CalAIM | DHCS

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Center for Oral Health | EARLY SMILES Sacramento

California Dental Managed Care Report:
Preserving and Strengthening vs Elimination

LIBERTY Dental Plan (LIBERTY) **opposes** the elimination of Dental Managed Care (DMC) in Sacramento and LA counties. In addition, LIBERTY, **supports the strengthening of the DMC program to ensure improved value-based outcomes**. LIBERTY's care delivery, value-based consumer-based system is part of extensive State laws and regulations for contracted plans on an-ongoing basis. As a part of significant State oversight and monitoring, managed care plans are required to protect consumers in very critical ways.

DMC provides California with partner dental plans that are accountable to provide higher, value-based quality outcomes, enable beneficiaries to access providers that Denti-Cal beneficiaries have difficulty accessing today, and offer the state greater fiscal predictability and cost-effectiveness. Elimination of DMC is completely contradictory and inconsistent with the CA Advancing and Innovating Medi-Cal Initiative which seeks to move away from fee-for-service and include more persons in outcome-based integrated care programs---CalAIM's primary objective.

The budget proposal to eliminate the program **risks destabilizing the local provider network, creating access to care problems for beneficiaries – especially persons with special needs – and worsening quality outcomes. Finally, the budgetary provision represents a unilateral decision to eliminate critical beneficiary protections that children, pregnant women, individuals with intellectual/developmental disabilities, and refugees and immigrants have come to rely upon, without consulting the Sacramento and Los Angeles communities or providing a transition plan or basic beneficiary protections.**

In Governor Newsom's State of the State address, he talked in broad strokes about Medi-Cal delivery and a major investment of more than $750 million into the program for whole health efforts. According to POLITICO, Governor Newsom wants Medi-Cal patients in managed care," and more importantly, "POLITICO reports that Governor Newsom's Administration is on-track to fully integrate Medi-Cal patients into one system for whole health care." See the segment below:

Governor Newsom wants to move most patients into managed care and keep a skinnier fee-for-service delivery system for patients enrolled in emergency Medi-Cal. At present, about 85% of Medi-Cal patients are enrolled in managed care. The proposal also would pay plans differently for behavioral health care by rewarding value and better health outcomes ahead of volume and cost.

The Department of Health Care Services is expected to standardize all benefits statewide. A companion measure calls for a regional rate structure for managed care plans, which could lead to rate cuts for plans serving high-cost counties like San Francisco but increases for plans serving more rural areas like the Central Valley.

Background

Through the DMC Program, the three contracted dental plans (LIBERTY, HealthNet & Access) in partnership with their contracted dental providers and groups such as the **Sacramento County Oral Health Program; the Center for Oral Health's Early Smiles school-based screening and navigation program**; the **Sacramento District Dental Society**; and many more SAC and LA advocacy organizations, have achieved significant results. Working together, we have increased dental benefit utilization year after year *(See attachment **Explaining Dental Utilization**)*, and developed solutions to address Sacramento County's lower per capita number of dental providers. We have achieved care management success for our beneficiaries, and providers have received many benefits from the DMC Program, including higher dental reimbursements than in all other

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CA counties. These efforts were recognized by **First 5 Sacramento** in 2019, who awarded the 3 DMC plans their **High 5 award** for their efforts in improving the lives of children and families through sustainable funding for children's dental services, including the "Early Smiles" program.

Improved Utilization & Access to Care: Why Sacramento was originally provided Dental Managed Care: Sacramento County has fewer dentists per capita than the rest of California (1:1325 in Sacramento, compared to 1:1200 statewide according to County Health Rankings). Despite this, the DMC Program has grown the provider network and utilization has steadily improved because the plans have gotten more dentists to participate in the DMC Program. Approximately 33.8% of practicing dentists in Sacramento County participate in DMC, which is almost twice the rate statewide (15.4% according to the American Dental Association). The dental plans pay higher rates to ensure access to care and help dentists navigate requirements and support their ongoing retention; according to the SDDS, elimination of DMC may result in a significant number of providers choosing not to participate in Denti-Cal. Link: https://www.dhcs.ca.gov/services/Documents/Stakeholder-Communication-Feb2020.pdf

Los Angeles County PHP is a voluntary program in which beneficiaries are automatically defaulted into Denti-Cal FFS program unless that make a deliberate choice to pick a DMC plan. As a result, the enrollment has been static and approximately 10% of the eligible population. In order to expand awareness, in just 2019, LIBERTY has actively contributed and participated in approximately 125 outreach activities including back-to-school events and pre-natal workshops for women utilizing Medi-Cal and emergency Medi-Cal in several different languages.

