pennsylvania
DEPARTMENT OF HUMAN SERVICES

MEDICAL ASSISTANCE BULLETIN

ISSUE DATE	EFFECTIVE DATE	NUMBER
June 1, 2016	July 1, 2016	*See Below

SUBJECT	BY
ACA Enrollment Application Fee	Leesa M. Allen, Deputy Secretary Office of Medical Assistance Programs

IMPORTANT REMINDER: All providers must revalidate their MA enrollment every 5 years. Providers should log into PROMISe to check their revalidation date and submit a revalidation application at least 60 days prior. Enrollment (revalidation) applications may be found at http://www.dhs.pa.gov/provider/promise/enrollmentinformation/S_001994. Providers who enrolled on or before SEPTEMBER 25, 2011 must complete the revalidation process as soon as possible. DHS must complete the revalidation for all providers enrolled on or before September 25, 2011 by September 25, 2016.

PURPOSE:

The purpose of this Medical Assistance (MA) Bulletin is to inform providers that the Department of Human Services (Department) is implementing the Affordable Care Act (ACA) provision requiring the collection of an application fee from certain MA providers beginning on July 1, 2016.

SCOPE:

This bulletin applies to providers enrolled in or seeking to enroll in the Medical Assistance Program. Please refer to the chart in the procedure section of this bulletin, which identifies the provider types and specialties to which this bulletin applies.

*01-16-14, 02-16-12, 03-16-12, 04-16-01 05-16-03, 06-16-01, 07-16-01, 08-16-13, 11-16-12, 12-16-01, 24-16-13, 25-16-02, 26-16-01, 28-16-01, 29-16-01, 30-16-12, 47-16-02, 56-16-01 and 59-16-01.

BACKGROUND:

On March 23, 2010, the Patient Protection and Affordable Care Act (ACA) was signed into law. Section 6401(b) of the Patient Protection and Affordable Care Act (Pub. L. 111–148), as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. 111–152) (collectively known as the Affordable Care Act) amended Section 1902 of the Social Security Act, to add paragraphs (a)(77) and (kk), which require States to comply with the process for screening providers and suppliers as established by the Secretary of Health and Human

Services under Section 1866(j)(2)(C) of the Act. Section 1866(j)(2)(C) of the Act requires the Secretary to impose a fee on each institutional provider of medical, other items, services or supplies, to be used for program integrity efforts. The Department of Health and Human Services regulation implementing this requirement can be found at 42 CFR § 455.460.

All provider types that are considered institutional in Medicare are also considered institutional for purposes of Medicaid enrollment fees. In addition, enrollment fees must be paid by Medicaid only provider types that are "institutional." The federal regulation specifically excludes individual physicians or non-physician practitioners from paying the application fee.

The regulation at CFR § 455.460 requires states to collect an application fee prior to executing a provider agreement.

DISCUSSION:

The Centers for Medicare and Medicaid Services (CMS) sets the amount of the application fee every year. The application fee is currently $554 for calendar year 2016; however, this fee will vary from year-to-year based on adjustments made by CMS pursuant to the Consumer Price Index for Urban Areas.

Institutional providers must pay an application fee upon initial enrollment, at re-activation (enrollment) and at the time of revalidation unless they have already paid a fee to Medicare (Medicare contractor) or another state.

Providers may request a hardship exception to the application fee requirement. Providers requesting a hardship exemption must complete the Hardship Exemption Request form and submit it to the Department, along with a letter from the provider describing the hardship and why the hardship justifies an exception and supporting documentation. If the Department agrees the provider has demonstrated a hardship, the Department will submit the request to CMS. CMS will determine whether or not to grant the hardship exception and communicate the information back to the Department. The Department will communicate the approval or denial of the hardship exception to the provider.

For the providers who must pay the application fee, if a provider submits multiple applications under the same Federal Tax Identification Number, i.e., Federal Employer Identification Number, the Department will collect one fee for all applications submitted within seven (7) calendar days of the Department's receipt of the first application. Additional applications submitted by the provider with the same Federal Tax Identification Number more than seven days after submission of a previously submitted application will require the payment of another application fee.

PROCEDURE:

On July 1, 2016, institutional providers, as identified below, will be required to pay an application fee to the Department if they are not enrolled in Medicare, have not paid an

application fee to another state's Medicaid or CHIP Program, and have not been granted a hardship exception from CMS. Providers required to pay the fee must enroll or revalidate through the Department's electronic provider enrollment application. The following is a list of provider types and corresponding specialties that are required to pay an application fee.

