Medi-Cal Fee-for-Service Enrollment for Pharmacies Using the PAVE Online System

Provider Enrollment Division

July 2022

DHCS

Medi-Cal Fee-for-Service Provider Enrollment

- This is an comprehensive overview of the requirements for pharmacy providers to enroll in the Fee-for-Service side of Medi-Cal
- The application process is done online in the PAVE enrollment system
- There are no paper applications

Covered Topics

1. Fee-for-Service Requirements and Laws
2. Application Fees
3. Fingerprinting
4. Specialty Pharmacies
5. Closed-Door Pharmacies
6. Pharmacies in FQHC's
7. Out-of-State Pharmacies

Covered Topics

8. Getting Set-Up in the PAVE Enrollment System
9. Documents to Attach in Your Application
10. Overview of PED Enrollment Process
11. Information for Individual Pharmacists
12. Additional Resources and Contacts

Levels of Authority

Provider Enrollment Requirements are based in:

Federal Medicaid Laws

State Medicaid Statutes

State Regulations

and

DHCS Regulatory Provider Bulletins

Federal Medicaid Law

- The Federal Medicaid laws are contained in Title 19 of the Social Security Act and Title 42 of the Code of Federal Regulations, Chapters I, IV, and V.

MAJOR POINTS:

- Federal law makes DHCS responsible for collecting specific information from providers about ownership, control, adverse actions and participation.
- State agencies shall not enroll anyone excluded from Medicare or other state Medicaid programs.

California Law – Statutes

- The California Welfare and Institutions (W&I) Code contains rules for social welfare and government health care programs. The W&I Code Sections 14043 – 14045 govern Medi-Cal Provider Enrollment.

Additional Governance:

- The Health and Safety Code governs physical safety standards for pharmacies in California.
- The Business and Professions Code contains the laws that govern the professions in California.
- The Corporations Code – contains laws for the structure and operation of Legal Entities in California.

California Law – Regulations

- The Provider Enrollment Regulations for fee-for-service Medi-Cal are contained in: California Code of Regulations, Title 22, Sections 51000-51451.

- In addition, DHCS has published regulatory provider bulletins that can be found on the Provider Enrollment Division webpage of the DHCS website.

Site Specific Enrollments

- It is important to note that Pharmacies must submit applications for every pharmacy location, even if they are all under the same legal name and ownership.
- Each pharmacy location has its own unique NPI
- Each pharmacy location must meet all of the requirements in order to be approved for fee-for-service enrollment

Who Can Sign Applications

- CCR, Title 22, Section 51000.30(a)(2)(B)
  - Applications shall… "Be signed under penalty of perjury by an individual who is the **sole proprietor**, **partner**, **corporate officer**, or by **an official representative of a governmental entity or non-profit organization**, who has the authority to legally bind the applicant seeking enrollment, or the provider seeking continued enrollment, or the provider seeking enrollment at a new, additional, or change in location, as a Medi-Cal provider."
  - In many cases, these are not the same as the persons who businesses may authorize to sign other types of legal documents on their behalf.
  - Signatures cannot be delegated.

Authorized Signers

- Sole Proprietor Owners (for sole proprietorship pharmacies)
- Partners (if owned by a partnership)
- Corporate Officers (if owned by a corporation)
- Official Government Representatives (if operated by a government agency)
- Official representatives of non-profit organizations (such as Board Members, Directors and Operational Officers)

Application Fee

- Each year the Center for Medicare and Medicaid Services determines the new application fee amount.
- Application fee for 2022 calendar year is $631.00. Current fee information can be found on PED's Application Fees webpage.
- Payment is done electronically and is part of the PAVE application.
- Application fees are used to offset the cost of conducting the required screenings.
- The Department will deny applications where the applicant fails the application fee requirement.

Application Fee Exemptions

Pharmacy providers may be exempt from paying the application fee if they meet one of the exemptions below:

- Already **enrolled** in and/or **paid** the applicable fee to Medicare or another state's Medicaid or Children's Health Insurance Program (CHIP) at the service location. **Verification is required.**

- Exempt by waiver pursuant to federal law. **Verification is required.**

Application Fee Waiver Requests

- To request a waiver, an applicant/provider must include with submission of the application a letter that describes:
  1) the hardship,
  2) the justification for an exception, and
  3) supporting documentation.
- Acceptable justification documents may include:
  - Historical Costs Reports
  - Recent financial reports such as balance sheet and income statements
  - Cash flow statements
  - Most recent tax returns
  - Other profit and loss statements for the location the provider claims the hardship

Application Fee Waiver Requests

- Waivers are not approved by PED. PED forwards the requests to CMS for approval

- The applicant may submit both an application fee and a fee waiver request in order to allow their application to be processed without waiting for the CMS approval. If the waiver is granted, a refund will be issued.

Fingerprint Requirement for High Risk Providers

- If DHCS determines your pharmacy is at the “high” categorical risk screening level, DHCS shall conduct a criminal background check and shall require submission of a set of fingerprints in accordance with Section 13000 of the Penal Code. (California W&I Code Section 14043.38)
- When fingerprints are required, providers and any person with a 5-percent direct or indirect ownership interest in the provider shall be required to submit fingerprints in a manner determined by DHCS within 30 days of the request.
- In order to obtain the required fingerprints, present a prefilled Department of Justice Request for Live Scan Service (BCIA 8016) form to a Live Scan operator and pay all applicable fees.
- When submitting the application, include a legible copy of the date stamped BCIA 8016 form along with verification that all fees have been paid. Verification of payment can be either a “PAID” stamp from the Live Scan operator or a receipt of payment.

Fingerprint Requirement for High Risk Providers

- For more information plus instructions for Individuals who are located out of state, please see the Informational Bulletin Regarding Medi-Cal Requirement to Submit Fingerprints for a Criminal Background Check.

Specialty Pharmacy Requirements

- A “specialty pharmacy” in Medi-Cal must dispense Blood Factors and meet a list of specialized care needs to the Medi-Cal population who utilize specialty drugs such as Coagulation Factors, Intravenous Immune Globulin and Alpha-1 Proteinase Inhibitor. Pharmacies that want to contract with DHCS to provide Blood Factors to Medi-Cal patients, must submit a Medi-Cal Specialty Pharmacy Provider Application (MC 3155), **in addition to** their PAVE Medi-Cal Pharmacy Provider Application.

Specialty Pharmacy – Blood Factors

- Coagulation factors for bleeding disorders, such as hemophilia, represent the first class of specialty drugs to utilize provider contracts. These products are identified in Welfare and Institutions Code (W&I Code) 14105.86(a)(2)(A).

- The Department of Health Care Services (DHCS) will contract with any specialty pharmacy that will sign a contract to meet a list of performance obligations. These include, but are not limited to, delivery time requirements, providing patient education and submitting quarterly and yearly reports to DHCS.

- A provider who does not sign an agreement to become a provider under these provisions will no longer be allowed to provide the specialized drug to Medi-Cal, California Children's Services or Genetically Handicapped Persons Program recipients.

Specialty Pharmacy – Blood Factors

- Contracted Specialty Provider
  - A Contracted Specialty Provider is defined as a provider that meets the unique specialized care needs of the Medi-Cal population who utilize specialty drugs. Only Contracted Specialty Providers are eligible to provide contract blood factors.

- Visit the Medi-Cal Contracted Specialty Pharmacy Locations for Blood Factors webpage for more information.

