

## Department of Health Care Services (DHCS)

### One-Year Supplemental Payment Funded by Proposition 56 Tobacco Tax Funds Allocated For State Fiscal Year 2017-18 Frequently Asked Questions (FAQ)

This document is a compilation of Proposition 56 (Prop 56) tobacco tax funds FAQ and responses about the one-year supplemental payment for certain dental services. DHCS will update this document as necessary.

#### 1. What is the Prop 56: Supplemental Payment?

**Answer:** 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 to help fund health care expenditures. Prop 56 funding allocated to DHCS provides a specified portion of the tobacco tax revenue to issue supplemental payments for certain categories of health care expenditures, including dental services.

#### 2. How will Prop 56 help Medi-Cal beneficiaries or what is the intent?

**Answer:** As a result of the Prop. 56-tobacco tax increase, approved by voters in 2016, the recently adopted 2017-18 state budget allocated up to \$546 million for additional Medi-Cal provider reimbursements, including \$140 million for dentists who bill under the Dental Fee-for-Service fiscal intermediary or the Dental Managed Care Plans. With the accompanying federal matching funds, this will amount to a **40 percent** supplemental increase to dental providers that serve California's Medi-Cal population for hundreds of procedures in the following categories: restorative, endodontic, prosthodontics, surgical, diagnostic and adjunctive services. The state's intent is to increase access to dental care for beneficiaries by offering supplemental payments to providers who render services in the identified categories.

#### 3. When is Prop 56 effective?

**Answer:** The current budget allocation is for Fiscal Year 2017-18, which covers the period of July 1, 2017 through June 30, 2018.

#### 4. Will Prop 56 supplemental payments be *retroactive* to the effective date?

**Answer:** Yes

#### 5. When will supplemental payments start?

**Answer:** For dates of service July 1, 2017 through November 29, 2017, retroactive payments are estimated to begin in December 2017 and take up to approximately six months to process. Claims submitted from November 30, 2017 will include the 40 percent supplemental payment. A Provider Bulletin with detailed information is posted on the Denti-Cal website: [https://www.denti-cal.ca.gov/Dental\\_Providers/Denti-Cal/](https://www.denti-cal.ca.gov/Dental_Providers/Denti-Cal/)

6. What CDT codes are covered under Prop 56? (Where can I find the list)

**Answer:** Dental procedures eligible for the supplemental payment are listed by CDT codes are published in two locations:

[https://www.denti-cal.ca.gov/DC\\_documents/providers/provider\\_bulletins/Volume\\_33\\_Number\\_10.pdf](https://www.denti-cal.ca.gov/DC_documents/providers/provider_bulletins/Volume_33_Number_10.pdf)

<http://www.dhcs.ca.gov/services/Documents/MDSD/Prop56DentalCodesforSupplementalPayments.pdf>

7. Where can I find a list of the SMAs?

**Answer:** The SMAs can be found here:

[https://www.denti-cal.ca.gov/DC\\_documents/providers/provider\\_handbook/handbook.pdf#page=135](https://www.denti-cal.ca.gov/DC_documents/providers/provider_handbook/handbook.pdf#page=135).

For reference, the SMA is published in the Provider Services Handbook, Section 5, pages 5-106 through 5-126.

8. Was there a public notice posted announcing Prop 56? If so, when and what dates were available for comments?

**Answer:** Yes, the public notice was posted on Friday, June 30, 2017, and the public comment period ended on Monday, July 31, 2017.

9. Where can I find a copy of the public notice?

**Answer:** [http://www.dhcs.ca.gov/provgovpart/Documents/Public%20Notices/17-031\\_Dental\\_Prop56\\_Public\\_Notice.pdf](http://www.dhcs.ca.gov/provgovpart/Documents/Public%20Notices/17-031_Dental_Prop56_Public_Notice.pdf)

10. Has CMS (federal government) approved Prop 56 supplemental payments?

**Answer:** Yes, CMS approved the Prop 56 Supplemental Payments (SPA 0-31) on Wednesday, November 22, 2017.