



State of California—Health and Human Services Agency  
Department of Health Care Services



GAVIN NEWSOM  
GOVERNOR

DATE: December 15, 2020

Behavioral Health Information Notice No: 20-071

TO: California Alliance of Child and Family Services  
California Association for Alcohol/Drug Educators  
California Association of Alcohol & Drug Program Executives, Inc.  
California Association of DUI Treatment Programs  
California Association of Social Rehabilitation Agencies  
California Consortium of Addiction Programs and Professionals  
California Council of Community Behavioral Health Agencies  
California Hospital Association  
California Opioid Maintenance Providers  
California State Association of Counties  
Coalition of Alcohol and Drug Associations  
County Behavioral Health Directors  
County Behavioral Health Directors Association of California  
County Drug & Alcohol Administrators

SUBJECT: Specialty Mental Health Provider Screening and Enrollment Requirements in Medi-Cal (21st Century Cures Act and the CMS-Medicaid and CHIP Managed Care Final Rule requirements)

PURPOSE: This Behavioral Health Information Notice (BHIN) is to inform county mental health plans (MHPs) of their responsibilities related to the screening and enrollment of all applicable network providers pursuant to the 21st Century Cures Act (Cures Act)<sup>1</sup> and the Centers for Medicare & Medicaid Services' (CMS) Medicaid and Children's Health Insurance Program (CHIP) Final Rule, dated May 6, 2016 ([Final Rule](#)).

Under these statutory and regulatory provider enrollment provisions, states are required to screen and enroll network providers furnishing services to Medicaid beneficiaries. Both individual rendering providers (rendering providers) and facilities providing specialty mental health services (SMH facilities) are subject to enrollment requirements described in this Notice. As pre-paid inpatient health plans (PIHPs), MHPs must ensure network providers fulfill these requirements and, accordingly, all applicable MHP network providers and SMH

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<sup>1</sup> See § 5005(b)(2) of the Cures Act [amending 42 U.S.C. § 1396u-2(d)(6)].

facilities must enroll in the Medi-Cal program through the Department of Health Care Services' (DHCS) Provider Enrollment Division (PED).

**BACKGROUND:**

On February 2, 2011, CMS issued rulemaking [CMS-6028-FC](#) to enhance fee-for-service (FFS) provider enrollment screening requirements pursuant to the Affordable Care Act, changing Title 22 of the Code of Federal Regulations (C.F.R.) Part 455, amending Subpart B and adding Subpart E. The intent of these changes to the federal regulations is to reduce the incidence of fraud and abuse by ensuring that network providers are individually identified and screened for licensure and certification.

In May 2016, CMS issued the Final Rule, which extended the provider screening and enrollment requirements of 42 C.F.R. Part 455, Subparts B and E to MHP network providers.<sup>2</sup> These requirements are designed to reduce the number of network providers who do not meet CMS provider enrollment requirements from participating in MHP provider networks. Prior to the Final Rule, MHP network providers were not required to enroll in the Medi-Cal program through DHCS. Now, states are required to screen and enroll, and periodically revalidate, network providers of managed care organizations, PIHPs, and pre-paid ambulatory health plans. These requirements apply to both existing contracted network providers<sup>3</sup> as well as prospective network providers.

In December 2016, the Cures Act was signed into law. Section 5005(b)(2) of the Cures Act amends title 42, section 1396u-2(d) of the United States Code (U.S.C.) to further require States to ensure that providers within the network of a managed care entity as specified enroll with the State agency administering the State plan under Title 42.<sup>4</sup>

**POLICY:**

To ensure compliance with the Cures Act and Final Rule mandates, DHCS is requiring that MHPs ensure all applicable network providers, including individual rendering providers and SMH facilities, enroll through DHCS' [Provider Application and Validation for Enrollment \(PAVE\)](#) portal (unless the facility is required to enroll via CPDH).

**Pave Provider Enrollment**

Almost all individual specialty mental health providers and specialty mental health provider facilities are required to enroll in Medi-Cal, even if the provider has already enrolled at the county mental health plan. Most providers are required to enroll through DHCS via the Provider Enrollment Division's PAVE system. Enclosures 1 and 2 provide

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<sup>2</sup> 42 C.F.R. § 438.602(b).

<sup>3</sup> 42 C.F.R. § 438.2 [defining "network provider"]; [2017-2022 MHP Contract](#), Exhibit E, Attachment 1, sec. 1(O).