Specialty Pharmacy – Medication Therapy Management (MTM)

- DHCS will contract with any pharmacy that will sign a supplemental agreement to meet a list of performance obligations. These include, but are not limited to:
  - Patient identification requirements
  - Service documentation requirements
  - Submitting quarterly and yearly reports to DHCS
- Medi-Cal enrolled pharmacies wanting to participate as an MTM Pharmacy Service provider must submit a completed Medi-Cal Specialty Pharmacy Provider Application (MC 3155) to either the MTM mailbox (MTMquestions@dhcs.ca.gov), via PAVE, or mail the signed application to the Pharmacy Benefits Division at the above address.

Specialty Pharmacy – Medication Therapy Management (MTM)

- MTM applicants must include "MTM" in the *Specialty Pharmacy Product* field (Box 1) of the MC 3155 application. Failure to identify the Specialty Pharmacy Product will result in application processing delays.
- For more information see the Update on Medication Therapy Management Services.

Closed-Door Pharmacies

- “Closed-Door” is a designation given to a Pharmacy that provides pharmaceutical care only to defined and exclusive groups of patients by means of contracts.
- There is a field in the Pharmacy application where pharmacies indicate if their pharmacy is a ‘closed-door’ business to request such enrollment.
- “Closed-Door” Pharmacies are subject to the same Medi-Cal participation and enrollment requirements as retail pharmacies and onsite inspections are required.
- Most “Closed-Door” Pharmacies are not open to the general public. However, if the Pharmacy sells incontinence medical supplies, the Pharmacy must have an area within the business that is open to the general public where incontinence medical supplies are displayed in order to enroll in Medi-Cal and submit claims for incontinence medical supplies.

Pharmacies Owned & Operated by Federally Qualified Health Centers (FQHC's)

- Pharmacies that are owned and operated by an FQHC clinic may enroll separately from the clinic**, if the pharmacy services have been carved out of the clinic's billing rate.** In the PAVE Pharmacy application, applicants can indicate if the pharmacy is owned and operated by an FQHC. If the FQHC is a non-profit organization, in the Disclosure portion of the application that asks for the names of all owners and control interests and officers and directors of the pharmacy, all of the Board of Directors of the FQHC must be listed.
- Once enrolled, pharmacies that are owned and operated by FQHC's will submit claims to the Medi-Cal payment system, and not to the Medi-Cal Rx system.

Out-of-State Pharmacy Requirements

Out of State Pharmacies must meet <u>one</u> of the criteria for OOS provider enrollment just like other provider types. These include:

- Provided emergency services to a Medi-Cal beneficiary travelling in their State.
- Provided services to a foster child or institutionalized person placed out of state according to an Interstate Compact for Placement of Children.
- Provides services to a child covered by Medi-Cal pursuant to a Single Case Agreement with the California Children's Services Program.
- Provides a specific medication or drug that is part of a DHCS approved treatment plan and the medication is not available from resources and facilities within the State of California.

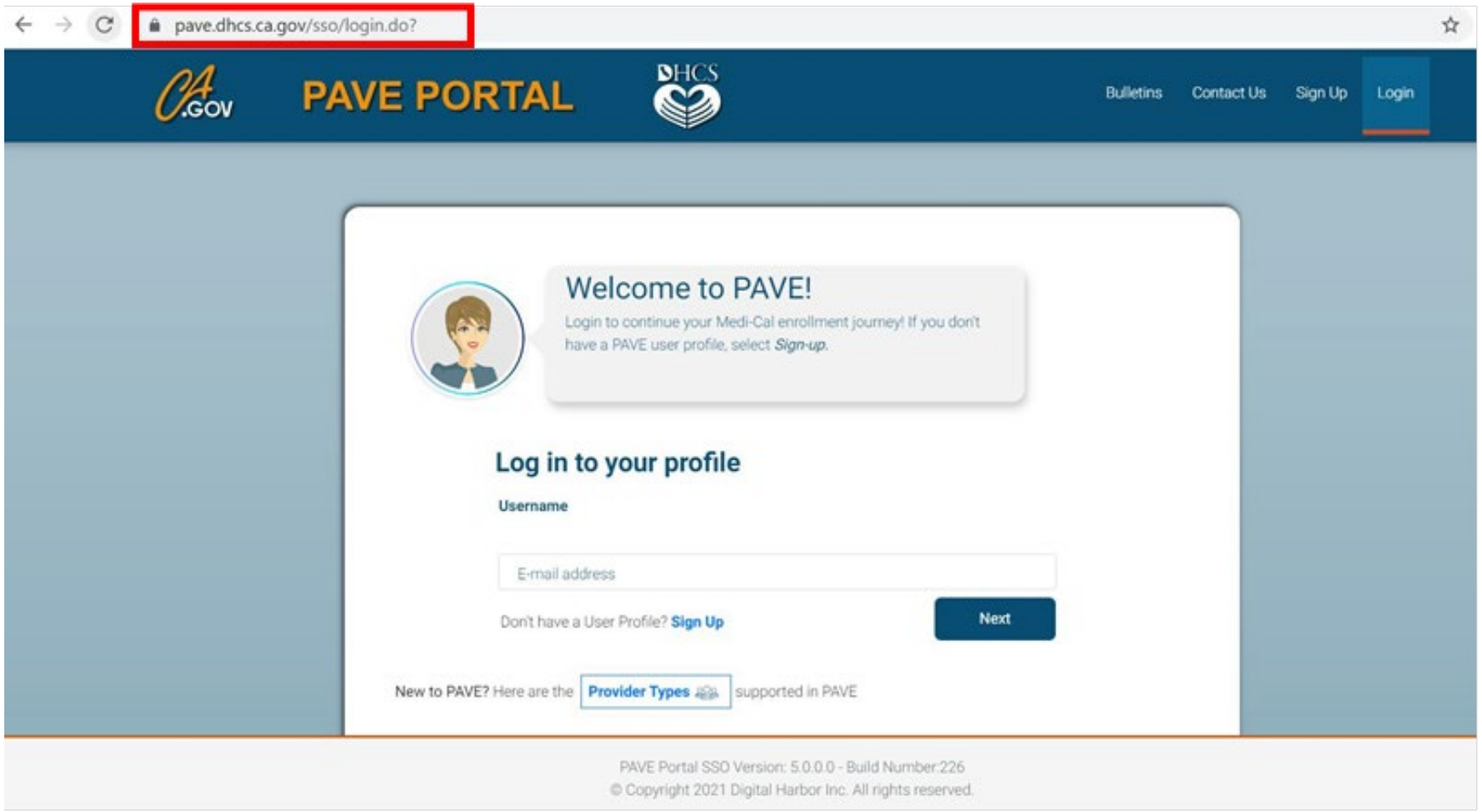
STARTING THE APPLICATION PROCESS

- This next set of slides guides users in getting set up in the PAVE enrollment system and then completing the questionnaire to start a pharmacy application.

