

March 6, 2020

Honorable Dr. Richard Pan
Senate Health Committee, Chair
Senate Budget Committee Sub 3, Chair
State Capitol, Rooms 2191 and 5019
Sacramento, CA 95814



Re: Budget Proposal to Eliminate Dental Managed Care

Dear Senator Pan,

We appreciate the opportunity to provide comment on Governor Newsom's proposal to eliminate the Medi-Cal Dental Managed Care programs in Los Angeles and Sacramento Counties. LIBERTY Dental Plan, Access Dental Plan and Health Net are the three Dental Managed Care Plans contracted with the Department of Health Care Services (DHCS) to administer the programs in Sacramento and Los Angeles Counties. We believe elimination of the program is not in the best interests of the beneficiaries we serve and will lead to significant disruption in care. As detailed below, great strides have been made through key partnerships that have led to vast improvements in the quality and quantity of services provided. The benefits enumerated far outweigh the risks associated with moving to a fee-for-service delivery model. This is especially true as the state seeks to improve the Medi-Cal Program focused on an integrated whole-person care model CalAIM.

Medi-Cal Beneficiary/Member Impact

If the Legislature were to adopt the Governor's proposal to eliminate Medi-Cal Dental Managed Care in Los Angeles and Sacramento Counties, over 800,000 people currently enrolled in Dental Managed Care would need to transition from their Dental Managed Care Plan to Denti-Cal Fee-for-Service. Such an abrupt change would create a significant disruption of care and create continuity of care issues, particularly since many dental providers have advised us they will not participate in Fee-for-Service due to the low reimbursement rates and administrative burdens.

We are deeply concerned that transitioning over 800,000 children and adults from an organized, accountable dental managed care system to the access-challenged and overburdened Fee-for-Service program would have significant negative consequences for Medi-Cal members in these two counties. For example, in Sacramento County, since 2016, we are proud to partner with the Center for Oral Health and local community organizations to conduct dental screenings at more than 130 elementary schools and Head Start sites through the Early Smiles program.

The program is a collaboration with First 5 Sacramento, Sacramento District Dental Society, Sacramento County Public Health, and Sacramento Covered. A recent evaluation of the program showed that from February 2019 to January 2020, 26,765 children received screenings and preventive services during that time. Nearly 18,500 of those children had Medi-Cal coverage, or roughly 9% of all children with Medi-Cal in the county. Unfortunately, these services are not included in the utilization rates for Dental Managed Care. Further, the Early Smiles program, which is hoping to serve several thousand additional children this year, would be severely impacted should the managed care program be eliminated.

Risks of Eliminating Knox-Keene Act Consumer Protections

We believe that Dental Managed Care provides Medi-Cal members and the State of California with a strong value proposition. Dental Managed Care Plans must meet Knox-Keene license requirements for specialized health plans, including the following requirements:

- Network adequacy
- Timely access
- Time and distance
- Financial stability
- Member grievance and appeals
- Claims adjudication

Plans must also meet DHCS contract requirements, including maintaining a specified medical loss ratio, beneficiary assignment to a specific provider (dental home), complying with the Denti-Cal Manual of Criteria, reporting performance measures, providing specified case management, and related measures.

Dental Managed Care offers accountability and consumer protections that are not a feature of the Fee-for-Service dental program. If Dental Managed Care is eliminated in Los Angeles and Sacramento Counties, members would lose these critical consumer protections and instead need to work through the antiquated State Fair Hearing process.

We respectfully suggest that the Legislature consider the following before adopting any changes to the Dental Managed Care Program:

1. Dental Managed Care Plans are Integral Participants in the Dental Transformation Initiative and will be in the Dental Initiatives under Medi-Cal Healthier California for All

Both Sacramento and Los Angeles counties were awarded funding to implement Local Dental Pilot projects as part of the Dental Transformation Initiative. These projects, scheduled to run through 2020, rely on the support and active participation of the Dental Managed Care Plans. This includes assisting with medical and dental provider collaboration, implementation of the Virtual Dental Home, and the training of providers and community partners.

2. Dental Managed Care Plans have Increased Access to Dental Services through School-Based Programs

Dental Managed Care Plans have partnered with two programs to offer school-based dental services to all children in low-income families -- the Early Smiles program in Sacramento schools, and the Big Smiles program in Los Angeles schools. These programs provide services to at-risk children and have helped to increase utilization of dental services for children 0-7 years of age.

3. Outreach Efforts by Dental Plans Help to Ensure All Members Receive Dental Services

Dental Managed Care Plans conduct member outreach efforts including attending community events, making phone calls, and sending text messages and mailers to members who have not utilized dental services. If members experience difficulty keeping appointments or need translation services, dental plans will arrange for interpreters and for transportation. These efforts are unique to Dental Managed Care and are not characteristic of Fee-for-Service.

