

ASSEMBLY BILL

No. 1783

Introduced by Assembly Member Hayashi

February 10, 2010

An act to amend Section 14043.26 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1783, as introduced, Hayashi. Licensed dentist: change of location form.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income persons receive health care benefits. Existing law permits a physician practicing in an individual physician practice who is enrolled and in good standing in the Medi-Cal program and changing the location of the individual physician practice within the same county, to continue enrollment at the new location by filing a change of location form, as developed by the department.

This bill would also apply these provisions to a dentist.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14043.26 of the Welfare and Institutions
- 2 Code is amended to read:
- 3 14043.26. (a) (1) On and after January 1, 2004, an applicant
- 4 that currently is not enrolled in the Medi-Cal program, or a provider
- 5 applying for continued enrollment, upon written notification from

1 the department that enrollment for continued participation of all
2 providers in a specific provider of service category or subgroup
3 of that category to which the provider belongs will occur, or, except
4 as provided in subdivisions (b) and (e), a provider not currently
5 enrolled at a location where the provider intends to provide
6 services, goods, supplies, or merchandise to a Medi-Cal
7 beneficiary, shall submit a complete application package for
8 enrollment, continuing enrollment, or enrollment at a new location
9 or a change in location.

10 (2) Clinics licensed by the department pursuant to Chapter 1
11 (commencing with Section 1200) of Division 2 of the Health and
12 Safety Code and certified by the department to participate in the
13 Medi-Cal program shall not be subject to this section.

14 (3) Health facilities licensed by the department pursuant to
15 Chapter 2 (commencing with Section 1250) of Division 2 of the
16 Health and Safety Code and certified by the department to
17 participate in the Medi-Cal program shall not be subject to this
18 section.

19 (4) Adult day health care providers licensed pursuant to Chapter
20 3.3 (commencing with Section 1570) of Division 2 of the Health
21 and Safety Code and certified by the department to participate in
22 the Medi-Cal program shall not be subject to this section.

23 (5) Home health agencies licensed pursuant to Chapter 8
24 (commencing with Section 1725) of Division 2 of the Health and
25 Safety Code and certified by the department to participate in the
26 Medi-Cal program shall not be subject to this section.

27 (6) Hospices licensed pursuant to Chapter 8.5 (commencing
28 with Section 1745) of Division 2 of the Health and Safety Code
29 and certified by the department to participate in the Medi-Cal
30 program shall not be subject to this section.

31 (b) A physician and surgeon licensed by the Medical Board of
32 California or the Osteopathic Medical Board of California, *or a*
33 *dentist licensed by the Dental Board of California*, practicing in
34 an individual physician *or dental* practice, who is enrolled and in
35 good standing in the Medi-Cal program, and who is changing
36 locations of that individual physician *or dental* practice within the
37 same county, shall be eligible to continue enrollment at the new
38 location by filing a change of location form to be developed by
39 the department. The form shall comply with all minimum federal
40 requirements related to Medicaid provider enrollment. Filing this

1 form shall be in lieu of submitting a complete application package
2 pursuant to subdivision (a).

3 (c) (1) Except as provided in paragraph (2), within 30 days
4 after receiving an application package submitted pursuant to
5 subdivision (a), the department shall provide written notice that
6 the application package has been received and, if applicable, that
7 there is a moratorium on the enrollment of providers in the specific
8 provider of service category or subgroup of the category to which
9 the applicant or provider belongs. This moratorium shall bar further
10 processing of the application package.

11 (2) Within 15 days after receiving an application package from
12 a physician, or a group of physicians, licensed by the Medical
13 Board of California or the Osteopathic Medical Board of California,
14 or a change of location form pursuant to subdivision (b), the
15 department shall provide written notice that the application package
16 or the change of location form has been received.

