

Medi-Cal Provider Enrollment

Requirements and Procedures for Enrollment as a “Facility-Based Provider” (A natural person Or Professional Corporation That Is Enrolled As A Provider Who Renders Services To Medi-Cal Beneficiaries *Exclusively* In One Or More Licensed Health/Facilities)

Welfare and Institutions Code (W & I Code), Section 14043.15 (b)(1), requires that applicants who are natural persons (“persons”) licensed or certificated under the Business and Professions Code (B & P Code) or the Osteopathic or Chiropractic Initiative Acts (“Initiative Acts”) to provide health care services or applicants who are professional corporations under subdivision (b) of Section 13401 of the Corporations Code (“professional corporations”) must enroll in the Medi-Cal program as either individual providers or as rendering providers in a provider group. This is true even if the person or the professional corporation meets the requirements to qualify as exempt from clinic licensure under subdivision (a) or (m) of Section 1206 of the Health and Safety Code.

W & I Code Section 14043.15 (b)(2) provides that if such a person’s or professional corporation’s practice includes the rendering of services to Medi-Cal patients solely at one or at more than one licensed health facility, as “health facility” is defined in sections 1250, 1250.2 and 1250.3 of the Health and Safety Code, and the person or professional corporation discloses this practice in its application package, the person or professional corporation shall not be required to enroll at each licensed health facility at which it renders services. This bulletin is about enrollment in the Medi-Cal program of such persons or professional corporations who render services to Medi-Cal beneficiaries exclusively in one or more licensed health facilities that are enrolled in the Medi-Cal program and refers to such persons or professional corporations as “facility-based provider(s).”

Please note that this bulletin is being issued while Department of Health Care Services (DHCS) further studies the credentialing/admitting issues raised by stakeholders in our meeting of January 14, 2005. Those comments have already resulted in further discussions with those who raised them. While resolving the credentialing/admitting issues is of high importance to DHCS, it appears prudent to move forward to clarify the other issues addressed in this article while studying them proceeds. The result of DHCS’ study will be clearly stated in a later article that will be subject to additional public comments.

Based upon the authority granted to the director of the DHCS in W & I Code, Section 14043.75(b), the director has established the following requirements and procedures that must be followed for an applicant to be enrolled as a facility-based provider. These requirements and procedures are regulations implementing W & I Code, Section 14043.15 and have the full force and effect of law. These procedures are effective for all application packages received on or after March 16, 2005.

In order to be enrolled in the Medi-Cal program each person or professional corporation delivering services to Medi-Cal beneficiaries *exclusively* in licensed health facilities must enroll as either an individual provider or as a rendering provider in a provider group and satisfy the same requirements as other applicants or providers and meet requirements, appropriate to the services they deliver, except for the established place of business requirements which can be met by compliance with the requirements and procedures set forth in this bulletin. Such person or professional corporation shall qualify for application as a facility-based provider at the health facility(ies) at which it renders services to Medi-Cal beneficiaries, provided that such person or professional corporation meets all of the requirements of paragraphs a.(1)-a.(3) below and that each licensed health facility at which the person or professional corporation renders services to Medi-Cal beneficiaries meets all of the requirements of paragraphs b.(1)-b.(2) below:

Note: An applicant who is an anesthesiologist, or a professional corporation made up of anesthesiologists, that renders services to Medi-Cal beneficiaries exclusively in one or more licensed health facilities and does not have any contract with the health facility(ies) at which it renders those services is exempted from the requirements of b.(2).

- a.
 - 1) Each person or professional corporation discloses in its application package that it renders services to Medi-Cal beneficiaries exclusively at one or more licensed health facility(ies);
 - 2) Each person or professional member of the professional corporation is currently licensed or certificated under the B & P Code or Initiative Acts to provide health care services;
 - 3) There are no currently pending or outstanding Medi-Cal, Medicaid, Medicare or licensing sanctions against the person or the professional corporation seeking Medi-Cal enrollment as a “facility-based provider” or against the health facility(ies) at which the applicant intends to render Medi-Cal services at the time of application.
- b.
 - 1) Each health facility in which the person or professional corporation renders services to Medi-Cal beneficiaries is currently licensed and enrolled in the Medi-Cal program; and
 - 2) Each health facility in which the person or professional corporation renders services to Medi-Cal beneficiaries either:

- a) routinely enters into individual contracts with all of those who provide services at the health facility, grants such providers access privileges to the licensed health facility, and retains the right to exclude such providers from the health facility for improper activities, and has entered into such an agreement with the person or the professional corporation seeking Medi-Cal enrollment as a “facility-based provider;” or
- b) while not routine, has executed such a contract with the person or professional corporation seeking Medi-Cal enrollment as a “facility-based provider,” grants that person or professional corporation access privileges, and retains the right to exclude such person or professional corporation from the health facility for improper activities.

