

**STATE OF CALIFORNIA  
MEDI-CAL DENTAL SERVICES DIRECTED  
PAYMENT PROGRAM ANNUAL EVALUATION FOR  
PROGRAM YEAR 4: JANUARY 2021-DECEMBER  
2021**

**June 2023**



## Executive Summary

The Proposition 56 Medi-Cal Dental Services Directed Payment Program (DPP) Annual Evaluation conveys the results of the Evaluation Plan originally submitted by the California Department of Health Care Services (DHCS) in accordance with Title 42 of the Code of Federal Regulations (CFR), section 438.6(c)(2)(ii)(D). Specifically, this Annual Evaluation concerns the Medi-Cal Dental Services DPP that was in effect during the Program Year (PY) 4 from January 2021 through December 2021, and was approved by the Centers for Medicare and Medicaid Services pursuant to 42 CFR section 438.6(c).

## Directed Payment Program Being Evaluated

This DPP directs Medi-Cal Dental Managed Care Plans (Dental MCPs) to make uniform and fixed dollar amount add-on payments to eligible network providers based on the utilization and delivery of qualifying dental services which included specific restorative, endodontic, prosthodontic, periodontal, oral, and maxillofacial, orthodontics, adjunctive, and visits for diagnostics and preventive services (for adults) identified by the Current Dental Terminology (CDT) codes <sup>1</sup>. These codes focus on increasing adult utilization, while the Dental Transformation Initiative (DTI) <sup>2</sup> complimented with increasing dental services for children. This directed payment arrangement was developed in accordance with the California Healthcare, Research, and Prevention Tobacco Tax Act of 2016 (Proposition 56), a ballot proposition to increase the excise tax rate on cigarettes and other tobacco products for the purpose of funding certain State expenditures including health care programs administered by DHCS.

## Evaluation Purpose and Related Questions

The State has directed Dental MCPs to make the enhanced payments to eligible Dental Health Professionals for specified dental services eligible for Proposition 56 funds. These enhanced payments will be in addition to contracted providers' existing payments and are expected to enhance the quality of patient care experience by supporting Dental Health Professionals in California to deliver effective, efficient, and affordable care. The purpose of this Annual Evaluation is to identify if higher payments to qualifying dental providers serve to maintain or improve utilization of dental services by Medi-Cal members in PY 4 for January 1, 2021, to December 31, 2021. PY 4 is a reporting period of 12 months, with the evaluation period outlined in the Evaluation Design to end on

<sup>1</sup> [Medi-Cal Dental CDT and SMA for Proposition 56 Supplemental Payments](#)

<sup>2</sup> [Dental Transformation Initiative](#)

December 31, 2021. This evaluation is designed to answer the following questions concerning the Dental Services DPP for this evaluation period:

1. Do higher directed payments to dental providers in PY 4 maintain or improve the percentage of Annual Dental Visits in PY 4?
2. Do higher directed payments to dental providers in PY 4 maintain or improve the percentage of Preventive Services Utilization in PY 4?
3. Do higher directed payments to dental providers in PY 4 maintain or improve the percentage of Dental Treatment Services Utilization in PY 4?

## Evaluation Design

DHCS utilized the measurement year PY 4 (CY 2021), PY 3.5 (CY 2020), PY 3 (SFY 2019-2020), PY 2 (SFY 2018-2019), PY 1 (SFY 2017-2018), and baseline year (SFY 2016-2017) to identify changes in utilization patterns with the target of maintaining or increasing the baseline number in PY 4. The data measures Medi-Cal members who were enrolled in the same Dental MCP for at least three continuous months during the measurement year and excludes provider types that did not receive Proposition 56 funds, including Federally Qualified Health Centers, Rural Health Clinics, Tribal Health Clinics, and Cost-Based Reimbursement Clinics. DHCS further stratified the results by children (ages 0-20) and adults (ages 21 and above) for specific utilization patterns.

