



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



GAVIN NEWSOM
GOVERNOR

Date: July 20, 2021

PPL No: 21-016

To: Local Educational Agencies

Subject: CONTRACTOR ENROLLMENT IN MEDI-CAL TO PROVIDE SERVICES UNDER THE LOCAL EDUCATIONAL AGENCY MEDI-CAL BILLING OPTION PROGRAM (LEA BOP)

The purpose of this Policy and Procedure Letter (PPL) is to provide guidance to Local Educational Agency (LEA) providers participating in the LEA BOP regarding covered direct medical services provided to Medi-Cal enrolled students by LEA-contracted health service practitioners.

BACKGROUND

LEA BOP providers may contract with health service practitioners in the community to render LEA BOP covered services to Medi-Cal enrolled beneficiaries. An independent contractor under the LEA BOP is defined as a medical professional who is not a direct employee of the LEA but instead contracts with the LEA to provide covered direct health care services to students. In these cases, the independent contractor must voluntarily reassign their right to payment to a government entity, such as a school district. Consequently, if the school and the LEA are willing to develop an agreement under which the contractor reassigns payment to the LEA, the LEA may both bill and receive payment directly from the Department of Health Care Services (DHCS) for LEA BOP covered services.

Prior to publication of this PPL, the LEA BOP policy required LEA providers operating under Model 2 service delivery to enroll independent contractors as Medi-Cal providers through the DHCS Provider Enrollment Division (PED) and have a separate National Provider Identifier (NPI) number, prior to billing for services rendered to Medi-Cal enrolled students. This is no longer a requirement in the LEA BOP.

In addition, the previous LEA BOP policy required all independent contractors providing services via telehealth to enroll as Medi-Cal providers and have individual NPIs. This PPL notifies LEA providers of a change in these policies related to Medi-Cal enrollment of LEA-contracted health service practitioners when the contractor agrees to reassign payment to the LEA.

MEDI-CAL ENROLLMENT REQUIREMENTS

Effective July 1, 2020 independent contractors rendering services to Medi-Cal enrolled students under any model of service delivery or service modality (e.g., face-to-face or via telehealth) no longer need to separately enroll as Medi-Cal providers prior to rendering services to Medi-Cal enrolled students so long as the contractor has agreed to reassign their right to payment to a LEA. Contracted providers may be from in-state or out-of-state, as long as they hold the required California license or credential to deliver services.

The only case in which practitioners (whether LEA employed or contracted) must enroll with the DHCS PED is when practitioners will order, refer, or prescribe (ORP) services to Medi-Cal enrolled students. LEAs must be enrolled and have an NPI. Consistent with current policy outlined in [PPL No. 18-018R](#), LEA practitioners who ORP direct medical treatment services must have a NPI Type 1, and must be individually enrolled as a Medi-Cal ORP provider. See PPL No. 18-018R for additional details on ORP practitioner requirements. However, if the LEA contracts with independent health service practitioners to deliver direct medical services, and the contractor does not ORP for any services, the contractor does not need to separately enroll as a Medi-Cal provider through DHCS' PED.

BILLING REQUIREMENTS

DHCS will reimburse LEAs for covered services provided by LEA-contracted practitioners in the same manner and at the same rate as for services delivered by LEA-employed practitioners. In cases where a contractor will ORP treatment services for Medi-Cal enrolled students, the NPI of the medical professional who provided the order, referral or prescription for the student must be submitted on the claim form in the *Attending* field (Box 76).

If you have questions concerning this PPL, please contact the LEA BOP by e-mail at LEA@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY

Stephanie Magee, Chief
Local Educational Agency Medi-Cal Billing Option Program