

DISCONTINUATION OF PROPOSITION 56 SUPPLEMENTAL PAYMENTS

Frequently Asked Questions

Here are answers to questions about the discontinuation of Proposition (Prop) 56 supplemental payments:

1. What are the changes to Prop 56?

With the discontinuation of Prop 56 per the [2026-2027 California State Budget \(Assembly Bill 109\)](#), claims submitted for dates of service (DOS) on or after **July 1, 2027**, will be reimbursed on the [Schedule of Maximum Allowances \(SMA\)](#) amount. Reimbursement rates will reflect the SMA fees without the Prop 56 supplemental payments for Medi-Cal Dental covered services with DOS on or after **July 1, 2027**. Fee schedules without Prop 56 supplemental payments (SMA) are available now for review. Provider Representatives ([Outreach Representative Map](#)) are available to answer additional questions providers may have.

What to Expect:

The last supplemental payments will be issued for services rendered on or before **June 30, 2027**.

- » A one-year, claims runout period begins **July 1, 2027 through June 30, 2028**, for submission of any outstanding claims for services. Providers will receive the full Prop 56 supplemental payment amount during the one-year claims runout period, however the SMA amount will be decreased according to the Reference Table below:

Reference Table – SMA Reimbursement Levels During the Runout Period

When the Claim Is Received	Payment Level
Within 6 months after the end of the month of service	100% of the Schedule of Maximum Allowances (SMA)
7–9 months after the end of the month of service	75% of the SMA

When the Claim Is Received	Payment Level
10–12 months after the end of the month of service	50% of the SMA

- » Effective **July 1, 2027**, only SMA Medi-Cal reimbursement rates will apply for affected procedure codes.
- » Explanation of Benefits (EOB) statements will include notification language: "Prop 56 supplemental payments are discontinued for dates of services on or after July 1, 2026. For more information visit <https://dental.dhcs.ca.gov>."

2. When will Prop 56 supplemental payments stop?

Per the [2025-2026 California State Budget \(Senate Bill 101\)](#), claims submitted for dates of service (DOS) on or after July 1, 2027, will be reimbursed on the [Schedule of Maximum Allowances \(SMA\)](#) amount. Reimbursement rates will reflect the SMA fees without the Prop 56 supplemental payments for Medi-Cal Dental covered services with DOS on or after July 1, 2027.

3. Will there be a one-year claims runout period?

Yes. A one-year claims runout period begins July 1, 2027, through June 30, 2028, for submission of any outstanding claims for services. Providers will receive the full Prop 56 supplemental payment amount during the one-year claims runout period, but the Schedule of Maximum Allowance (SMA) amount will be decreased according to the Reference Table below:

Reference Table – SMA Reimbursement Levels During the Runout Period

When the Claim Is Received	Payment Level
Within 6 months after the end of the month of service	100% of the Schedule of Maximum Allowances (SMA)
7–9 months after the end of the month of service	75% of the SMA
10–12 months after the end of the month of service	50% of the SMA

For additional information regarding reimbursement during the runout period, please review [Medi-Cal Dental Provider Handbook Section 02 - Program Overview](#) and [Claim Submission and Timeliness Overview](#) (claim sub).

4. What steps can I take now to prepare for these changes?

To prepare for the discontinuation of Prop 56 supplemental payments:

- » Review your current reimbursement structure and identify procedures currently receiving Prop 56 supplemental payments.
- » Calculate the financial impact on your practice effective **July 1, 2027**.
- » Assess your Medi-Cal Dental patient care capacity and appointment scheduling in light of the reduced reimbursement rates.
- » Ensure that your billing staff understands the **June 30, 2027**, deadline for supplemental payment eligibility and verify that all claims are submitted before the runout period expires. A one-year claims runout period begins July 1, 2027, through June 30, 2028, for submission of any outstanding claims for services. Providers will receive the full Prop 56 supplemental payment amount during the one-year claims runout period, but the Schedule of Maximum Allowance (SMA) amount will be decreased according to the Reference Table below:

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For additional information regarding reimbursement during the runout period, please review [Medi-Cal Dental Provider Handbook Section 02 - Program Overview](#) and [Claim Submission and Timeliness Overview](#) (claim sub).

5. Does this also apply to CalAIM fees?

No. There are currently no changes to the [CalAIM Dental Initiative](#), which includes the following:

- » Expanded pay-for-performance (P4P) payments that reward increasing the use of preventive services and establishing/maintaining continuity of care through a dental home
- » Caries Risk Assessment (CRA) Bundle for young children
- » Silver Diamine Fluoride (SDF) for young children and specified high-risk and institutional populations

CalAIM payments remain unchanged and are not affected by the discontinuation of Prop 56 supplemental payments.

6. Where can I get additional information about these changes?

- » Call the Medi-Cal Dental Telephone Service Center (TSC) Monday – Friday, 8 a.m. to 5 p.m. (except on State holidays) at **1-800-423-0507**. The call is free. For general program information, the Medi-Cal Dental Interactive Voice Response System (IVR) is available 24 hours a day, seven days a week, using the automated system.
- » Go to www.dental.dhcs.ca.gov to access essential information about dental benefits, covered services, program policies, and updates.
- » Go to [Proposition 56 - Dental](#) for additional information on Prop 56.
- » For assistance with claims submission and documentation, please visit the [Outreach Representative Map](#) to contact your regional representative.
- » For information on billing time limitations, go to [Medi-Cal Dental Provider Handbook Section 02 - Program Overview](#) and [Claim Submission and Timeliness Overview](#) (claim sub).