## Data Sources

The encounter data utilized for this report was derived from the adjudicated encounter data submitted by the six Dental MCPs in Sacramento and Los Angeles counties. The Dental MCPs submit encounter data to DHCS' Post-Adjudicated Claims and Encounters System (PACES) on a weekly basis and the PACES team submits the encounter data to the Management Information System/Decision Support System (MIS/DSS). The three months' continuity data is derived from the Medi-Cal Eligibility Data System that transfers data to MIS/DSS monthly. DHCS calculated dental services utilization using the eligibility and encounter data from DHCS' MIS/DSS. Dates data were pulled for each program year are as follows:

- Baseline Year (SFY 2016-2017) – data as of October 2018
- PY 1 (SFY 2017-2018) - data as of May 2020.
- PY 2 (SFY 2018-2019) - data as of October 2021.
- PY 3 (SFY 2019-2020 - data as of October 2021.
- PY 3.5 (CY 2020) - data as of May 2023.
- PY 4 (CY 2021) - data as of May 2023.

## Annual Evaluation Results

1. Annual Dental Visits: This measure identifies the percentage of Medi-Cal members enrolled in a Dental MCP for three continuous months who had at least one (1) dental visit (CDT codes D0100 – D9999) in the measurement year. Tables A and B shows the Annual Dental Visits in Medi-Cal children and adults for the baseline year, PY 1, PY 2, PY 3, PY 3.5, and PY 4. The results show that the Annual Dental Visits increased in both children and adults from the baseline year to PY 2, reflecting a desired outcome for this performance measure. PY 3 and PY 3.5 showed a decrease in dental utilization due to the COVID-19 public health emergency (PHE), which required dental offices to close and Medi-Cal members to postpone all non-emergency health services, including all such dental visits for program members. Annual Dental Visits for children and adults increased in PY 4 relative to PY 3, but PY 4 child utilization decreased compared to the baseline year. DHCS will continue to monitor this measure in future program years.

**Table A: Annual Dental Visits in Dental Managed Care (DMC) Children (Ages 0-20) for Baseline Year (SFY 2016-2017), PY 1 (SFY 2017-2018), PY 2 (SFY 2018-2019), PY 3 (SFY 2019-2020), and PY 3.5 (CY 2020), and PY4 (CY 2021).**

Measure	Baseline Year <sup>3</sup>	PY 1 <sup>4</sup>	PY 2 <sup>5</sup>	PY 3 <sup>6</sup>	PY 3.5 <sup>7</sup>	PY 4
Three Months Continuous Eligibility	473,740	425,691	391,705	371,506	358,034 358,032	367,080
Any Dental Services Users	188,888	176,390	165,208	139,307	118,199 118,127	142,648
<b>Annual Dental Visit %</b>	<b>39.87%</b>	<b>41.44%</b>	<b>42.18%</b>	<b>37.50%</b>	<b>33.01%</b> <b>32.99%</b>	<b>38.86%</b>

**Table B: Annual Dental Visits in DMC Adults (Ages 21 and above) for Baseline Year (SFY 2016-2017), PY 1 (SFY 2017-2018), PY 2 (SFY 2018-2019), PY 3 (SFY 2019-2020), PY 3.5 (CY 2020), and PY 4 (CY 2021)**

Measure	Baseline Year	PY 1	PY 2	PY 3	PY 3.5	PY 4
Three Months Continuous Eligibility	622,675	581,098	547,521	532,050	526,142	582,722
Any Dental Services Users	117,960	116,833	115,636	97,703	91,093	122,605
<b>Annual Dental Visit %</b>	<b>18.94%</b>	<b>20.11%</b>	<b>21.12%</b>	<b>18.36%</b>	<b>17.31%</b>	<b>21.04%</b>

<sup>3</sup> Baseline Year (SFY 2016-2017) - Data as of October 2018.

<sup>4</sup> PY 1 (SFY 2017-2018) - Data as of May 2020.

<sup>5</sup> PY 2 (SFY 2018-2019) - Data as of October 2021.

<sup>6</sup> PY 3 (SFY 2019-2020) - Data as of October 2021.

<sup>7</sup> PY 3.5 (CY 2020) - Data as of May 2023.

2. Preventive Services Utilization: This measure identifies the percentage of members enrolled in Medi-Cal for three continuous months who received any preventive service (CDT Codes D1000 – D1999) in the measurement year. Table C shows the Preventive Services Utilization in Medi-Cal adults for the baseline year, PY 1, PY 2, PY 3, and PY 4. Like the Annual Dental Visits, Preventive Services Utilization in adults consistently increased from the baseline year to PY 2 but was subsequently substantially impacted by the COVID-19 PHE. Preventive Services Utilization in adults showed an increase in PY 4 relative to PY 3. DHCS will continue to monitor this measure in future program years.

