

Overview of Children's Dental Services in Medi-Cal and the Healthy Families Program

LEGISLATIVE ANALYST'S OFFICE

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Hon. Holly J. Mitchell, Chair





Organization of Handout



Organization of Handout. This handout provides:

- Background on dental services for children in Medi-Cal.
- Summary of enrollment and expenditures for Medi-Cal children's dental care.
- Recent administrative actions to improve Medi-Cal dental managed care (DMC).
- Recent legislative actions to improve DMC.
- Summary of new DMC contracts that incorporate legislative changes.
- Background information on dental services for children enrolled in the Healthy Families Program (HFP).
- A brief description of the dental quality measures used by HFP.
- The transition of HFP enrollees to Medi-Cal.



Background on Dental Services for Children in Medi-Cal



Medi-Cal Has Two Different Models for Delivering Dental Services.

The Medi-Cal Program administered by the Department of Health Care Services (DHCS) covers dental services for approximately 4 million children under age 21. Medi-Cal uses two different models for delivering dental services to children: fee-for-service (FFS) and DMC.

- ***FFS.*** In the FFS dental model (also known as Denti-Cal), beneficiaries may receive dental services from any provider who accepts Medi-Cal payments and agrees to see them. Dental providers receive a payment for each service provided to the Medi-Cal beneficiary.
- ***DMC.*** In the DMC model, Medi-Cal pays dental plans a set amount per member per month (also known as a capitation rate) to provide dental care to children enrolled in the plan. Generally, enrollees may only receive services from providers that are within the plan's provider network.



Only Two Counties Have DMC. Denti-Cal exists in all 58 counties in California, but only two counties, Sacramento and Los Angeles, have DMC.

- ***Mandatory DMC in Sacramento County.*** In Sacramento, almost all children are mandatorily enrolled in a DMC plan. If a child's parent(s) or guardian(s) do not choose a DMC plan, the child will be automatically assigned to one.
- ***Voluntary DMC in Los Angeles County.*** In Los Angeles, children may voluntarily enroll in a DMC plan. However, if they do not choose to enroll in a DMC plan, they are automatically enrolled in Denti-Cal.



Summary of Enrollment and Expenditures for Medi-Cal Children's Dental Care

- In Calendar Year 2011, Medi-Cal Paid Approximately \$544 Million for Dental Services for Children.*** The state pays roughly 50 percent of these costs from the General Fund and the federal government pays the rest.
- Statewide, Denti-Cal Is the Dominant Model for Delivering Dental Services to Children Enrolled in Medi-Cal.*** The distribution of enrollment and expenditures between Denti-Cal and DMC statewide are:

 - ***Most Children Are Enrolled in Denti-Cal.*** About 3.6 million children (91 percent) are in Denti-Cal. Total annual expenditures for this population are approximately \$491 million.
 - ***Fewer Children Are Enrolled in DMC.*** About 357,000 children (9 percent) are in DMC. Total annual expenditures for this population are approximately \$53 million.
- In Los Angeles County, DMC Is an Option, but Denti-Cal Is the Dominant Delivery System.*** The distribution of enrollment and expenditures between Denti-Cal and DMC in Los Angeles County are:

 - ***Most Children Are Enrolled in Denti-Cal.*** Over 1 million children (78 percent) are in Denti-Cal in Los Angeles County. Total annual expenditures for this population are approximately \$162 million.
 - ***Fewer Children Are Enrolled in DMC.*** Approximately 219,000 children (22 percent) are enrolled in DMC in Los Angeles County. Total annual expenditures for this population are approximately \$33 million.



Recent Administrative Actions to Improve DMC



The Administration Took Several Steps in 2012 to Address Concerns About Access to Care. The administration took several actions in calendar year 2012 that were intended to address concerns that have been raised about children's access to care in DMC. Some of these actions included:

- ***Issued "Immediate Action Expectations" for Dental Plans.*** In March and April of 2012, DHCS issued immediate action expectations for DMC plans. Some of the expected actions included (1) enhancing outreach and education to beneficiaries and providers, (2) implementing financial incentives for providers to provide services to Medi-Cal enrollees, and (3) requiring plans to submit an annual report on beneficiaries' timely access to care.
- ***Created Stakeholder Workgroups in Sacramento and Los Angeles Counties.*** The DHCS scheduled monthly meetings with interested stakeholders and all DMC plans to discuss issues and make recommendations intended to improve results for DMC.
- ***Conducted Additional Surveys of DMC Plans in Sacramento.*** The Department of Managed Health Care (DMHC) conducts routine surveys and financial examinations of dental plans every three years. In March 2012, in response to concerns about access to care, DMHC initiated non-routine surveys of DMC plans in Sacramento County. In addition, DMHC is planning an annual survey and examination process for the Medi-Cal contracts for all DMC plans that will begin in 2013.