Getting Set Up in PAVE for First Time Users

» PAVE 101 Training Slides

Access PAVE


pave.dhcs.ca.gov/sso/login.do?
CA.GOV
PAVE PORTAL
DHCS
Bulletins
Contact Us
Sign Up
Login
Welcome to PAVE!
Login to continue your Medi-Cal enrollment journey! If you don't have a PAVE user profile, select Sign-up.
Log in to your profile
Username
E-mail address
Don't have a User Profile? Sign Up
Next
New to PAVE? Here are the Provider Types supported in PAVE
PAVE Portal SSO Version: 5.0.0.0 - Build Number:226
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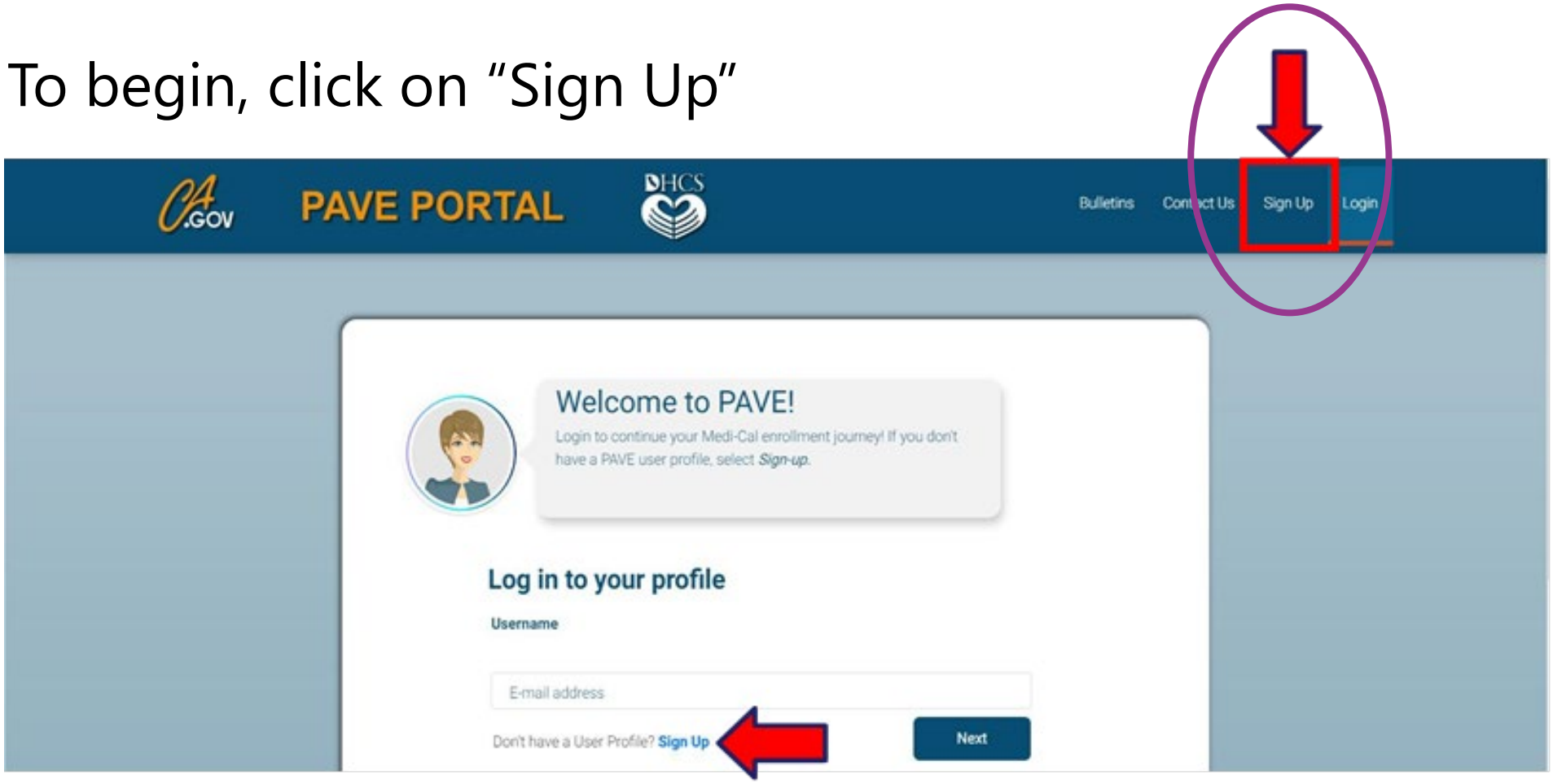
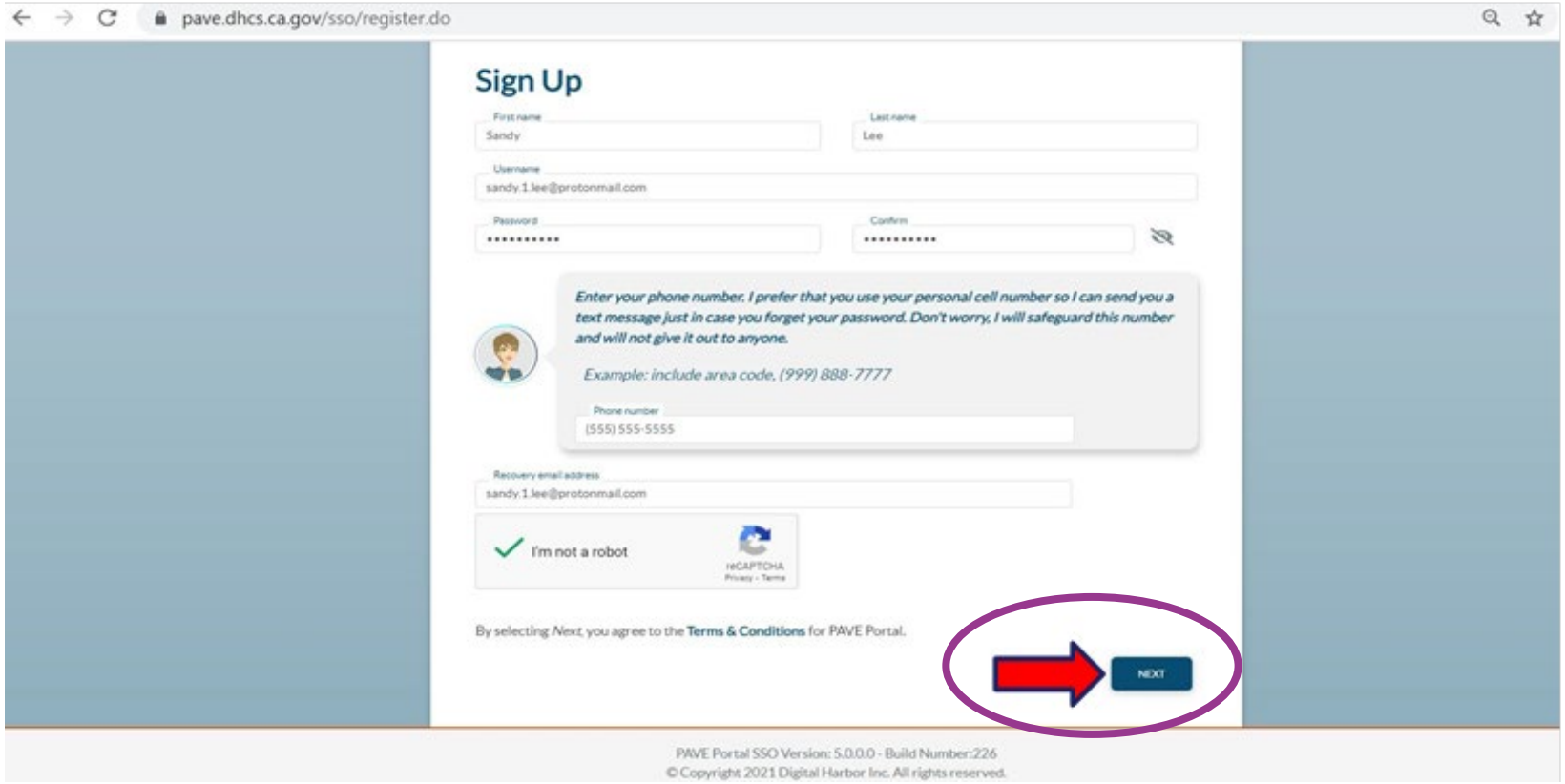
PAVE User Sign-Up Process

