

Assembly Bill No. 1568

CHAPTER 42

An act to add Sections 14184.21, 14184.41, 14184.51, 14184.60, 14184.61, 14184.70, and 14184.71 to the Welfare and Institutions Code, relating to Medi-Cal, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 1, 2016. Filed with Secretary
of State July 1, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1568, Bonta. Medi-Cal: demonstration project.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income persons receive health care benefits and services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law provides for a demonstration project, known as California's "Bridge to Reform" Medicaid demonstration project, under the Medi-Cal program until October 31, 2015, to implement specified objectives, including better care coordination for seniors and persons with disabilities and maximization of opportunities to reduce the number of uninsured individuals.

Existing law requires the department to seek a subsequent demonstration project to implement specified objectives, including maximizing federal Medicaid funding for county public hospitals health systems and components that maintain a comparable level of support for delivery system reform in the county public hospital health systems as was provided under California's "Bridge to Reform" Medicaid demonstration project.

SB 815 of the 2015–16 Regular Session, if enacted, would establish the Medi-Cal 2020 Demonstration Project Act, under which the department is required to implement specified components of the subsequent demonstration project, referred to as California's Medi-Cal 2020 demonstration project, consistent with the Special Terms and Conditions approved by the federal Centers for Medicare and Medicaid Services.

This bill would require the department to establish and operate the Whole Person Care pilot program, a component of the Medi-Cal 2020 demonstration project, under which counties, Medi-Cal managed care plans, and community providers that elect to participate in the pilot program are provided an opportunity to establish a new model for integrated care delivery that incorporates health care needs, behavioral needs, and social support, including housing and other supportive services, for the state's most high-risk, high-utilizing populations. The bill would establish the Whole Person Care Pilot Special Fund in the State Treasury, which would consist

of moneys that a participating governmental agency or entity elects to transfer to the department as a condition of participation in the pilot program. The bill would provide that these funds shall be continuously appropriated, thereby making an appropriation, to the department to be used to fund the nonfederal share of any payments of Whole Person Care pilot payments authorized under California's Medi-Cal 2020 demonstration project.

The bill would require the department to implement the Dental Transformation Initiative (DTI), a component of the Medi-Cal 2020 demonstration project, under which DTI incentive payments, as defined, within specified domain categories would be made available to qualified providers who meet achievements within one or more of the project domains. The bill would provide that providers in either the dental fee-for-service or dental managed care Medi-Cal delivery systems would be eligible to participate in the DTI.

The bill would require the department to conduct, or arrange to have conducted, any study, report, assessment, evaluation, or other similar demonstration project activity required under the Special Terms and Conditions.

The bill would become operative only if SB 815 of the 2015–16 Regular Session is enacted and takes effect on or before January 1, 2017.

This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 14184.21 is added to the Welfare and Institutions Code, immediately following Section 14184.20, to read:

14184.21. The department shall conduct, or arrange to have conducted, any study, report, assessment, including the access assessment described in Section 14184.80, evaluation, or other similar demonstration project activity required under the Special Terms and Conditions.

SEC. 2. Section 14184.41 is added to the Welfare and Institutions Code, immediately following Section 14184.40, to read:

14184.41. The department shall conduct, or arrange to have conducted, the two evaluations of the Global Payment Program methodology required under the Special Terms and Conditions.

SEC. 3. Section 14184.51 is added to the Welfare and Institutions Code, immediately following Section 14184.50, to read:

14184.51. The department shall conduct, or arrange to have conducted, the evaluation of the PRIME program required under the Special Terms and Conditions.

SEC. 4. Section 14184.60 is added to the Welfare and Institutions Code, to read:

14184.60. (a) (1) The department shall establish and operate the Whole Person Care pilot program as authorized under the demonstration project

to allow for the development of WPC pilots focused on target populations of high-risk, high-utilizing Medi-Cal beneficiaries in local geographic areas. The overarching goal of the program is the coordination of health, behavioral health, and social services, as applicable, in a patient-centered manner to improve beneficiary health and well-being through a more efficient and effective use of resources.

(2) The Whole Person Care (WPC) pilots shall provide an option to a county, a city and county, a health or hospital authority, or a consortium of any of the above entities serving a county or region consisting of more than one county, to receive support to integrate care for particularly vulnerable Medi-Cal beneficiaries who have been identified as high users of multiple systems and who continue to have or are at-risk of poor health outcomes. Through collaborative leadership and systematic coordination among public and private entities, pilot entities will identify common beneficiaries, share data between systems, coordinate care in real time, and evaluate individual and population progress in order to meet the goal of providing comprehensive coordinated care for the beneficiary resulting in better health outcomes.

