, by achieving higher performance improvement, as indicated in the below table:

DY	Target	\$1 million in additional demonstration authority for achieving:	\$2 million in additional demonstration authority for achieving:
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~~**Incentive payments will be based on each**>(*Each*) service office location ****that meets or exceeds**** (~~*will receive credit towards meeting or exceeding*~~) the Department pre-determined ****goal for increases in preventive services provided to**** every child ***to which they provide a preventive service*** within frequency limitations regardless of whether that child is a previously established patient of that service office location. ~~*However, service office locations will only be paid incentive payments on preventive services provided to those beneficiaries they provide services to once they have met the Department established goal.*~~~~

The incentive payment for preventive services will equate to a payment of approximately seventy-five (75) percent above the Schedule of Maximum Allowances (SMA) ~~**or partial incentive payments at thirty seven and a half (37.5) percent above the SMA reflecting achievement of a 1 to 1.99 percentage point increase if the benchmark is partially met. To the extent that the projected funding limit is reached for this Domain, a pro-rata share payment amount will be determined based on remaining funds.**~~ (~~*)~~ ~~for all preventive services provided to the children above the Department pre-determined — threshold for the number of beneficiaries served.~~(*) This number of beneficiaries is subject to the annual funding limits contained herein and any annual limit applicable to this specific domain. The incentive funding available for payments within this domain will not exceed the amount apportioned from the DTI pool to this domain for the applicable DY, except as provided for in the Medi-Cal 2020 Waiver Special Terms and Conditions (STCs).

The results of this project will be used to determine if provider incentive payments are an effective method by which to encourage service office locations to provide medically necessary preventive dental services to more Medi-Cal children and to what extent an incentive payment is an effective method for increasing Medi-Cal provider participation and improving access to care for children. The Department anticipates that increased preventive services will result in decreased long term costs for more invasive procedures, one of the core tenants of the Triple Aim concept.

~~**A reassessment of this Domain and the applicable benchmarks will take place between years two and three in order to evaluate program effectiveness, increases in preventive services, adjustments for population growth or decline throughout the state, and other factors as may be appropriate.**~~