Medi-Cal Screening Level Requirements for Compliance with 42 Code of Federal Regulations Section 455.450

In accordance with the Centers for Medicare and Medicaid Services (CMS), the Department of Health Care Services (DHCS) is implementing Medi-Cal screening level requirements to comply with 42 Code of Federal Regulations (CFR) Section 455.450 and California *Welfare & Institutions Code* (W&I Code), Section 14043.38. These requirements were established in the Final Rule published by CMS in the Federal Register (42 CFR Parts 405, 424, 447 et al. 72 Federal Register 5862 – 5971 [Feb. 2, 2011]), which implements provisions of the *Patient Protection and Affordable Care Act* (ACA) of 2010. The DHCS director is issuing this informational bulletin to inform providers about actions DHCS will be taking for enrollment applications received on or after January 1, 2013.

Requirements
Effective January 1, 2013, DHCS will screen all applications based on a categorical risk level of "limited", "moderate", or "high" as required in 42 CFR Section 455.450 and W&I Code Section 14043.38. Provider types are designated within these risk categories in 42 CFR Section 424.518 and DHCS shall, at a minimum, utilize the federal regulations in determining an applicant's/provider's categorical risk. Provider types not designated to a specific risk category in 42 CFR Section 424.518 will be screened at a categorical risk level subject to DHCS' discretion. In addition, providers that fit within more than one risk level must be screened at the highest applicable level.

42 CFR Section 455.450 requires DHCS to conduct specific screening measures based on an applicant's/provider's categorical risk level. Provider types designated as "limited" categorical risk are subject to license verification in accordance with 42 CFR Section 455.412 and database checks in accordance with 42 CFR Section 455.436. Provider types designated as "moderate" categorical risk are subject to on-site inspections in accordance with 42 CFR Section 455.432, in addition to all screening measures applicable to "limited" risk provider types. Provider types designated as "high" categorical risk are subject to criminal background checks and fingerprinting in accordance with 42 CFR Section 455.434, in addition to all screening measures applicable to "limited" and "moderate" risk provider types.

42 CFR Section 455.410 permits DHCS to rely on the results of the provider screening performed by Medicare contractors and the Medicaid or Children's Health Insurance Program (CHIP) programs of other states within the previous 12 months. Consequently, moderate-risk and high-risk applicants/providers may not be required to undergo additional screening if they submit verification of screening completed within the previous 12 months by a Medicare contractor or Medicaid or CHIP program of another state. For applicants/providers that have completed screening and have been approved by a Medicare contractor or another state's Medicaid or CHIP program, DHCS may accept as verification an official dated notice for the enrolling agency that specifies the applicant's/provider's legal name and physical business address.

Provider Type Designations
As specified in 42 CFR Section 424.518, provider types designated as "limited" categorical risk include, but are not limited to:

- Physicians
- Non-physician practitioners
- Medical groups and clinics
- Ambulatory surgical centers
- Federally qualified health centers (FQHC)

- Hospitals, including critical access hospitals, Department of Veterans Affairs Hospitals, and other federally-owned hospital facilities
- Health programs operated by an Indian Health Program
- Mammography screening centers
- Pharmacies
- Rural health clinics
- Skilled nursing facilities

As specified in 42 CFR Section 424.518, provider types designated as “moderate” categorical risk include, but are not limited to:

- Ambulance service suppliers
- Community mental health centers
- Comprehensive outpatient rehabilitation facilities
- Hospice organizations
- Independent clinical laboratories
- Physical therapists (individual and groups)
- Portable X-ray suppliers
- Revalidating (currently enrolled) home health agencies
- Revalidating (currently enrolled) DME suppliers

As specified in 42 CFR Section 424.518, provider types designated as “high” categorical risk include, but are not limited to:

- Prospective (newly enrolling) home health agencies
- Prospective (newly enrolling) Durable Medical Equipment (DME) suppliers

Additional High-Risk Criteria
In addition to those provider types designated as “high” categorical risk in 42 CFR Section 424.518, any applicant/provider will be elevated to the high-risk level if any of the following conditions apply:

- Payment suspension that is based on a credible allegation or fraud, waste or abuse.
- Existing Medicaid overpayment based on fraud, waste or abuse.
- Exclusion by the Office of Inspector General (OIG) or another state’s Medicaid program within the previous 10 years.
- A Moratorium was lifted within the previous six months prior to applying and the applicant/provider would have been prevented from enrolling due to the Moratorium.