(3) Investments in the localized pilots will build and strengthen relationships and systems infrastructure and will improve collaboration among WPC lead entities and WPC participating entities. The results of the WPC pilots will provide learnings for potential future local efforts beyond the term of the demonstration.

(4) WPC pilots shall include specific strategies to increase integration among local governmental agencies, health plans, providers, and other entities that serve high-risk, high-utilizing beneficiaries; increase coordination and appropriate access to care for the most vulnerable Medi-Cal beneficiaries; reduce inappropriate inpatient and emergency room utilization; improve data collection and sharing among local entities; improve health outcomes for the WPC target population; and may include other strategies to increase access to housing and supportive services.

(5) WPC pilots shall be approved by the department through the process outlined in the Special Terms and Conditions.

(6) Receipt of Whole Person Care services is voluntary. Individuals receiving these services shall agree to participate in the WPC pilot, and may opt out at any time.

(b) For purposes of this article, the following definitions shall apply:

(1) “Medi-Cal managed care plan” means an organization or entity that enters into a contract with the department pursuant to Article 2.7 (commencing with Section 14087.3), Article 2.8 (commencing with Section 14087.5), Article 2.81 (commencing with Section 14087.96), Article 2.91 (commencing with Section 14089), or Chapter 8 (commencing with Section 14200).

(2) “WPC community partner” means an entity or organization identified as participating in the WPC pilot that has significant experience serving the target population within the pilot’s geographic area, including physician groups, community clinics, hospitals, and community-based organizations.

(3) “WPC lead entity” means the entity designated for a WPC pilot to coordinate the Whole Person Care pilot and to be the single point of contact for the department. WPC lead entities may be a county, a city and county, a health or hospital authority, a designated public hospital, a district and municipal public hospital, or an agency or department thereof, a federally recognized tribe, a tribal health program operated under a Public Law 93-638 contract with the federal Indian Health Service, or a consortium of any of these entities.

(4) “WPC participating entity” means those entities identified as participating in the WPC pilot, other than the WPC lead entity, including other local governmental entities, agencies within local governmental entities, Medi-Cal managed care plans, and WPC community partners.

(5) “WPC target population” means the population or populations identified by a WPC pilot through a collaborative data approach across partnering entities that identifies common Medi-Cal high-risk, high-utilizing beneficiaries who frequently access urgent and emergency services, including across multiple systems. At the discretion of the WPC lead entity, and in accordance with guidance as may be issued by the department during the application process and approved by the department, the WPC target population may include individuals who are not Medi-Cal patients, subject to the funding restrictions in the Special Terms and Conditions regarding the availability of federal financial participation for services provided to these individuals.

(c) (1) WPC pilots shall have flexibility to develop financial and administrative arrangements to encourage collaboration with regard to pilot activities subject to the Special Terms and Conditions, the provisions of any WPC pilot agreements with the department, and the applicable provisions of state and federal law, and any other guidance issued by the department.

(2) The WPC lead entity shall be responsible for operating the WPC pilot, conducting ongoing monitoring of WPC participating entities, arranging for the required reporting, ensuring an appropriate financial structure is in place, and identifying and securing a permissible source of the nonfederal share for WPC pilot payments.

(3) Each WPC pilot shall include, at a minimum, all of the following entities as WPC participating entities in addition to the WPC lead entity. If a WPC lead entity cannot reach an agreement with a required participant, the WPC lead entity may request an exception to this requirement from the department.

(A) At least one Medi-Cal managed care plan operating in the geographic area of the WPC pilot to work in partnership with the WPC lead entity when implementing the pilot specific to Medi-Cal managed care beneficiaries.

(B) The health services agency or agencies or department or departments for the geographic region where the WPC pilot operates, or any other public entity operating in that capacity for the county or city and county.

(C) The local entities, agencies, or departments responsible for specialty mental health services for the geographic area where the WPC pilot operates.

(D) At least one other public agency or department, which may include, but is not limited to, county alcohol and substance use disorder programs, human services agencies, public health departments, criminal justice or probation entities, and housing authorities, regardless of how many of these fall under the same agency head within the geographic area where the WPC pilot operates.

(E) At least two other community partners serving the target population within the applicable geographic area.

