

Report 2013-125 All Recommendation Responses

Report 2013-125: California Department of Health Care Services: Weaknesses in Its Medi-Cal Dental Program Limit Children's Access to Dental Care (Release Date: December 2014)

Recommendation #1 To: Health Care Services, Department of

To ensure that child beneficiaries throughout California can reasonably access dental services under Medi-Cal and to increase child beneficiary utilization and provider participation, Health Care Services should take the following steps for the fee-for-service delivery system by May 2015: establish criteria for assessing beneficiary utilization of dental services.

Agency Response*

DHCS is in the process of gathering and assessing existing beneficiary data and assessing health care industry methodologies to establish measures that best represent the plight of the beneficiary experience and utilization in the Medi-Cal Dental Program. Once the DHCS establishes a standardized measure by which it will assess beneficiary utilization, the DHCS will develop annual benchmarks for beneficiary utilization. Once benchmarks are established, the DHCS will identify beneficiary populations that have not performed to the standard and employ appropriate mitigation strategies. The DHCS will consult and engage with stakeholders during the development of the measure for beneficiary utilization and benchmarks. The DHCS will publicly report this measurement in accordance with DHCS reporting policies. The DHCS expects to meet the established implementation date of May 1, 2015

- **Response Type†:** 60-Day
- **Estimated Completion Date:** May 2015
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Pending

Recommendation #2 To: Health Care Services, Department of

To ensure that child beneficiaries throughout California can reasonably access dental services under Medi-Cal and to increase child beneficiary utilization and provider participation, Health Care Services should take the following steps for the fee-for-service delivery system by May 2015: establish criteria for assessing provider participation in the program.

Agency Response*

DHCS is currently in the process of gathering and assessing existing provider data and assessing health care industry methodologies to establish measures that best represent provider participation and capacity in the Medi-Cal Dental Program. Once DHCS establishes a standardized measure by which it will assess provider participation and capacity by region and statewide, DHCS will develop benchmarks. The established benchmarks will be used to evaluate network adequacy and identify geographic areas where the fee-for-service provider network can be strengthened to inform future outreach efforts and develop mitigation strategies as appropriate. DHCS will consult and engage with stakeholders during the development of the measure for provider participation and benchmarks thereof. DHCS intends to report this measure publically, consistent with DHCS' reporting policies. DHCS expects to meet the established implementation date of May 1, 2015.

- **Response Type†:** 60-Day

- **Estimated Completion Date:** May 2015
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Pending

Recommendation #3 To: Health Care Services, Department of

To ensure that child beneficiaries throughout California can reasonably access dental services under Medi-Cal and to increase child beneficiary utilization and provider participation, Health Care Services should take the following steps for the fee-for-service delivery system by May 2015: develop procedures for identifying periodically counties or other geographic areas in which the utilization rate for child beneficiaries and the participation rate for providers fail to meet applicable criteria.

Agency Response*

DHCS is currently in the process of gathering and assessing existing provider and beneficiary data and assessing health care industry methodologies to establish measures that best represent beneficiary utilization and provider participation and capacity in the Medi-Cal Dental Program. Once DHCS has established standardized measures by which it will assess beneficiary utilization and provider participation and capacity by region and statewide, DHCS will establish procedures to annually identify counties and other geographic areas where child beneficiary utilization and provider participation fail to meet the criteria established in recommendations A1 and A2. The DHCS will employ mitigation strategies for identified underperforming geographic areas. DHCS expects to meet the established implementation date of May 1, 2015.

- **Response Type†:** 60-Day
- **Estimated Completion Date:** March 2015
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Pending

Recommendation #4 To: Health Care Services, Department of

To ensure that child beneficiaries throughout California can reasonably access dental services under Medi-Cal and to increase child beneficiary utilization and provider participation, Health Care Services should take the following steps for the fee-for-service delivery system by May 2015: immediately take action to resolve any declining trends identified during its monitoring efforts.

Agency Response*

Once DHCS has established beneficiary utilization and provider participation measures, it will actively assess access to care and immediately take necessary steps to resolve declining trends that are within its purview to implement. DHCS recognizes that some solutions may require additional resources and funding and will take the necessary steps to seek approval within the Administration in order to implement identified mitigation strategies to resolve declining trends identified during its monitoring efforts.

