



California  
Department of  
Health Services

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Director

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



**ARNOLD SCHWARZENEGGER**  
Governor

May 24, 2007

AFL 07-14

TO: ALL HEALTH FACILITIES

SUBJECT: THE ALIGNMENT OF LICENSING FEES WITH IMPACT TO INITIAL, RENEWALS, CHANGE OF OWNERSHIP (CHOW) AND PROVISIONAL TO PERMANENT LICENSURE

This letter serves as notification that the California Department of Health Services (CDHS), Licensing and Certification Program (L&C) is realigning license renewal dates as authorized by Health and Safety Code Section 1266(g) to provide for efficiencies in the operational process.

L&C currently generates and sends out health facility license renewal notices and invoices to facilities 120 days in advance of the facilities' license expiration dates. This presents a problem for those facilities that have renewal dates between July 1 and October 31 because the renewal notice is issued in one fiscal year for a fee that is due in the next fiscal year. At the time that the notices are generated and mailed, the budget has not yet been enacted and may call for fee revisions. Since the actual fees are not yet known or approved, renewal notices reflect the annual fees based on the current fiscal year with the following disclaimer:

*"The renewal fee is pending legislative approval. If there is a change to the fees through the budget approval process, you will receive either a request for additional fees or a refund, whichever applies."*

Upon passage of the budget, adjustment notices are then sent to health facilities to adjust for the differential in fees. This practice has caused confusion and created operational inefficiencies for health facilities in paying adjustments and for the CDHS in invoicing and tracking payments.

In an effort to streamline the renewal process, the CDHS is realigning licensing expiration dates so that no licenses will expire between June 30 through October 30. This will, in effect, align the license renewal process with the Budget Act cycle. In order

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to implement this change, those licenses that are due to expire between June 30, 2007 and October 30, 2007 will be extended into November 2007.

For facilities who receive initial licensure, Change of Ownership (CHOW) and provisional's who receive permanent licensure with effective dates falling within June 30 through October 31, 2007 an extended license will also be given. After this initial extension, all subsequent renewals will occur annually in November. **An official notice of extension will be provided to those facilities impacted by the alignment which needs to be posted with the last previously received license.**

You will receive a renewal notice approximately 120 days prior to your license effective date. The license fee will be based on the rates approved in the 2007-08 Budget Act and will include a prorated fee for the extended months.

By aligning your licensing renewal date with the budget cycle, we have eliminated the need to annually send adjustment notices to collect or refund fees paid prior to the passage of the budget. Should you have any questions pertaining to this change, please contact Anabel Ruiz at (916) 319-9588.

Sincerely,

*Kathleen Billingsley*

Kathleen Billingsley, R.N.  
Deputy Director