



State of California

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**Despite Important Investments in State's Dental Program,
Access and Administration Still Could Be Improved**

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Since the Commission's first review in 2016, lawmakers have poured money into California's Medicaid dental program, Denti-Cal, in order to attract dentists and improve access to dental care for millions of low-income children and adults. Yet, data from the Department of Health Care Services (DHCS) continue to show a decrease in provider enrollment.

For parents or caregivers of children eligible for oral health care through Denti-Cal, limited access to providers can mean long waits in dental offices or lengthy commutes to find enrolled providers. At worst, delaying or forgoing treatment can lead to childhood tooth decay that results in discomfort and pain, poor self-esteem, and irregular school attendance.

Despite the attention and investment from lawmakers, the Commission found the DHCS continues to experience challenges administering the Denti-Cal program, but opportunities for improvement remain. As the next Administration sets its agenda, the Commission offers the following prospects for improved access and administration of the important program:

1. Caregivers of Denti-Cal eligible children lack basic education about the importance of regular, preventative oral health care. Low-income caregivers and adults must be better educated about dental health and Denti-Cal;
2. Parents and caregivers rely on help to navigate the Denti-Cal system and find dentists who will treat their child, schedule appointments, and offer other assistance as needed. Access to dental care must be expanded and made easier and more seamless;
3. The continued disconnect between Denti-Cal providers and DHCS is a serious problem that undercuts the effectiveness of the program. Enhanced communication between DHCS and Denti-Cal providers is required;
4. Swings in program funding, though now at a high, negatively impact Denti-Cal providers. Consistent and sustainable Denti-Cal funding is imperative; and
5. DHCS is required to publicly report on their website data related to Denti-Cal. Yet despite improvements, more could be done. DHCS must continue to improve data access that is timely, complete, and transparent and in compliance with law.

The Little Hoover Commission is an independent state agency charged with recommending ways to improve the efficiency and effectiveness of state programs. The Commission's recommendations are submitted to the Governor and the Legislature for their consideration and action. The letter report is available at www.lhc.ca.gov.



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Report #243

September 27, 2018

The Honorable Edmund G. Brown Jr.
Governor of California

The Honorable Toni Atkins
President pro Tempore of the Senate
and members of the Senate

The Honorable Patricia Bates
Senate Minority Leader

The Honorable Anthony Rendon
Speaker of the Assembly
and members of the Assembly

The Honorable Brian Dahle
Assembly Minority Leader

Re: Department of Health Care Services, Denti-Cal Program Update

Dear Governor and Members of the Legislature:

At the request of lawmakers in 2015, the Commission initiated a seven month review of the state's Medi-Cal Dental program (Denti-Cal), which is administered by the Department of Health Care Services (DHCS). The study, which focused primarily on the services provided to children, found a troubled program that has fallen disastrously short of providing dental care to millions of eligible Californians. Despite promising legislative reforms and steady monitoring, Denti-Cal remains a seriously troubled program. This letter report highlights the challenges and opportunities facing Denti-Cal:

1. Low-income caregivers and adults must be better educated about dental health and Denti-Cal;
2. Access to dental care must be expanded and made easier and more seamless;
3. Enhanced communication between DHCS and Denti-Cal providers;
4. Consistent and sustainable Denti-Cal funding; and
5. DHCS must continue to improve data access that is timely, complete, and transparent and in compliance with AB 2077.

Background

The Commission's report, *Fixing Denti-Cal* (2016), found real and profound hostility between the dental profession and the state. The Commission heard from frustrated dentists who were dissuaded from participating in Denti-Cal because of low reimbursement rates and unnecessary

bureaucratic procedures, e.g., excessive paperwork, an overly burdensome enrollment process to become a provider, lengthy procedures to authorize treatment, and protracted time to receive payments. In addition, the Commission learned that too often patients and caregivers cannot find a dentist to treat them, while others are unaware of their Denti-Cal eligibility. Consequently, preventable oral health issues, like childhood tooth decay, go untreated with results that can be disastrous for children, such as discomfort and pain, poor self-esteem, and irregular school attendance.

Untreated oral health issues can also result in costly restorative treatments that may require multiple office visits. For instance, the Commission learned that costs for regular preventative oral health care for children, including an exam and tooth varnish, hover between \$30 and \$50, but this is multiplied exponentially to around \$2,000 when a child undergoes general anesthesia due to extensive tooth decay. Caregivers who must take time off from work to take a child to multiple dental appointments or care for a child after restorative treatment may also bear significant costs.