- **Response Type†:** 60-Day
- **Estimated Completion Date:** Ongoing
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Pending

Recommendation #5 To: Health Care Services, Department of

To help increase the number of providers participating in the program's fee-for-service delivery system, Health Care Services should improve its identification and implementation of changes that minimize or simplify administrative processes for providers. These changes should include revising its processes pertaining to dental procedures that require radiographs or photographs.

Agency Response*

DHCS is in the process of re-evaluating existing policies and simplifying administrative processes to encourage provider participation. With the implementation of new Current Dental Terminology (CDT) codes issued by the American Dental Association for 2015, DHCS will identify opportunities to offer providers a simplified process in their claims submission. DHCS has established regular meetings with program and contractor dental consultants to re-evaluate existing policies whose main objective is to implement administrative simplifications while upholding program integrity and adhering to medical necessity criteria which are designed to protect and ensure the health and well-being of Medi-Cal beneficiaries. DHCS intends to meet its established implementation date of July 1, 2015.

- **Response Type†:** 60-Day
- **Estimated Completion Date:** July 2015
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Pending

Recommendation #6 To: Health Care Services, Department of

To ensure that the influx of beneficiaries resulting from recent changes to federal and state law is able to access Medi-Cal's dental services, Health Care Services should take these steps: continuously monitor beneficiary utilization, the number of beneficiaries having difficulty accessing appointments with providers, and the number of providers enrolling in and leaving the program.

Agency Response*

DHCS is currently in the process of gathering and assessing existing provider and beneficiary data and assessing health care industry methodologies to establish measures that best represent beneficiary utilization and provider participation and capacity in the Medi-Cal Dental Program. Once the DHCS has established standardized measures by which it will assess beneficiary utilization and provider participation and capacity by region and statewide, the DHCS will continuously monitor beneficiary utilization. DHCS is developing a draft instruction letter to its contractor that establishes a new category to capture the number of beneficiaries reporting difficulty in accessing dental appointments. Effective September 2013, DHCS started to monitor provider enrollment and disenrollment information to help in our assessment of access to care. The DHCS expects to meet the established implementation date of July 1, 2015.

- **Response Type†:** 60-Day
- **Estimated Completion Date:** July 2015
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Pending

Recommendation #7 To: Health Care Services, Department of

To ensure that the influx of beneficiaries resulting from recent changes to federal and state law is able to access Medi-Cal's dental services, Health Care Services should take these steps: immediately take action to resolve any

declining trends identified during its monitoring efforts.

Agency Response*

Once DHCS has established beneficiary utilization and provider participation measures and have institutionalized mechanisms to capture the number of beneficiaries having difficulty accessing appointments, it will take necessary steps to resolve declining trends that are within its purview to implement. The DHCS recognizes that some solutions may require additional resources and funding and will take the necessary steps to seek approval within the Administration in order to implement identified mitigation strategies to resolve declining trends identified during its monitoring efforts. As the nature of this recommendation is ongoing, there is no definitive implementation date

- **Response Type†:** 60-Day
- **Estimated Completion Date:** Ongoing
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Pending

Recommendation #8 To: Health Care Services, Department of

To ensure that Medi-Cal's child beneficiaries have reasonable access to dental services, Health Care Services should immediately resume performing its annual reimbursement rate reviews, as state law requires.

Agency Response*

DHCS is currently gathering pertinent data that will be used to perform the annual reimbursement rate assessment as required by State law. DHCS also recognizes that the findings of the rate review and implementation of any such changes will be subject to approval within the Administration, the Legislature, and with the federal Centers for Medicare and Medicaid Services for purposes of receiving federal reimbursement while ensuring the proper and efficient administration of the program. DHCS anticipates fulfilling the established implementation date of July 1, 2015.

- **Response Type†:** 60-Day
- **Estimated Completion Date:** July 2015
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Pending

Recommendation #9 To: Health Care Services, Department of

To make certain that access to dental services for child beneficiaries is comparable to the access available to the general population in the same geographic areas, Health Care Services should immediately adhere to its monitoring plan.

