

Discontinuation of the Moratorium on the Enrollment of Durable Medical Equipment Providers Located Outside of California and in Los Angeles, Orange, Riverside and San Bernardino Counties

The Department of Health Care Services (DHCS) ended the moratorium on the enrollment of durable medical equipment (DME) providers located outside of California and in Los Angeles, Orange, Riverside and San Bernardino Counties on February 23, 2019. This bulletin provides information for DME applicants in the effected counties applying for enrollment in the Medi-Cal Fee-For-Service Program during the six-month period following the expiration of the moratorium.

Title 42, Code of Federal Regulations (CFR), Section 455.450(e)(2), and Welfare and Institutions Code (W&I), Section 14043.38(b)(4), specify that a provider that would have been prevented from applying for enrollment due to a moratorium that has been lifted in the past six months, be screened at the “high” categorical risk level.

In addition, the Centers for Medicare and Medicaid Services (CMS) currently designates all newly enrolling DME suppliers as a “high” categorical risk, subjecting all new DME applicants to fingerprinting for criminal background checks. (Title 42, CFR §§ 424.518, 455.434, and 455.450)

A “high” risk screening requires a provider or applicant to submit proof that fingerprints for all the required individuals have been submitted to an authorized State Identification Bureau (Bureau of Criminal Information and Analysis, Department of Justice [DOJ] in California). Providers and applicants must attach a copy of a prefilled DOJ [Request for Live Scan Service \(BCIA 8016\) form](#) for each required individual with their application, date stamped and show verification that all fees have been paid, by either a “PAID” stamp from the public Live Scan operator or a receipt of payment.

For more detailed information on which individuals are required to submit fingerprints, please review the [Information Bulletin Regarding Medi-Cal Requirement to Submit Fingerprints for a Criminal Background Check](#).

If you are a currently enrolled DME provider that is not located out-of-state or in one of the counties that was subject to the moratorium, you do not need to be screened as “high” risk.

Additionally, if you are a currently enrolled DME provider and you would have met one of the exemptions listed below, you do not need to be screened as “high” risk but you must submit a cover letter with your application advising which exemption you meet and include any necessary supporting documentation.

1. DME applicants who for the purpose of the Medi-Cal Program choose to be enrolled for medically necessary lactation aids. DME providers of lactation aids shall be reimbursed for items mentioned in the Medi-Cal Provider Manual for

Lactation Management Aids [found in *Durable Medical Equipment (DME): Bill for DME (dura bil dme)*];

2. DME applicants who for the purpose of the Medi-Cal Program choose to be enrolled as Customized Wheelchair DME (CWDME) providers and/or Oxygen and Respiratory Equipment DME (OREDME) providers;
 - a. CWDME providers shall sell, service, and/or repair customized wheelchairs as medically necessary for Medi-Cal beneficiaries. An enrolled CWDME provider shall be reimbursed for items authorized in the Medi-Cal Provider Manual for wheelchairs, modifications and accessories.
 - b. OREDME providers shall sell, service, and/or repair Oxygen and Respiratory Equipment. An enrolled provider shall be reimbursed for items authorized in the Medi-Cal Provider Manual, under the Oxygen and Respiratory Equipment Group and deemed medically necessary for Medi-Cal beneficiaries.
3. Current Medi-Cal enrolled DME providers seeking to add a new business location in the same county, so long as the DME provider enrolled in the program after October 12, 1999 and is not adding new business activities, categories of service or billing codes other than those approved for enrollment at its existing location;
4. Applicants who will be enrolled solely for reimbursement of Medicare cost sharing amounts;
5. An application that is submitted because an existing Medi-Cal enrolled DME provider, which is part of a group of affiliated corporations (as defined by Cal. Corporations Code, Section 150), is transferring its assets to an affiliated corporation that is a part of the same group of affiliated corporations;
6. An application that is submitted because an existing Medi-Cal enrolled DME provider, who is an individual operating as an unincorporated sole proprietorship, has incorporated that sole proprietorship, with all of the existing issued shares of the new corporation being owned by that individual who is also the president of the new corporation;
7. An application that is submitted because there has been a cumulative change of 50 percent or more in the person(s) with an ownership or control interest in an existing Medi-Cal enrolled DME provider provided that the change only consists of a reorganization or consolidation among existing person(s) previously identified in the last complete application package that was approved for enrollment as having an ownership interest in the provider totaling 5 percent or greater;
8. Applications submitted pursuant to California Code of Regulations, Title 22, Section 51000.55 or Section 51006, Subparts (a)(1), (a)(2), (a)(3) or (a)(5);

9. Applications submitted pursuant to California Code of Regulations, Title 22, Section 51000.30(b)(3) provided that there is no change in the person(s) previously identified in the last complete application package that was approved for enrollment as having a control or ownership interest in the provider totaling 5 percent or greater;
10. Applications submitted pursuant to California Code of Regulations, Title 22, Section 51000.30(a) only because an existing Medi-Cal enrolled DME provider has changed its location provided that its previous business was located in one of the following counties: Los Angeles, Orange, Riverside, or San Bernardino and is not adding new business activities, categories of service or billing codes other than those approved for enrollment;
11. Applicants that are the only person or entity in the United States that provides specific product or service that is a Medi-Cal covered benefit; or,
12. DME applicants who, for the purpose of the Medi-Cal program, choose to enroll to provide only the services and/or replacement parts for a Medi-Cal covered device for an enrolled Medi-Cal beneficiary, when those services and/or parts are not available from an enrolled Medi-Cal provider on the date of application.

You are required to be screened at the “high” categorical risk level and submit fingerprints for a criminal background check if any of the following apply:

- 1. If you are a newly enrolling DME provider;**
- 2. If the Department determines that you do not meet an exemption; or**
- 3. If you do not want to go through an exemption review.**

Failure to submit fingerprints for a criminal background check when required will result in the denial of the application package. (42 CFR § 455.416; W&I Code § 14043.26[f][4][E])

Additional information about the Medi-Cal requirements for submitting fingerprints is available in the [Information Bulletin Regarding Medi-Cal Requirement to Submit Fingerprints for a Criminal Background Check](#).

If you have any additional questions, please contact the Provider Enrollment Message Center at (916) 323-1945 or submit your question via e-mail to PEDCorr@dhcs.ca.gov.