

Medi-Cal Application Fee Requirements for Compliance with 42 Code of Federal Regulations Section 455.460

In accordance with the Centers for Medicare and Medicaid Services (CMS), the Department of Health Care Services (DHCS) is establishing the Medi-Cal application fee requirements to implement 42 Code of Federal Regulations (CFR) Section 455.460. These requirements are necessary to comply with the February 2, 2011, Final Rule published by CMS in the Federal Register (42 CFR Parts 405, 424, 447 et al., 76 Federal Register 5862-5971 [Feb. 2, 2011]), which implements provisions of the *Patient Protection and Affordable Care Act* (ACA).

Medi-Cal application fee requirements are pertinent to applications received on or after January 1, 2013. Based upon the authority granted to the director of DHCS in California *Welfare and Institutions* (W&I) Code, Section 14043.75(b), DHCS has adopted the following requirements regarding provider applications submitted to DHCS for enrollment in Medi-Cal. These requirements are regulations implementing and making specific California W&I Code, Sections 14043.25(d) and 14043.26(f)(4)(F) and as such, have the full force and effect of law. The following Medi-Cal enrollment application forms shall be amended by this provider bulletin:

- [Medi-Cal Durable Medical Equipment Provider Application](#) (DHCS 6201)
- [Medi-Cal Provider Group Application](#) (DHCS 6203)
- [Medi-Cal Provider Application](#) (DHCS 6204)
- [Medi-Cal Clinical Medical Laboratory Application](#) (DHCS 6204)
- [Medi-Cal Pharmacy Provider Application](#) (DHCS 6205)
- [Medi-Cal Medical Transportation Provider Application](#) (DHCS 6206)

This regulatory bulletin, and the application forms amended by it, shall become effective on January 1, 2013.

Requirements

Effective January 1, 2013, DHCS will require certain applicants/providers to submit an application fee when requesting an enrollment action. The application fee collected must be used to offset the cost of conducting the required screening as specified in 42 CFR 455 Subpart E. DHCS' imposition of the application fee is necessary to comply with the ACA and 42 CFR Section 455.460.

The application fee requirement shall apply to all applicants/providers **except**:

- Individual physicians or nonphysician practitioners
- Applicants/providers that are enrolled in Medicare or another state's Medicaid or Children's Health Insurance Program (CHIP) – **verification required**
- Applicants/providers that have paid the applicable fee to a Medicare contractor or to another state's Medicaid or CHIP – **verification required**
- Applicants/providers that are exempt by waiver pursuant to federal law

The application fee was initially established by CMS in 2010 and is adjusted annually by the percentage change in the consumer price index for all urban consumers for the 12-month period ending with June of the previous year. CMS will provide annual notification of the fee for each calendar year in the Federal Register.

Information on the current application fee is available on the DHCS website. For current application fee information, please visit www.dhcs.ca.gov, click the Providers & Partners tab and then click the Provider Enrollment Division link.

Fee Waiver Requests

Applicants/providers that are required to pay the fee may request a waiver if paying the fee would cause a financial hardship. To request a waiver, an applicant/provider must include with submission of the application a letter that describes: **1)** the hardship and **2)** the justification for an exception. A fee waiver request that does not describe the two elements will not be accepted. DHCS will forward application fee waiver requests submitted by applicants/providers to CMS for approval. Pursuant to section 1866(j)(2)(C)(ii) of the Act, CMS is to review all application fee waiver requests, and if appropriate, will approve any request for hardship exception.

Submission of Fee Payment

Applicants/providers that are required to pay the fee **must** submit a ***cashier's check*** in the amount established by CMS for the current calendar year, made payable to the State of California, Department of Health Care Services. Applicants/providers that are required to pay the fee must submit the cashier's check with their application for enrollment. If requesting a fee waiver, submitting the fee cashier's check in addition to the waiver request will prevent processing delays if CMS denies the waiver request.

All application fee cashier's checks submitted to DHCS will be processed and deposited in a timely manner. If an application fee cashier's check is submitted along with a fee waiver request, the check will be deposited and refunded to the applicant if CMS approves the waiver. In addition, application fee cashier's checks submitted in error will be deposited, but refunded once DHCS determines that the applicant/provider was not required to pay the fee. After application screening has occurred, the application fee is no longer refundable. **Refunds will not be issued for applications that were screened and subsequently denied by DHCS.**

Applicants/providers that are otherwise subject to the fee may be exempt if they are enrolled in Medicare or another state's Medicaid or CHIP program or if they have already paid the fee to a Medicare contractor or another state. In such instances, the applicant/provider must submit, with the application for enrollment, verification of enrollment in Medicare or another state's Medicaid or CHIP program or verification that the fee has been paid to a Medicare contractor or another state. For applicants/providers that are currently enrolled in Medicare or another state's Medicaid or CHIP program, acceptable verification is an official notice from the enrolling agency that specifies the applicant's/provider's legal name and physical business address. For applicants/providers that have already paid the fee to a Medicare contractor or another state, acceptable verification is an official proof of payment that specifies the applicant's/provider's legal name and physical business address.

Failure to Submit the Required Application Fee or Fee Waiver Request

When required, application fee cashier's checks or fee waiver requests must be submitted to DHCS prior to the review and screening of an enrollment application. Any application that requires a fee and is submitted with neither a fee cashier's check nor a waiver request will be denied in accordance with California W&I Code, Section 14043.26(f)(4)(F). In addition, when an application is received with only a fee waiver request and that request fails to provide justification, the application will be denied in accordance with California W&I Code, Section 14043.26(f)(4)(F).