STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

PETE WILSON, Governor

DEPARTMENT OF HEALTH SERVICES
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SACRAMENTO, CA 94234-7320

(916) 657-2941

April 4, 1994

Letter No.: 94-37

TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialist/Liaisons

DENTAL MANAGED CARE

The Department of Health Services (DHS), on March 13, 1993, published its strategic plan for Expanding Medi-Cal Managed Care. This plan outlined the need to explore the feasibility of contracting with "dental only" prepaid health plans for the purpose of providing dental services that remain covered Medi-Cal benefits to Medi-Cal beneficiaries under managed care arrangements. This course was set in an interest to assure accountability for access and quality of dental services provided to Medi-Cal beneficiaries.

On June 18, 1993 DHS sent a notice to current managed care medical plans informing them that it would no longer consider entering into contractual arrangements with managed care medical plans for the provision of dental services.

After extensive fiscal and administrative deliberations regarding the current status of dental contracting throughout the State, which included the fee-for-service (FFS) program, it has been determined that Dental Managed Care holds some promise of being an alternative to the FFS program.

Dental Managed Care is, in the opinion of DHS, the cost alternative to the FFS dental program which will afford appropriate managed dental care vs. episodic care, complete access with continuity of care vs. on-demand access, and quality assurance vs. post-service quality of care controls.

DHS will achieve Dental Managed Care by conducting a 36 to 40 week competitive bid procurement that will solicit proposals which afford contractors the opportunity to bid on a geographic area basis. The procurement will emphasize urban areas, may include rural California, award only one contract per area of the State, entertain proposals from only Knox-Keene certified proposers, and seek Federal Waiver(s) that may be appropriate.

Significant dates projected for the procurement are as follows:

Release of a Draft Solicitation for Response:	April 1, 1994
Final Solicitation for Response:	June 1, 1994
Invitation for Bids:	September 14, 1994
Notice of Intent to Award Contracts:	December 1, 1994

DHS is beginning to gather input from the dental community and others regarding the creation of Dental Managed Care contract(s) throughout the State. This input will be analyzed and considered. Appropriate concepts will be incorporated into the design parameters of a competitive bid procurement process.

If you have any questions or comments about the plan, you may contact the Dental Managed Care staff at:

Department of Health Services
Payment Systems Division
Dental Managed Care Unit
714 P Street, Room 950
P.O. Box 942732
Sacramento, CA 94234-7320
(916) 324-1055

Sincerely,

ORIGINAL SIGNED BY

FRANK S. MARTUCCI, Chief
Medi-Cal Eligibility Branch