**Table C: Preventive Services Utilization in DMC Adults (Ages 21 and Above)  
Baseline Year (SFY 2016-2017), PY 1 (SFY 2017-2018), PY 2 (SFY 2018-2019), PY 3 (SFY 2019-2020), PY 3.5 (CY 2020) and PY 4 (CY 2021)**

Measure	Baseline Year	PY 1	PY 2	PY 3	PY 3.5	PY 4
Three Months Continuous Eligibility	622,675	581,098	547,521	532,050	526,142	582,722
Preventive Services Users	46,438	47,898	50,004	41,069	42,692	63,070
<b>Preventive Services Utilization %</b>	<b>7.46%</b>	<b>8.24%</b>	<b>9.13%</b>	<b>7.72%</b>	<b>8.11%</b>	<b>10.82%</b>

3. Dental Treatment Services Utilization: This measure identifies the percentage of members enrolled in Medi-Cal for three continuous months who received any dental treatment service (CDT codes D2000 – D9999) in the measurement year. Tables D and E show the Dental Treatment Services Utilization in Medi-Cal children and adults for the baseline year, PY 1, PY 2, PY 3, and PY 4. In comparison with the baseline year, Dental Treatment Services Utilization in adults and children decreased in PY 3 and PY 4 as a result of the overall decrease in utilization due to the COVID-19 PHE. Dental Treatment Service Utilization in adults and children showed an increase in PY 4 relative to PY 3, which is a desired outcome of the Dental Services DPP. DHCS will continue to monitor this measure in future program years.

**Table D: Dental Treatment Services Utilization in DMC Children (Ages 0-20) Baseline Year (SFY 2016-2017), PY1 (SFY 2017-2018), PY 2 (SFY 2018-2019), PY3 (SFY 2019-2020), PY 3.5 (CY 2020), and PY 4 (CY 2021)**

Measure	Baseline Year	PY 1	PY 2	PY 3	PY 3.5	PY 4
Three Months Continuous Eligibility	473,740	425,691	391,705	371,506	358,034	367,080
Dental Treatment Users	92,952	90,271	89,840	77,173	68,268	87,575
<b>Dental Treatment Utilization %</b>	<b>19.62%</b>	<b>21.21%</b>	<b>22.94%</b>	<b>20.77%</b>	<b>19.07%</b>	<b>23.86%</b>

**Table E: Dental Treatment Services Utilization in DMC Adults (Ages 21 and Above) Baseline Year (SFY 2016-2017), PY 1 (SFY 2017-2018), PY 2 (SFY 2018-2019), PY 3 (SFY 2019-2020), PY 3.5 (CY 2020), and PY 4 (CY 2021)**

Measure	Baseline Year	PY 1	PY 2	PY 3	PY 3.5	PY 4
Three Months Continuous Eligibility	622,675	581,098	547,521	532,050	526,142	582,722
Dental Treatment Users	69,554	73,137	78,497	66,092	61,691	83,143
<b>Dental Treatment Utilization %</b>	<b>11.17%</b>	<b>12.59%</b>	<b>14.34%</b>	<b>12.42%</b>	<b>11.73%</b>	<b>14.27%</b>

## Evaluation

The three dental performance measures were evaluated to determine the utilization of dental services during the baseline year, PY 1, PY 2, PY 3, PY 3.5, and PY 4 as a result of the Dental Services DPP, which has the following outcomes:

1. Annual Dental Visits decreased by 1.01 percentage points for children and increased 2.1 percentage points for adults when compared to the baseline year.
2. Preventive Services Utilization increased by 3.36 percentage points in adults when compared to the baseline year.
3. Dental Treatment Services Utilization increased by 4.24 and 3.1 percentage points in children and adults, respectively, when compared to the baseline year.



## Conclusions

Dental services utilization decreased in PY 3.5 due to the substantial effect the COVID-19 PHE had on dental offices (closures)—many as a direct result of the State’s mandates limiting business operations. As dental offices work towards reopening safely, we are seeing great progress in PY 4 in utilization percentage close to if not higher than pre-COVID-19 PHE program years.