

**DEPARTMENT OF HEALTH CARE SERVICES  
NOTICE OF GENERAL PUBLIC INTEREST**

**PROPOSED ONE-YEAR SUPPLEMENTAL PAYMENT FOR CERTAIN DENTAL  
SERVICES USING PROPOSITION 56 TOBACCO TAX FUNDS ALLOCATED FOR  
THE 2017-18 STATE FISCAL YEAR**

This notice provides information of public interest that the Department of Health Care Services (DHCS) will submit a State Plan Amendment (SPA 17-031) to authorize a time-limited supplemental payment program for certain dental services.

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 nonfederal share of health care expenditures in accordance with the annual state budget process. Assembly Bill 120 (Statutes of 2017, Chapter 22, §3, Item 4260-101-3305) amends the Budget Act of 2017 to appropriate Prop. 56 funds for specified DHCS health care expenditures during the 2017-18 state fiscal year. This includes up to \$140,000,000 allocated for supplemental payments for dental services under the Medi-Cal program for providers who bill under the Dental Fiscal Intermediary or Dental Managed Care plans.

The proposed supplemental payment categories for dental services will include restorative, endodontic, prosthodontic, oral and maxillofacial, adjunctive, and visits and diagnostic services. The supplemental payment will be at a rate equal to 40 percent of the Dental Schedule of Maximum Allowances (SMA) for the specified codes for dates of service during the period of July 1, 2017 through June 30, 2018.

The payments for these services will be made based on claim submission for the specific applicable procedures within the aforementioned categories. The proposed supplemental payment program for dental services will be posted to the California Department of Health Care Services website.

DHCS projects the overall budgetary impact of the proposed supplemental payments to result in an aggregate expenditure increase of \$350,620,000 in total funds, including \$140,000,000 in Prop. 56 funds. The proposed effective date for SPA 17-031 is July 1, 2017, with a proposed end date of June 30, 2018. The proposed SPA is subject to approval by the federal Centers for Medicare and Medicaid Services (CMS).

DHCS will also seek federal approval to authorize corollary directed payments for certain dental services in Dental Managed Care using Prop. 56 funds allocated for this purpose in the 2017-18 state fiscal year. To the extent approved by CMS, these directed payments would be available for the dental services identified above when rendered by network providers of a Dental Managed Care plan.

## **Public Review and Comments**

Upon submission to CMS, a copy of proposed SPA 17-031 will be published at:  
[http://www.dhcs.ca.gov/formsandpubs/laws/Pages/Pending\\_2017.aspx](http://www.dhcs.ca.gov/formsandpubs/laws/Pages/Pending_2017.aspx)

If you would like to view the SPA in person once it becomes available, please visit your local county welfare department. You may also request a copy of the proposed SPA from the mailing address or e-mail address below.

Any written comments may be sent to: Department of Health Care Services, Medi-Cal Dental Services Division, attention Anastasia Dodson, 1501 Capitol Avenue, MS 4900, Sacramento, California 95899-7413, or may be emailed to [Publicinput@dhcs.ca.gov](mailto:Publicinput@dhcs.ca.gov). Please indicate SPA 17-031 in the subject line of the message.

A copy of submitted public comments related to SPA 17-031 may be requested in writing to the mailing address or e-mail inbox identified above.

Release date: June 30, 2017