» To begin, click on “Sign Up”



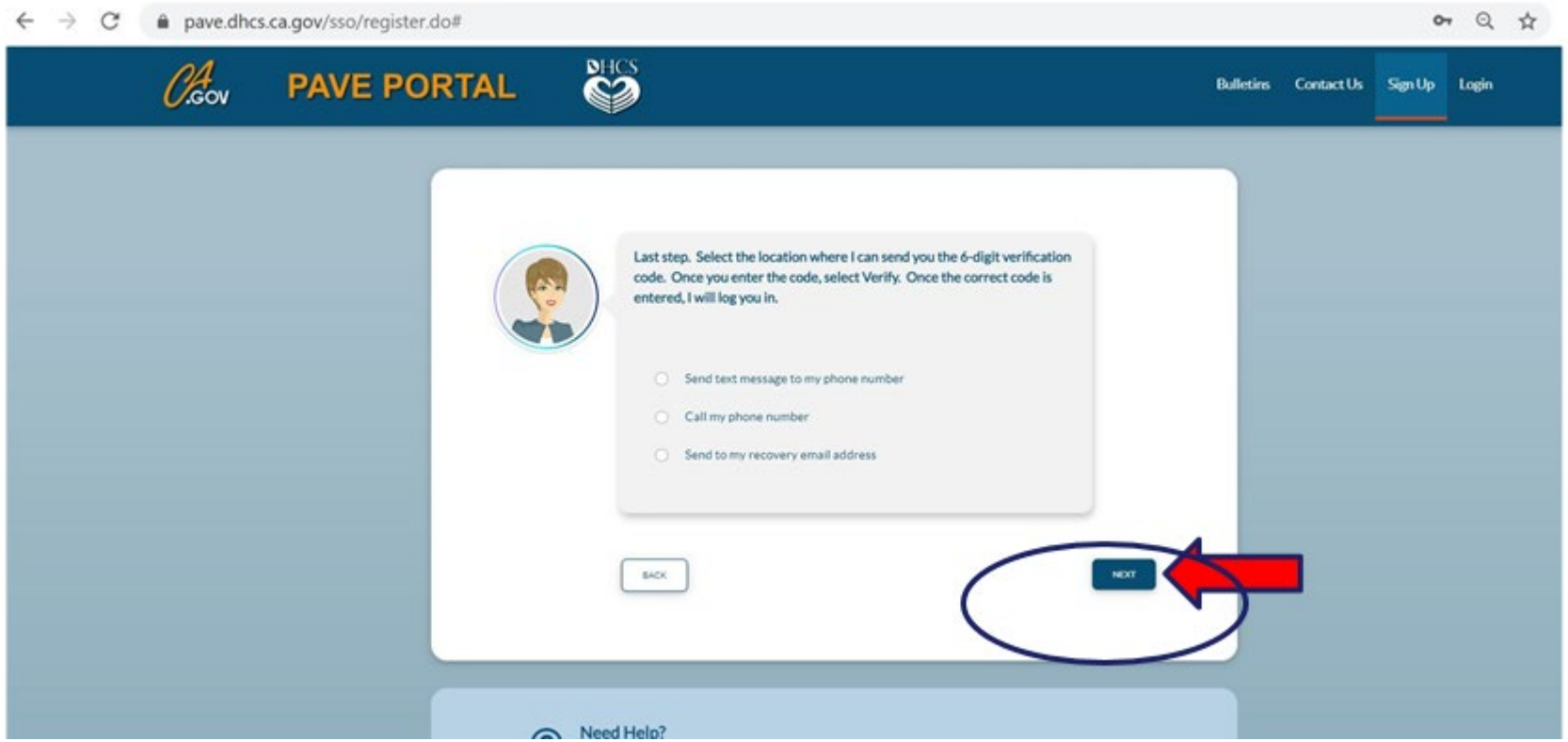
PAVE User Sign-Up Process

» Complete the required information and click “NEXT”



PAVE User Sign-Up Process

» You will be prompted to select how you wish to receive the six digit verification code, after selecting the preferred option click “NEXT”



PAVE User Sign Up Process

» Each of the three options provides a verification code valid for only 15 minutes.

On Wednesday, August 25th, 2021 at 11:58 AM, <PAVE-DHCS@dhcs.ca.gov> wrote:

Your six digit verification code for PAVE is: **963803**

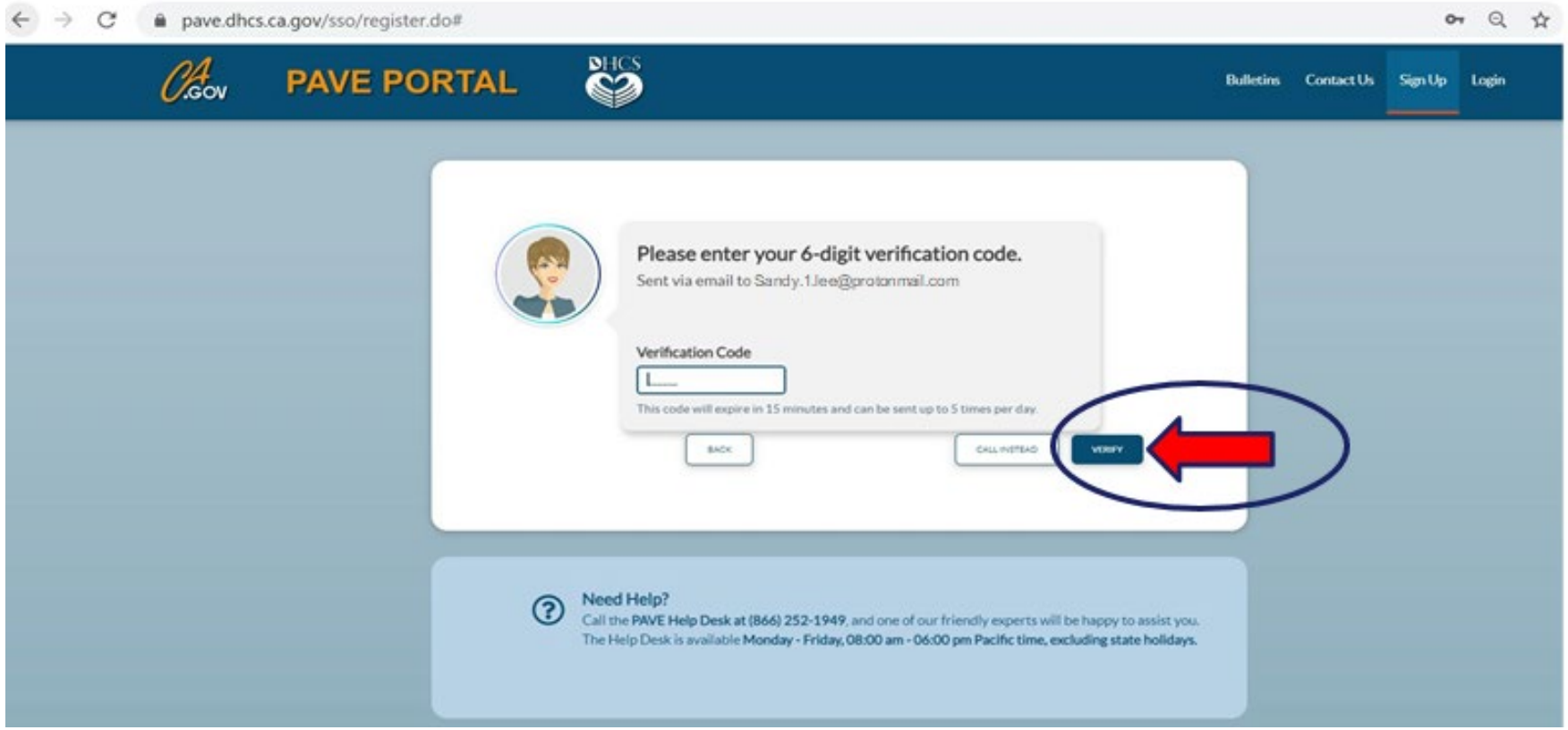
This verification code will expire in **15** minutes.