Provider Type	Provider Primary Specialty	Provider Type Description	Provider Specialty Description
01	010	INPATIENT FACILITY	ACUTE CARE GENERAL HOSPITAL
01	011	INPATIENT FACILITY	PRIVATE PSYCHIATRIC HOSPITAL
01	012	INPATIENT FACILITY	MEDICAL REHAB HOSPITAL
01	013	INPATIENT FACILITY	RESIDENTIAL TREATMENT FACILITY (JCAHO CERTIFIED)
01	014	INPATIENT FACILITY	INPATIENT MEDICAL REHAB UNIT
01	017	INPATIENT FACILITY	EMERGENCY ROOM ARRANGEMENT 2
01	018	INPATIENT FACILITY	EXTENDED ACUTE PSYCH INPATIENT UNIT
01	019	INPATIENT FACILITY	DRUG & ALCOHOL REHAB HOSPITAL/UNIT
01	021	INPATIENT FACILITY	SHORT PROCEDURE UNIT
01	022	INPATIENT FACILITY	PRIVATE PSYCHIATRIC UNIT
01	183	INPATIENT FACILITY	HOSPITAL BASED MEDICAL CLINIC
02	020	AMBULATORY SURGICAL CENTER	AMBULATORY SURGICAL CENTER
03	030	EXTENDED CARE FACILITY	NURSING FACILITY
03	031	EXTENDED CARE FACILITY	COUNTY NURSING FACILITY
03	032	EXTENDED CARE FACILITY	ICF/MR 8 BEDS OR LESS
03	033	EXTENDED CARE FACILITY	ICF/MR 9 BEDS OR MORE
03	037	EXTENDED CARE FACILITY	STATE LTC UNIT
03	039	EXTENDED CARE FACILITY	ICF/ORC

03	040	EXTENDED CARE FACILITY	SPECIAL REHAB NURSING FACILITY
03	382	EXTENDED CARE FACILITY	INP. FACILITY BASED LTC EXT. CARE FACILITY
04	041	REHABILITATION FACILITY	COMPREHENSIVE OUTPATIENT REHAB FACILITY
05	050	HOME HEALTH	HOME HEALTH AGENCY
05	051	HOME HEALTH	PRIVATE DUTY NURSING
05	362	HOME HEALTH	ATTENDANT CARE/PERSONAL ASSISTANCE SERVICE
05	430	HOME HEALTH	HOMEMAKER SERVICES
05	512	HOME HEALTH	RESPITE CARE - HOME BASED
06	060	HOSPICE	HOSPICE
08	080	CLINIC	FEDERALLY QUALIFIED HEALTH CENTER
08	081	CLINIC	RURAL HEALTH CLINIC
08	082	CLINIC	INDEPENDENT MEDICAL / SURGICAL CLINIC
24	025	PHARMACY	PERSONAL EMERGENCY RESPONSE SYSTEM
24	240	PHARMACY	INDEPENDENT
24	241	PHARMACY	INSTITUTIONAL INDEPENDENT
24	242	PHARMACY	CHAIN
24	243	PHARMACY	INSTITUTIONAL CHAIN
24	244	PHARMACY	LTC
24	245	PHARMACY	MAIL ORDER
25	025	DME/MEDICAL SUPPLIES	PERSONAL EMERGENCY RESPONSE SYSTEM
25	250	DME/MEDICAL SUPPLIES	DME / MEDICAL SUPPLIES
25	251	DME/MEDICAL SUPPLIES	PROSTHETIC SUPPLY
25	252	DME/MEDICAL SUPPLIES	ORTHOTIST SUPPLY
25	253	DME/MEDICAL SUPPLIES	OPTICAL SUPPLY
26	260	TRANSPORTATION	AMBULANCE - BASIC LIFE SUPPORT
26	261	TRANSPORTATION	AMBULANCE - ADVANCED LIFE SUPPORT
26	262	TRANSPORTATION	AIR AMBULANCE
28	280	LABORATORY	INDEPENDENT LABORATORY
29	290	X-RAY CLINIC	IDTF

29	291	X-RAY CLINIC	MOBILE X-RAY CLINIC
30	300	RENAL DIALYSIS CENTER	RENAL DIALYSIS CENTER
47	470	BIRTHING CENTER	BIRTHING CENTER
56	560	RESIDENTIAL TREATMENT FACILITY	RESIDENTIAL TRTMT FACILITY (NON-JCAHO CERTIFIED)
59	050	OLTL PROGRAMS	HOME HEALTH AGENCY
59	250	OLTL PROGRAMS	DME / MEDICAL SUPPLIES

While completing enrollment or revalidation through the Department's electronic provider enrollment application portal, providers will be prompted to respond to questions asking whether:

- the provider is enrolled in Medicare;
- the provider paid an application fee to another state's Medicaid or CHIP program; and
- the provider requests a hardship exception from paying the application fee.

In circumstances when the provider responds that the fee was paid to another state's Medicaid or CHIP Program, the electronic provider enrollment application will prompt the provider to upload a copy of documentation that the application fee was paid. Providers may upload cancelled checks, receipts, or other documentation demonstrating payment of an application fee.

