DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS
1700 K STREET
SACRAMENTO, CA 95811-4037
TDD (916) 445-1942
(916) 322-2911

ADP BULLETIN

Title

Assessment of Fees for Licensure and Certification of Residential and Outpatient Recovery and/or Treatment Facilities

Issue Date: October 11, 2007
Issue No. 07-11
Expiration Date: N/A

Deputy Director Approval

"Original signed by Michael Ellison for"
Rebecca Lira
Deputy Director
Licensing and Certification Division

Function:
[ ]Information Management
[ ]Quality Assurance
[ ]Service Delivery
[X]Fiscal
[ ]Administration
[ ]

Supersedes Bulletin/ADP Letter No.

None

PURPOSE

On August 24, 2007, Chapter 177, Statutes of 2007 (Senate Bill 84), was enacted mandating the Department of Alcohol and Drug Programs (ADP) to assess fees to all licensed and/or certified residential and certified outpatient alcohol and other drug (AOD) recovery and treatment facilities regardless of the form of organization or ownership. This bulletin provides notice and information regarding the assessment of fees.

DISCUSSION

Effective August 24, 2007, ADP will assess the following fees:

Residential Licensure Fees	
Initial Residential Licensure Application Fee	$ 2,773
Biennial Residential Licensure Initial/Extension Fee	$ 147 (per bed)
Adolescent Waiver Application Fee	$ 1,370
Dependent Children Application Fee	$ 958
Increase in Bed Capacity Application Fee[1]	$ 940
Facility Relocation Application Fee	$ 916

[1] In addition, residential facilities that are approved for an increase in bed capacity will pay the per bed licensure fee for each treatment bed added to the facility.

Outpatient Certification Fees	
Initial Outpatient Certification Application Fee	$ 2,664
Biennial Outpatient Certification Initial/Extension Fee	$ 3,452
Facility Relocation Application Fee	$ 916

Combined Residential Licensure and Certification Fee	
Initial Combined Residential Licensure and Certification Application Fee	$ 3,698
Biennial Combined Residential Licensure and Certification Initial/Extension Fee[2]	$ 147 (per bed)
Adolescent Waiver Application Fee	$ 1,370
Dependent Children Application Fee	$ 958
Increase in Bed Capacity Application Fee	$ 940
Facility Relocation Application Fee	$ 916

Fee Structure Methodology

ADP, in consultation with provider groups, established a fee structure to determine the amount of fees. The fees will be based on the Licensing and Certification Division's (LCD) annual expenditures for AOD licensure and certification activities.

Application fees will be based on the costs associated with staff time to conduct activities associated with application intake, review and processing, and to conduct the initial on-site facility visit.

The revenue collected from application fees will be backed out of LCD's annual expenditures and the remaining balance will be used as a base to determine the licensure and certification biennial extension fees. ADP determined the percentage of residential versus outpatient facilities by dividing each into the total number of facilities. The breakdown of the total number of facilities as of the quarter ending June 30, 2007, is provided below:

- 1,059 certified outpatient facilities (54 percent)
- 910 licensed residential facilities (46 percent) (fee based on 21,147 total beds)

[2] Residential facilities that are also certified will be assessed based on a per bed extension fee.

The total number of each facility type will be multiplied by its percentage into the remaining balance of LCD's expenditures to establish the extension fee. Licensed residential facilities will be assessed a per bed extension fee and outpatient certified facilities will be assessed a per facility extension fee.

After publication of this bulletin, applications submitted without the proper fee will be considered incomplete and will not be reviewed. The application must be submitted with the appropriate application fee prior to commencement of the application review. Application fees are nonrefundable. Upon approval of the application, applicants will receive notice of the initial biennial licensure or certification fee. Upon receipt of the fee, ADP will issue the license or certification. Each license and certification is valid for two years and is extended biennially.

ADP will issue a notice of extension letter 120 days prior to the expiration of the license and/ or certification and will include the biennial licensure and/or certification extension fee. If the extension application and fee is not received by the due date specified in the notice of extension letter, the license and/or certification will expire by operation of law and an application must be submitted with the appropriate application fee if the individual or entity chooses to reapply for licensure and/or certification.

Applications for licensure and/or certification, extension of licensure and/or certification, or facility changes that require an application (increase in residential capacity, adolescent waiver, dependent children, or relocation of a facility) received by ADP on or after August 24, 2007, will be notified by ADP of the appropriate fee. Providers will have 30 days to pay fees from the date of the notice.

For-profit programs that applied for licensure extension on or after August 24, 2007, and paid the biennial licensure fee of $2,150, those providers will be refunded the difference if the fee received is greater than the new established fee required. If the fee paid is less than the new established fee required, the provider will be notified of the new fee and will have 30 days from the date of the notice to pay the difference of the new established fee.

Chapter 177 requires the established fee schedule to be evaluated and presented to the Legislature by April 1st each year. The fees outlined in this bulletin are in effect unless future notice specifies a fee change. Providers and applicants will be notified of any potential changes in the fees through the notice of extension letter or initial application letter.

Chapter 177 mandates ADP to assess fees associated with residential and outpatient licensing and certification activities and to evaluate the fees annually. Unless funds are specifically appropriated from the State General Fund in the annual Budget Act or other legislation to support LCD's costs, LCD must be entirely supported by federal and special funds by FY 200-11.

To ensure compliance with specific federal funding requirements, providers must identify the fund source(s) used to cover the fees. For accounting and auditing purposes, license and certification fees would normally be treated as an administrative or overhead item that would be distributed across all fund sources supporting the licensed or certified services. Providers should consult with their accounting and audit advisors for guidance to minimize the risk of audit findings. Detailed instructions on providing this information will be provided at a later date.

REFERENCES

Health and Safety Code Sections 11831.2, 11831.5, 11832.1, 11833.01–11833.04, 11834.03, and 11834.15.

BACKGROUND

ADP has the sole authority to license and certify residential 24-hour nonmedical and certify outpatient facilities that provide individuals treatment, recovery and detoxification services for AOD misuse or abuse.

In early 2006, following the recommendations of the Governor's California Performance Review Task Force, the California Health and Human Services Agency (CHHSA) directed ADP to implement measures that would result in working toward obtaining self-sufficiency for LCD's AOD licensing and certification activities. As a result of the passage of Chapter 177, ADP is mandated to assess fees for licensure and certification to all AOD facilities regardless of the form of organization or ownership.

Currently, ADP assesses fees to for-profit licensed residential facilities. As of the quarter ending June 30, 2007, 243 of the 1,969 ADP licensed and certified facilities pay fees. As a result, state and federal appropriations support LCD's operational expenditures for licensure and certification activities.

QUESTIONS/MAINTENANCE

For questions regarding this bulletin, please contact LCD's Policy and Program Support Branch at (916) 322-2911. In addition, copies of this document may be requested from ADP's Resource Center at (800) 879-2772, or accessed through ADP's website at www.adp.ca.gov, and link to ADP Bulletins.

EXHIBITS

Chapter 177, Statutes of 2007 (Senate Bill 84), Sections 7, 8, 9, 10, 11, and 12.

DISTRIBUTION

County Alcohol and Drug Program Administrators
Licensed Residential Providers
Certified Outpatient Providers
Applicants that submitted on or after August 24, 2007 Strategic Local Government Services, LLC
Director's Advisory Council
LCD's Managers and Staff