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State/Territory Name: Alabama

State Plan Amendment (SPA) AL-19-0002-A

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Center for Medicaid & CHIP Services

233 North Michigan Ave., Suite 600

Chicago, Illinois 60601



Financial Management Group

September 19, 2023

Stephanie McGee Azar, Commissioner
Alabama Medicaid Agency
501 Dexter Avenue
Montgomery, AL 36103-5624

Re: Alabama State Plan Amendment (SPA)AL-19-0002-A

Dear Ms. Azar,

We have reviewed the proposed Alabama State Plan Amendment (SPA) 19-0002-A, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on November 21, 2019. The primary purpose for this amendment is to make enhanced payments to physicians associated with certain publicly owned or operated hospitals.

Based upon the information provided by the State, we have approved the amendment with an effective date of January 01, 2020. We are enclosing the approved CMS-179 Form and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Monica Neiman at monica.neiman@cms.hhs.gov.

Sincerely,



Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>1 9 — 0 0 0 2A</u>		2. STATE <u>AL</u>	
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI			
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE January 1, 2020	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR Section 447.204 1905 (a), 1903(w)(6)(A), 1903 (w)(3)(B), 1902(a)(2), 42 CFR 430.10 and 447.15		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2020</u> \$ 1,991,804 3,249,104 b. FFY <u>2021</u> \$ 3,954,978 5,487,164	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Page 2a.1 Attachment 4.19-B, Page 2a.2 Attachment 4.19-B Page 2a.3		8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-B, Page 2a.1 (AL-19-0002) Attachment 4.19-B, Page 2a.2 (NEW) Attachment 4.19-B Page 2a.3 (NEW)	

9. SUBJECT OF AMENDMENT
The primary purpose for this amendment is to make enhanced payments to physicians associated with certain publicly owned or operated hospitals.

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED: Governor's designee on file via letter with CMS

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO Stephanie McGee Azar Commissioner Alabama Medicaid Agency 501 Dexter Avenue Post Office Box 5624 Montgomery, Alabama 36103-5624
12. TYPED NAME Stephanie McGee Azar	
13. TITLE Commissioner	
14. DATE SUBMITTED 5/23/2022 11/21/2019	

FOR CMS USE ONLY

16. DATE RECEIVED 11/21/2019	17. DATE APPROVED September 19, 2023
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL January 1, 2020	19. SIGNATURE OF APPROVING OFFICIAL
20. TYPED NAME OF APPROVING OFFICIAL Todd McMillion	21. TITLE OF APPROVING OFFICIAL Director, Division of Reimbursement Review

22. REMARKS

Pen and ink change on 179 form processed by the state on the following fields:
 Box 6: Changed FFY 2020 budget impact from \$1,991,804 to \$ 3, 249, 104 and FFY 2021 budget impact from \$3,954,978 to \$5,487,164
 Box 7: Added Attachment 4.19-B Page 2a.3
 Box 8: Added superseding SPA information (AL-19-0002) and included new page information Attachment 4.19-B page 2a.2 and Attachment 4.19-B page 2a.3

Pen and ink changes on 179 form processed by CMS and approved by the state in the following fields:
 Box 5: Added the following regulatory references: 1905 (a), 1903(w)(6)(A), 1903 (w)(3)(B), 1902(a)(2), 42 CFR 430.10 and 447.15
 Box 14: Changed submission date from 05/23/2022 to 11/21/2019.

5. Calculation of quarterly supplemental payments – Teaching Physicians
 - a. Each quarter Alabama Medicaid will query its MMIS for paid Medicaid claims for participants as defined in *Qualifying Criteria* listed above for the preceding quarter to determine units paid and amounts allowed during the quarter.
 - b. Supplemental payments will be paid on the difference between the actual paid claim amounts in 5a above and the Medicare rates of those claims multiplied by the Medicare Equivalent of the ACR percentage determined in 4i above.
 - c. Obtain the Medicare rate (from the non-facility Medicare physician fee schedule for the most recent full calendar year) for each code identified in 5a and multiply them by the Medicare Equivalent of the ACR percentage identified in 4i.
 - d. Multiply the Medicare equivalent rates in 5c by the Medicaid units in 5a for each provider to determine the enhanced payment per code.
 - e. The amount Medicaid allowed for the claims in 5a is subtracted from 5d above to establish the total allowable quarterly supplemental payment amount for the participants in 1 above.

