
THIRD READING

Bill No: SB 279
Author: Pan (D)
Amended: 4/19/21
Vote: 21

SENATE HEALTH COMMITTEE: 11-0, 4/28/21

AYES: Pan, Melendez, Eggman, Gonzalez, Grove, Hurtado, Leyva, Limón, Roth, Rubio, Wiener

SENATE APPROPRIATIONS COMMITTEE: 7-0, 5/20/21

AYES: Portantino, Bates, Bradford, Jones, Kamlager, Laird, Wieckowski

SUBJECT: Medi-Cal: delivery systems: services

SOURCE: Author

DIGEST: This bill requires the Department of Health Care Services (DHCS) to implement the State Plan Dental Improvement Program component of the California Advancing and Innovating Medi-Cal (CalAIM) initiative. This bill authorizes DHCS to require Medi-Cal managed care plans to be accredited by National Committee for Quality Assurance, as a component of CalAIM initiative, as specified. This bill requires DHCS to sunset operation of the Health Homes Program when DHCS receives federal approval to implement the CalAIM initiative waiver.

ANALYSIS:

Existing law:

- 1) Establishes the Medi-Cal program, administered by DHCS, under which low-income individuals are eligible for medical coverage, as specified. [WIC §14000, et seq.]
- 2) Establishes the Medi-Cal 2020 Demonstration Project Act, in order to implement the “Medi-Cal 2020” Medicaid demonstration waiver, consistent

with federal law and the Special Terms and Conditions (STCs). [WIC §14184 - 1484.90.]

- 3) Requires DHCS to implement the Dental Improvement Initiative (DTI) in accordance with the Medi-Cal 2020 STCs, with the goal of improving oral health care for Medi-Cal children zero to 20 years of age, inclusive. [WIC §14184.70]
- 4) Requires DHCs to establish and operate the Whole Person Care (WPC) pilot program, in accordance with the Medi-Cal 2020 demonstration project, in order to coordinate health, behavioral health, and social services in a more efficient and effective way for high-risk, high-utilizing Medi-Cal beneficiaries. [WIC §14184.60]
- 5) Authorizes DHCS to create the Health Home Program (HHP) for enrollees with chronic conditions, pursuant to federal law. Prohibits DHCS from implementing HHP unless it receives federal approval and federal financial participation (FFP). [WIC §14127.3 and 14127.6]
- 6) Prohibits DHCS from using General Fund (GF) money to fund implementation of HHP, unless implementing HHP does not result in a net increase in GF costs. Requires the nonfederal share of costs for HHP be funded by private foundations, local government, or any other source permitted under state or federal law. [WIC §14127.4 and 14127.6]
- 7) Requires DHCS completes an evaluation of the HHP within two years after implementation and submit a report to Legislature and stakeholders, as specified. [WIC §14127.5]
- 8) Authorizes coverage for the application of fluoride, or other appropriate fluoride treatment as defined by DHCS, and other prophylaxis treatment for children 17 years of age and under is covered by Medi-Cal dental. [WIC §14132]
- 9) Authorizes a Medi-Cal dental provider to recommend and receive reimbursement for, after consultation with the beneficiary, a dental restorative material other than the covered benefit of amalgam. [WIC §14132.22]

This bill:

HHP

- 1) Authorizes the HHP to be implemented using GF for fiscal year 2021-22 and any fiscal year thereafter, upon appropriation by the Legislature.
- 2) Requires DHCS to sunset the HHP on January 1, 2022, or when DHCS receives any necessary federal approval to implement the enhanced care management benefit (ECM) under the CalAIM initiative. Repeals the HHP provisions in existing law on January 1, 2023.
- 3) Requires DHCS to conduct any necessary closeout activities related to HHP, including but is not limited to, the evaluation required under existing law.

State Plan Dental Improvement Program (DIP)

- 4) Requires DHCS to implement the State Plan DIP in accordance with the CalAIM Terms and Conditions and this bill. Requires the DIP to further the goal of improving accessibility of Medi-Cal dental services and oral health outcomes for targeted populations and to be the successor program to the DTI.
- 5) Requires the following to be covered Medi-Cal benefits for specified populations when medically necessary and subject to utilization controls, beginning no sooner than January 1, 2021:
 - a) Caries Risk Assessment bundle for eligible children zero to six years of age, inclusive; and,
 - b) Silver diamine fluoride for eligible children zero to six years of age, inclusive, and for eligible adults residing in skilled nursing facilities (SNF), intermediate care facilities (ICF), or that receive services in facilities overseen by the State Department of Developmental Services, as determined by DHCS.
- 6) Requires DHCS, no sooner than January 1, 2021, to make supplemental payments to qualified dental providers for increased utilization of certain preventive dental services, and for establishing or maintaining beneficiary continuity of care through a dental home.
- 7) Requires DHCS to develop the methodology for making supplemental payments for preventive services and to include at least the following factors:
 - a) The eligibility criteria for receiving payments;