In *Fixing Denti-Cal*, the Commission offered a series of recommendations to correct these problems. To increase preventive care by encouraging annual dental visits, the Commission recommended the Legislature require that at least 66 percent of eligible Denti-Cal children must visit a dentist on a yearly basis. In addition, the Commission called for DHCS to improve the Denti-Cal enrollment process and work with an evidence-based advisory group of dentists and health experts to guide program priorities and policy decisions. The Commission further suggested that lawmakers expand the concept of “teledentistry” and mobile dental services, which bring dentists to their patients rather than vice-versa.

Legislation Impacting Denti-Cal

In recent years, the Denti-Cal program has received additional financial support through the state budget and revenues generated from tobacco taxes collected under Proposition 56 (2016). As of January 2018, this funding has allowed the program to fully restore adult dental benefits and increase provider reimbursement rates for certain types of dental services.

SB 1098 (2015-2016), authored by Senator Anthony Cannella who is also a Little Hoover Commissioner, received nearly unanimous support in its call for DHCS to set a 60 percent utilization goal for Denti-Cal eligible children, just shy of the Commission’s recommended 66 percent. AB 2207 (2015-2016), authored by Assembly Member Wood, was designed to address many of the bureaucratic inefficiencies identified in the Commission’s Denti-Cal study, including expediting provider enrollment and monitoring access and utilization. The Commission supported both of these legislative efforts and was pleased to see their enactment.

SB 707 (2017-2018), also authored by Senator Cannella, would further implement recommendations from the *Fixing Denti-Cal* report by creating an evidence-based advisory group to study and evaluate the structure, priorities and policy decisions of the Denti-Cal program. The Commission supported SB 707 as a means to assist DHCS in its decision-making process and improve Denti-Cal. The Governor vetoed this bill on September 26, 2018.

Denti-Cal Updates

In October 2017 and March 2018, DHCS updated the Commission on actions DHCS had taken to improve access to Denti-Cal services. The following highlights recent DHCS activity.

At the March 2018 meeting, DHCS provided data showing a decrease in provider enrollment over the last five calendar years. DHCS articulated a goal of increasing enrollment of fee-for-service (FFS) dentists by 10 percentage points over four years and described steps taken to consolidate and streamline the provider enrollment process. In May 2018, DHCS announced a web-based provider application process designed to ease the enrollment process for dentists. In addition, in August 2018, DHCS released the Medi-Cal Dental Program Provider Handbook (“Handbook”), intended to provide detailed information concerning Denti-Cal policies, procedures and instructions for completing the necessary forms and other related documents.

In addition, DHCS was active in attempting to improve delivery of certain services for those impacted by the recent fires in California. In August 2018, Denti-Cal issued a bulletin concerning disaster assistance to evacuated beneficiaries and dental offices. Nine impacted counties were listed on the bulletin, including Napa County, Mendocino County, and Santa Barbara County.¹ The services were limited, however, to the replacement of removable dental appliances, which include orthodontic retainers, space maintainers, and partial and full dentures. DHCS changed administrative procedures to accept claims without requiring prior authorization and late bills where providers submitted statements about the circumstances of the fire impacting their business.

The 2018-19 State Budget allocated a portion of Proposition 56 (2016) tobacco tax revenue to the Denti-Cal program. Specifically, the 2018-19 budget carves out \$210 million for DHCS to supplement provider payments, increase reimbursement rates and establish a loan assistance program for recent dental graduates who commit to serving Denti-Cal beneficiaries in underserved areas.²

Challenges and Opportunities

The Commission strongly believes that the incoming administration should be aware of the ongoing challenges and opportunities facing Denti-Cal. Without material changes and improvements, these challenges will continue to hamper the success of Denti-Cal, a vital and important program for low-income Californians who are in need of oral health care services.

1. Low-Income Caregivers and Adults Must Be Educated About Dental Health And Denti-Cal

The Commission’s study found that caregivers of Denti-Cal eligible children lack basic education about the importance of regular, preventative oral health care. While the Commission’s Denti-Cal report focused on Denti-Cal eligible children, given that adults were not covered under Denti-Cal at the time of the study, it is reasonable to assume that this problem may now apply to eligible Denti-Cal adults. “We hear from parents that a dental visit is only necessary when the child complains of pain,” Dr. Nagaraja Murthy, DDS, told Commissioners. The Commission heard from community educators about simple and effective techniques to help educate caregivers on good oral hygiene; these activities, however, are not reimbursable through Denti-Cal. While the PDI Surgery Center in Sonoma County conducts educational

outreach activities, its Chief Executive Officer testified, “Over the years, we have found that almost no parents in the [Northern California] counties we serve have received prevention education.”³

This educational hole must be filled. The Commission thus urges the Governor and Legislature to consider and implement policies and laws that will aim to better educate low-income caregivers and adults on the importance of dental health and Denti-Cal.