Agency Response*

The department will incorporate all measures by county, and statewide in the 2012 report. However, beneficiary data by disability is currently represented in the report within the disabled aid categories. DHCS did not implement AB 97 reduction until 2013 ; therefore 2011 and 2012 reports will be used as baseline reports. DHCS will compare current utilization data for the 2012 reporting.

- **Response Type†:** 60-Day
- **Estimated Completion Date:** Pending
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Pending

Recommendation #10 To: Health Care Services, Department of

To make certain that access to dental services for child beneficiaries is comparable to the access available to the general population in the same geographic areas, Health Care Services should also compare its results for measuring the percentage of child beneficiaries who had at least one dental visit in the past 12 months with the results from the three surveys conducted by other entities, as its state plan requires.

Agency Response*

DHCS has revised its monitoring plan submission to include comparisons of the percentage of child beneficiaries who had at least one dental visit in the past twelve months with the results from the three surveys conducted by other entities as required by the State Plan. DHCS will use the most recent survey reports in its 2012 monitoring report.

- **Response Type†:** 60-Day
- **Estimated Completion Date:** Ongoing
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Partially Implemented

Recommendation #11 To: Health Care Services, Department of

To improve beneficiary utilization rates and provider participation under the program's fee-for-service delivery system, Health Care Services should immediately take the following actions: direct Delta Dental to submit annually a plan that describes how it will remedy the dental access problems in the State's underserved areas and in California's border communities.

Agency Response*

DHCS has received an initial draft from Delta Dental of an outreach plan that describes how it will address the dental access problems in underserved areas within California and the border communities. The DHCS is in the process of evaluating the initial draft of the plan to ensure beneficiary needs are addressed and all contract provisions are satisfied. DHCS expects to comply with the established implementation date of July 1, 2015.

- **Response Type†:** 60-Day
- **Estimated Completion Date:** July 2015
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Partially Implemented

Recommendation #12 To: Health Care Services, Department of

To improve beneficiary utilization rates and provider participation under the program's fee-for-service delivery system, Health Care Services should immediately take the following actions: direct Delta Dental to contract with one or more entities to provide additional dental services in either fixed facilities or mobile clinics in underserved areas, as its contract requires.

Agency Response*

DHCS has directed Delta Dental to contract with one or more entities to provide additional dental services in either fixed facilities or mobile entities in underserved areas. Delta Dental will be partnering with a potential subcontractor to

pilot the provision of dental services via mobile setting in January 2015. DHCS expects to fulfill its commitment by the established July 1, 2015 implementation date.

- **Response Type†:** 60-Day
- **Estimated Completion Date:** July 2015
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Partially Implemented

Recommendation #13 To: Health Care Services, Department of

To improve beneficiary utilization rates and provider participation under the program's fee-for-service delivery system, Health Care Services should immediately take the following actions: increase Delta Dental's access to beneficiary address information and require it to contact beneficiaries residing in underserved areas directly to make them aware of the program's benefits.

Agency Response*

DHCS is working with Delta Dental to provide them with beneficiary address information so that Delta Dental can contact beneficiaries who reside in underserved areas directly for the purposes of informing beneficiaries about their dental benefits. The DHCS is currently testing this approach with Delta Dental by administering an outreach campaign by mail and automatic follow-up telephone calls to guardians of beneficiaries' ages zero through three years of age to determine its effectiveness as a strategy to inform beneficiaries of their dental benefits. DHCS will need to secure additional funding through the administration in order to implement this recommendation by July 1, 2015.

- **Response Type†:** 60-Day
- **Estimated Completion Date:** July 2015
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Partially Implemented

Recommendation #14 To: Health Care Services, Department of

To improve beneficiary utilization rates and provider participation under the program's fee-for-service delivery system, Health Care Services should immediately take the following actions: review Delta Dental's outreach activities and implement measurable objectives for its outreach unit.