Note: Health facilities that employ staff sufficient to provide all services to its patients with its established staff or that have an employer-employee relationship with a person or professional corporation seeking Medi-Cal enrollment as a “facility-based provider” may not be utilized by a person or professional corporation for purposes of enrollment as a “facility-based provider.” If the person or professional corporation is an employee of the health facility, the person or professional corporation must be enrolled as a rendering provider of the health facility in order for reimbursement to be made from the Medi-Cal program for services rendered by the person or professional corporation at the health facility.

Upon compliance with all of the requirements and procedures set forth in this bulletin, and if each licensed health facility at which the person or professional corporation will render services meets the established place of business requirements, DHCS shall consider that a person or professional corporation seeking Medi-Cal enrollment as a “facility-based provider” meets the “established place of business” requirements in W & I Code Section 14043.7.

Procedures for Enrollment as a Facility-Based Provider

An applicant or provider requesting consideration for enrollment as a facility-based provider, rendering services to Medi-Cal beneficiaries exclusively in one or more licensed health facilities and using the licensed health facility/facilities as its established place of business must do all of the following:

1. Submit a complete application package pursuant to *California Code of Regulations (CCR)*, Title 22, Section 51000 (et seq.) and print on the first page of the provider-type specific application “facility-based provider.”
2. With the exception of anesthesiologists, who do not have a contract with a licensed health facility/facilities, submit with the application package a cover letter from each Medi-Cal enrolled and licensed health facility at which the “facility-based provider” will render services to Medi-Cal beneficiaries. Each cover letter must be on the letterhead of the licensed health facility and include the following:
 - a. Date of the letter.
 - b. Name and location of the currently licensed and Medi-Cal enrolled health facility.
 - c. Description of the services rendered by applicant or provider at the licensed health facility.
 - d. A statement that the person authorized to legally bind the licensed health care facility understands that (applicant or provider) has submitted an application package for enrollment in the Medi-Cal program as a “facility-based provider” indicating that (applicant or provider) renders services under contract at (licensed health care facility); further understands that approval of the application package is based in part on the contractual agreement between (applicant or provider) and (licensed health facility); based in part on the representation that there are no current Medi-Cal, Medicaid, Medicare or licensing sanctions against licensed health care facility; attests that a contractual relationship does exist between (applicant or provider) and (licensed health care facility), and that there are no currently pending or outstanding Medi-Cal, Medicaid, Medicare or licensing sanctions against the (licensed health care facility).
3. With the exception of anesthesiologists who do not have a contract with a licensed health facility/facilities, submit with the application package a cover letter listing each Medi-Cal enrolled and licensed health facility at which the “facility-based provider” will render services to Medi-Cal beneficiaries and in which the applicant or provider states, under penalty of perjury under the laws of the state of California, the following:
 - a. The applicant or provider is currently licensed to render health care services of the type and complexity coming within the level of care provided by the health care facility/facilities at which the applicant or provider will practice.
 - b. The applicant or provider renders services to Medi-Cal beneficiaries exclusively at one or more licensed health facility/facilities and has no other leased or owned space or premises, where the applicant or provider renders services to Medi-Cal beneficiaries.
 - c. A statement that the applicant or provider understands that enrollment in the Medi-Cal program as a “facility-based provider” is based in part on the contractual agreement between (applicant or provider) and licensed health care facility(ies) and that any change in this contractual relationship with any of the health facilities including, but not limited to, termination of the contract and/or relationship must be reported by the provider to the DHCS within 35 days of the

change. This change is in addition to any changes required to be reported in accordance with *Welfare and Institutions* (W & I) Code, Section 14043.26(a)(1) and Title 22, California Code of Regulations, section 51000.40, and

- d. A statement that each and every copy of the documents included in the application package requesting consideration for enrollment in the Medi-Cal program as a “facility-based provider” or attached to the application package or cover letter(s) is a true and correct copy of what it purports to be.
4. Anesthesiologists who do not have a contract with a licensed health facility/facilities, must submit with the application package a cover letter in which the applicant or provider lists all of the health facilities at which he renders services to Medi-Cal beneficiaries and states, under penalty of perjury under the laws of the State of California, the following:
 - a. The applicant or provider is currently licensed to render health care services of the type and complexity coming within the level of care provided by the health care facility/facilities at which the applicant or provider will practice.
 - b. The applicant or provider renders services to Medi-Cal beneficiaries exclusively at one or more licensed facilities and has no other leased or owned space or premises where the applicant or provider provides services to Medi-Cal beneficiaries.
 - c. A statement that the applicant or provider attests that he is a “facility-based provider;” understands that enrollment in the Medi-Cal program as such is based in part on the non-contractual agreement between (applicant or provider) and licensed health care facility(ies); and that any change in the relationship with any of the facilities including, but not limited to, termination of the non-contractual agreement and/or relationship must be reported by the provider to the DHCS within 35 days of the change. This change is in addition to any changes required to be reported in accordance with W & I Code, Section 14043.26(a)(1) and Title 22, California Code of Regulations, section 51000.40, and
 - d. A statement that each and every copy of the documents included in the application package requesting consideration for enrollment in the Medi-Cal program as a “facility-based provider” or attached to the application package or cover letter(s) is a true and correct copy of what it purports to be.

