



# TENNCARE POLICY MANUAL

<b>Policy No:</b> PRO 11-001 (Rev. 8)	
<b>Subject:</b> Provider Application Fees	
<b>Approval:</b> <i>Dennis Elliott</i>	<b>Date:</b> 12/12/16

## 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. Subpart E ("Provider Screening and Enrollment") was added to part 455 of 42 CFR. According to 42 CFR § 455.460, State Medicaid agencies must collect certain application fees prior to executing a provider agreement with a prospective or re-enrolling provider.

**Exempt providers.** Providers that are exempt from the application fees include 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 February 2011 Final Rule indicated that managed care providers are exempt as well.<sup>1</sup>

**Non-exempt fee-for-service providers.** CMS guidance identifies the following providers as non-exempt from the Medicaid application fee:

- Ambulance service suppliers
- Ambulatory surgical centers

<sup>1</sup> Federal Register, February 2, 2011, page 5907 (76 FR 5907)

- Community mental health centers
- Competitive Acquisition Program /Part B Drug Vendors
- Comprehensive outpatient rehabilitation facilities
- Durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) suppliers
- End-stage renal disease facilities
- Federally qualified health centers
- Histocompatibility laboratories
- Home health agencies
- Hospices
- Hospitals
- Independent clinical laboratories
- Independent diagnostic testing facilities
- Mammography screening centers
- Mass immunization roster billers
- Nursing facility (other)
- Organ procurement organizations
- Outpatient physical therapy/occupational therapy/speech pathology services enrolling via the Form CMS-855A
- Pharmacies that are newly enrolling or validating via the Form CMS-855A
- Portable x-ray suppliers
- Radiation therapy centers
- Religious non-medical health care institutions
- Rural health clinics
- Skilled nursing facilities<sup>2</sup>

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 centers<sup>3</sup>

**Applicability of the application fee 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 Individuals with Intellectual Disabilities (ICFs/IID) and Medicare crossover providers.

<sup>2</sup> Medicaid Provider Enrollment Compendium (March 21, 2016), available at <https://www.medicare.gov/affordable-care-act/provisions/downloads/mpec-032116.pdf>

<sup>3</sup> Federal Register, February 2, 2011, page 5907 (76 FR 5907)

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.
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 is private ICFs/IID not enrolled in another state's Medicaid or CHIP program. ICF/IID services are not covered by Medicare; therefore, ICFs/IID would not be Medicare providers.

**POLICY:**

It is the policy of the Bureau of TennCare that private ICFs/IID 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 in Calendar Year 2016 is \$554.<sup>4</sup> The amount of the application fee in Calendar Year 2017 is \$560.<sup>5</sup> 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 30, 2012, pages 71423 – 71425  
Notice, Federal Register, December 2, 2013, pages 72089 – 72091

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<sup>4</sup> Federal Register, December 3, 2015, page 75680 (80 FR 75680).

<sup>5</sup> Federal Register, November 7, 2016, page 78159 (81 FR 78159).

Notice, Federal Register, December 5, 2014, pages 72183 – 72185  
Notice, Federal Register, December 3, 2015, pages 75680 – 75681  
Notice, Federal Register, November 7, 2016, pages 78159-78160

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