




TENNCARE POLICY MANUAL

Policy No:	PRO 11-001	
Subject:	Provider Application Fees (Rev. 3)	
Approval:		Date: 2/14/12

PURPOSE:

The purpose of this policy is to state the circumstances under which providers seeking to enroll in the TennCare program or seeking to renew their enrollment will be required to pay application fees.

BACKGROUND:

Section 6401 of the Affordable Care Act laid out new requirements regarding provider screening and enrollment in Medicare and Medicaid. One of these requirements was the imposition of an application fee on certain providers.

On February 2, 2011, the Department of Health and Human Services published a Final Rule in the Federal Register. A new subpart E ("Provider Screening and Enrollment") was added to part 455 of 42 CFR. According to 42 CFR § 455.460, State Medicaid agencies must begin collecting certain application fees prior to executing a provider agreement with a prospective or re-enrolling provider.

Exempt providers. Providers that are exempt from the new application fees are individual physicians and nonphysician practitioners, providers enrolled in Medicare, and providers that are enrolled in another state's Medicaid or CHIP program. The preamble to the new rule indicates that managed care providers are exempt as well.¹

Non-exempt fee-for-service providers. The preamble to the new rule contains a list of fee-for-service provider types that are required to pay application fees. This list is as follows:

- Ambulance service providers
- Ambulatory surgical centers
- Community mental health centers

¹ Federal Register, February 2, 2011, page 5907.

- Comprehensive outpatient rehabilitation facilities (CORFs)
- Durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) suppliers
- End-stage renal disease (ESRD) facilities
- Federally qualified health centers (FQHCs)
- Histocompatibility laboratories
- Home health agencies (HHAs)
- Hospices
- Hospitals, including, but not limited to, acute inpatient facilities; inpatient psychiatric facilities (IPFs); inpatient rehabilitation facilities (IRFs); physician-owned specialty hospitals; and Critical Access Hospitals (CAHs)
- Independent clinical laboratories
- Independent diagnostic testing facilities (IDTFs)
- Mammography centers
- Mass immunizers (roster billers)
- Organ procurement organizations (OPOs)
- Outpatient physical therapy/occupational therapy/speech pathology services
- Portable x-ray suppliers
- Skilled nursing facilities (SNFs)
- Radiation therapy centers
- Religious non-medical health care institutions (RNHCIs)
- Rural health clinics (RHCs)²

In addition to the providers identified above, states may impose application fees on “any institutional entity that bills the State Medicaid program . . . on a fee-for-service basis,” such as:

- Non-emergency transportation providers
- Personal care agencies
- Residential treatment centers³

Applicability of the new rule to TennCare. Most TennCare providers are managed care providers and are therefore exempt from the application fee. Other TennCare provider groups are as follows:

1. **Fee-for-service providers.** The two fee-for-service provider types are private Intermediate Care Facilities for persons with Mental Retardation (ICFs/MR) and Medicare crossover providers.
2. **State providers.** Both the Department of Intellectual and Developmental Disabilities (DIDD) and the Department of Children’s Services (DCS) offer some special services to certain TennCare enrollees.

² Ibid.

³ Ibid.

3. Program of All-Inclusive Care for the Elderly (PACE). TennCare has one PACE provider, located in Hamilton County.

TennCare requested a hardship exemption to the application fee for State providers, which was granted by CMS in a letter to TennCare dated July 27, 2011. Both PACE and Medicare crossover providers are enrolled in Medicare and so are not required to pay the application fee to TennCare.

The only provider type that is subject to the application fee, then, is private ICFs/MR not enrolled in another state's Medicaid or CHIP program. ICF/MR services are not covered by Medicare, so ICFs/MR would not be Medicare providers.

POLICY:

It is the policy of the Bureau of TennCare that private ICFs/MR that are enrolling in the TennCare program or renewing their enrollment will be required to pay an application fee to the Bureau of TennCare at the time of enrollment or re-enrollment. These providers will be exempt from the fee if they can demonstrate that they are enrolled in another state's Medicaid or CHIP program.

The amount of the application fee is \$505 in Calendar Year 2011.⁴ The amount of the application fee in Calendar Year 2012 is \$523.⁵ In future years, the amount of the application fee will be the amount published by CMS in the Federal Register.

OFFICE OF PRIMARY RESPONSIBILITY:

Office of Provider Services

REFERENCES:

Affordable Care Act, Section 6401
Final Rule, Federal Register, February 2, 2011, pages 5862 – 5971
Notice, Federal Register, March 23, 2011, pages 16422 – 16424
Notice, Federal Register, November 2, 2011, page 67743 – 67745

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Rev 1: 8/29/11: SB
Rev 2: 11/10/11: AB
Rev 3: 2/14/12: AB

⁴ Federal Register, March 23, 2011, page 16423.

⁵ Federal Register, November 2, 2011, page 67744.