17 (d) (1) If the application package submitted pursuant to
18 subdivision (a) is from an applicant or provider who meets the
19 criteria listed in paragraph (2), the applicant or provider shall be
20 considered a preferred provider and shall be granted preferred
21 provisional provider status pursuant to this section and for a period
22 of no longer than 18 months, effective from the date on the notice
23 from the department. The ability to request consideration as a
24 preferred provider and the criteria necessary for the consideration
25 shall be publicized to all applicants and providers. An applicant
26 or provider who desires consideration as a preferred provider
27 pursuant to this subdivision shall request consideration from the
28 department by making a notation to that effect on the application
29 package, by cover letter, or by other means identified by the
30 department in a provider bulletin. Request for consideration as a
31 preferred provider shall be made with each application package
32 submitted in order for the department to grant the consideration.
33 An applicant or provider who requests consideration as a preferred
34 provider shall be notified within 60 days whether the applicant or
35 provider meets or does not meet the criteria listed in paragraph
36 (2). If an applicant or provider is notified that the applicant or
37 provider does not meet the criteria for a preferred provider, the
38 application package submitted shall be processed in accordance
39 with the remainder of this section.

1 (2) To be considered a preferred provider, the applicant or
2 provider shall meet all of the following criteria:

3 (A) Hold a current license as a physician and surgeon issued by
4 the Medical Board of California or the Osteopathic Medical Board
5 of California, which license shall not have been revoked, whether
6 stayed or not, suspended, placed on probation, or subject to other
7 limitation.

8 (B) Be a current faculty member of a teaching hospital or a
9 children's hospital, as defined in Section 10727, accredited by the
10 Joint Commission or the American Osteopathic Association, or
11 be credentialed by a health care service plan that is licensed under
12 the Knox-Keene Health Care Service Plan Act of 1975 (Chapter
13 2.2 (commencing with Section 1340) of Division 2 of the Health
14 and Safety Code) or county organized health system, or be a current
15 member in good standing of a group that is credentialed by a health
16 care service plan that is licensed under the Knox-Keene Act.

17 (C) Have full, current, unrevoked, and unsuspended privileges
18 at a Joint Commission or American Osteopathic Association
19 accredited general acute care hospital.

20 (D) Not have any adverse entries in the federal Healthcare
21 Integrity and Protection Data Bank.

22 (3) The department may recognize other providers as qualifying
23 as preferred providers if criteria similar to those set forth in
24 paragraph (2) are identified for the other providers. The department
25 shall consult with interested parties and appropriate stakeholders
26 to identify similar criteria for other providers so that they may be
27 considered as preferred providers.

28 (e) (1) If a Medi-Cal applicant meets the criteria listed in
29 paragraph (2), the applicant shall be enrolled in the Medi-Cal
30 program after submission and review of a short form application
31 to be developed by the department. The form shall comply with
32 all minimum federal requirements related to Medicaid provider
33 enrollment. The department shall notify the applicant that the
34 department has received the application within 15 days of receipt
35 of the application. The department shall issue the applicant a
36 provider number or notify the applicant that the applicant does not
37 meet the criteria listed in paragraph (2) within 90 days of receipt
38 of the application.

39 (2) Notwithstanding any other provision of law, an applicant or
40 provider who meets all of the following criteria shall be eligible

1 for enrollment in the Medi-Cal program pursuant to this
2 subdivision, after submission and review of a short form
3 application:

4 (A) The applicant's or provider's practice is based in one or
5 more of the following: a general acute care hospital, a rural general
6 acute care hospital, or an acute psychiatric hospital, as defined in
7 subdivisions (a) and (b) of Section 1250 of the Health and Safety
8 Code.

9 (B) The applicant or provider holds a current, unrevoked, or
10 unsuspended license as a physician and surgeon issued by the
11 Medical Board of California or the Osteopathic Medical Board of
12 California. An applicant or provider shall not be in compliance
13 with this subparagraph if a license revocation has been stayed, the
14 licensee has been placed on probation, or the license is subject to
15 any other limitation.

16 (C) The applicant or provider does not have an adverse entry
17 in the federal Healthcare Integrity and Protection Data Bank.

18 (3) An applicant shall be granted provisional provider status
19 under this subdivision for a period of 12 months.