(4) The department shall enter into a pilot agreement with each WPC lead entity approved for participation in the WPC pilot program. The information and terms of the approved WPC pilot application shall become the pilot agreement between the department and the WPC lead entity submitting the application and shall set forth, at a minimum, the amount of funding that will be available to the WPC pilot and the conditions under which payments will be made, how payments may vary or under which the pilot program may be terminated or restricted. The pilot agreement shall include a data sharing agreement that is sufficient in scope for purposes of the WPC pilot, and an agreement regarding the provision of the nonfederal share. The pilot agreement shall specify reporting of universal and variant metrics that shall be reported by the pilot on a timeline specified by the department and projected performance on them. The pilot agreement may include additional components and requirements as issued by the department during the application process. Modifications to the WPC pilot activities and deliverables may be made on an annual basis in furtherance of WPC pilot objectives, to incorporate learnings from the operation of the WPC pilot as approved by the department.

(5) Notwithstanding any other law, including, but not limited to, Section 5328 of this code, and Sections 11812 and 11845.5 of the Health and Safety Code, the sharing of health information, records, and other data with and among WPC lead entities and WPC participating entities shall be permitted to the extent necessary for the activities and purposes set forth in this section. This provision shall also apply to the sharing of health information, records, and other data with and among prospective WPC lead entities and WPC participating entities in the process of identifying a proposed target population and preparing an application for a WPC pilot.

(d) WPC pilots may target the focus of their pilot on individuals at risk of or experiencing homelessness who have a demonstrated medical need, including behavioral health needs, for housing or supportive services, subject to the restrictions on funding contained in the Special Terms and Conditions. In these instances, WPC participating entities may include local housing authorities, local continuum of care (CoCs) programs, community-based organizations, and others serving the homeless population as entities collaborating and participating in the WPC pilot. WPC pilot housing interventions may include the following:

(1) Tenancy-based care management services. For purposes of this section, “tenancy-based care management services” means supports to assist

the target population in locating and maintaining medically necessary housing. These services may include the following:

(A) Individual housing transition services, such as individual outreach and assessments.

(B) Individual housing and tenancy-sustaining services, including tenant and landlord education and tenant coaching.

(C) Housing-related collaborative activities, such as services that support collaborative efforts across public agencies and the private sector that assist WPC participating entities in identifying and securing housing for the target population.

(2) Countywide housing pools.

(A) WPC pilots may establish a countywide housing pool (housing pool) that will directly provide needed support for medically necessary housing services, with the goal of improving access to housing and reducing churn in the Medi-Cal population.

(B) The housing pool may be funded through WPC pilot payments or direct contributions from community entities, or from State or local government. WPC pilot payments for the operation of a housing pool shall be subject to the restrictions in the Special Terms and Conditions and other applicable provisions of federal law. Housing pool funds that are not WPC pilot payments shall be maintained separately from WPC pilot payments and may be allocated to fund support for long-term housing, including rental housing subsidies. The housing pool may leverage local resources to increase access to subsidized housing units. The housing pool may also incorporate a financing component to reallocate or reinvest a portion of the savings from the reduced utilization of health care services into the housing pool. As applicable to an approved WPC pilot, WPC investments in housing units or housing subsidies, including any payment for room and board, shall not be eligible for federal financial participation, unless recognized as reimbursable under federal Centers for Medicare and Medicaid Services policy.

(e) (1) Payments to WPC pilots shall be disbursed twice a year to the WPC lead entity following the submission of the reports required pursuant to subdivision (f), to the extent all applicable requirements are met. The amount of funding for each WPC pilot and the timing of the payments shall be specified by the department upon the department approving a WPC application, consistent with the Special Terms and Conditions. During the 2016 calendar year only, payments shall be available for the planning, development, and submission of a successful WPC pilot application, including the submission of deliverables as set forth in the WPC pilot application and the WPC pilot annual report, to the extent authorized under the demonstration project and approved by the department.

(2) The department shall issue a WPC pilot application and selection criteria consistent with the Special Terms and Conditions, under which applicants shall demonstrate the ability to meet the goals of the WPC pilots as outlined in this section and the Special Terms and Conditions. The department shall approve applicants that meet the WPC pilot selection

criteria established by the department, and shall allocate available funding to those approved WPC pilots up to the full amount of federal financial participation authorized under the demonstration project for WPC pilots during each calendar year from 2016 to 2020, inclusive, to the extent there are sufficient numbers of applications that meet the applicable criteria. In the event that otherwise unallocated federal financial participation is available after the initial award of WPC pilots, the department may solicit applications for the remaining available funds from WPC lead entities of approved WPC pilots or from additional applicants, including applicants not approved during the initial application process.

