

# Proposed Dental Managed Care Deferred Compensation Plan

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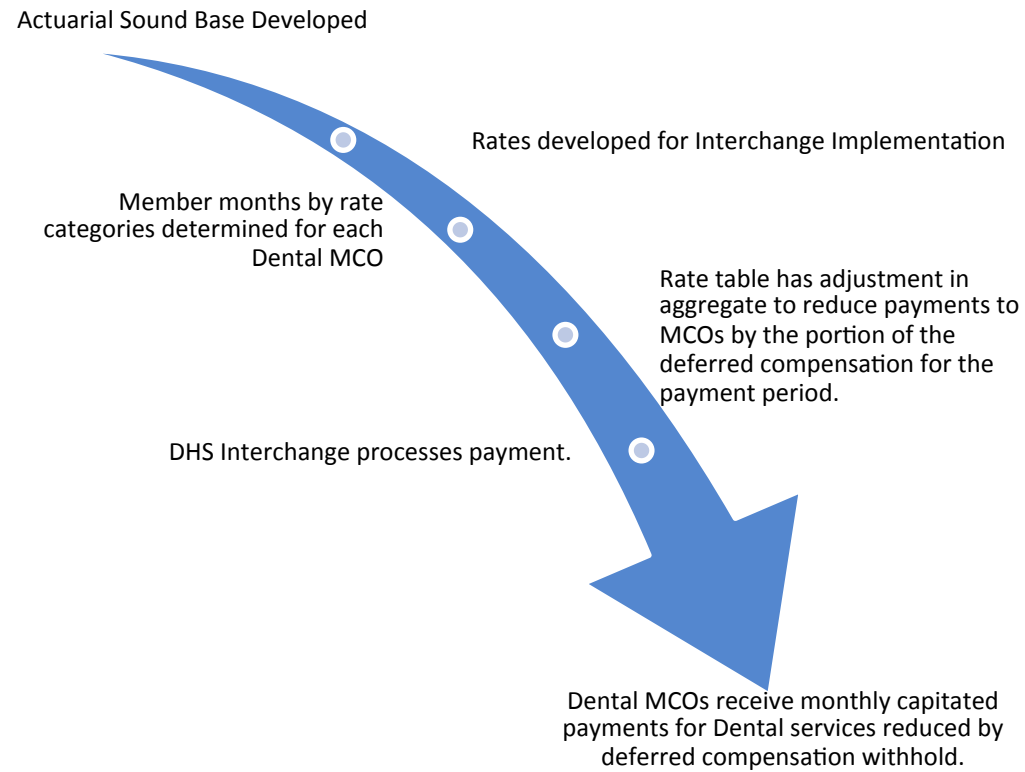
# Main Points

- Pass through payments prohibited, therefore, base the payment on utilization.
- DHS must pay the actuarially sound amount for Dental Managed Care (No more, no less).
- Encounter data collected quarterly (June 2018)
- DXC interchange will make payments to Diamond Plan on behalf of dentists.
- DHS monitoring compensation payments for participating dentists weekly.

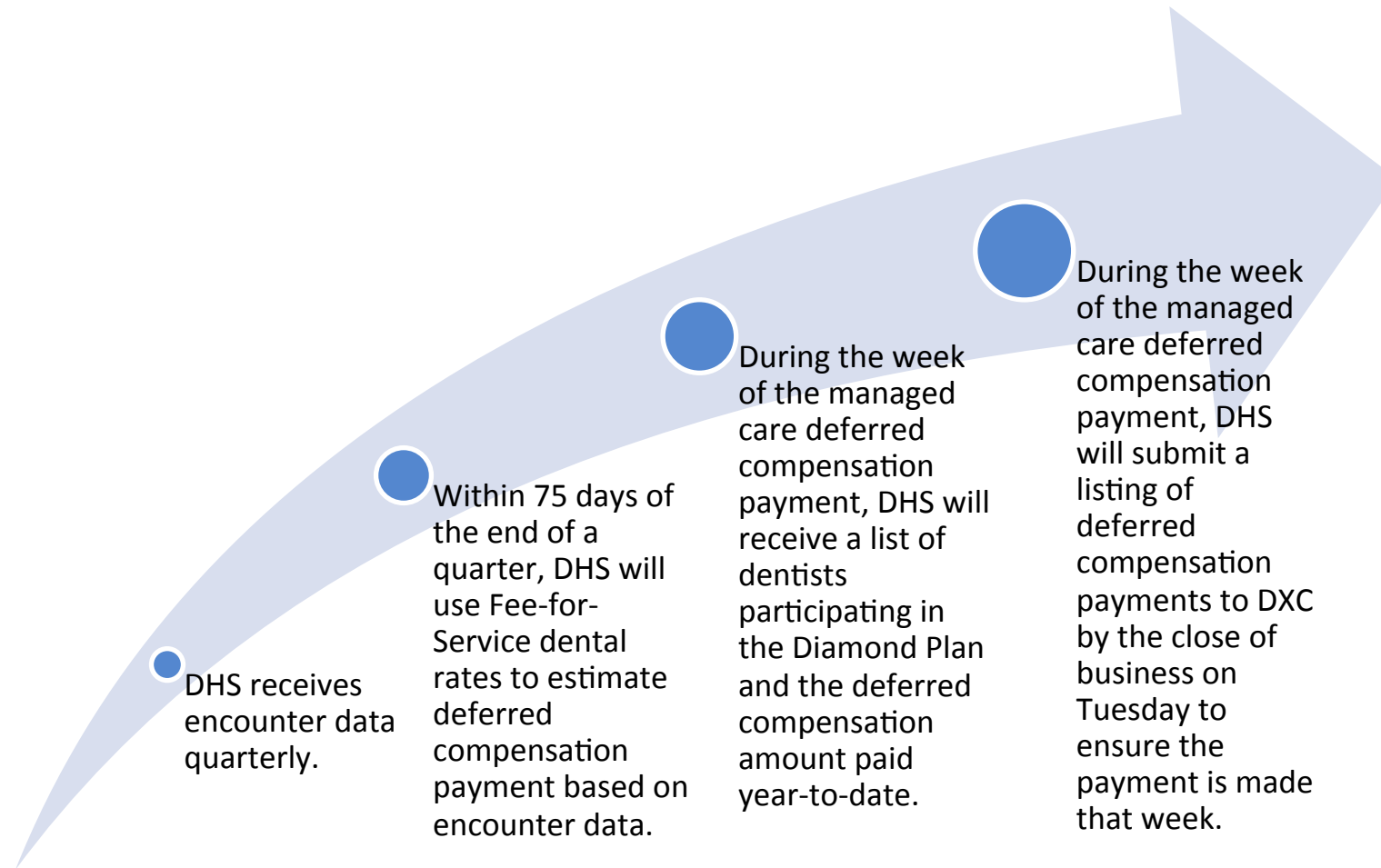
# Points to Consider in Dealing with Centers for Medicare & Medicaid Services (CMS)

