

From: [DMHC Licensing eFiling](#)

Subject: APL 21-009 - Dental Plan Reporting Regarding Network Stability

Date: Tuesday February 16, 2021 3:18 PM

Attachments: [APL 21-009 – Dental Plan Reporting Regarding Network Stability \(2.16.2021\).pdf](#)
[Dental Reporting Template for Dental Network Stability APL - REVISED.xlsx](#)
[Dental Practice Sale or Closure Report Template.xlsx](#)

Dear Health Plan Representative,

On January 26, 2021, the DMHC issued APL 21-006. That APL applies to dental plans and requires them to report to the DMHC regarding the stability of their networks given impacts of COVID-19. The DMHC received a number of questions regarding the APL. Based on that input, the DMHC has revised the APL and is issuing APL 21-009, which supersedes and replaces APL 21-006.

APL 21-009 differs from APL 21-006 as follows:

- For the first report regarding “priority practices,” plans do not need to include dental practices that were closed temporarily any time between March 1 and May 15, 2020, even if those practices meet the definition of “priority practices.”
- The due date for first reports of closed and priority practices is now March 22, 2021, rather than March 1, 2021.
- The DMHC made minor updates to the reporting templates regarding sold or closed practices and regarding health plan support for “priority practices.” Please use the templates attached to this email.

Finally, the DMHC received a question about whether a dental practice that receives a *de minimis* amount of fee-for-service payments from the plan should be included as a “priority practice” if the practice meets the other elements of the definition of a “priority practice.” As indicated in footnote 3 of the APL, a dental practice **should not be included** as a “priority practice” if, during the twelve-month period preceding the first day of the applicable reporting period, the plan’s aggregate fee-for-service payments to the practice were equal to or less than 10% of the aggregate capitation payments the plan paid the practice during the same period. In other words, if 90% or more of the amount the plan paid the practice was in the form of capitation payments, then the practice is not paid on a “primarily fee-for-service basis” for purposes of the APL and the plan does not need to include the practice as a “priority practice,” even if the practice meets the other elements of a “priority practice.”

Thank you.



Gavin Newsom, Governor
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ALL PLAN LETTER

DATE: February 16, 2021

TO: All Specialized Health Care Service Plans That Cover Dental Services¹

FROM: Sarah Ream
Chief Counsel

SUBJECT: APL 21-009 – DENTAL PLAN REPORTING REGARDING NETWORK STABILITY (**Note: This APL revises and replaces APL 21-006, issued on January 26, 2021.**)

Given the ongoing state of emergency due to the COVID-19 pandemic, the Department of Managed Health Care (DMHC) is concerned dental plan networks may be significantly affected by provider closures. Such closures could adversely impact enrollees' ability to access dental care services in a timely manner.

Accordingly, pursuant to the authority granted by the Executive Order Governor Gavin Newsom issued on September 23, 2020, dental plans (including Medi-Cal managed care dental plans) must report to the DMHC information regarding: (1) contracted dental practices identified to be "priority practices" as defined in this APL; (2) closures or sales of their contracted dental practices; and, (3) how those closures and/or sales may impact the plan's ongoing ability to provide services to enrollees.²

This APL shall remain in effect until the Governor declares the California State of Emergency regarding COVID-19 is over or the DMHC terminates the APL, whichever is earlier.

I. Reporting Regarding Priority Dental Practices

Dental plans shall identify and report to the DMHC regarding those dental practices in their networks that meet the definition of a "Priority Practice," as that term is defined by this APL.

¹ This APL does not apply to specialized health care service plans that do not offer dental coverage.

² Plans are reminded that, in addition to the reporting required by this APL, they must continue to update their provider directories as required by Health and Safety Code section 1367.27 and submit block transfer filings pursuant to Section 1373.65 and California Code of Regulations, tit. 28, section 1300.67.1.3, as applicable.