- b) The amount of payments; and,
 - c) The applicable preventive dental services that are eligible for payments.
- 8) Requires DHCS, for preventive services, to make a flat rate supplemental payment for each eligible paid claim for Current Dental Terminology (CDT) codes specified by DHCS and approved in the CalAIM Terms and Conditions. Requires the supplemental payment to be paid at the same time as the underlying eligible paid claim, to the extent practicable.
 - 9) Requires DHCS, for dental home related care, to make a single annual supplemental payment to each eligible location based on the number of Medi-Cal beneficiaries for which eligible paid claims were submitted, as specified.
 - 10) Requires qualified dental providers to include safety net clinics, including federally qualified health centers (FQHCs) and rural health clinics (RHCs). Requires supplemental payments provided to safety net clinics to be considered separate and apart from the Prospective Payment Service (PPS) reimbursement for FQHCs and RHCs and the Memorandum of Agreement reimbursement for Tribal Health Centers.
 - 11) Requires DHCS to seek federal approval of any state plan amendments necessary to implement the DIP.

National Committee for Quality Assurance (NCQA) Accreditation

- 12) Authorizes DHCS, for contracting periods on or after January 1, 2026, to require Medi-Cal managed care plans (MCMC) and each MCMC subcontractor to be accredited by NCQA, in accordance with this bill and the CalAIM Terms and Conditions.
- 13) Authorizes DHCS to require an alternate accreditation with substantially similar requirements as NCQA accreditation, if DHCS determines a MCMC or a MCMC subcontractor is unable to receive NCQA accreditation due to population size.
- 14) Prohibits DHCS from using the findings of any accreditation authorized by this bill to certify or deem a MCMC compliance with existing state and federal requirements, except in the area of credentialing.
- 15) Requires “subcontractor” to have the same meaning as defined in existing federal regulations.

Additional Provisions

- 16) Finds and declares that this bill if enacted is does not violate existing federal law on providing benefits to noncitizens.
- 17) Makes the provisions of this bill severable, so that if any provision or its application is held invalid or unconstitutional, that invalidity will not affect the other provisions or applications that can be given effect without the invalid provision or application.

Comments

Author's statement. According to the author, CalAIM is an ambitious proposal that seeks to enact long-needed system reforms in the Medi-Cal program and provide a whole-person approach to serving Medi-Cal beneficiaries. CalAIM includes many innovative and bold proposals, crafted in a framework to draw down federal funding through both the 1115 and 1915(b) waivers. While implementation of CalAIM was halted due to COVID-19 last year, DHCS has released, as part of the 2021-22 Budget proposal, extensive trailer bill language (TBL) and accompanying Budget Change Proposals to begin implementation of CalAIM this year. Due to the scope, complexity, amount of detail, and number of proposals in CalAIM, this and four other bills have been introduced to provide additional opportunities for the Legislature and stakeholders to weigh in on specific provisions of CalAIM before they are finalized. This bill addresses the DIP, NCQA accreditation, and transition of HHP components of the CalAIM waiver.

NOTE: Please see the Senate Health Committee analysis for full background discussion on this bill.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee, this bill includes statutory provisions directly related to CalAIM implementation and funding being determined through the budget process.

SUPPORT: (Verified 5/19/21)

Association of Regional Center Agencies
California Dental Association
California Medical Association
Health Access California

OPPOSITION: (Verified 5/19/21)

None received

ARGUMENTS IN SUPPORT: This bill is supported by the California Dental Association (CDA), which writes that this bill invest significant resources in the Medi-Cal dental program – particularly for children’s prevention and pay-for-performance incentives – and builds on the strong commitment from the Legislature and Governor to improving current system. CDA strongly supports dental benefit structures that focus on preventing dental disease, and there is no better way to do this than by maximizing utilization of children’s preventive services. CDA also notes that Domain 2 was one of the most successful pilot programs within the DTI and supports the continuation of the Caries Risk Assessment bundled payment. Finally, CDA applauds the inclusion of silver diamine fluoride as a benefit in the program for certain populations. Silver diamine fluoride presents opportunities to reduce costs in the Medi-Cal system by averting more expensive treatment options. For many patients, using silver diamine fluoride has the potential to not only stop the growth of caries but also to reduce the use of general anesthesia.

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5/22/21 12:55:19

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