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Title 42 – Public Health

Chapter IV – Centers for Medicare & Medicaid Services, Department of Health and Human Services

Subchapter B – Medicare Program

Part 417 – Health Maintenance Organizations, Competitive Medical Plans, and Health Care Prepayment Plans

Subpart D – Application for Federal Qualification

Authority: 42 U.S.C. 1302 and 1395hh, and 300e, 300e-5, and 300e-9, and 31 U.S.C. 9701.

§ 417.143 Application requirements.

- (a) **General requirements.** This section sets forth application requirements for entities that seek qualification as HMOs; HMOs that seek expansion of their service areas; and HMOs that seek qualification of their regional components as HMOs.
- (b) **Completion of an application form.**
 - (1) In order to receive a determination concerning whether an entity is a qualified HMO, an individual authorized to act for the entity (the applicant) must complete an application form provided by CMS.
 - (2) The authorized individual must describe thoroughly how the entity meets, or will meet, the requirements for qualified HMOs described in the PHS Act and in subparts B and C of this part, this subpart D, and 417.168 and 417.169 of subpart F.
- (c) **Collection of an application fee.** In accordance with the requirements of 31 U.S.C. 9701, Fees and charges for Government services and things of value, CMS determines the amount of the application fee that must be submitted with each type of application.
 - (1) The fee is reasonably related to the Federal government's cost of qualifying an entity and may vary based on the type of application.
 - (2) Each type of application has one set fee rather than a charge based on the specific cost of each determination. (For example, each Federally qualified HMO applicant seeking Federal qualification of one of its regional components as an HMO is charged the same amount, unless the amount of the fee has been changed under paragraph (f) of this section.)
- (d) **Application fee amounts.** The application fee amounts for applications completed on or after July 13, 1987 are as follows:
 - (1) \$18,400 for an entity seeking qualification as an HMO or qualification of a regional component of an HMO.

If, in the case of an HMO seeking qualification of a regional component, CMS determines that there is no need for a site visit, \$8,000 will be returned to the applicant.

- (2) \$6,900 for an HMO seeking expansion of its service area.
- (3) \$3,100 for a CMP seeking qualification as an HMO.

- (e) **Refund of an application fee.** CMS refunds an application fee only if the entity withdraws its application within 10 working days after receipt by CMS. Application fees are not returned in any other circumstance, even if qualification or certification is denied.
- (f) **Procedure for changing the amount of an application fee.** If CMS determines that a change in the amount of a fee is appropriate, CMS issues a notice of proposed rulemaking in the FEDERAL REGISTER to announce the proposed new amount.
- (g) **New application after denial.** An entity may not submit another application under this subpart for the same type of determination for four full months after the date of the notice in which CMS denied the application.
- (h) **Disclosure of application information under the Freedom of Information Act.** An applicant submitting material that he or she believes is protected from disclosure under 5 U.S.C. 552, the Freedom of Information Act, or because of exceptions provided in 45 CFR part 5, the Department's regulations providing exceptions to disclosure, should label the material "privileged" and include an explanation of the applicability of an exception described in 45 CFR part 5.

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