

TennCare Policy Manual	Section: Providers
Policy No: PRO 11-001 (Rev. 14)	Date: April 25, 2024

Provider Application Fees

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 implementing Section 6401 of the Affordable Care Act. 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. The amount of these application fees is set by CMS.

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.¹

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
- 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

¹ Federal Register, February 2, 2011, page 5907 (76 FR 5907)

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- Mammography screening centers
- Mass immunization roster billers
- Nursing facility (other)
- Organ procurement organizations
- Outpatient physical therapy/outpatient speech pathology providers enrolling via the Form CMS-855A
- Pharmacies that are newly enrolling or revalidating via the Form CMS-855B application
- Portable x-ray suppliers
- Radiation therapy centers
- Religious non-medical health care institutions
- Rural health clinics
- Skilled nursing facilities²

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 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.
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

² Medicaid Provider Enrollment Compendium (December 29, 2023), available at <https://www.medicaid.gov/sites/default/files/2023-12/mpec-12292023.pdf>

³ Federal Register, February 2, 2011, page 5907 (76 FR 5907)

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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 Division 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 Division 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.⁴

The amount of the application fee in Calendar Year 2023 is \$688.⁵ The amount of the application fee in Calendar Year 2024 is \$709.⁶ In future years, the amount of the application fee will be the amount published by CMS in the Federal Register.

Offices of Primary Responsibility

Fiscal Office

Office of Provider Services

References

Affordable Care Act, Section 6401

<https://www.hhs.gov/sites/default/files/ppacacon.pdf>

42 CFR § 455.460

<https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-C/part-455/subpart-E/section-455.460>

Final Rule, Federal Register, February 2, 2011, pages 5862 – 5971

<https://www.federalregister.gov/documents/2011/02/02/2011-1686/medicare-medicaid-and-childrens-health-insurance-programs-additional-screening-requirements>

Notice, Federal Register, December 5, 2022, pages 74422-74424

<https://www.federalregister.gov/documents/2022/12/05/2022-26340/medicare-medicaid-and-childrens-health-insurance-programs-provider-enrollment-application-fee-amount>

Notice, Federal Register, November 7, 2023, pages 76754-76756

<https://www.federalregister.gov/documents/2023/11/07/2023-24607/medicare-medicaid-and-childrens-health-insurance-programs-provider-enrollment-application-fee-amount>

⁴ It should be noted that Tennessee has submitted to CMS a proposed amendment to the TennCare Demonstration to integrate ICF/IID services into TennCare’s managed care program. If approved by CMS, the amendment would have the effect of exempting ICFs/IID from the application fee.

⁵ Federal Register, December 5, 2022, page 74422 (87 FR 74422)

⁶ Federal Register, November 7, 2023, page 76754 (88 FR 76754)

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Revision 3: 02/14/12: AB
Revision 4: 12/28/12: AB
Revision 5: 12/02/13: AY
Revision 6: 01/07/15: AB
Revision 7: 12/14/15: AB
Revision 8: 12/12/16: LSH
Revision 9: 01/04/18: JTR
Revision 10: 01/04/19: RH
Revision 11: 02/22/21: JTR
Revision 12: 12/10/21: JTR
Revision 13: 02/02/23: JTR
Revision 14: 04/25/24: JTR