According to the DHCS report issued in Oct/2019 *(link below)*: **Total reimbursement to dentists increased by 28.6% but dentist participation actually decreased by 2.3%!**

A Few Report Key Findings:

- Medi-Cal average payments versus other comparable states' Medicaid Program's dental fee schedules increased an average of 20.1 percent between SFY 2016-17 and SFY 2017-18. This increase is largely due to additional Prop 56 supplemental payments.
- Medi-Cal average payments versus regional commercial rates increased an average of 3.8 percent between SFY 2016-17 and SFY 2017-18. This increase is largely due to additional Proposition 56 (Prop 56) supplemental payments. *See **Appendix 4** and **Appendix 5a**, respectively.*
- Medi-Cal's total service count increased 9.2 percent between SFY 2016-17 and SFY 201718, while the total reimbursement increased 28.6 percent. *See **Appendix 6a**, **Appendix 6b**, **Appendix 7a**, and **Appendix 7b**, respectively.*
- Medi-Cal's FFS total beneficiary population with at least three months of continuous eligibility decreased 1.8 percent between SFY 2016-17 and SFY 2017-18. *See **Appendix 9a** and **Appendix 10a**, respectively.*
- Medi-Cal dental FFS provider enrollment data shows the number of enrolled active service offices increased by 4.7 percent and rendering providers decreased by 2.3 percent between SFY 2016-17 and SFY 2017-18. *See **Appendix 11**.*

Utilization Comparisons: A Special Interest Argument to Eliminate Dental Managed Care

Before we demonstrate why utilization comparisons are invalid, it is important to NOTE that the NCQA, the national premier organization in terms of measuring quality performance in managed care, is officially opining that Annual Dental Visit (ADV) is not a good quality performance measure and is considering retiring the ADV as a measure. In

CA, they have begun to focus on CMS-416 reporting rather than HEDIS, however, the only difference between HEDIS ADV and CMS 416 "Any Dental Service", is that CMS-416 uses 90 day eligibility vs. 11 0f 12 months for HEDIS: and, CMS-416 includes <2 year olds. They basically measure the same thing. The principal evidence used by the State DHCS to eliminate DMC is the lower ADV score. Now, the premier and highly respected national quality organization is saying that ADV is not a good measure to use. We once again point out that there are other important elements other than ADV to look at in terms of evaluating the DMC program. Link: https://www.ncqa.org/about-ncqa/contact-us/public-comments/hedis-public-comment/

Below are summarized Four Key Points that demonstrate with factual data, that utilization Program comparisons are invalid:

1. The Denti-Cal Fee-For-Service Program, administered by Delta Dental for the State, is a Fiscal Intermediary and Administrative Services Program for 56 counties vs. a contracted managed care program for Sacramento County on a mandatory basis and Los Angeles County on a voluntary basis. The Denti-Cal Program is fundamentally episodic and emergent vs. a preventative and diagnostic program administered by the dental managed care plans. *See attached explaining **Program Differences**.*

2. **The Denti-Cal Program's Utilization numbers include any qualified healthcare practitioner providing dental services---example being a pediatrician in a medical office. Dental managed care may only include dentists and/or dental hygienists. In 2018, 9.9% of these services was reported for Denti-Cal Utilization. If you back out the non-dental provider services, the dental managed care utilization IS ACTUALLY HIGHER!** *See attachment **Comparing Utilization**.*

   - Please note the periodicity schedule for CHDP in the link below. Physicians can bill Medi-Cal for dental health assessments multiple times and sometimes multiple times in the same year. This practice is not prohibited by NCQA/HEDIS or CMS. However, it is not valid to use the ADV-HEDIS to assess the effectiveness of the DMC program in comparison to Denti-Cal FFS if our networks are limited to Dental Practitioners. The ADV-HEDIS measure would only be a fair one if medical encounter data were excluded from Denti-Cal FFS. Example: Child Health and Disability Prevention Program (CHDP), and the main source of medical encounter data that DHCS has been using. *See link below*. Using medical data from CHDP or Child Well Visits would have to be reported as Diagnostic or Preventive category of services. Hence, exaggerating the PDENT score and making Denti-Cal's PDENT score an unreasonable way to compare FFS to DMC.

     Link: https://files.medi-cal.ca.gov/pubsdoco/publications/Masters-Other/CHDP/forms/periodhealth_c01.pdf

   - DEFINITIONS: ADV is any service regardless of being preventive, restorative, palliative, etc., received within 12 months and counted once, in which the medical data was indeed included. PDENT is any preventive services, which could be some or most of the services performed by medical practitioners (Fluoride treatment, etc.) thereby exaggerating Denti-Cal's volume of preventive services. The only way to see the real numbers is to get the medical data subtracted from dental data.

3. The State DHCS reports CMS 416 data to the Feds UT numbers on a statewide average basis which is to say they lump together 56 of 58 counties for the Denti-Cal Fee-For-Service Program. The dental managed care plans report for Sacramento and Los Angeles counties individually. *See attached **Comparison Map** that shows State's actual county by county data and then LIBERTY's UT for each county.* Seeing scores in a regional context paint a completely different picture.