Agency Response*

DHCS is working with Delta Dental to ensure the annual outreach plan contains measurable objectives for its outreach unit. The DHCS is in receipt of the initial outreach plan draft and is in the process of evaluating the extent to which the proposed activities are measurable in order to comply with this recommendation. The DHCS intends to adhere to the established July 1, 2015 implementation date.

- **Response Type†:** 60-Day
- **Estimated Completion Date:** July 2015
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Partially Implemented

Recommendation #15 To: Health Care Services, Department of

To improve beneficiary utilization rates and provider participation under the program's fee-for-service delivery system, Health Care Services should immediately take the following actions: require Delta Dental to develop a dental outreach and education program and to submit an annual plan by the end of each calendar year.

Agency Response*

DHCS has received an initial draft of the proposed outreach plan submitted by Delta Dental for calendar year 2015. DHCS will meet with Delta Dental to discuss the execution of the proposed outreach plan to ensure all contractual provisions are accounted for. DHCS will continue to require Delta Dental to submit a dental outreach and education plan each calendar year, which serves the diverse beneficiary population and includes measurable objectives. DHCS will implement this recommendation by June 1, 2015.

- **Response Type†:** 60-Day
- **Estimated Completion Date:** June 2015
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Partially Implemented

Recommendation #16 To: Health Care Services, Department of

To ensure that the State pays only for deliverables performed by Delta Dental under the terms of its contract, Health Care Services should immediately take these steps: ensure that the financial manual and invoices are consistent with contract language.

Agency Response*

DHCS is in the process of evaluating existing financial manual provisions and invoice payment mechanisms with the requirements delineated in the contract with Delta Dental. DHCS will process the necessary documents to align manuals and invoices with the contract. The DHCS will implement this recommendation by May 1, 2015.

- **Response Type†:** 60-Day
- **Estimated Completion Date:** May 2015
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Pending

Recommendation #17 To: Health Care Services, Department of

To ensure that the State pays only for deliverables performed by Delta Dental under the terms of its contract, Health Care Services should immediately take these steps: develop and implement tangible measurements to evaluate Delta Dental's performance of all functions under the contract.

Agency Response*

DHCS is in the process of developing tangible measurements to evaluate Delta Dental's performance of all functions under the contract beyond the existing deliverable structure. The measurements can be developed by May 1, 2015, but will require an additional 90 days to implement. (Summer 2015)

- **Response Type†:** 60-Day
- **Estimated Completion Date:** Summer 2015
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Pending

Recommendation #18 To: Health Care Services, Department of

To comply with state contracting laws that protect the State's interests, Health Care services should implement future contract amendments via appropriate channels, including state contracting procedures.

Agency Response*

DHCS is currently upholding its commitment to ensure all changes to the contract are conducted via contract amendments. (Fully Implemented as of January 1, 2015)

- **Response Type†:** 60-Day
- **Completion Date:** January 2015
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Fully Implemented

In a procedure memorandum dated December 31, 2014, the acting chief of the Medi-Cal Dental Services Division (division) advised division management that appropriate processes will be invoked related to any changes to the contract with Delta Dental. The memorandum expressed Health Care Services' commitment to appropriately adopt changes to existing contracts and directed all management personnel to abide by the proper procedures when adopting changes to contracts. The memorandum included a link to Health Care Services' intranet page containing guidelines for the process to administer contract amendments.

Recommendation #19 To: Health Care Services, Department of

To ensure that it reports in the CMS-416 an accurate number of child beneficiaries who received specific types of dental services from the centers and clinics, Health Care Services should continue working on a solution to capture the details necessary to identify the specific dental services rendered.

Agency Response*

DHCS is currently working towards establishing a project that would allow the system to capture detailed information for all dental services provided to ensure more complete reporting in the CMS-416 report. DHCS will implement this project by the July 1, 2016.

- **Response Type†:** 60-Day
- **Estimated Completion Date:** July 2016
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Pending

Recommendation #20 To: Health Care Services, Department of

To make certain that it meets the requirements of the new state law and that its performance measures are accurate, Health Care Services should do the following: establish the provider-to-beneficiary ratio statewide and by county as performance measures designed to evaluate access and availability of dental services and include this measure in its October 2015 report to the Legislature.

