

## Updated Requirements and Procedures for Enrollment as a “Facility-Based Provider”

In accordance with *Welfare and Institutions Code* (W&I Code), Section 14043.75(b), the Department of Health Care Services (DHCS) issues the following revision of the “Requirements and Procedures for Enrollment as a ‘Facility-Based Provider’” bulletin, posted in February 2005. For the purposes of this bulletin, a “facility-based provider” is defined as a natural person or professional corporation enrolled as a provider who renders services to Medi-Cal beneficiaries *exclusively*, in one or more licensed health facilities or health-related facilities.

Based upon the authority granted to the director of DHCS in W&I Code, Section 14043.75(b), the following requirements and procedures must be satisfied for an applicant to be enrolled as a facility-based provider. These requirements and procedures implement regulations in 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 October 8, 2016.

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”), provide health care services. Applicants who are professional corporations (“professional corporations”) under *Corporations Code*, Section 13401, subdivision (b) must enroll in the Medi-Cal program as either individual providers or as rendering providers in a provider group.

For the purpose of facility-based provider enrollment, a licensed health facility is defined pursuant to Sections 1250, 1250.2 and 1250.3 of the *Health and Safety Code* (H&S Code). In addition, “equivalent arrangement” may include, but is not limited to, professional service agreements, workplace agreements, practice management arrangements or hybrid arrangements.

To be enrolled in the Medi-Cal program as a facility-based provider, each person or professional corporation delivering services to Medi-Cal beneficiaries exclusively, in licensed health facilities or health-related facilities must enroll as either an individual provider or as a rendering provider in a provider group. Each person or professional corporation must also satisfy Medi-Cal requirements appropriate to the services they deliver, except for the established place of business requirements, which can be met by complying with the requirements and procedures set forth in this bulletin. A person or professional corporation is eligible for application as a facility-based provider at the health facility/facilities at which they render services to Medi-Cal beneficiaries, provided such person or professional corporation meets all of the requirements of paragraphs 1.(a) – 1.(c) 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 2.(a) – 2.(b) below.

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

### Requirements for Facility-Based Provider Enrollment

1. a) 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 facilities;
- b) 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; and
- c) 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/facilities at which the applicant intends to render Medi-Cal services at the time of application.

2. a) Each health facility at which the person or professional corporation renders services to Medi-Cal beneficiaries is currently enrolled in the Medi-Cal program; and
- b) Each health facility at which the person or professional corporation renders services to Medi-Cal beneficiaries either:
  - i) Routinely enters into individual contracts or equivalent arrangements with all of those who provide services at the health facility, grants such providers access privileges to the licensed health facility, while retaining 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
  - ii) While not routine, has executed such a contract or equivalent arrangement 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, whether as an addition to the established staff or via 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, 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 and *California Code of Regulations* (CCR), Title 22, Section 51000.60.

### **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 complete the following:

1. Submit a complete application package pursuant to 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; and
  - 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 or equivalent arrangement at (licensed health care facility); further understands that approval of the application package is based in part on the contractual agreement or equivalent arrangement, 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 or equivalent arrangement 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, the applicant or provider must 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, including a statement, under penalty of perjury under the laws of the State of California, which includes 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 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 or equivalent arrangement between applicant or provider and licensed health care facility/facilities and that any change in this contractual relationship or equivalent arrangement with any of the health facilities including, but not limited to, termination of the contract and/or relationship and/or affiliation 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 CCR, Title 22, Section 51000.40.
  - 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/facilities; and that any change in the relationship with any of the facilities including, but not limited to, termination of the non-contractual agreement 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, CCR, Section 51000.40.

- 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.

### **Procedures for Reporting Changes**

Providers are required to report any change in the relationship with any facility, including, but not limited to, termination or addition of contractual agreement or other equivalent arrangement, within 35 days of the change in accordance with W&I Code, Section 14043.26(a)(1) and CCR, Title 22, Section 51000.40. Changes should be reported using the *Medi-Cal Supplemental Changes* (DHCS 6209) form. Reporting new service locations also requires the submission of attestation letters as detailed by this bulletin.

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

**1. Health Care Facility Cover Letter – must be on facility letterhead**

(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  
(name of person authorized to legally bind the licensed health care facility)  
that \_\_\_\_\_ has submitted an application package for enrollment in  
(name of applicant or provider)  
the Medi-Cal program as a “facility-based provider” indicating that \_\_\_\_\_  
(name of applicant or provider)  
renders services under contract or equivalent arrangement at \_\_\_\_\_,  
(name of licensed health care facility)  
located at \_\_\_\_\_. I further understand that approval of the application  
(location of licensed health facility)  
package is based in part on the contractual agreement or arrangement between  
\_\_\_\_\_ and \_\_\_\_\_ and based in part on the  
(name of applicant or provider) (name of licensed health care facility)  
representation that there are no current sanctions against \_\_\_\_\_.  
(name of licensed health care facility)

Therefore, I attest that a contractual relationship or equivalent arrangement does exist between  
\_\_\_\_\_ and \_\_\_\_\_ and I attest that there  
(name of applicant or provider) (licensed health care facility)  
are no currently pending 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 a health facility/facilities at which they may render services to Medi-Cal beneficiaries.)

I, \_\_\_\_\_, declare under penalty of perjury under the laws of the  
(name of applicant or provider)

State of California that the 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 or equivalent arrangement between me and \_\_\_\_\_ and that any change in this contractual relationship or  
(name of licensed health care facility)  
equivalent arrangement, including, but not limited to, termination of the contract and/or relationship and/or affiliation, 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 and title of person authorized to legally bind the licensed health care facility)

\_\_\_\_\_  
(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  
(Name of applicant or provider)

State of California that the 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 \_\_\_\_\_  
(Name(s) of licensed health care facility/facilities)  
at which I will practice;

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 \_\_\_\_\_  
(Names of licensed health care facility/facilities)

and that any change in any of these non-contractual relationship(s) or equivalent arrangement(s) including, 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 *California Code of Regulations*, Title 22, 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 \_\_\_\_\_, \_\_\_\_\_.  
(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 applicant or provider)