



DATE: October 31, 2024

Behavioral Health Information Notice No: 24-036

TO: California Alliance of Child and Family Services
California Association for Alcohol/Drug Educators
California Association of Alcohol & Drug Program Executives, Inc.
California Association of DUI Treatment Programs
California Association of Social Rehabilitation Agencies
California Consortium of Addiction Programs and Professionals
California Council of Community Behavioral Health Agencies
California Hospital Association
California Opioid Maintenance Providers
California State Association of Counties
Coalition of Alcohol and Drug Associations
County Behavioral Health Directors
County Behavioral Health Directors Association of California
County Drug & Alcohol Administrators

SUBJECT: Implementation of Hardship Fee Waiver for Substance Use Disorder (SUD) Recovery or Treatment Facilities' Licensure and Certification

PURPOSE: To provide notification of DHCS' licensing and certification hardship fee waiver process for residential and outpatient SUD facilities.

REFERENCE: [Health and Safety Code Section 11833.02\(g\)](#) and [Health and Safety Code Section 11833.04](#)

BACKGROUND:

Health and Safety Code (HSC) Section 11833.02(g) authorizes the Department of Health Care Services (DHCS) to issue a provider bulletin detailing the process to apply for a hardship fee waiver for SUD Recovery or Treatment Facilities. This Behavioral Health Information Notice (provider bulletin), in accordance with HSC Section 11833.02(g), includes a Hardship Fee Waiver ([DHCS 6044](#)) form that details the application requirements for a hardship fee waiver. This provider bulletin includes eligibility criteria that must be met to demonstrate a need for the waiver.



POLICY:

Pursuant to HSC Sections 11833.02 (g) and 11833.04, DHCS developed a procedure for Substance Use Disorder (SUD)¹ recovery or treatment facilities to apply for a hardship fee waiver. DHCS recognizes the importance of ensuring access to quality SUD services for individuals in need and established a process for new and existing providers to apply for a one-time hardship fee waiver per licensed facility or certified program.

Process for Obtaining a Hardship Fee Waiver

Beginning on November 1, 2024, applicants may submit the [DHCS 6044](#) form to request a hardship fee waiver. Facilities and programs seeking a hardship fee waiver must adhere to the guidelines outlined in this BHIN and submit all required documentation as specified in the Hardship Fee Waiver form ([DHCS 6044](#)). The form and documentation may be submitted electronically to LCDQuestions@dhcs.ca.gov or the signed original(s) may be mailed to the following address:

Department of Health Care Services
Licensing and Certification Section
MS 2600
P.O. Box 997413
Sacramento, CA 95899-7413

Waiver Criteria

A facility or program applying for a hardship fee waiver must include:

- A written summary describing the financial hardship
- 501(c)(3) status form (if applicable)
- Tax returns or income statements for the previous year
- Occupancy/enrollment census data for the previous two years (if applicable).

The following licensed facility or certified program types are eligible to apply for a hardship fee waiver:

- Nonprofit organizations
- City and county-run facilities or other publicly run facilities
- Certified facilities licensed by other state departments, such as the Department of Social Services or the Department of Public Health.

¹ This BHIN uses “SUD” as a preferred clinical terminology, consistent with the current edition of the Diagnostic and Statistical Manual of Mental Disorders, medical societies, professional organizations, recovery advocates, and [federal guidance](#) regarding the use of non-stigmatizing, person-centered language.

Waiver Limitation(s)

Licensed Facilities or Certified Programs

- The waiver is a one-time opportunity for each licensed facility or certified program.
- The waiver is for one of the following: an Initial Residential Licensure Application Fee, an Initial Outpatient Certification Application Fee, an Initial Combined Residential Licensure and Certification Application Fee or a Biennial Extension Fee for a Licensed and/or Certified Facility or Program.
- The waiver for Initial Applications is for the Application Fee, but not the Licensure Fee ("bed fee").
- Once a waiver is approved, no further waiver requests will be accepted.

Legal Entities with multiple licensed facilities or certified programs

- The waiver is a one-time opportunity for each licensed facility or certified program within a single legal entity.
- Once a waiver is submitted and approved for a licensed facility or certified program, no further waiver requests for that specific facility's or program's license or certification will be accepted.
- Legal Entities are permitted one single waiver request in a 12-month period.
- New applicants paying the Initial Application Fee.
 - Legal entities opening multiple locations simultaneously may submit one waiver request for one of the locations per legal entity.
- Facilities or programs paying the Biennial Extension Fee.
 - Legal entities with multiple locations may submit one waiver request in a 12-month period, per entity. A fee waiver for a Biennial Extension Fee will be capped at the same amount as an initial application fee for a license or certification.

Any existing licensed facility and/or certified program requesting a hardship waiver must be clear of all uncorrected deficiencies and all outstanding civil penalties must be paid. A hardship waiver application will be denied, or an approved hardship waiver will be rescinded if the legal entity is found to provide insufficient, inadequate, and/or false information and/or documentation.

A hardship waiver will not be granted to any licensed facility applying for an integral license, as defined in Cal. Code Regs., tit. 9, § 10508.

Any licensed facility and/or certified program requesting a hardship waiver of renewal fees must demonstrate that the facility or program served clients throughout the previous two-year licensure period.

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Application Review

For biennial extension fee waivers, a hardship waiver application must be submitted and approved at least 40 days prior to the 120 days required for a renewal or extension application.

For initial application fee waivers, the fee waiver may be submitted in lieu of the fees; however, the review of the application will not begin until either the fee waiver is approved, or applicable fees are paid.

Upon receipt of a waiver application, DHCS will review the [DHCS 6044](#) form and supporting documentation. Within 15 calendar days of receipt of the application, DHCS will notify the applicant via email regarding any missing information, supporting documentation, or any questions regarding the submission. The applicant must provide DHCS any missing information or documentation within 10 calendar days from the date of DHCS' notification. The waiver application will be denied if the applicant fails to submit all requested information and/or documentation within the required timeframe.

Within 15 calendar days of receipt of all required information and documentation, DHCS will approve or deny the waiver request and notify the applicant in writing of DHCS' decision. Applicants may submit another hardship fee waiver in the event of a denial.

If you have any questions about this BHIN, please contact the Licensing and Certification Officer of the Day at (916) 322-2911 or LCDQuestions@dhcs.ca.gov.

Sincerely,

Original signed by

Janelle Ito-Orille, Chief
Licensing and Certification Division