



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



EDMUND G. BROWN JR.  
Governor

9/1/2017

Ms. Henrietta Sam-Louie  
Associate Regional Administrator  
Division of Medicaid and Children's Health Operations  
Centers for Medicare and Medicaid Services  
San Francisco Regional Office  
90 Seventh Street, Suite 5-300 (5W)  
San Francisco, CA 94103-6706

STATE PLAN AMENDMENT (SPA) 17-031 PROPOSITION 56: TOBACCO TAX  
FUNDS SUPPLEMENTAL PAYMENTS

Dear Ms. Sam-Louie:

The Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 17-031 for your review and approval. This SPA proposes a one-year supplemental payment for certain dental services related to the California Medicaid State Plan using California Healthcare, Research and Prevention Tobacco Tax Act (commonly known as Prop. 56) funds.

Effective for dates of services on or after July 1, 2017, through and including June 30, 2018, a supplemental payment will be applied to the following dental categories using the Prop. 56 tax funds: restorative, endodontic, prosthodontic, oral and maxillofacial, adjunctive, visits, and diagnostic services.

The supplemental payment for services in these categories will be at a rate equal to 40 percent of the Dental Schedule of Maximum Allowances reimbursed to providers who have the ability to bill for these services through the Dental Fiscal Intermediary.

For your information, DHCS is proposing a corresponding directed payment increase through the Dental Managed Care Delivery System.

DHCS proposes that this change would become effective and retroactive to July 1, 2017.

Ms. Henrietta Sam-Louie  
Page 2  
Date

If you have any questions regarding the SPA, please contact Alani Jackson, Chief,  
Medi-Cal Dental Services Division, at (916) 552-8559 or via e-mail at  
[Alani.Jackson@dhcs.ca.gov](mailto:Alani.Jackson@dhcs.ca.gov).

Sincerely

ORIGINAL SIGNED

Mari Cantwell  
Chief Deputy Director  
Health Care Programs  
State Medicaid Director

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

1 7 — 0 3 1

2. STATE

**California**3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

**July 1, 2017**5. TYPE OF PLAN MATERIAL (*Check One*)☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENTCOMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION

**42 C.F.R. Part 447, Subpart B**

7. FEDERAL BUDGET IMPACT

a. FFY 2017 \$ 52,500,000b. FFY 2018 \$ 157,500,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

**Supplement 24 to Attachment 4.19-B**9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*)

10. SUBJECT OF AMENDMENT

Implementation of a one-year supplemental payment for certain dental services using California Healthcare, Research and Prevention Tobacco Tax Act (Proposition 56 Tobacco Tax) funds allocated for the 2017-18 State Fiscal Year (Stats. 2017, ch. 22). The supplemental payment would be for services rendered on or after July 1, 2017 through and including June 30, 2018.

11. GOVERNOR'S REVIEW (*Check One*)☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☒ OTHER, AS SPECIFIED☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL

ORIGINAL SIGNED

13. TYPED NAME

Mari Cantwell

14. TITLE

State Medicaid Director

15. DATE SUBMITTED

9/1/2017

16. RETURN TO

Department of Health Care Services

ATTN: State Plan Coordinator

1501 Capitol Avenue, Suite 71.326

P.O. Box 997417

Sacramento, CA 95899-7417

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED

18. DATE APPROVED

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

22. TITLE

23. REMARKS

For Box 11 "OTHER, AS Specified": Please note: The Governor's Office does not wish to review the State Plan Amendment.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: California

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**One-year Supplemental Payment for Certain Dental Services Using California Healthcare,  
Research and Prevention Tobacco Tax Act (Proposition 56 Tobacco Tax) Funds  
Allocated for the 2017-18 State Fiscal Year (Stats. 2017, ch. 22)**

Effective for dates of services on or after July 1, 2017 through and including June 30, 2018, a supplemental payment will be applied to the following dental categories using the California Healthcare, Research and Prevention Tobacco Tax Act (commonly known as the Proposition 56 Tobacco Tax) tax funds: restorative, endodontic, prosthodontic, oral and maxillofacial, adjunctive, visits and diagnostic services.

The supplemental payment for services in these categories will be at a rate equal to 40 percent of the Dental Schedule of Maximum Allowances (SMA) reimbursed to providers who have the ability to bill for these services through the Dental Fiscal Intermediary, or Medi-Cal Dental providers who bill through the Dental Managed Care delivery system.

## **SPA Impact Form**

**State/Title/Plan Number:** State Plan Amendment (SPA) 17-031

**Federal Fiscal Impact:**

**FY 2016–17: \$ 52,500,000**

**FY 2018–19: \$ 157,500,000**

**Number of People Affected by Enhanced Coverage, Benefits or Retained Eligibility:** 0

**Number of Potential Newly Eligible People:** 0

**or**

**Eligibility Simplification:** No

**Number of People Losing Medicaid Eligibility:** No (0)

**Reduces Benefits:** No

**Provider Payment Increase:** Yes

**Delivery System Innovation:** No

**Comments/Remarks:**

Effective for dates of services on or after July 1, 2017 through and including June 30, 2018, a supplemental payment will be applied to the following dental categories using the California Healthcare, Research and Prevention Tobacco Tax Act (commonly known as the Proposition 56 Tobacco Tax) tax funds: restorative, endodontic, prosthodontic, oral and maxillofacial, adjunctive, visits and diagnostic services.

The supplemental payment for services in these categories will be at a rate equal to 40 percent of the Dental Schedule of Maximum Allowances (SMA) reimbursed to providers who have the ability to bill for these services through the Dental Fiscal Intermediary, or Medi-Cal Dental providers who bill through the Dental Managed Care delivery system.

**DHCS Contact:**

Don Butler, Provider Services Unit Manager, at (916) 319-9830.

**Date:** August 23, 2017