<sup>4</sup> 42 U.S.C. § 1396u-2(d)(6).

lists, though not fully exhaustive, of the individual and facility specialty mental health services (SMHS) provider types subject to this enrollment requirement. A list of network provider types that are required to enroll through DHCS is located on the [DHCS PED Webpage](#) under “Provider Types Eligible to Enroll in PAVE.” A list of facility types that are required to enroll through the California Department of Public Health is located on the [DHCS PED Webpage](#) under “Provider Types Eligible to Enroll through CDPH.”

MHPs must ensure that applicable individual network providers enroll in Medi-Cal using the “Ordering, Referring and Prescribing” (ORP) enrollment pathway (i.e., application package) available through the DHCS PED [Pave Portal](#). Although this pathway is often referred to as an ORP provider application, it is also the appropriate application for SMHS providers that are subject to enrollment requirements, even if they do not participate in Medi-Cal as FFS providers. Providers already enrolled as a FFS provider are not required to enroll through the ORP enrollment pathway.

Network providers enrolled as ORP providers will not be able to bill the Medi-Cal FFS program. Billing status is not required in order to comply with the Federal CURES Act rules. However, if a network provider wishes to participate in the Medi-Cal FFS program as a billing provider, the network provider must complete the appropriate application in PAVE. In order to be approved for billing enrollment, the provider must meet established place of business requirements.

MHP network providers enrolling using the ORP enrollment pathway or as Medi-Cal FFS billing providers are subject to the rules, processing requirements, and enrollment timeframes defined in Welfare and Institutions Code [Section 14043.26](#), including the timeframe within Section 14043.26(f) that generally allows DHCS up to 180 days to act on an enrollment application. If an application is referred to DHCS’ Audits and Investigations Division to conduct background checks, pre-enrollment inspections or unannounced visits, or has been returned to the network provider for correction, a decision whether to grant or deny enrollment may not occur within 180 days. MHPs are ultimately responsible for ensuring their network providers are screened and enrolled. MHP network providers will not receive expedited processing.

For more information about application fees, please refer to DHCS’ [Informational Bulletin Regarding Medi-Cal Application Fee Requirements](#).

### **Provider Application and Validation for Enrollment (PAVE) Portal Training**

On July 8, 2020, and September 16, 2020, DHCS’ Provider Enrollment, Behavioral Health Licensing and Certification, and Audits and Investigations Divisions conducted webinars for counties and providers about the requirements to become an enrolled network provider through the PAVE portal. The webinars included comprehensive

information about the general network provider enrollment processes for SMHS and Drug-Medi-Cal, and addressed the Cures Act/Final Rule MHP network provider enrollment requirements to enroll applicable individual and facility providers using PAVE via the “Ordering, Referring, Prescribing” enrollment process. Slides from the most recent webinar are posted on the DHCS [County Support Webpage](#), and the webinar will be repeated on December 9, 2020. Information on how to join these webinars will be forthcoming.

In addition, DHCS PED held a stakeholder call with counties on August 25, 2020, to discuss changes to SMHS enrollment and review updates that will be made to the existing SMHS forms to align network providers with enrollment requirements.

### **Claiming**

At this time, Short-Doyle/Medi-Cal (SD/MC) System will not deny claims for the individual and facility providers subject to the Cures Act/Final Rule requirements. DHCS has not made any changes to the method by which MHPs submit claims to the SD/MC System. As such, counties should not hold claims. Claims should continue to be submitted in accordance with mandated submission deadlines. In the future, DHCS plans to apply edits to SD/MC based on this requirement and will provide counties with additional information as it becomes available.

### **Frequently Asked Questions:**

Question 1: Does the MHP itself need to complete an enrollment?

Answer: No. Individual Specialty Mental Health providers must enroll, and so must Specialty Mental Health facilities, including county-operated facilities. But the MHP does not need to complete an additional, entity-level enrollment.

Question 2: What is an authorized signer? How do you change an authorized signer in PAVE? What do you mean by a signing individual is not authorized to sign?

Answer: Pursuant to California Code of Regulations (C.C.R.), Title 22, Section 51000.30(a)(2)(B), an authorized signer is an individual who holds an ownership or control interest in the applicant. Specifically, the authorized signer must be a sole proprietor, partner, corporate officer or an official representative of a governmental entity or non-profit organization, who has the authority to legally bind the applicant. Please note, this does not authorize agents, members, or managing employees to sign on behalf of a group.

For more information regarding authorized signers of Medi-Cal applications, including instructions on how to e-sign the PAVE provider application, please see [the Authorized Signers document](#). Additionally, C.C.R., Title 22, Section 51000.6 defines “change of ownership.” C.C.R., Title 22, Section 51000.40(a), (b)(12) requires providers to submit a new application to report a change of ownership totaling more than 50% within 35 days of the change. The provider can do this by submitting a change of ownership application in [PAVE](#).