A. Definition of “Priority Practice”

For purposes of this APL, a dental practice is a “Priority Practice” if all of the following are true:

1. the practice is a dental practice;
2. the plan reimburses the practice primarily on a fee-for-service basis for some or all of the services the practice provides to the plan’s enrollees³; and,
3. during the period for which data is reported, the practice:
 - a. submitted at least twenty-five percent (25%) fewer claims to the reporting plan compared to the number of claims the practice submitted to the reporting plan during the same period the previous calendar year; or,
 - b. received total reimbursement that, in the aggregate amount, is at least twenty-five percent (25%) less than the aggregated amount of total reimbursement the practice received from the reporting plan during the same period the previous calendar year.

“Priority Practice” refers to the entity to which claims are reimbursed. For example, for a provider in a solo practice, the solo practice is the entity to which claims are reimbursed and the solo practice would be the “Priority Practice” for reporting purposes per this APL. For a multi-provider dental practice that receives claims reimbursement, the “Priority Practice” would be the dental practice itself, rather than the individuals working in the practice group.

B. Assistance to Priority Practices

In addition to identifying Priority Practices, Plans shall report to the DMHC regarding assistance they provided to Priority Practices during the applicable reporting period. Assistance may include, but is not limited to:

- Monetary grants.
- Loans (indicate whether the loan is forgivable or not forgivable) and the terms of the loans, including repayment timelines, interest rates (if applicable), and the conditions under which the plan will forgive a loan.
- Reimbursement for dental codes (e.g., D1999) related to the provision of personal protective equipment (PPE).
- Increased reimbursement for other dental codes.

³ A plan should not include a practice as a “Priority Practice” if, during the twelve-month period preceding the first day of the applicable reporting period, the plan’s aggregated fee-for-service payments to the provider were equal to or less than 10% of the aggregated capitated payments the plan paid to the provider during the same period.

- Procurement and provision of PPE.
- Reducing administrative burdens (e.g., suspending prior authorization requirements).
- Assistance, financial or otherwise, with implementing telehealth systems.
- Assistance with or funding for electronic health records systems.

When reporting the types of assistance given, the plan shall identify the monetary value of the assistance offered, the Priority Practice(s) to which the plan offered assistance, and the date(s) the plan offered assistance. If the plan provided assistance to a Priority Practice on multiple dates during a reporting period, the plan may aggregate the amount of assistance provided to the practice and report the aggregated amount, rather than listing each instance of providing assistance.

The plan shall also report whether the Priority Practice(s) accepted some or all of the assistance the plan offered and, if not, the reasons why the assistance was declined, if known to the plan.

C. Information plans must submit to the DMHC regarding Priority Practices

The plan shall submit to the DMHC on a quarterly basis the information required by this APL regarding Priority Practices. The plan shall report the information to the DMHC using the template spreadsheet, attached.

If the plan had no contracted providers meeting the definition of a Priority Practice during the applicable reporting period, the plan shall submit a concise narrative report indicating the plan has not identified any Priority Practices during the reporting period. The report shall include a description of efforts the plan undertook to identify distressed practices during the reporting period.

D. Confidentiality of Priority Practice reports

The DMHC will treat the raw data dental plans submit per section I of this APL as confidential information. However, the DMHC may aggregate the data submitted and make that aggregated data publicly available. The DMHC may aggregate the data by plan or may combine the data of one or more plans when making data publicly available. The DMHC will take reasonable steps to ensure the data is aggregated in such a way that no particular practice will be able to be identified from the aggregated data.

II. Reporting Regarding Closed Or Sold Practices

In addition to quarterly reporting regarding Priority Practices as required by Section I of this APL, dental plans shall report on a quarterly basis regarding dental practices in their network(s) that closed or were sold during the applicable reporting period. If the dental plan has not identified any provider closures or sales during the reporting period, the

plan shall submit a concise narrative report so indicating. The report shall include a description of efforts the plan undertook to identify closed or sold practices during the reporting period.

Plans shall report regarding all dental practices closed or sold during the reporting period, regardless of whether the plan reimbursed the practice on a fee-for-service basis, a capitated basis, or a mix of the two.

