



State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

DATE: July 16, 2014

MHSUD INFORMATION NOTICE NO.: 14-022

TO: COUNTY ALCOHOL AND DRUG PROGRAM ADMINISTRATORS  
COUNTY MENTAL HEALTH DIRECTORS  
LOCAL MENTAL HEALTH BOARDS

SUBJECT: INCREASED ASSESSMENT OF FEES FOR LICENSURE AND  
CERTIFICATION OF RESIDENTIAL AND OUTPATIENT RECOVERY  
AND/OR TREATMENT PROGRAMS

On June 20, 2014, Chapter 31, Statutes of 2014, Senate Bill (SB) 857 was enacted authorizing the Department of Health Care Services (DHCS) to set forth a new fee structure. The bill also allows DHCS the authority to supersede the licensing and certification fees in effect until DHCS has amended Section 10701 of Title 9 of Division 4 of Chapter 5.5 of the California Code of Regulations.

The revenues collected are intended to support and maintain the resources necessary for provider oversight by DHCS. Licensure and certification activities include, but are not limited to review and processing of initial and extension applications; initial and biennial onsite monitoring; complaint investigations; administrative support; disseminating information to the public, governmental agencies, and stakeholders; updating and maintaining databases; policy, regulatory, and statutory development; provider training and technical assistance; and appeal processing for revocation or suspension of provider licensure/certification and/or civil penalties.

The fees authorized by SB 84 (Chapter 177, Statutes of 2007) have not been adjusted since the initial implementation. In order to keep the fees affordable, it was determined to keep the fees low and then over subsequent years raise the fees over subsequent years until the fees were in line with the associated workload. For example, charging one years' worth of bed fees during the two-year licensure and certification period.

It has been determined the current fee structure is insufficient due to the increased number of complaints, including the numerous administrative actions taken by DHCS. Therefore, DHCS has increased fees by 10%, including aligning the bed fees with the two-year licensing period.

Effective December 1, 2014, DHCS will assess the following fees for licensure and certification of substance use disorder/alcohol and other drug programs:

<b>RESIDENTIAL LICENSURE FEES</b>		
<b>APPLICATION TYPE</b>	<b>OLD FEE</b>	<b>NEW FEE</b>
Initial Residential Licensure Application Fee	\$2,773	<b>\$3,050</b>
Initial Biennial Residential Licensure Fee	\$ 147 (per bed)	<b>\$ 324 (per bed)</b>
Biennial Residential Licensure Extension Fee	\$ 147 (per bed)	<b>\$ 324 (per bed)</b>
Adolescent Waiver Application Fee	\$1,370	<b>\$1,507</b>
Dependent Children Application Fee (if not requested during initial licensure application)	\$ 958	<b>\$1,054</b>
Additional Services Fee (previously increase in bed capacity application fee) i.e., adding detoxification services, increase in bed capacity, adding co-ed.	\$ 940	<b>\$1,034</b>
Facility Relocation Fee	\$ 916	<b>\$1,008</b>
Adding Additional Address Fee (previously collected as a relocation fee)	\$ 916	<b>\$1,008</b>

<b>CERTIFICATION FEES</b>		
<b>APPLICATION TYPE</b>	<b>OLD FEE</b>	<b>NEW FEE</b>
Initial Outpatient Certification Application Fee	\$2,664	<b>\$2,931</b>
Initial Biennial Outpatient Certification Fee	\$3,452	<b>\$3,798</b>
Biennial Outpatient Certification Extension Fee	\$3,452	<b>\$3,798</b>
Biennial Residential Certification Fee (for facilities having a residential license issued by another State Department). The maximum fees for beds will not exceed the biennial certification fee	\$ 147 (per bed with a maximum of \$3,452)	<b>\$ 324 (per bed, with a maximum of \$3,798)</b>
Facility Relocation Application Fee	\$ 916	<b>\$1,008</b>
Adding Additional Address or Suite #(s) Fee (previously collected as a relocation fee)	\$ 916	<b>\$1,008</b>

<b>COMBINED RESIDENTIAL LICENSURE AND CERTIFICATION FEES</b>		
<b>APPLICATION TYPE</b>	<b>OLD FEE</b>	<b>NEW FEE</b>
Initial Combined Residential Licensure and Certification Application Fee	\$3,698	<b>\$4,068</b>
Initial Biennial Combined Residential Licensure and Certification Fee	\$ 147 (per bed)	<b>\$ 324</b> (per bed)
Biennial Combined Residential Licensure and Certification Extension Fee	\$ 147 (per bed)	<b>\$ 324</b> (per bed)
<b>All other fees are as stated in the 'Residential Licensure Fee' box</b>		

This bulletin replaces ADP Bulletin 07-11, Assessment of Fees for Licensure and Certification of Residential and Outpatient Recovery and/or Treatment Facilities. A copy of this bulletin may be accessed through DHCS's website at [www.dhcs.ca.gov](http://www.dhcs.ca.gov).

If you have any further questions or concerns, you may contact the Officer of the Day at (916) 322-2911.

Sincerely,

Original Signed By

Karen Baylor, Ph.D., LMFT, Deputy Director  
Mental Health & Substance Use Disorder Services