Agency Response*

DHCS does not agree with the recommendation to include a provider-to-beneficiary ratio in the October 2015 report to the Legislature, as this recommendation is not a part of the required reporting in Welfare and Institutions Code 14132.915. However, DHCS is committed to establishing and monitoring provider to beneficiary ratios as a part of its ongoing monitoring efforts to ensure that beneficiaries are able to access care. DHCS will not implement this recommendation.

- **Response Type†:** 60-Day
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Will Not Implement

Health Care Services stated above and in our audit report that it will not implement this recommendation because the provider-to-beneficiary ratio measure is not part of the reporting required by the Welfare and Institutions Code. However, we believe a critical measure of access and availability is each county's provider-to-beneficiary ratio for the Medi-Cal Dental Program. If the Legislature similarly believes that this ratio is critical for measuring access and availability of dental services for Medi-Cal beneficiaries, it should consider requiring Health Care Services to include the provider-to-beneficiary ratio statewide and for each county as part of the annual reporting.

Recommendation #21 To: Health Care Services, Department of

To make certain that it meets the requirements of the new state law and that its performance measures are accurate, Health Care Services should do the following: require that the provider field in its data systems be populated in all circumstances.

Agency Response*

DHCS is currently evaluating whether this can be done within the existing contract or if this requires a new Request for Proposal. Once DHCS has completed the assessment, DHCS can establish a completion date.

- **Response Type†:** 60-Day
- **Estimated Completion Date:** Ongoing
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Pending

Recommendation #22 To: Health Care Services, Department of

To make certain that it meets the requirements of the new state law and that its performance measures are accurate, Health Care Services should do the following: correct the erroneous data currently in its data warehouse and fix its process for transferring data from its mainframe to its data warehouse.

Agency Response*

DHCS has implemented the correction of erroneous data being submitted to the data warehouse. However, DHCS is continuing to work towards correcting erroneous data in the data warehouse retrospectively. DHCS anticipates completing the retrospective corrections by March 1, 2015.

- **Response Type†:** 60-Day
- **Estimated Completion Date:** March 2015
- **Response Date:** February 2015

California State Auditor's Assessment of Status: Partially Implemented

Recommendation #23 To: Health Care Services, Department of

To ensure that Health Care Services and its fiscal intermediaries reimburse providers only for services rendered to eligible beneficiaries, Health Care Services should do the following: Obtain Social Security's Death Master File and update monthly its beneficiary eligibility system with death information.

Agency Response*

DHCS intends to increase the frequency of updates to the Medi-Cal Eligibility Data System (MEDS) with the Social Security Administration's Death Master File from quarterly to monthly. The request to increase the frequency to monthly was already in progress and will most likely require an amendment to the existing DHCS/SSA information sharing agreement. The implementation date of April 30, 2016 accounts for the development and testing needed to complete this request.

- **Response Type**†: 60-Day
- **Estimated Completion Date**: April 2016
- **Response Date**: February 2015

California State Auditor's Assessment of Status: Pending

Recommendation #24 To: Health Care Services, Department of

To ensure that Health Care Services and its fiscal intermediaries reimburse providers only for services rendered to eligible beneficiaries, Health Care Services should do the following: Coordinate with the appropriate fiscal intermediaries to recover inappropriate payments made for services purportedly rendered to deceased beneficiaries, if necessary.

Agency Response*

DHCS will issue an instruction letter to the Fiscal Intermediary to implement a process to recover from providers any identified inappropriate payments made for services purportedly rendered to deceased beneficiaries. This process will be implemented by May 2015.

- **Response Type**†: 60-Day
- **Estimated Completion Date**: May 2015
- **Response Date**: February 2015

California State Auditor's Assessment of Status: Pending

All Recommendations in 2013-125

†**Response Type** refers to the interval in which the auditee is providing the State Auditor with their status in implementing recommendations made in an audit report. Auditees must submit a response regarding their progress in implementing recommendations from our reports at three intervals from the release of the report: 60 days, six months, and one year or subsequent to one year.

*Agency responses received after June 2013 are posted verbatim.