2. Access To Dental Care Through Denti-Cal Must Be Made Easier and More Seamless

As noted above, while the Commission’s Denti-Cal report focused on Denti-Cal eligible children, it is reasonable to assume that the issues the Commission identified for parents and caregivers of eligible Denti-Cal children applies equally to eligible Denti-Cal adults. The report found that parents and caregivers rely on help to navigate the Denti-Cal system and find dentists who will treat their child, schedule appointments, and offer other assistance as needed. Even those familiar with the healthcare field experienced problems navigating the Denti-Cal process, like Robin Blanks-Guster, a retired nurse and caregiver for her granddaughter, who is Denti-Cal eligible, and Laurie James, a grandmother caring for her twin grandchildren, who are both enrolled in Denti-Cal. “I wish there was more educational material available to help families maneuver through the process,” Ms. James told Commissioners. “My hope is that one day there will be a seamless process of communication to help families navigate through the system.” Her voice was not alone. The Commission heard from other caregivers who articulated similar complaints and hope.

In this technological day and age, there seems no logical reason why the political will cannot be used to significantly improve the Denti-Cal process for eligible patients. The Commission therefore urges the Governor and Legislature to consider and implement policies and laws that will aim to make access to dental care through Denti-Cal an easier and more seamless process.

3. Enhanced Communication Between DHCS And Denti-Cal Providers

The study found the disconnect between Denti-Cal providers and DHCS to be a serious problem that undercuts the effectiveness of the program. Some providers and stakeholders questioned DHCS’s use of provider bulletins as a way to effectively communicate regulatory and procedural changes to Denti-Cal. Dr. Paul Glassman, a professor of dental practice at the University of the Pacific, observed that providers are often unsure about what treatments are allowed or what processes must be followed under Denti-Cal. Receiving definitive answers from DHCS is difficult. “We have experienced numerous instances where providers have been given wrong information from someone [at DHCS] they perceive to be in a position of authority. Without written documentation with DHCS approval it is hard for providers to decide whether to proceed or not in these circumstances.”⁴

Unnecessary communication hurdles for Denti-Cal providers should be unacceptable, because exhaustion and frustration with the program results in providers wanting to avoid the hassles and troubles of Denti-Cal. This outcome results in fewer Denti-Cal providers and increased problems for low-income Californians. The Commission therefore urges the Governor and Legislature to consider and implement policies and laws that will aim to enhance communications between DHCS and Denti-Cal providers.

4. Consistent and Sustainable Denti-Cal Funding

Swings in program funding, though now at a high, negatively impact Denti-Cal providers. Richard Stapler, Vice President of the California Dental Association, told the Commission, “The state’s funding of Denti-Cal ebbs and flows with the boom and bust nature of the budget cycle and changing priorities.” Further, “Nothing wrecks more havoc on a program than lack of stability.”⁵ Despite recent budget augmentations, Denti-Cal providers told Commissioners the program’s unpredictable funding takes a toll on business operations, including, job stability for dental-service employees and the types of services offered to Denti-Cal patients. Dr. John Luther, Western Dental’s Chief Dental Officer, told Commissioners that “loss of financing frequently requires a contraction of our service capacity and makes future planning very difficult.”⁶ Dr. Misako Hirota, a San Diego-based dentist, told Commission staff that when coverage for root canals and crowns was cut from the adult Denti-Cal program many of her Denti-Cal patients requested their teeth extracted.⁷

Fixing Denti-Cal explains why Denti-Cal is vital for low-income Californians and all Californians alike. Therefore, appropriate funding for this much needed program is imperative. Despite important one-time efforts, several providers told the Commission that lawmakers should look for an ongoing funding mechanism, rather than support the program through annual appropriations. They suggested using Proposition 56 funds to make a multi-year commitment to fund Denti-Cal. The Commission thus urges the Governor and Legislature to consider and implement policies and laws that will provide for consistent and sustainable Denti-Cal funding.