For purposes of this APL, a practice is “closed” if it ceased to provide any services (including telehealth) to any enrollees and the provider anticipates it will either permanently cease providing services (e.g., the provider retired) or will cease providing any services (including telehealth) to any enrollees for four or more consecutive weeks.

For purposes of this APL, a practice is “sold” if the owner(s) of the practice transferred an interest in the practice to cause change of ownership or control of the beneficial interest in the practice during the reporting period, or if the owner(s) transferred, sold, or effectuated a change of control of the assets of the practice.

Plans do not need to include in its reports submitted per the APL provider information related to a contract termination between the plan, the plan’s delegate(s) and the provider, unless such termination was the result of a closed or sold practice.⁴

A. Information plans must submit to the DMHC regarding closed or sold practices

Plans shall submit to the DMHC on a quarterly basis the information required by this APL regarding dental practices that closed or were sold during the reporting period. Plans shall report the information to the DMHC using the template spreadsheet, attached.

B. Analysis of impact of closures on plan’s networks

In addition to providing the data specified above, plans must also provide the DMHC with an analysis of the impact of the practice closures and sales on the plan’s networks. The plans must provide the following information for each network impacted by a closure or sale:

1. The total number of individual providers no longer available in the network

⁴ The filings required by this APL do not relieve plans of their obligation to file other reports as required by the Knox-Keene Act or its regulations, including a block transfer filing pursuant to Health and Safety Code section 1373.65 or an amendment filing pursuant to California Code of Regulations, tit. 28, section 1300.52(f). See *Networks eFiling Instruction Manual*, available in the Downloads section of the eFile web portal, for more information on filing 10% change network amendment filings, pursuant to California Code of Regulations, tit. 28, section 1300.52(f).

and the percentage change in the number of providers available in the network due to the closure. Plans shall report this data in two ways: (1) for the current reporting period; and (2) cumulatively to include the current and all previous reporting periods.

2. Geographic and Timely Access: Any plan networks that are no longer able to provide plan enrollees with reasonable geographic and timely access to services.⁵

III. Plans To Include Information Regarding Sub-Delegated Practices

If the reporting plan’s networks contain provider practices that do not contract directly with the reporting plan, but instead are included in the plan’s network via subcontracting arrangements, the reporting plan shall nevertheless include information regarding such subcontracted provider practices, as applicable, if the subcontracted provider practice meets the definition of “Priority Practice.” As necessary, the reporting plan must obtain this information from its delegated entities.

Plans that hold a restricted or limited license issued by the DMHC do not need to report *to the DMHC* the information required by this APL. However, such plans must report applicable information “upstream” to the fully-licensed plan(s) with whom they contract (either directly or indirectly), upon request from the fully-licensed plan(s).

IV. Due Dates Of Reports And How To File

Dental plans shall submit their reports through the DMHC’s eFiling system as a “Report/Other” (for the filing type) and an E-1 (for the exhibit type) as follows:

Report filed by...	...will report data from...	...and will be titled...
March 22, 2021	<p>March 1, 2020 through December 31, 2020</p> <p>The overwhelming majority of dental practices were closed between March 2020 and mid-May 2020 due to shelter-in-place orders. Accordingly, plans do not need to include as “Closed Practices” those practices that closed temporarily</p>	“Network report for March 2020-December 2020”

⁵ California Code of Regulations, tit. 28, sections 1300.51(d)(H) & 1300.67.2.1.

Report filed by...	...will report data from...	...and will be titled...
	between March 1 and May 15, 2020.	
June 1, 2021	1 st quarter 2021 (January 1, 2021 through March 31, 2021)	“Network report for 1 st quarter 2021”
Sept. 1, 2021	2 nd quarter 2021 (April 1, 2021 through June 30, 2021)	“Network report for 2 nd quarter 2021”
Jan. 3, 2022	3 rd quarter 2021 (July 1, 2021 through September 20, 2021)	“Network report for 3 rd quarter 2021”

If you have questions regarding this APL, please contact your plan’s assigned reviewer in the DMHC’s Office of Plan Licensing.