A provider who submits multiple applications on the same day or within a seven (7) calendar day period using the same Federal Tax Identification Number will only be required to pay the application fee for the first enrollment or revalidation application. Providers will be prompted to submit documentation that the application fee was paid within the seven (7) calendar day timeframe by providing a copy of the receipt generated from the Convenience Pay. However, if more than seven (7) calendar days have passed, an application fee will be charged for a provider submitting an application for an additional provider type or specialty.

Providers who must pay the application fee will need to submit an application for enrollment or revalidation via the electronic provider enrollment application at https://provider.enrollment.dpw.state.pa.us. The Department will only accept application fees through the Convenience Pay available in the electronic provider enrollment application and will not accept checks, money orders submitted via mail, or credit card payments submitted via phone.

If the provider requests a hardship exception from paying the application fee, the provider will be prompted to submit (upload) documentation. The provider must submit a completed Hardship Exception Request Form, attached to this bulletin, a cover memo or letter explaining the hardship and the health care access created by the provider's enrollment. The

provider must include documentation to support the request. Some examples may include historical cost reports, recent financial reports (such as balance sheets and income statements), cash flow statements, or tax returns.

If the Department agrees the provider has demonstrated a hardship, the Department will submit the provider's hardship exception request to CMS for review and decision. CMS will communicate the decision to the Department. If CMS grants the provider's request for a hardship exception, the Department will process the provider's application and not require an application fee. If CMS denies the provider's hardship exception request, the Department will return the application to the provider with directions to log into the electronic provider enrollment application and pay the application fee through the Convenience Pay.

Please see MA Bulletin 99-16-06 et al, titled "Revalidation of Medical Assistance Providers" issued on April 15, 2016, and effective April 15, 2016, for more information regarding MA provider revalidation requirements.

Note: If the Department revalidates the provider prior to the effective date of July 1, 2016, the provider is not subject to payment of the application fee.

REFERENCES AND RESOURCES:

Department Resources

MA Program Electronic Provider Enrollment Application
https://provider.enrollment.dpw.state.pa.us/

Provider Enrollment Information
http://www.dhs.pa.gov/provider/promise/enrollmentinformation/

Provider Enrollment and Screening Requirements of the Affordable Care Act
http://www.dhs.pa.gov/provider/providerenrollmentandscreeningrequirementsoftheaffordablecareact/index.htm

Federal Resources

Centers for Medicare & Medicaid Services Resource
Provides information about the ACA provisions relating to Medicaid
http://www.medicaid.gov/affordablecareact/affordable-care-act.html

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF HUMAN SERVICES
OFFICE OF MEDICAL ASSISTANCE PROGRAMS

Hardship Exception Request Form

The Patient Protection and Affordable Care Act (ACA) requires state Medicaid agencies (referred to as Medical Assistance in Pennsylvania) to impose an application fee on each institutional provider of medical or other items or services that is seeking to enroll in the MA program or is revalidating its enrollment.

A provider can request a hardship exception from the payment of the application fee by submitting (uploading) this form when prompted in the Electronic Provider Enrollment Portal. Please complete all fields to ensure prompt processing of the request.

Providers should submit the Hardship Exception Request Form with:

- A separate page which can be in the form of a cover memo or letter that explains the financial hardship created by the fee and the health care access created by the provider's enrollment and participation in the Pennsylvania MA program. CMS suggests providers include a strong argument to support the request for the hardship exception.
- Comprehensive documentation that supports the request, which may include historical cost reports, recent financial reports (such as balance sheets and income statements), cash flow statements, and tax returns.

PROVIDER NAME(FROM ENROLLMENT OR REVALIDATION APPLICATION)		MAID
PROVIDER ADDRESS(SERVICE LOCATION ADDRESS)		NPI
CITY	STATE	ZIP CODE
CONTACT NAME	PHONE NUMBER	EMAIL ADDRESS

The Centers for Medicare and Medicaid Services (CMS) identified factors that that may suggest that a hardship exception is appropriate. These are:

- Considerable bad debt expenses,
- Significant amount of charity care/financial assistance furnished to patients,
- Presence of substantive partnerships (whereby clinical, financial integration are present) with those who furnish medical care to a disproportionately low-income population;
- Receipt of considerable amounts of funding through disproportionate share hospital payments, or
- Whether the provider is enrolling in a geographic area that is a Presidentially-declared disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5206 (Stafford Act).

DHS will forward the request for a hardship exception to CMS. CMS will review the request and make a decision.

The application will be held until DHS is notified of CMS's decision. If CMS grants the hardship exception, the application will be processed by DHS. If the request is denied, the application will be returned to the provider with directions to login to the electronic provider enrollment application to pay the application fee through HP© Convenience Pay.