20 (f) Except as provided in subdivision (g), within 180 days after
21 receiving an application package submitted pursuant to subdivision
22 (a), or from the date of the notice to an applicant or provider that
23 the applicant or provider does not qualify as a preferred provider
24 under subdivision (d), the department shall give written notice to
25 the applicant or provider that any of the following applies, or shall
26 on the 181st day grant the applicant or provider provisional
27 provider status pursuant to this section for a period no longer than
28 12 months, effective from the 181st day:

29 (1) The applicant or provider is being granted provisional
30 provider status for a period of 12 months, effective from the date
31 on the notice.

32 (2) The application package is incomplete. The notice shall
33 identify additional information or documentation that is needed to
34 complete the application package.

35 (3) The department is exercising its authority under Section
36 14043.37, 14043.4, or 14043.7, and is conducting background
37 checks, preenrollment inspections, or unannounced visits.

38 (4) The application package is denied for any of the following
39 reasons:

40 (A) Pursuant to Section 14043.2 or 14043.36.

1 (B) For lack of a license necessary to perform the health care
2 services or to provide the goods, supplies, or merchandise directly
3 or indirectly to a Medi-Cal beneficiary, within the applicable
4 provider of service category or subgroup of that category.

5 (C) The period of time during which an applicant or provider
6 has been barred from reapplying has not passed.

7 (D) For other stated reasons authorized by law.

8 (g) Notwithstanding subdivision (f), within 90 days after
9 receiving an application package submitted pursuant to subdivision
10 (a) from a physician or physician group licensed by the Medical
11 Board of California or the Osteopathic Medical Board of California,
12 or from the date of the notice to that physician or physician group
13 that does not qualify as a preferred provider under subdivision (d),
14 or within 90 days after receiving a change of location form
15 submitted pursuant to subdivision (b), the department shall give
16 written notice to the applicant or provider that either paragraph
17 (1), (2), (3), or (4) of subdivision (f) applies, or shall on the 91st
18 day grant the applicant or provider provisional provider status
19 pursuant to this section for a period no longer than 12 months,
20 effective from the 91st day.

21 (h) (1) If the application package that was noticed as incomplete
22 under paragraph (2) of subdivision (f) is resubmitted with all
23 requested information and documentation, and received by the
24 department within 60 days of the date on the notice, the department
25 shall, within 60 days of the resubmission, send a notice that any
26 of the following applies:

27 (A) The applicant or provider is being granted provisional
28 provider status for a period of 12 months, effective from the date
29 on the notice.

30 (B) The application package is denied for any other reasons
31 provided for in paragraph (4) of subdivision (f).

32 (C) The department is exercising its authority under Section
33 14043.37, 14043.4, or 14043.7 to conduct background checks,
34 preenrollment inspections, or unannounced visits.

35 (2) (A) If the application package that was noticed as
36 incomplete under paragraph (2) of subdivision (f) is not resubmitted
37 with all requested information and documentation and received
38 by the department within 60 days of the date on the notice, the
39 application package shall be denied by operation of law. The

1 applicant or provider may reapply by submitting a new application
2 package that shall be reviewed de novo.

3 (B) If the failure to resubmit is by a provider applying for
4 continued enrollment, the failure shall make the provider also
5 subject to deactivation of the provider's number and all of the
6 business addresses used by the provider to provide services, goods,
7 supplies, or merchandise to Medi-Cal beneficiaries.

8 (C) Notwithstanding subparagraph (A), if the notice of an
9 incomplete application package included a request for information
10 or documentation related to grounds for denial under Section
11 14043.2 or 14043.36, the applicant or provider shall not reapply
12 for enrollment or continued enrollment in the Medi-Cal program
13 or for participation in any health care program administered by
14 the department or its agents or contractors for a period of three
15 years.

16 (i) (1) If the department exercises its authority under Section
17 14043.37, 14043.4, or 14043.7 to conduct background checks,
18 preenrollment inspections, or unannounced visits, the applicant or
19 provider shall receive notice, from the department, after the
20 conclusion of the background check, preenrollment inspection, or
21 unannounced visit of either of the following:

22 (A) The applicant or provider is granted provisional provider
23 status for a period of 12 months, effective from the date on the
24 notice.