PAVE Portal Administration

Please note: This email was sent from an auto-notification system that cannot accept incoming email. Please do not reply to this message.

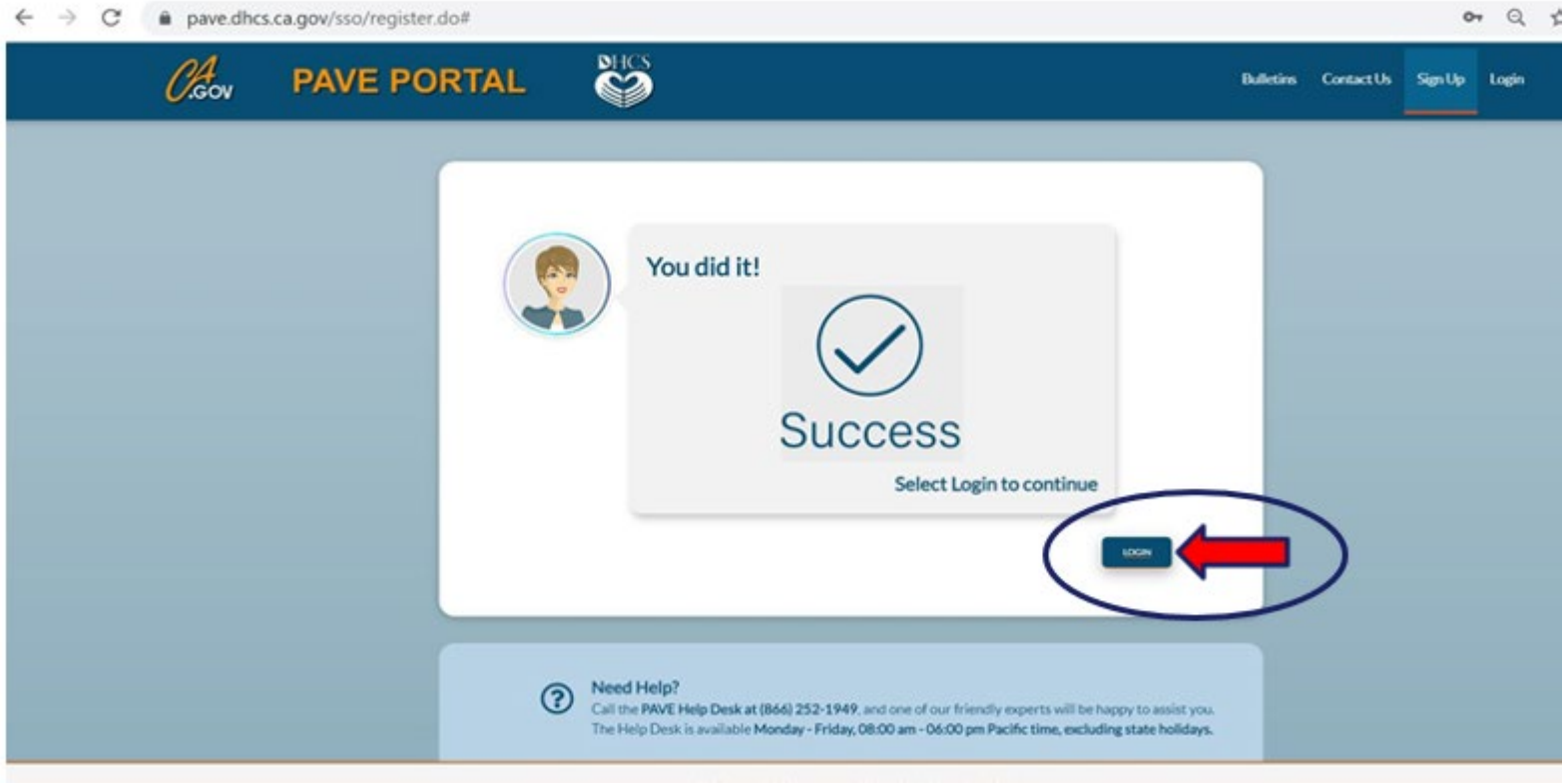
PAVE User Sign-Up Process

» Enter the six-digit verification code and click “VERIFY”



