



**Salem & Green Newsletter** – March 25, 2011

## **Medi-Cal Enrollment Fees Go Into Effect Today! DHCS Failure to Issue Implementing Instructions Leaves Providers With Questions**

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Starting today, Department of Health Care Services (“DHCS”) is required to collect Medi-Cal enrollment fees of \$505 per enrollment for “institutional providers.” DHCS Provider Enrollment Unit has issued no formal guidance regarding how it will implement the new requirements, and requests for information guidance from DHCS’ Acting Chief of Provider Enrollment have revealed few details regarding how a provider can comply with the new requirements.

Submitting an accurate and complete Medi-Cal enrollment application is the burden of each applicant. Failure to do so can cause the application to be returned by DHCS staff for being incomplete. This can be devastating to a provider. In many instances, Medi-Cal billing entitlements issue effective on the date that DHCS receives a Medi-Cal application that is eventually approved.

The new federal rule, which implements statutory requirements of the Patient Protection and Affordable Care Act, as amended, requires state Medicaid programs to collect enrollment fees from all providers seeking Medicaid enrollment, reenrollment, and applications for adding additional locations to existing enrollments except in the following instances:

1. The applicant is a physician or other individual practitioner or their groups;
2. Providers who have paid this enrollment fee to the Medicare program or another state’s Medicaid program.<sup>1</sup>

The fee applies to each enrollment that a legal entity has. DHCS has been unable to respond to questions concerning the following:

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<sup>1</sup> 42 C.F.R. sec. 455.460.

1. Presumably the fees are to be paid by check, since it does not appear that there is a means of submitting payments electronically at the current time. Who is the payee of the check?
2. Medi-Cal enrollment applications, for some provider types, are submitted to the Department of Public Health; for other provider types, they are submitted to DHCS. Are the fees to be submitted in all cases to DHCS or will this depend upon the provider type? Staff that actually process enrollment applications at both agencies that we have been in contact with are unaware of any Medi-Cal application fee requirements.

It is noteworthy that no Medi-Cal provider enrollment forms or their instructions have been amended to reference the requirement to collect the new fees. Providers will need to think hard about the best strategy to deal with the requirements imposed on Medicaid agencies prior to the time that DHCS sorts out its procedures regarding enrollment fees.

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