

# Appendix A: Definitions

Below is a list of terms and definitions as used in the enrollment checklist. If you have any questions about any terms or enrollment requirements, contact [DoulaBenefit@dhcs.ca.gov](mailto:DoulaBenefit@dhcs.ca.gov).

## Types of Business Entities

### Sole Proprietorship

A sole proprietorship is set up to allow an individual to own and operate a business. A sole proprietor has total control, receives all profits from and is responsible for taxes and liabilities of the business. You and your business are one and the same. You have not created any separate entity such as a corporation or LLC.

Use your Social Security Number (SSN) or a Tax Identification Number (TIN) from the Internal Revenue Service (IRS) that belongs to you as an individual person for your Provider Application and Validation for Enrollment (PAVE) enrollment. If you are using a TIN, you will need to provide one of the following letters from the IRS:

- *IRS Form Letter 941 (Employer's Quarterly Federal Tax Return)*
- *IRS Form Letter 8109 (Federal Tax Deposit Coupon)*
- *IRS Form Letter 147c (EIN Verification Letter)*
- *IRS Form Letter SS4 (Employer Identification Number Application)* This enrollment requires a Type 1 NPI.

### Corporation

A California corporation generally is a legal entity which exists separately from its owners. While normally limiting the owners from personal liability, taxes are levied on the corporation as well as on the shareholders. If your business is incorporated, even if you are the sole owner and have no employees, then apply as a "Corporation." The following information is required:

- A copy of the *Articles of Incorporation* that you filed with the California Secretary of State.
- A Type 2 NPI to enroll the corporation and a Type 1 NPI for the affiliating rendering provider(s).
- Use your TIN or your Employer Identification Number (EIN) for your PAVE enrollment.
- You will need to upload one of the following IRS letters:
  - *IRS Form Letter 941 (Employer's Quarterly Federal Tax Return)*
  - *IRS Form Letter 8109 (Federal Tax Deposit Coupon)*
  - *IRS Form Letter 147c (EIN Verification Letter)*
  - *IRS Form Letter SS4 (Employer Identification Number Application)*

**Note:** You can download these form letters from the [IRS](#) website.

- Complete the Legal Name field on the application with the name exactly as displayed on your IRS document.

## Limited Liability Company (LLC)

A California LLC generally offers liability protection similar to that of a corporation, but an LLC is taxed differently. Domestic LLCs may be managed by one or more managers or one or more members. If you have created an LLC, even if you are the sole member and have no employees, then apply as an LLC. The following information is required:

- A Type 2 NPI to enroll the LLC and a Type 1 NPI for the affiliating rendering provider(s).
- Use your TIN or your EIN for your PAVE enrollment.
- You will need to upload one of the following IRS letters:

- *IRS Form Letter 941 (Employer's Quarterly Federal Tax Return)*
- *IRS Form Letter 8109 (Federal Tax Deposit Coupon)*
- *IRS Form Letter 147c (EIN Verification Letter)*
- *IRS Form Letter SS4 (Employer Identification Number Application)*

**Note:** You can download these form letters from the [IRS](#) website.

- Complete the Legal Name field on the application with the name exactly as displayed on your IRS document.

## Partnership

A California general partnership must have two or more persons engaged in a business for profit. Except as otherwise provided by law, all partners are liable jointly and severally for all obligations of the partnership unless agreed by the claimant. Profits are taxed as personal income for the partners. If you have formed a partnership, then apply as a partnership. The following information is required:

- This enrollment type requires a Type 2 NPI to enroll the partnership and a Type 1 NPI to enroll the affiliating rendering provider(s).
- Use your Tax Identification Number (TIN) for your PAVE enrollment.
- You will need to upload a copy of one of the following IRS letters:

- *IRS Form Letter 941 (Employer's Quarterly Federal Tax Return)*
- *IRS Form Letter 8109 (Federal Tax Deposit Coupon)*
- *IRS Form Letter 147c (EIN Verification Letter)*
- *IRS Form Letter SS4 (Employer Identification Number Application)*

**Note:** You can download these form letters from the [IRS](#).

- Complete the Legal Name field on the application with the name exactly as displayed on your IRS document.

## **National Provider Identifier (NPI)**

The National Provider Identifier (NPI) is a Health Insurance Portability and Accountability Act (HIPAA) Administrative Simplification Standard. The NPI is a unique identification number for covered health care providers.

### **Type 1 National Provider Identifier**

Type 1 NPI are health care providers who are individuals and all sole proprietors. An individual is eligible for only one NPI.

### **Type 2 National Provider Identifier**

The Type 2 NPI are health care providers who are organizations, including physician groups, hospitals, nursing homes and the corporation formed when an individual incorporates him/herself.