(3) In the event a WPC pilot does not receive its full annual payment amount, the WPC lead entity may request that the remaining funds be carried forward into the following calendar year, or may amend the scope of the WPC pilot, including, services, activities, or enrollment, for which this unallocated funding may be made available, subject to the Special Terms and Conditions and approval by the department. If the department denies a WPC lead entity request to carry forward unused funds and funds are not disbursed in this manner, the department may make the unexpended funds available for other WPC pilots or additional applicants not approved during the initial application process, to the extent authorized in the Special Terms and Conditions.

(4) Payments to the WPC pilot are intended to support infrastructure to integrate services among local entities that serve the WPC target population, to support the availability of services not otherwise covered or directly reimbursed by Medi-Cal to improve care for the WPC target population, and to foster other strategies to improve integration, reduce unnecessary utilization of health care services, and improve health outcomes. WPC pilot payments shall not be considered direct reimbursement for expenditures incurred by WPC lead entities or WPC participating entities in implementing these strategies or reforms. WPC pilot payments shall not be considered payments for services otherwise reimbursable under the Medi-Cal program, and shall not offset or otherwise supplant payment amounts otherwise payable by the Medi-Cal program, including payments to and by Medi-Cal managed care plans, for Medi-Cal covered services.

(5) WPC pilots are not intended as, and shall not be construed to constitute, health care coverage for individuals receiving services, and WPC pilots may determine the scope, type, and extent to which services are available, to the extent consistent with the Special Terms and Conditions. For purposes of the WPC pilots, WPC lead entities shall be exempt from the provisions of Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code, and shall not be considered Medi-Cal managed care health plans subject to the requirements applicable to the two-plan model and geographic managed care plans, as contained in Article 2.7 (commencing with Section 14087.3), Article 2.81 (commencing with Section 14087.96), and Article 2.91 (commencing with Section 14089) of Chapter 7 of Part 3 and the corresponding regulations, and shall not be considered prepaid health plans, as defined in Section 14251.

(f) WPC lead entities shall submit mid-year and annual reports to the department, in accordance with the schedules and guidelines established by the department and consistent with the Special Terms and Conditions. No later than 60 days after submission, the department shall determine the extent to which pilot requirements were met and the associated interim or annual payment due to the WPC pilot.

(g) The department, in collaboration with WPC lead entities, shall facilitate learning collaboratives to allow WPC pilots to share information and lessons learned from the operation of the WPC pilots, best practices with regard to specific beneficiary populations, and strategies for improving coordination and data sharing among WPC pilot entities.

(h) The nonfederal share of any payments under the WPC pilot program shall consist of voluntary intergovernmental transfers of funds provided by participating governmental agencies or entities, in accordance with this section and the terms of the pilot agreement.

(1) The Whole Person Care Pilot Special Fund is hereby established in the State Treasury. Notwithstanding Section 13340 of the Government Code, moneys deposited in the Whole Person Care Pilot Special Fund pursuant to this section shall be continuously appropriated, without regard to fiscal years, to the department for the purposes specified in this section. All funds derived pursuant to this section shall be deposited in the State Treasury to the credit of the Whole Person Care Pilot Special Fund.

(2) The Whole Person Care Pilot Special Fund shall consist of moneys that a participating governmental agency or entity elects to transfer to the department into the fund as a condition of participation in the WPC pilot program, to the extent permitted under Section 433.51 of Title 42 of the Code of Federal Regulations, the Special Terms and Conditions, and any other applicable federal Medicaid laws. Except as provided in paragraph (3), moneys derived from these intergovernmental transfers in the Whole Person Care Pilot Special Fund shall be used as the nonfederal share of Whole Person Care pilot payments authorized under the demonstration project. Any intergovernmental transfer of funds provided for purposes of the WPC pilot program shall be made as specified in this section. Upon providing any intergovernmental transfer of funds, each transferring entity shall certify that the transferred funds qualify for federal financial participation pursuant to applicable federal Medicaid laws and the Special Terms and Conditions, and in the form and manner as required by the department.

(3) The department shall claim federal financial participation for WPC pilot payments using moneys derived from intergovernmental transfers made pursuant to this section and deposited in the Whole Person Care Pilot Special Fund to the full extent permitted by law. The moneys disbursed from the fund, and all associated federal financial participation, shall be distributed to WPC lead entities in accordance with paragraph (1) of subdivision (e). In the event federal financial participation is not available with respect to a payment under this section and either is not obtained, or results in a recoupment of funds from one or more WPC lead entities, the

department shall return any intergovernmental transfer fund amounts associated with the payment for which federal financial participation is not available to the applicable transferring entities within 14 days from the date of the associated recoupment or other determination, as applicable.