5. DHCS Must Continue To Improve Data Access That is Timely, Complete, and Transparent and in Compliance with AB 2207

DHCS is required to publicly report on their website data related to Denti-Cal. Stakeholders voiced that the department has made improvements by making it easier to find and compare data online. Stakeholders, however, said that DHCS could do more. Dr. Luther told Commissioners that “the data reports provided by Denti-Cal tend not to be comprehensive and not very timely, with time lags typically a year or more. Meeting all the requirements of AB 2207, including timeliness, would be a major step in the right direction.”⁸ In addition, DHCS posts provider lists on its website; yet, the usability and accuracy of these lists is questionable. “Is the provider list up to date, including spot checking for which providers in fact see young children?,” Ms. Rydell-Anderson asked in her testimony.⁹ The Commission also discovered that basic budget figures separating Denti-Cal funding from Medi-Cal are not readily available.

Without data that is complete and transparent and timely posted, it is difficult to know whether the program is using resources efficiently and effectively. Further, it is difficult to monitor what outcomes Denti-Cal has achieved with its resources. Accordingly, the Commission urges the Governor and Legislature to consider and implement policies and procedures that ensures DHCS will continue to improve data access that is timely, complete, and transparent and in compliance with AB 2207.

Conclusion

It should be acknowledged that DHCS has made efforts to improve Denti-Cal and some progress in that regard has been made. Nonetheless, California’s promise of quality dental coverage for millions of low-

income children and adults who are eligible for Denti-Cal has not been adequately fulfilled. Further dedicated and focused work is required. The Commission hopes this letter report will assist the next administration and the Legislature to find ways to materially improve Denti-Cal, so that California's promise of quality dental coverage for those in true need can be fully achieved.

Respectfully submitted,

A handwritten signature in black ink, appearing to be the name 'Pedro Nava', written in a cursive style.

Pedro Nava
Chairman

CC: Diana Dooley, Secretary, California Health and Human Services Agency
Jennifer Kent, Director, California Department of Health Care Services

Appendix A

Public Hearing Witnesses

The list below reflects the titles and positions of witnesses at the time of the hearing.

***Public Hearing on Denti-Cal
Thursday, March 22, 2018
Sacramento, CA***

Robin Blanks-Guster, parent and grandparent of Denti-Cal patients, Sacramento County

Jennifer Kent, Director, Medi-Cal Dental Services Division, Department of Health Care Services

Dr. Paul Glassman, D.D.S, Professor of Dental Practice, University of the Pacific, Arthur A. Dugoni School of Dentistry

Dr. Jayanth Kumar, D.D.S, State Dental Director, California Department of Public Health

Dr. Mark Hagele, DDS, Dental Director, PDI Surgery Center

Dr. John Luther, D.D.S, Chief Dental Officer, Western Dental

Alani Jackson, Chief, Medi-Cal Dental Services Division, Department of Health Care Services

Dr. Nagaraja Murthy, D.D.S, Golden State Dental Group

Laurie James, grandparent of Denti-Cal patient, Amador County

Viveka Rydell-Anderson, CEO, Dental Director, PDI Surgery Center

Dr. Elizabeth Johnson, D.D.S, Dental Director, WellSpace Health

Notes

¹ California Department of Health Care Services. August 2018. Denti-Cal Bulletin, Volume 34, Number 17. Revised Article: Disaster Assistance to Evacuated Beneficiaries and Dental Offices. Accessed August 15, 2018 at https://www.denti-cal.ca.gov/DC_documents/providers/provider_bulletins/Volume_34_Number_17.pdf.

² 2018-19 State Budget. June 27, 2018. Enacted Budget Summary: Health and Human Services. Accessed August 27, 2018 at <http://www.ebudget.ca.gov/2018-19/pdf/Enacted/BudgetSummary/HealthandHumanServices.pdf>. Also, California Dental Association. June 27, 2018. Dentists receive unprecedented \$30M for student loan repayment in state budget. Accessed August 27, 2018 at <https://www.cda.org/news-events/dentists-receive-unprecedented-30m-for-student-loan-repayment-in-state-budget>.

³ Viveka Rydell-Anderson, CEO, PDI Surgery Center. March 22, 2018. Written testimony to the Commission.

⁴ Dr. Paul Glassman, DDS, Professor of Dental Practice, University of the Pacific, Arthur A. Dugoni School of Dentistry. March 22. Written testimony to the Commission.

⁵ Richard Stapler, Vice President of Public Affairs, California Dental Association. March 7, 2018. Public comment to the Commission.

⁶ Dr. John Luther, DDS, Chief Dental Officer, Western Dental. March 22, 2018. Written testimony to the Commission.

⁷ Dr. Misako Hirota, DDS. March 1, 2018. Personal communication with Commission staff.

⁸ Dr. John Luther, DDS, Chief Dental Officer, Western Dental. See endnote 6.

⁹ Viveka Rydell-Anderson, CEO, PDI Surgery Center. See endnote 3.