

**Application of Health and Safety Code Section 1206
to Medi-Cal Fee-for-Service Provider Enrollment
January 2016**

California Health and Safety (H&S) Code Section 1206 identifies the conditions under which certain types of clinics, facilities, and centers may be exempt from licensure to operate in the State of California. In addition, Welfare and Institutions (W&I) Code Section 14043.15(d) provides an additional way for a subset of these providers to enroll in the fee-for-service (FFS) portion of the Medi-Cal program. This article provides a general overview of the criteria established in these sections and their impact on provider enrollment.

Applicants that meet applicable statutory criteria have the option to enroll as either “clinics exempt from licensure” or under other provider categories for which they qualify. Both enrollments are subject to the requirements of W&I Code Section 14043.26. Providers enrolled as “clinics exempt from licensure” bill with the UB04 claim form, while providers billing for professional services in a provider category utilize the CMS1500 claim form. Though the two enrollments bill by different means, Medi-Cal reimbursement rates are generally comparable. Current Medi-Cal rates are available online at www.medi-cal.ca.gov.

Applicants exempt from licensure under H&S Code Section 1206(b)-(l) or (n)-(p) must identify their licensure exemption category in their application package and provide written proof that they qualify to enroll in FFS Medi-Cal under that category. Once the stated exemption category has been approved, applicants that wish to enroll as a provider category other than “clinic exempt from licensure” must then meet the additional Medi-Cal program requirements specific to the enrollment category requested.

List of Statutory Clinic License Exemption Categories

- Clinics directly conducted, maintained, or operated by a United States government entity, as described in subsection (b) of H&S Code Section 1206.
- Clinics conducted, maintained or operated by a federally recognized Indian tribe or tribal organization that are located on recognized tribal land, as described in subsection (c) of H&S Code Section 1206.
- Clinics conducted, operated, or maintained as outpatient departments of hospitals, as described in subsection (d) of H&S Code Section 1206.
- Licensed health facilities as described in subsection (e) of H&S Code Section 1206.
- Any licensed freestanding clinical or pathological laboratory as described in subsection (f) of H&S Code Section 1206.
- Clinics operated by, or affiliated with any institution of learning that teaches a recognized healing art and is approved by the state board or commission as described in subsection (g) of H&S Code Section 1206.

- Intermittent clinics that are operated by a primary care community or free clinic as described in subsection (h) of H&S Code Section 1206.
- Offices of physician groups who predominantly provide services to members of a comprehensive group practice prepayment health care service plan, as described in subsection (i) of H&S Code Section 1206.
- Student health centers operated by public institutions of higher education, as described in subsection (j) of H&S Code Section 1206.
- Nonprofit speech and hearing centers, as described in subsection (k) of H&S Code Section 1206.
- Clinics operated by a nonprofit corporation exempt from federal income taxation that conducts medical research and health education and provides healthcare through a group of at least 40 or more physicians, as described in subsection (l) of H&S Code Section 1206.
- Clinics operated by an employer or jointly by two or more employers for their employees only, or by a group of employees, or jointly by employees and employers, without profit to the operators, as described in subsection (n) of H&S Code Section 1206.
- A community mental health center, as described in subsection (o) of H&S Code Section 1206.
- Clinics operated by a nonprofit, organized and operated exclusively for scientific and charitable purposes and that satisfied all of the requirements described in subsection (p) of H&S Code Section 1206.

Required Provider Application Forms to Apply for FFS Medi-Cal

- To enroll as a “clinic exempt from licensure” and submit claims using the UB04 claim form, the clinics submit a completed Medi-Cal Provider Application (DHCS 6204), Medi-Cal Provider Agreement (DHCS 6208), and Medi-Cal Disclosure Statement (DHCS 6207), along with all applicable supporting documentation, including a written statement of the licensure exemption category and proof of qualification to enroll under that category.
- To enroll under other provider categories and submit claims for professional services using the CMS1500 claim form, submit a completed application package as required for the specific FFS provider category being requested. For more information, please see the webpage titled “Application Packages Alphabetical by Provider Type” available on line at www.medi-cal.ca.gov (click on Provider Enrollment). The application package must include a written statement of the licensure exemption category and proof of qualification for that category.