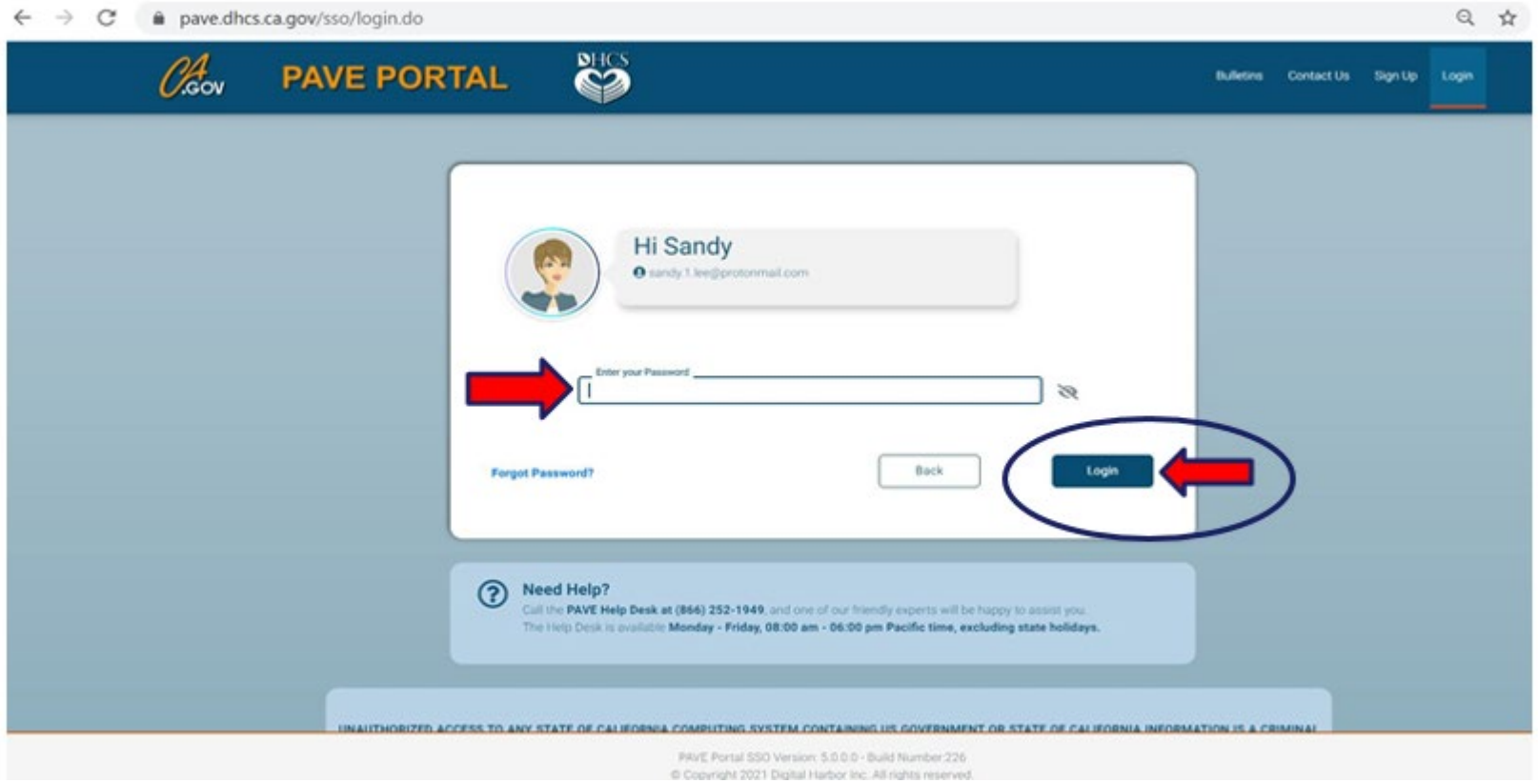
PAVE User Sign Up Process

» Once PAVE confirms successful verification, click “LOGIN”.



PAVE User Sign Up Process

» Now enter your email and your password and click “LOGIN”



PAVE Sign Up

- Now that you are set up as a PAVE user, you will need to create your PAVE profile which is a workspace where groups or individual providers create applications and manage accounts.

PAVE Profile Set Up

- Make sure that you are logged in with your user email and password.
- Enter your NPI, and click “Verify”
- Once the NPI is verified, you will enter the PAVE Profile name that represents your organization and click “Create my PAVE Profile”

PAVE Profile

Starting a Pharmacy Application

- In your PAVE profile, click on Applications, then "+ New Application".
- You will complete a questionnaire to start the correct application.
- The following slides are a guide for how to move through the questionnaire to start a Pharmacy application.

First Questionnaire Page

Start Application | Business Structure | NPI | Provider Type | Language | Last step

The following questionnaire will help determine the correct type of application for you. Hovering over the options will provide additional help!

COVID-19 Special Announcement

- I'm **enrolled in Medi-Cal**, and I want to create an application
- I'm enrolled in Medi-Cal, and I want to affiliate with another provider
- I'm **new to Medi-Cal**, and I want to create a new application

What type of provider are you?

- I'm an individual licensed/certified healthcare practitioner
- I'm a group of licensed/certified healthcare practitioners
- I'm a healthcare business
- I need to report **Supplemental changes**

If you want help with any of these options, select the in-context tutorial video icons for assistance.

Once you have made your choice, select **Continue**

Previous | Continue

Second Questionnaire Page
Your Business Structure – Read Lucy!

Start Application | Business Structure | NPI | Provider Type | Language | Last step

Let's create your application. In this section choose the option that best describes the structure of your business. Are you a sole proprietor? If so, you will select it below and you must obtain and use a Type 1 (individual) NPI or your application will be denied outright.
If your business is organized as a legal entity such as a corporation, an LLC or a General or Limited Partnership, then you will select "Other entity" below and you must obtain and use a Type 2 (Organizational) NPI or your application will be denied outright.
Please note, if you are the sole owner of your business, and it is organized as a legal entity such as a corporation, LLC or partnership, do not select "Sole Proprietor" below. Later in the application you can explain the sole ownership of your business entity.

COVID-19 Special Announcement

What is your health care business structure?

- Sole Proprietor
- Other entity
- I'm enrolling as a Medicare **Crossover-only** provider

Once you have made your choice, select **Continue**

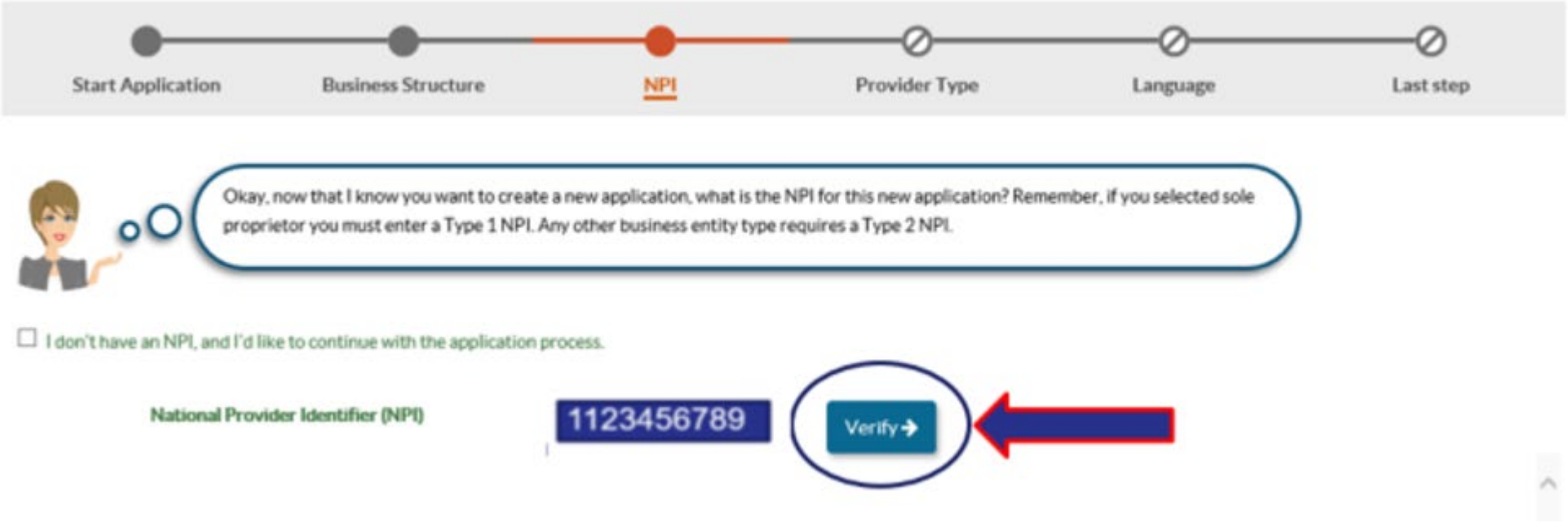
Previous | Continue

Select "Other Entity" if your business is a corporation, LLC or partnership.

