

---

## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair  
2023 - 2024 Regular Session

---

### AB 1122 (Bains) - Medi-Cal provider applications

**Version:** April 20, 2023

**Urgency:** No

**Hearing Date:** August 14, 2023

**Policy Vote:** HEALTH 12 - 0

**Mandate:** No

**Consultant:** Agnes Lee

**Bill Summary:** AB 1122 would require the Department of Health Care Services (DHCS) to develop a process to allow Medi-Cal provider applicants to submit an alternative type of primary, authoritative source documentation to meet the documentation requirements of a provider application.

**Fiscal Impact:** The DHCS estimates one-time system costs of \$240,000 in 2023-24 to update the PAVE system; and costs of \$1,709,000 in 2024-25 and \$1,610,000 in 2025-26 and ongoing thereafter for staffing resources (50 percent General Fund, 50 percent federal funds).

**Background:** The Medi-Cal program, administered by the DHCS, provides medical coverage to low-income individuals. Current law establishes rules and procedures for the enrollment of providers in the Medi-Cal program. 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. While reviewing an application and supporting documents, 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 and notifies of the results of the application within 90 days. Results can include 1) approved for enrollment as a provisional provider; 2) incomplete and additional information is required; 3) referred for a comprehensive review and background check; 4) denied; or 5) withdrawn by request of the applicant or provider. For applications from provider types other than physicians or physician groups, DHCS acknowledges receipt within 30 days and gives results within 180 days. Applicants who are notified that additional information is required have 60 days to provide that information.

**Proposed Law:** Specific provisions of the bill would:

- Require DHCS to develop a process to allow an applicant or provider to submit an alternative type of primary, authoritative source documentation to meet the documentation requirements of the application, as specified.

- Authorize an applicant or provider to submit its enrollment application up to 30 days prior to having an established place of business in order for DHCS to consider the application to the extent not in conflict with federal law.

**-- END --**