4. Comparisons also ignore fundamental differences in program requirements which

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directly affect utilization such as the requirement for the plans to administer a comprehensive fraud, waste, and abuse (FWA) Program Integrity plan. ***The Federal Office of the Inspector General's 2016 Report on CA Medi-Cal Children estimates FWA accounts for as much as 25% of the utilization totals***.

We argue that the important questions are: How do we measure healthier outcomes that could convert to utilization? What is a reasonable utilization for SAC GMC and/or what should it be? *See attachment **Explaining Dental Utilization** which demonstrates LIBERTY Dental Plan's year over year improvements.*

DMC Program Benefits

- **Under DMC, beneficiaries have guaranteed access to dental care.** The dental plans must contract with enough providers to meet beneficiary needs and if an in-network dentist cannot be located, the plans must locate another provider to ensure each beneficiary is served. *No such requirement exists under the Denti-Cal Program. Many areas of the state do not have sufficient participating providers. According to a 2014 State Auditor's Report, 11 of 58 counties have no Denti-Cal providers.*
- **The DMC plans perform ongoing care management/coordination and navigation for beneficiaries and help them access dental specialists through the specialty referral process.** This support is critical for beneficiaries with special needs and other vulnerable populations such as foster children. DMC plan case managers also navigate folks, perhaps homeless, to appropriate social services. *Under Denti-Cal, the burdens of system navigation and locating a provider who is accepting new patients fall on beneficiaries, which can create barriers to care and worsen oral health outcomes.*
- **The dental plans are engaged community partners who provide oral health education and support for many local organizations.** Through wellness and outreach programs, the plans support health fairs and community events reaching thousands of low-income families and have developed innovative initiatives such as the **Early Smiles** program, which has served approaching 27,000 mostly DMC-eligible children in 60+ schools, across 6 school districts in Sacramento County, since 2016. *These valuable community programs would be eliminated with the DMC Program's elimination. See attached **Early Smiles Report**.*
- **DMC plans and contracted providers are subject to extensive licensure and regulatory requirements and ongoing oversight by the DMHC and DHCS to ensure access to care, quality of care, and financial solvency.** *FFS providers are not subject to these requirements.*
- **The dental plans are accountable for the quality of care provided by network dentists and manage their networks.** Using financial incentives, provider education, and quality improvement projects, the plans have elevated the quality of care in Sacramento, reinforced the importance of preventive dentistry, and supported the **dental home** model. *Under Denti-Cal, while the state contracts with all willing providers, there are no efforts to change provider practice patterns or improve care delivery.*

Cost Effectiveness

Historically, DMC rates were set to equal 97.5% of the applicable FFS costs. The LA PHP claims cost included in the PHP DMC rate was equivalent to 97.5% of the LA Denti-Cal FFS claims cost. Because there is no significant Denti-Cal FFS enrollment in Sacramento, Fresno was considered to be a close proxy, therefore the Sacramento GMC claims cost included in the GMC DMC rate was equivalent to 97.5% of the Fresno Denti-Cal FFS

claims cost. In determining the DMC rates, the FFS claims costs were reduced by 2.5% to provide for the anticipated savings generated by the higher level of care management provided by the DMC plans. This, in effect, results in DMC providing a 2.5% claims costs savings to the State.

As with the claims costs, historically the admin component of the DMC rates were set at the equivalent FFS admin cost. To satisfy CMS rating requirements, the admin component has since been adjusted to assure that it provides sufficient funds to cover the reasonable and appropriate expenses necessary to satisfy the contractual requirements placed on DMC plans.

Elimination of DMC Eliminates Critical Beneficiary Protections

The proposal to eliminate DMC removes the many beneficiary protections that have been available through the DMC program for 25 years, without articulating an alternative to guarantee continuity of care for beneficiaries. The state's Fiscal Intermediary ASO claims paying vendors cannot replace the services offered by the DMC Plans. The ASO does not have the financial incentive or requirements as exist in DMC to improve program quality, contain costs, or prevent and address FWA. Neither the ASO nor the State can replicate the network management strategies used by the dental plans. Only the DMC plans have direct contractual relationship and leverage with providers to incentivize network expansion and address quality of care issues through strategies like value-based agreements and provider technical assistance and education. *See **2019 Program Quality Report Summary**.*

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Conclusion

Finally, it is critical to be aware that the DTI Domain 4 funding is scheduled to term at the end of this year. Combine the loss of DMC value-add (e.g. school program) plan funding with the loss of DTI funding and one can conclude that the beneficiaries of Sacramento County will be severely impacted and disrupted.

This California Dental Managed Care report prepared by LIBERTY Dental Plan of California, Inc.
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