Signers in PAVE must be signed in with their own email and password, not to be shared with others. For instances where another user is preparing the application, that user will need to share the application with the authorized signer. At that point the authorized signer can log into PAVE, sign the application and either submit it or return it to the preparer to submit. Additional resources regarding PAVE help on PED’s webpage, job aids and FAQ’s, can be found [here](#).

Question 3: There is a lot of overlap between the requirements for credentialing and PAVE enrollment for each direct service provider (clinician). Why do we need to do both?

Answer: Although there may be overlap, the MHPs’ screening and enrollment requirements are separate and distinct from the credentialing and re-credentialing process requirements. The credentialing and re-credentialing process is one component of the comprehensive quality improvement system required of all MHPs. Credentialing ensures that providers are licensed, registered, waived, and/or certified as required by state and federal law. Screening and enrollment requirements are designed to reduce the number of providers who do not meet CMS provider enrollment requirements from participating in the MHPs’ provider networks.

Question 4: Is “authorized signer” only relevant for facility applications? Or do these sections apply to individual rendering providers (or site administrators)?

Answer: Authorized signers are relevant for entities (facilities or provider groups). The only person that can sign an individual provider application is the provider themselves.

Question 5: How can MHPs access data on enrolled providers, i.e., through the Open Data Portal?

Answer: The link to the Open Data Portal is on the PED website at this [link](#).

Question 6: If a provider is associated with multiple organizations, which ones should they list in PAVE? When providers leave one facility/program and move to another,

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must they change their affiliations? Can a provider be affiliated with both an enrolled DMC program and a SMH facility?

Answer: When an individual provider completes an ORP application, they are asked to provide the address where they provide services. The provider can add multiple addresses. If this information changes, they are not required to submit a “new” application, as they are already enrolled as an ORP provider and meet the enrollment requirement. This information will also be reported on the provider file update form submitted by counties as they are required to report any licensed individual providing services.

For technical assistance with the PAVE system, please direct questions to the PAVE Help Desk at +1 (866) 252-1949.

For Medi-Cal enrollment questions, please email [DHCSPEDESTAKEHOLDER@dhcs.ca.gov](mailto:DHCSPEDESTAKEHOLDER@dhcs.ca.gov) or call (916) 323-1945.

For additional help in PAVE, click on this [link](#) to take you to the PAVE homepage to access Provider Training videos and other tutorials.

Questions regarding this BHIN may be directed to the DHCS County Monitoring Section at [CountySupport@dhcs.ca.gov](mailto:CountySupport@dhcs.ca.gov).

Questions regarding the Legal Entity File Update (MC 5840) and Provider File Update (MC 5829) forms can be sent to [DHCSPEDESTakeholder@dhcs.ca.gov](mailto:DHCSPEDESTakeholder@dhcs.ca.gov).

Sincerely,

Original signed by

Marlies Perez, Acting Chief  
Medi-Cal Behavioral Health Division

Enclosures

## ENCLOSURE 1:

### Examples of Provider Types that Must Enroll

The following are examples of provider types that must enroll; however, this is not a complete list. Please see [“Provider Types Eligible to Enroll Through PAVE”](#)

- Certified Pediatric/Family Nurse Practitioner
- Certified Family Nurse Practitioner
- Licensed Clinical Specialist [LCSW, LMFT]
- Licensed Counselor [LCSW]
- Licensed Clinical Social Worker
- Licensed Educational Psychologist
- Licensed Marriage and Family Therapist
- Licensed Professional Clinical Counselor
- Licensed Professional Counselor [LPCC]
- Marriage & Family Counselor [LMFT]
- Nurse Practitioner
- Occupational Therapist
- Physician (MD)
- Osteopath (DO)
- Physician Assistant
- Psychologist
- Registered Pharmacist/Pharmacist
- Speech Therapist

## **ENCLOSURE 2:**

### **Examples of Specialty Mental Health Facility Types that Must Enroll Through DHCS PED or CDPH**

The following are examples of facility provider types that must enroll. Please note that some facility types are expected to enroll through CDPH and others through DHCS PED (PAVE). For a more complete list of facilities eligible to enroll through PAVE or CDPH, please see [DHCS' "Provider Enrollment Options" webpage](#).

- Psychiatric Hospital – California Department of Public Health (CDPH)
- General Hospital (CDPH)
- Skilled Nursing Facility/Special Treatment Program (CDPH)
- Licensed Clinic (CDPH)
- Federally Qualified Health Center (CDPH or PED)
- Rural Health Clinic (CDPH)
- County Owned-and-Operated Exempt from Licensure Clinic (PED)