(4) This section shall not be construed to require any local governmental agency or entity, or any other provider, plan, or similar entity, to participate in the WPC pilot program. As a condition of participation in the WPC pilot program, participating governmental agencies or entities agree to provide intergovernmental transfers of funds necessary to meet the nonfederal share obligation for any Whole Person Care pilot program payment made pursuant to this section and the Special Terms and Conditions. Any intergovernmental transfer of funds made pursuant to this section shall be considered voluntary for purposes of all federal law. No state General Fund moneys shall be used to fund the nonfederal share of any WPC pilot program payment.

SEC. 5. Section 14184.61 is added to the Welfare and Institutions Code, immediately following Section 14184.60, to read:

14184.61. The department shall conduct, or arrange to have conducted, the evaluations of the WPC pilot program required under the Special Terms and Conditions.

SEC. 6. Section 14184.70 is added to the Welfare and Institutions Code, to read:

14184.70. (a) (1) The department shall implement the Dental Transformation Initiative, or DTI, in accordance with the Special Terms and Conditions, with the goal of improving the oral health care for Medi-Cal children zero to 20, inclusive, years of age.

(2) The DTI is intended to improve the oral health care for Medi-Cal children with a particular focus on increasing the statewide proportion of qualifying children enrolled in the Medi-Cal Dental Program who receive a preventive dental service by 10 percentage points over a five-year period.

(3) The DTI includes the following four domains as outlined in the Special Terms and Conditions:

- (A) Preventive Services.
- (B) Caries Risk Assessment.
- (C) Continuity of Care.
- (D) Local Dental Pilot Projects.

(4) Under the DTI, incentive payments within each domain will be available to qualified providers who meet the requirements of the domain.

(b) For purposes of this article, the following definitions shall apply:

(1) “DTI incentive payment” means a payment made to an eligible contracted service office location pursuant to the DTI component of the Special Terms and Conditions.

(2) “DTI pool” means the funding available under the Special Terms and Conditions for the purposes of the DTI program, as described in paragraph (1) of subdivision (c).

(3) “DTI program year” means a calendar year beginning on January 1 and ending on December 31 during which the DTI component is authorized under the Special Terms and Conditions, beginning with the 2016 calendar

year, and, as applicable, each calendar year thereafter through 2020, and any years or partial years during which the DTI is authorized under an extension or successor to the demonstration project.

(4) “Safety net clinics” means centers or clinics that provide services defined under subdivision (a) or (b) of Section 14132.100 that are eligible for DTI incentive payments in accordance with the Special Terms and Conditions. DTI incentive payments received by safety net clinics shall be considered separate and apart from either the Prospective Payment System reimbursement for federally qualified health centers or rural health centers, or Memorandum of Agreement reimbursement for Tribal Health Centers. Each safety net clinic office location shall be considered a dental service office location for purposes of the domains authorized by the Special Terms and Conditions.

(5) “Service office location” means the business, or pay-to address, in which the provider, which may be an individual, partnership, group, association, corporation, institution, or entity that provides dental services, renders dental services. This may include a provider that participates in either the dental fee-for-service or dental managed care Medi-Cal delivery systems.

(c) (1) The DTI shall be funded at a maximum of one hundred forty-eight million dollars (\$148,000,000) annually, and for five years totaling a maximum of seven hundred forty million dollars (\$740,000,000), except as provided in the Special Terms and Conditions. To the extent any of the funds associated with the DTI are not fully expended in a given DTI program year, those remaining prior DTI program year funds may be available for DTI payments in subsequent years, notwithstanding the annual limits stated in the Special Terms and Conditions. The department may earn additional demonstration authority, up to a maximum of ten million dollars (\$10,000,000), to be added to the DTI pool for use in paying incentives to qualifying providers under DTI by achieving higher performance improvement, as indicated in the Special Terms and Conditions.

(2) Providers in either the dental fee-for-service or dental managed care Medi-Cal delivery systems are permitted to participate in the DTI. The department shall make DTI incentive payments directly to eligible contracted service office locations. Incentive payments shall be issued to the service office location based on the services rendered at the location and that service office location’s compliance with the criteria enumerated in the Special Terms and Conditions.