The following format may be used for the required three cover letters.

1. Health Care Facility Cover Letter ← must be submitted on the letterhead of the licensed health facility

(One signed and dated cover letter should be submitted for each health care facility at which the applicant or provider renders services to Medi-Cal beneficiaries.)

I _____, understand that
(name of person authorized to legally bind the licensed health care facility)

_____ has submitted an application package for enrollment in the Medi-Cal program as a
(name of applicant or provider)

“facility-based provider” indicating that _____ renders services under contract at
(name of applicant or provider)

_____ located at _____. I further understand that approval
(name of licensed health facility) (location of licensed health facility)

of the application package is based in part on the contractual agreement between _____
(name of applicant or provider)

and _____ and based in part on the representation that there are no current sanctions against
(name of licensed health care facility)

_____. Therefore, I attest that a contractual relationship does exist between
(name of licensed health care facility)

_____ and _____ and I attest that there are no currently pending
(name of applicant or provider) (licensed health care facility)

or outstanding Medi-Cal, Medicaid, Medicare or licensing sanctions against _____.
(name of licensed health care facility)

_____ renders the following services at
(name of applicant or provider)

(licensed health care facility)

(description of the services rendered by applicant or provider at the licensed health care facility.)

Signed this _____ day of _____, _____.
(date of month) (month) (year)

In _____, California.
(name of county where signed)

By: _____
(printed name and title of person authorized to legally bind the licensed health care facility)

(signature of person authorized to legally bind the licensed health care facility)

2. Provider Cover Letter

(For use by all applicants or providers requesting consideration as a facility-based provider except anesthesiologists or groups of anesthesiologists who do not have a contract with any health facility[ies] to render services to Medi-Cal beneficiaries.)

I, _____, declare under penalty of perjury under the laws of the State of California that the
(name of applicant or provider)

following is true and correct:

1. I am currently licensed to render health care services of the type and complexity coming within the level of care provided by _____ at which I will practice;
(name of licensed health care facility)
2. I render services to Medi-Cal beneficiaries exclusively at licensed health facilities and I have no other leased or owned space or premises where I provide services to Medi-Cal beneficiaries;
3. I understand that enrollment in the Medi-Cal program as a “facility-based provider” is based in part on the contractual agreement between me and _____ and that any change in this contractual relationship
(name of licensed health care facility[ies])
including, but not limited to, termination of the contract and/or relationship must be reported by me to the Department of Health Care Services within 35 days of the change. This change is in addition to any changes required to be reported in accordance with *Welfare and Institutions Code*, Section 14043.26(a)(1) and California Code of Regulations, Title 22, section 51000.40, and
4. Each and every copy of the documents included in the application package requesting consideration for enrollment in the Medi-Cal program as a “facility-based provider” or attached to the application package or cover letter(s) is a true and correct copy of what it purports to be.

Signed this _____ day of _____, _____.
(date of month) (month) (year)

In _____, California.
(name of county where signed)

By: _____
(printed name of applicant)

(signature of applicant or provider)

3. Sample Provider Cover Letter For An Anesthesiologist Or Group Of Anesthesiologists Applying For Consideration As A Facility-Based Provider Who Does Not Have A Contract With Any Health Facility To Render Services To Medi-Cal Beneficiaries

I, _____, declare under penalty of perjury under the laws of the State of California that the
(name of applicant or provider)

following is true and correct:

1. I am currently licensed to render health care services of the type and complexity coming within the level of care provided by _____ at which I will practice;
(name[s] of licensed health care facility[ies])
2. I render services to Medi-Cal beneficiaries exclusively at one or more licensed health facilities and I have no other leased or owned space or premises where I provide services to Medi-Cal beneficiaries;
3. I understand that my enrollment in the Medi-Cal program is based in part on a non-contractual agreement between me and _____ and that any change in any of these non-contractual relationship(s) including,
(names of licensed health care facility[ies])
but not limited to, termination of the relationship must be reported by me to the Department of Health Care Services within 35 days of the change. This report of change is in addition to any changes required to be reported in accordance with *Welfare and Institutions Code*, Section 14043.26(a)(1) and Title 22, California Code of Regulations, section 51000.40.
4. Each and every copy of the documents included in the application package requesting consideration for enrollment in the Medi-Cal program as a “facility-based provider” or attached to the application package or cover letter(s) is a true and correct copy of what it purports to be.

Signed this _____ day of _____, _____.
(day of month) (month) (year)

In _____, California.
(name of county where signed)

By: _____
(printed name of applicant)

(signature of applicant or provider)