

Date of Hearing: May 17, 2023

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

AB 1122 (Bains) – As Amended April 20, 2023

Policy Committee: Health

Vote: 15 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

**SUMMARY:**

Existing law requires a person who is applying to be a Medi-Cal provider, or to continue to be enrolled as a provider, to submit to the Department of Health Care Services (DHCS) a complete application package for enrollment, continuing enrollment, or enrollment at a new location. This bill requires DHCS to develop a process to allow an applicant or provider to submit an alternative type of primary, authoritative source documentation to meet the requirement of submitting required information. The bill specifies that it is to be implemented only if it is not in conflict with federal law, any necessary federal approvals are obtained, and federal financial participation is not jeopardized.

**FISCAL EFFECT:**

Costs of an unknown amount, likely exceeding \$150,000, to DHCS (General Fund and federal funds).

**COMMENTS:**

- 1) **Purpose.** The author states they introduced this bill based on their professional experience as a physician from Kern County and acute awareness that a lack of Medi-Cal providers adversely effects vulnerable populations. The author asserts many providers are discouraged from enrolling in Medi-Cal by the friction of the current application process, and streamlining the provider enrollment process can dramatically expand access to care to Medi-Cal beneficiaries.
- 2) **Background.**

***Medi-Cal Provider Enrollment.*** To prevent fraud, an applicant or provider seeking to provide services in the Medi-Cal program must submit a complete application package for enrollment, continuing enrollment, enrollment at a new location or a change in location. DHCS indicates its review of a provider's application package is a complex process that requires assessment of many elements of the application, including a review of the required supporting documentation, to determine eligibility for enrollment into the Medi-Cal program. DHCS may conduct a background check of an applicant or provider for the purpose of verifying information. This review may also include an unannounced on-site inspection, a review of business records, and data searches to ensure that the applicant or provider meets enrollment criteria.

Notification requirements and timeframes for DHCS application processing vary depending upon the type of provider. For example, for physicians and physician groups, DHCS acknowledges receipt within 15 days. For applications from provider types other than physicians or physician groups, DHCS acknowledges receipt within 30 days. Physician and physician group applicants are notified in writing, within 90 days of receipt, of one of the following actions: (a) approved for enrollment as a provisional provider; (b) incomplete and additional information is required; (c) referred for a comprehensive review and background check; (d) denied (with the reason(s) for denial); or (e) withdrawn by request of the applicant or provider.

Notification of DHCS action to applicants other than a physician or physician group (such as psychologists, physician assistants, nurse practitioners, or podiatrists) remains at 180 days.

***Recent Changes to the Provider Enrollment Process.*** In November 2016, DHCS began implementation of the Provider Application and Validation for Enrollment (PAVE) system. PAVE is a commercial, off-the-shelf software that automates DHCS' Medi-Cal provider enrollment processes and serves as the enterprise platform for provider enrollment activities. PAVE is also used by DHCS to establish and monitor ongoing provider compliance with enrollment requirements. DHCS indicates PAVE has been well-received by the provider community, as it has facilitated enrollment and participation in Medi-Cal and has contributed to the increased number of participating providers. DHCS indicates business rules within the application have also resulted in a decreased number of deficient applications being submitted, improving the average processing time significantly.

**Analysis Prepared by:** Allegra Kim / APPR. / (916) 319-2081