Correct NPI Type depends on your Business Structure

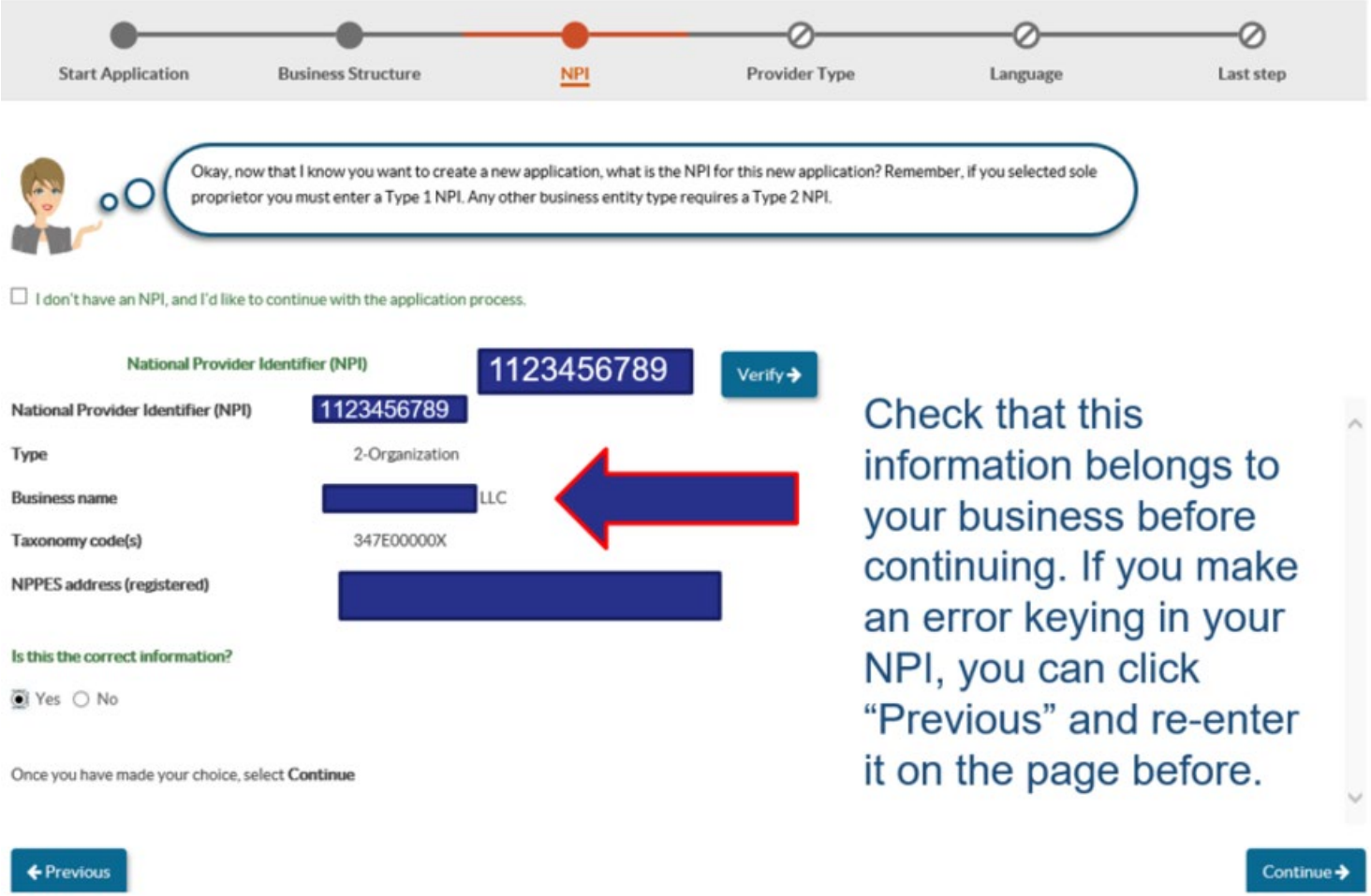
1. Type 2 NPI
   - **Business entities** such as a corporations, LLCs, and Partnerships must use a Type 2 NPI, <u>even if you are the only owner of the entity.</u>
2. Type 1 NPI
   - **Sole Proprietors** must use a Type 1 NPI. A sole proprietorship is a business owned and operated by one person and the business and the person are one and the same for income tax reporting.