Recent Legislative Actions to Improve DMC



Legislature Passed Measure Aimed at Improving Access

in DMC. In June 2012, the Legislature enacted Chapter 23, Statutes of 2012 (AB 1467, Committee on Budget), which contained several provisions intended to enhance children's access to dental care—specifically children who are enrolled in DMC. Some of the major provisions included:

- ***Established Beneficiary Dental Exception Process in Sacramento County.*** Created a process for beneficiaries in Sacramento County who are unable to secure access to services through their DMC plan to opt-out of DMC and move into Denti-Cal.
- ***Authorized Sacramento Stakeholder Advisory Group.*** Required DHCS to meet periodically with a stakeholder advisory committee to facilitate improvements in the provision of dental care in Sacramento County.
- ***Required New Performance Measures and Benchmarks for Plans.*** Performance measures and benchmarks related to provider network adequacy, utilization of dental services, and member satisfaction with plans and providers are to be included in contracts with dental plans.
- ***Required Annual Report to the Legislature.*** Required DHCS to provide the Legislature with annual reports on DMC that include actions taken to improve access to care, utilization of services, and beneficiary satisfaction.



New DMC Contracts Incorporate Legislative Changes



New Contracts Awarded to DMC Plans Will Implement Changes. In October 2012, new Medi-Cal contracts were awarded in Sacramento and Los Angeles Counties. These contracts are scheduled to take effect in January 2013 in Sacramento and July 2013 in Los Angeles. Among other things, the new contracts have a variety of new reporting requirements and penalties for failure to meet benchmarks for utilization and access to care. For example, up to 13 percent of payments to DMC plans may be withheld for failure to meet specified performance standards or procedural requirements.



Background on Dental Services for Children In Healthy Families Program (HFP)

- ☑ ***The HFP Provides Dental Care Through Two Different Models.*** The HFP, administered by the Managed Risk Medical Insurance Board (MRMIB), provides managed dental care through two different models—Open Network and Primary Care plans. In Primary Care plans, each enrollee has a primary care dentist who authorizes dental care provided by specialists. In Open Network plans, enrollees are not assigned a primary care dentist. In both models, MRMIB pays a per-member, per-month negotiated rate to the dental plan, and rates are confidential.

- ☑ ***Enrollment in HFP Dental Care.*** There are about 860,000 children enrolled in dental care through the HFP program state-wide. Los Angeles County has about 217,000 of those children, or roughly a quarter of the enrollees. Most children in Los Angeles County are enrolled in Primary Care plans.



Dental Services Quality Measurements for HFP Plans



The HFP Uses Several Dental Services Quality Measures.

The MRMIB monitors dental plan performance based on prevention, treatment, and utilization of services. Additionally, MRMIB measures the satisfaction of HFP families with dental plans and their dentists through the Dental Consumer Assessment of Health Plans and Systems (D-CAHPS) survey.

- ***Dental Performance Measures.*** The HFP dental measures include measurements relating to the use of preventive care, the use of dental treatments, and the utilization of dental services.
- ***D-CAHPS.*** The D-CAHPS survey consists of about 30 questions, some of which ask families to rate their satisfaction with their child's regular dentist and dental plan.



Transition of HFP Enrollees to Medi-Cal

- Healthy Families Enrollees Will Be Transitioning to Medi-Cal.*** In January, the Governor proposed to shift all children enrolled in HFP to Medi-Cal over a nine-month period beginning October 2012. The Legislature ultimately enacted Chapter 28, Statutes of 2012 (AB 1494, Committee on Budget), a modified version of the proposed transition. The legislation authorized a slower timeframe for the transition and several requirements aimed at minimizing disruptions in care for children and ensuring an adequate network of providers. The children who are likely to be able to keep the same provider(s) as they transition from HFP to Medi-Cal will be transitioned first.

- The Transition in Los Angeles County.*** Approximately 68,000 children in Los Angeles County will be transitioned from HFP to Medi-Cal on March 1, 2013. These children are enrolled in HFP health plans that also contract with Medi-Cal. Their dental care will be transitioned concurrently with their health care. The remaining children will be transitioned in the second phase, on April 1, 2013, and in the third phase, on August 1, 2013.

 - ***Some Children Will Remain in the Same Dental Plan.*** If an enrollee is in an HFP dental plan that is also a Medi-Cal DMC plan, the enrollee will stay in that plan.
 - ***Some Children Will Be Enrolled in Denti-Cal.*** If an enrollee is in a HFP dental plan that is not a Medi-Cal DMC plan, the enrollee will be enrolled into Denti-Cal.