4. Dental Managed Care Plans Guarantee Access

Dental Managed Care Plans are contractually obligated by the DHCS to maintain dental provider networks and assure that all members have timely access to needed general and specialty dental services. The Dental Managed Care model allows plans to pay providers by capitation and/or Fee-for-Service that often total more than the Fee-for-Service schedule paid by DHCS. This is done by Dental Managed Care Plans to ensure there are enough dentists, including dental specialists, to serve members.

5. Dental Managed Care Plans have Improved Coordination between Health Plans and Dental Providers

An important benefit of Dental Managed Care is the plan's ability to provide case management services for special needs beneficiaries in hospitals and surgery centers. Dental Managed Care Plans successfully manage the coordination of services between a member's health plan and dental providers when hospital-based general anesthesia is required for special needs patients. In Fee-for-Service, dental providers and members must coordinate these services on their own which can result in long unnecessary delays in care.

6. More Medi-Cal Members Choose Dental Managed Care

Since 2009, the number of Medi-Cal members in non-mandatory aid codes choosing to enroll in Dental Managed Care has increased. In 2014, 9% of Sacramento children were exempt from mandatory enrollment; however, 73% of these children enrolled in Dental Managed Care voluntarily. In Los Angeles County, enrollment in Dental Managed Care is voluntary; however, on average, 24% of newly enrolled members choose a Dental Managed Care Plan over Fee-for-Service.

In addition, members in Dental Managed Care who may experience challenges accessing a provider can avail themselves of the Beneficiary Dental Exception (BDE) process. This process provides that if a member is unable to access dental services through their dental plan within certain timeframes, the member can request to move to Fee-for-Service. Since its inception in 2016, no members have been moved to fee-for-service using the BDE process due to the Plans' immediate action in accessing care for members.

7. Dental Managed Care Outperforms Fee-for-Service in Sacramento County

Although most Medi-Cal members in Sacramento County receive dental services through the Dental Managed Care Program, thousands are either ineligible or can voluntarily enroll. The majority of these members, which includes children in foster care and those with special needs, access dental services through the Fee-for-Service program. Based on utilization data from 2018 Dental Managed Care substantially outperforms the Fee-for-Service delivery model. Children's preventive dental services were 16.89% higher in Dental Managed Care than Fee-for-Service. Annual dental visits for children were 19.9% higher in Dental Managed Care than Fee-for-Service.

8. Dental Managed Care has Demonstrated Progress in Increasing Utilization

Concerted efforts by the Dental Managed Care Plans have led to substantial increases in children receiving services. Utilization of dental services for children in Sacramento has increased for all child age populations since 2008 from 20.2% to 43%. Since 2008, utilization of dental services for children 0-3 years of age has increased 249%. California has not increased its reimbursement rates for dental

services since 2001 and rates paid to dental providers are only 35% of the national average. Even so, this improvement in utilization demonstrates the potential for Dental Managed Care to improve access when resources are scarce.

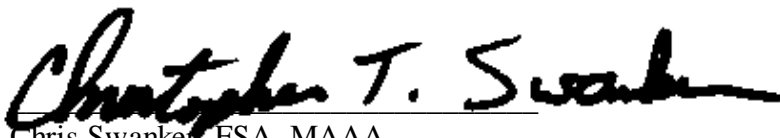
No one will disagree there is a need for improvement in California's Medi-Cal Dental Managed Care Program. Should the Legislature eliminate Dental Managed Care in Sacramento and Los Angeles, where would the supply of Fee-for-Service dentists come from? Dentists participating in Dental Managed Care in these counties have expressed a more positive view of the program than those not participating. An overwhelming number of dentists do not accept Medi-Cal patients citing low reimbursement rates and administrative hurdles especially in Fee-for-Service. In 2013, the American Dental Association reported that only 29% of California dentists participate in Medi-Cal Dental Managed Care compared to a national average of 42%. There can be no assurances that dental plan contracted dentists would opt to serve members under Fee-for-Service, leaving some beneficiaries to delay or go without care.

Finally, we respectfully request that the Legislature reject the Governor's proposal to eliminate the Dental Managed Care Program. We think the mid-term move to CalAIM makes this additional transition even more challenging for Medicaid beneficiaries. We commit to work with the Governor, Legislature, beneficiaries, providers and stakeholders to support and implement a new and improved value-based outcomes, care coordination program that keeps the quality and value-added components and allows for increased appropriate utilization for California's most vulnerable populations.

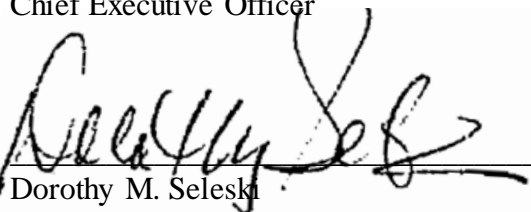
Sincerely,



John J. Carvelli
Executive Vice President



Chris Swanker, FSA, MAAA
Chief Executive Officer



Dorothy M. Seleski
Vice President, Strategic Provider Partnerships

cc: Members, Senate Budget Committee Sub 3
Scott Ogus, Senate Budget Committee
Anthony Archie, Senate Republican Caucus

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