Third Questionnaire Page
Enter Your NPI and click Verify



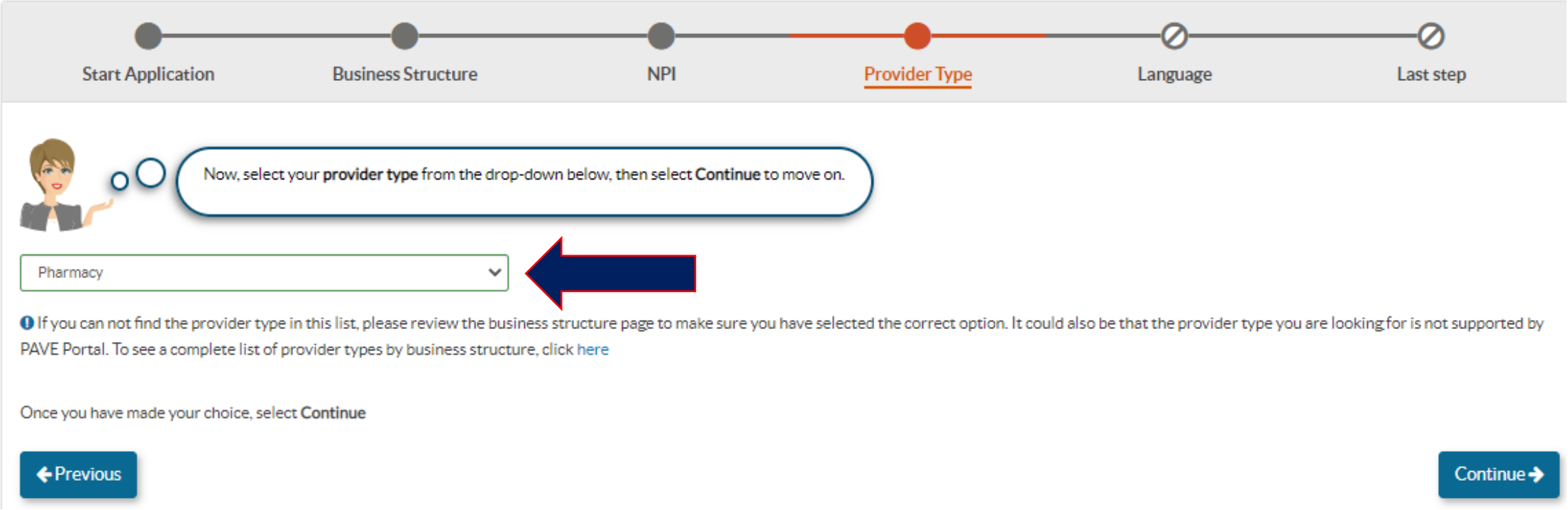
Fourth Questionnaire Page

PAVE Verifies NPI with NPPES



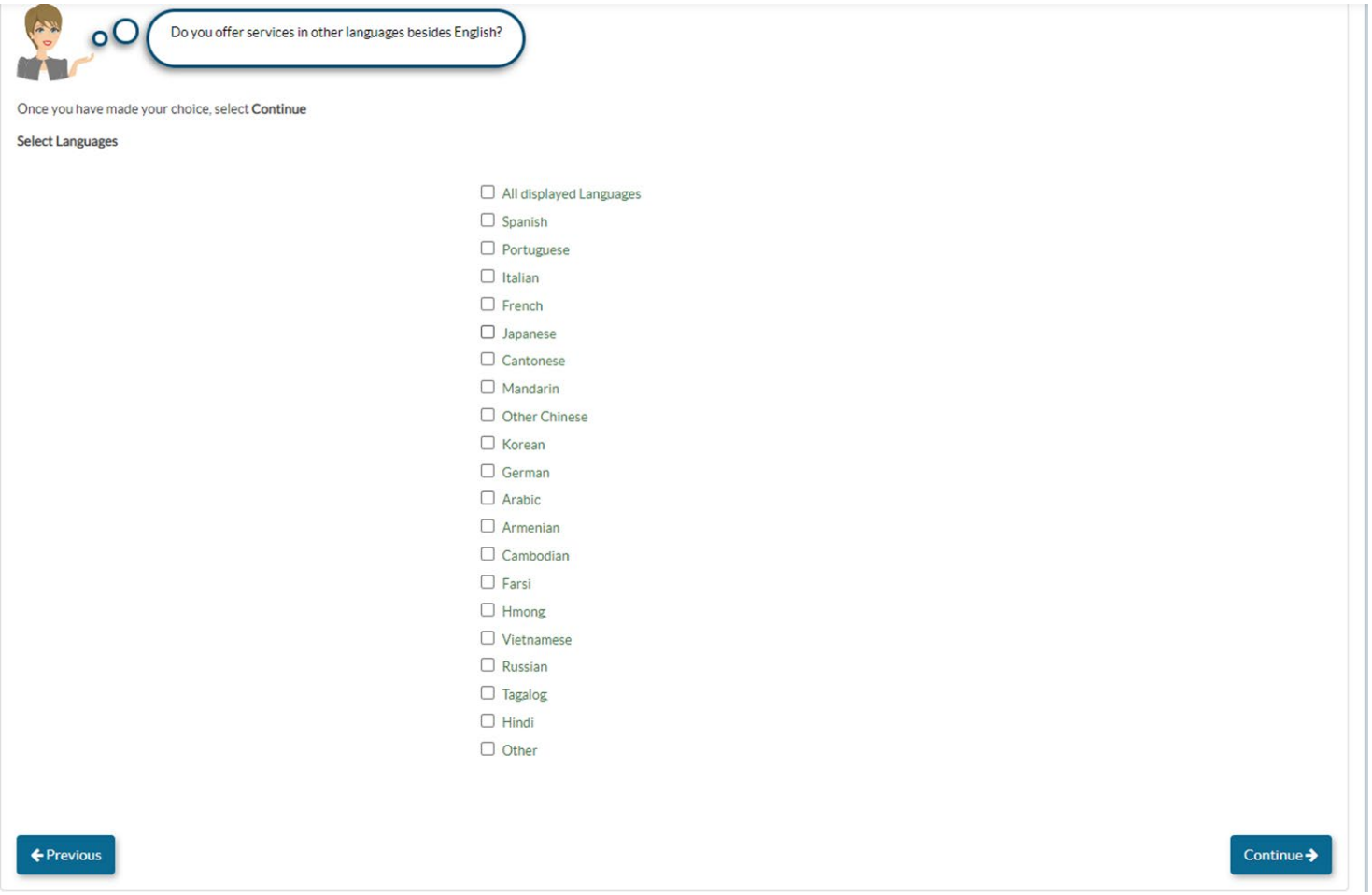
Check that this information belongs to your business before continuing. If you make an error keying in your NPI, you can click "Previous" and re-enter it on the page before.

Fifth Questionnaire Page
Select Provider Type – Pharmacy



Sixth Questionnaire Page

Languages Offered



Seventh Questionnaire Page
Summary Page – Double Check!

Start Application | Business Structure | NPI | Provider Type | Language | Last step

Before you can continue, please review the summary below. It contains all your previous selections to create this application. You can select the Previous button to go to the previous sections and make any changes you need.

Please review the summary of information that you've entered so far. If everything looks correct, select ***continue*** to proceed forward creating this application or select ***previous*** to make any necessary changes.

Start Application

I'm **new to Medi-Cal**, and I want to create a new application

I'm a healthcare business

Business Structure

Other entity

NPI of the application

1123456789 View Details

Provider Type

Pharmacy

Language

Previous

Continue

Medi-Cal Requirements

- The Medi-Cal Program requirements are woven into the application process.

- The next few slides show:
  - List of Required Documents to Attach
  - Medi-Cal “Established Place of Business” Requirements
  - Medi-Cal Application Review Process and Timelines
  - Additional Information for Pharmacists
  - Additional Enrollment Resources for Pharmacies

Some Required Documents

- Articles of Incorporation (only for corporations)
- State-Issued Identification
- Verification of TIN/EIN with one of the accepted documents: IRS Form 8109-C, Form 941, Letter 147-C, or Form SS-4 (Confirmation Notification)
- Business License /Tax Certificate (if required by local government)
- Fictitious Business Name Statement (if using a fictitious name)
- Lease Agreement (if leasing service location)
- Workers' Compensation Insurance
- Proof of Comprehensive (General) Liability Insurance
- Malpractice Insurance
- Seller's Permit
- Pharmacy Permit
- Pharmacist-In-Charge (PIC) Wallet License

Medi-Cal "Established Place of Business" Requirements

- Is Open and Conducting Business at time of application submission
- Is in a building either owned or leased by the applicant
- Has permanently posted business hours
- Has permanently attached signage with the business' name
- Has all State and local business permits and licenses to conduct business
- Obtains and maintains General Liability Insurance coverage and has Worker's Compensation Insurance as required by state law
- Has administrative and fiscal foundation to survive with adequate inventory and staff for the volume of business

More Online Resources

- Medi-Cal Enrollment requirements specific for Pharmacy Providers are also published on the DHCS website on the Pharmacy Benefits Provider Information webpage.

The Enrollment Process
Initial Review

- Complete your application in the PAVE portal.
- Submit your application.
- DHCS reviews in ‘date order received’.
- The legal allowance for the initial review period is 180 days, but DHCS strives to complete initial reviews much sooner.

The Enrollment Process
Correcting Deficiencies

- If your application is incomplete, PED will return it to you for corrections.
- You will be notified via email to log into the PAVE system to fix the noted deficiencies in your application.
- You need to go into the application and make the corrections and then resubmit your application to PED within 60 days.

Common Deficiencies

- Incorrect Insurance Documents Attached
- Service Address mismatch on Insurance Documents
- Unauthorized Signer

The Enrollment Process
Onsite Inspections

- Your application may get referred for an onsite inspection.
- You will be notified through PAVE.
- You will be contacted by the onsite staff who may ask for additional documents to verify information in the application.

The Enrollment Process Post-Onsite

» The onsite staff send a report to PED.

» Depending on the findings of the onsite, PED will either:

a) Approve your application
b) Deny your application
c) Return your application to you for additional information or corrections that must be made within 60 days and then you resubmit it to PED.

The Enrollment Process
Approval and Denial

- If your application is approved, you will be notified via email to log into the PAVE system to receive your Approval Letter.

- If your application is denied, you will be notified via email to log into the PAVE system to receive your Denial Letter with Appeal Rights.

Additional Information for Pharmacists

- If **individual pharmacists** wish to enroll for purposes of accessing the Magellan Medi-Cal Rx Portal or for managed care plan participation, they must submit the ORP application in PAVE, using their own individual Type 1 NPI.

Additional Resources

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

For Medi-Cal enrollment questions, you can send an email inquiry through the Inquiry Form or call (916) 323-1945.

For additional help in PAVE, go to the PAVE homepage where you can access Provider Training videos and other tutorials.

For application information, go to the Pharmacy Provider Application Information webpage.