25 (B) Discrepancies or failure to meet program requirements, as
26 prescribed by the department, have been found to exist during the
27 preenrollment period.

28 (2) (A) The notice shall identify the discrepancies or failures,
29 and whether remediation can be made or not, and if so, the time
30 period within which remediation must be accomplished. Failure
31 to remediate discrepancies and failures as prescribed by the
32 department, or notification that remediation is not available, shall
33 result in denial of the application by operation of law. The applicant
34 or provider may reapply by submitting a new application package
35 that shall be reviewed de novo.

36 (B) If the failure to remediate is by a provider applying for
37 continued enrollment, the failure shall make the provider also
38 subject to deactivation of the provider's number and all of the
39 business addresses used by the provider to provide services, goods,
40 supplies, or merchandise to Medi-Cal beneficiaries.

1 (C) Notwithstanding subparagraph (A), if the discrepancies or
2 failure to meet program requirements, as prescribed by the director,
3 included in the notice were related to grounds for denial under
4 Section 14043.2 or 14043.36, the applicant or provider shall not
5 reapply for three years.

6 (j) If provisional provider status or preferred provisional provider
7 status is granted pursuant to this section, a provider number shall
8 be used by the provider for each business address for which an
9 application package has been approved. This provider number
10 shall be used exclusively for the locations for which it was
11 approved, unless the practice of the provider's profession or
12 delivery of services, goods, supplies, or merchandise is such that
13 services, goods, supplies, or merchandise are rendered or delivered
14 at locations other than the provider's business address and this
15 practice or delivery of services, goods, supplies, or merchandise
16 has been disclosed in the application package approved by the
17 department when the provisional provider status or preferred
18 provisional provider status was granted.

19 (k) Except for providers subject to subdivision (c) of Section
20 14043.47, a provider currently enrolled in the Medi-Cal program
21 at one or more locations who has submitted an application package
22 for enrollment at a new location or a change in location pursuant
23 to subdivision (a), or filed a change of location form pursuant to
24 subdivision (b), may submit claims for services, goods, supplies,
25 or merchandise rendered at the new location until the application
26 package or change of location form is approved or denied under
27 this section, and shall not be subject, during that period, to
28 deactivation, or be subject to any delay or nonpayment of claims
29 as a result of billing for services rendered at the new location as
30 herein authorized. However, the provider shall be considered during
31 that period to have been granted provisional provider status or
32 preferred provisional provider status and be subject to termination
33 of that status pursuant to Section 14043.27. A provider that is
34 subject to subdivision (c) of Section 14043.47 may come within
35 the scope of this subdivision upon submitting documentation in
36 the application package that identifies the physician providing
37 supervision for every three locations. If a provider submits claims
38 for services rendered at a new location before the application for
39 that location is received by the department, the department may
40 deny the claim.

1 (l) An applicant or a provider whose application for enrollment,
2 continued enrollment, or a new location or change in location has
3 been denied pursuant to this section, may appeal the denial in
4 accordance with Section 14043.65.

5 (m) (1) Upon receipt of a complete and accurate claim for an
6 individual nurse provider, the department shall adjudicate the claim
7 within an average of 30 days.

8 (2) During the budget proceedings of the 2006–07 fiscal year,
9 and each fiscal year thereafter, the department shall provide data
10 to the Legislature specifying the timeframe under which it has
11 processed and approved the provider applications submitted by
12 individual nurse providers.

13 (3) For purposes of this subdivision, “individual nurse providers”
14 are providers authorized under certain home- and community-based
15 waivers and under the state plan to provide nursing services to
16 Medi-Cal recipients in the recipients’ own homes rather than in
17 institutional settings.

18 (n) The amendments to subdivision (b), which implement a
19 change of location form, and the addition of paragraph (2) to
20 subdivision (c), the amendments to subdivision (e), and the addition
21 of subdivision (g), which prescribe different processing timeframes
22 for physicians and physician groups, as contained in Chapter 693
23 of the Statutes of 2007, shall become operative on July 1, 2008.