(3) Incentive payments from the DTI pool are intended to support and reward eligible service office locations for achievements within one or more of the project domains. The incentive payments shall not be considered as a direct reimbursement for dental services under the Medi-Cal State Plan.

(A) The department may provide DTI incentive payments to eligible service office locations on a semiannual or annual basis, or in a manner otherwise consistent with the Special Terms and Conditions.

(B) The department shall disburse DTI incentive payments to eligible service office locations that did not previously participate in Medi-Cal prior

to the demonstration and that render preventive dental services during the demonstration to the extent the service office location meets or exceeds the goals specified by the department in accordance with the Special Terms and Conditions.

(C) Safety net clinics are eligible for DTI incentive payments specified in the Special Terms and Conditions. Participating safety net clinics shall be responsible for submitting data in a manner specified by the department for receipt of DTI incentive payments. Each safety net clinic office location shall be considered a dental service office location for purposes of specified domains outlined in the Special Terms and Conditions.

(D) Dental managed care provider service office locations are eligible for DTI incentive payments, as specified in the Special Terms and Conditions, and these payments shall be considered separate from payment received from a dental managed care plan.

(E) Service office locations shall submit all data in a manner acceptable to the department within one year from the date of service or by January 31 for the preceding year that the service was rendered, whichever occurs sooner, to be eligible for DTI incentive payments associated with that timeframe.

(d) The domains of the DTI are as follows:

(1) Increase Preventive Services Utilization for Children: this domain aims to increase the statewide proportion of qualifying children enrolled in Medi-Cal who receive a preventive dental service in a given year. The statewide goal is to increase the utilization among children enrolled in the dental fee-for-service and dental managed care delivery systems by at least 10 percentage points by the end of the demonstration.

(2) Caries Risk Assessment and Disease Management Pilot:

(A) This domain will initially only be available to participating service office locations in select pilot counties, designated by the department, as specified in the Special Terms and Conditions. Participating service office locations shall elect to be approved by the department to participate in this domain of the DTI program. To the extent the department determines the pilots to be successful, the department may seek to implement this domain on a statewide basis and subject to the availability of funding under the DTI pool is available for this purpose.

(B) Medi-Cal dentists voluntarily participating in this pilot shall be eligible to receive DTI incentive payments for implementing preidentified treatment plans for children based upon that child beneficiary's risk level as determined by the service office location via a caries risk assessment, which shall include motivational interviewing and use of antimicrobials, as indicated. The department shall identify the criteria and preidentified treatment plans to correspond with the varying degrees of caries risk, low, moderate, and high, while the rendering provider shall develop and implement the appropriate treatment plan based on the needs of the beneficiary.

(C) The department shall identify and select pilot counties through an analysis of counties with a high percentage of restorative services, a low

percentage of preventive services, and indication of likely participation by enrolled service office locations.

(3) Increase continuity of care: A DTI incentive payment shall be paid to eligible service office locations that have maintained continuity of care through providing examinations for their enrolled child beneficiaries under 21 years of age, as specified in the Special Terms and Conditions. The department shall begin this effort in select counties and shall seek to implement on a statewide basis if the pilot is determined to be successful and subject to the availability of funding under the DTI pool. If successful, the department shall consider an expansion no sooner than nine months following the end of the second DTI program year.

(4) Local dental pilot projects (LDPPs): LDPPs shall address one or more of the three domains identified in paragraph (1), (2), or (3) through alternative local dental pilot projects, as authorized by the department pursuant to the Special Terms and Conditions.

(A) The department shall require local pilots to have broad-based provider and community support and collaboration, including engagement with tribes and Indian health programs, with DTI incentive payments available to the pilot based on goals and metrics that contribute to the overall goals of the domains described in paragraphs (1), (2), and (3).

(B) The department shall solicit proposals at the beginning of the demonstration and shall review, approve, and make DTI incentive payments to approved LDPPs in accordance with the Special Terms and Conditions.

(C) A maximum of 15 LDPPs shall be approved and no more than 25 percent of the total funding in the DTI pool shall be used for LDPPs.

SEC. 7. Section 14184.71 is added to the Welfare and Institutions Code, immediately following Section 14184.70, to read:

14184.71. The department shall conduct, or arrange to have conducted, the evaluation of the DTI required under the Special Terms and Conditions.

SEC. 8. This act shall become operative only if Senate Bill 815 of the 2015–16 Regular Session is enacted and takes effect on or before January 1, 2017.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make changes to state-funded health care programs at the earliest possible time, it is necessary that this act take effect immediately.