- Rates to Dental MCOs meet the standards in 42 CFR.
  - Not a pass-through payment because it is not added to the actuarially sound and contracted payment rates.
  - Instead, the amount is a carve out of the capitated payment rate to cover the obligation of the Dental MCOs to provide the dentists and oral surgeons the ability to participate in the Deferred Compensation plan as outlined in Section 3.4-F of the RFP.
  - While not a pass through payment under Medicaid managed care rules, the payment will be based on utilization and delivery of service.
  - Dental MCOs continue to bear the financial risk.
  - Reconciliation will be completed to ensure that any amounts carved out of the capitated payments for the Deferred Compensation payment program are returned to the Dental MCOs to ensure actuarial soundness.

# Payment Process With Deferred Compensation to Dental Managed Care Entities



# Determination of Deferred Compensation Payments to Dentists



# Reconciliation of Deferred Compensation Payment With Dental Managed Care Entities

Encounter data for rate year gathered within 90 days of end of rate year

Amount paid by each Dental MCO determined for each dentist with deferred compensation arrangement.

Actual amount paid out for deferred compensation under managed care payment process compared to initial carve out calculated for the rate year by dentist.

Unpaid carve-out amount for deferred compensation by dentist paid Dental MCOs based on percentage of payments made by the Dental MCO to the dentist during the rate year.

# Example:

Period	Key Calculations	Fee for Service Contribution	Managed Care Contribution	Total Contribution Year To Date
<b>Annual Maximum</b>	<b>\$18,500</b>			
Quarter 1		\$4,837		\$4,837
Quarter 2		\$2,396		\$7,233
<b>DMCO Withhold From PMPM</b>	<b>\$11,267</b>			
<b>Encounter Data Calculation of Deferred Payment (1/1-6/30/18)</b>	<b>\$6,179</b>			
Quarter 3		\$1,643	\$6,179	\$15,055
<b>Encounter Data Calculation of Deferred Payment (7/1-9/30/18)</b>	<b>\$3,090</b>			
Quarter 4		\$1,030	\$2,415	\$18,500
<b>TOTAL</b>		<b>\$9,906</b>	<b>\$8,594</b>	<b>\$18,500</b>
<b>Less DMCO</b>			<b>(\$11,267)</b>	
<b>Amount Refunded for DMCO</b>			<b>(\$2,673)</b>	

# Proposed Timeline for Year 2018

- January 2018
  - Dental Managed Care begins
  - DHS monitoring FFS contributions to Diamond Plan
- March 2018
  - End of Quarter 1
- May 2018
  - Voya/Diamond Plan Q1 statements reflect FFS contributions
- June 2018
  - Meet with dental managed care entities & stakeholders
  - DHS requesting federal approval of compensation payments
  - DHS system changes complete, receive Q1 encounter data
  - End of Quarter 2



# Proposed Timeline for Year 2018

- July 2018
  - DHS receives Q2 encounter data
- August 2018
  - Voya/Diamond Plan Q2 statements reflect FFS contributions
  - DHS receives federal approval of compensation payments
- September 2018
  - DHS estimates payment based on Q1 & Q2 encounter data
  - DHS send payment to Diamond Plan
  - DHS recalculates capitated payments to managed care plans
  - End of Quarter 3
- October 2018
  - DHS receives encounter data (Q3)

# Proposed Timeline for Year 2018

- November 2018
  - DHS estimates second payment on Q3 encounter data
  - Voya/Diamond Plan Q3 statements reflect FFS + Managed Care
- December 31, 2018
  - Deferred compensation payment to Diamond Plan
  - End of Quarter 4
- January 2019
  - DHS receives encounter data (Q4)
  - Year-end statements from Voya/Diamond Plan
- February 2019
  - DHS performs reconciliation with dental managed care plans