Non-state governmental entity (Specifically a health care authority or a wholly owned subsidiary thereof - Physician Retention and Access Improvement Program [PRAIP])

Qualifying Criteria

In order to maintain adequate access to specialty physicians (all specialties, including general practice, family practice, and general pediatrics) services as required, supplemental payments will be made for services provided to Medicaid recipients by eligible physicians and other professional services practitioners.

To qualify for the supplemental payments, eligible physicians and other professional service practitioners must:

1. Be one of the following provider types:
 - a. Physicians (as defined in state plan)
 - b. Physician Assistants
 - c. Nurse Practitioners (NPs)
 - d. Certified Nurse Wives (CNMs)
 - e. Certified Registered Nurse Anesthetists (CRNAs) or Anesthesiology Assistants (AAs)
 - f. Clinical Psychologists
 - g. Optometrists
2. Be in a hospital-sponsored location as an approved place of service:
 - a. Inpatient hospital
 - b. Outpatient hospital
 - c. Hospital-based clinic
 - d. Hospital affiliated clinic
3. Be licensed by the State of Alabama, have an Alabama Medicaid provider agreement and be employed by or under contract with a non-state governmental entity, specifically a health care authority or a wholly owned subsidiary thereof; and be a participant in the PRAIP. Participants that qualify under this subsection effective 1/1/2020:
 - a) The Health Care Authority for Baptist Health an Affiliate of UAB Health System

- b) The Health Group of Alabama, LLC, a wholly owned subsidiary of The Health Care Authority of The City of Huntsville, Alabama
- c) Houston County Health Care Authority D/B/A as Southeast Alabama Medical Center

The services listed below do not qualify under PRAIP:

- a. Clinical diagnostic lab procedures
- b. Technical component of radiology services
- c. Services provided to dual eligibles
- d. EPSDT
- e. Injectables

Supplemental Payment Methodology

- 4. Calculation of the quarterly supplemental payment - PRAIP
 - a) Recognize the non-facility Medicare physician fee schedule for the most recent full calendar year.
 - b) Obtain the rates paid by the top five commercial insurance companies in Alabama for each PRAIP participant for the calendar year ending December 31, 2018 and calculate the average commercial rate by CPT for each participant.
 - c) Obtain the units paid during the calendar year from the MMIS system for each procedure code in 4a.
 - d) Anesthesia payment is based on a fifteen-minute unit of service as well as a base payment.
 - e) Calculate the aggregate commercial payment equivalent for the most recent full calendar year by multiplying the Medicaid units identified in 4c above by the commercial rates identified in 4b, then combine the payments for all services. This produces the total commercial equivalent payment amount.
 - f) Calculate the Medicare equivalent payments for the most recent full calendar year by multiplying the Medicaid units in 4c above by the Medicare rates identified in 4a, then combine the payments for all services. This produces the total Medicare equivalent payment amount.
 - g) Divide the total commercial payment amount by the total Medicare equivalent payment amount to determine the Medicare equivalent payment percentage.
 - h) Multiply the Medicare equivalent payment percentage from 4f above times the Medicare fee schedule rates in 4a to determine the Medicare equivalent rates.
 - i) Each PRAIP participant will have a percentage based on the demonstration for calendar year 2018 Medicaid utilization and the 2018 Medicare based rates. Participants that qualify and their percentages of Medicare under this subsection are:
 - 1. The Health Group of Alabama, LLC, A Wholly Owned Subsidiary of The Health Care Authority of The City of Huntsville, Alabama, 121.49%
 - 2. Houston County Health Care Authority d/b/a Southeast Alabama Medical Center, 100.22%
 - 3. The Health Care Authority for Baptist Health an Affiliate of UAB Health System, 114.12%

5. Calculation of quarterly supplemental payments - PRAIP
 - a) Each quarter Alabama Medicaid will query its MMIS for paid Medicaid claims for each PRAIP participant as defined in *Qualifying Criteria* listed above for the preceding quarter to determine units paid and allowed during the quarter.
 - b) Supplemental payments will be paid on the difference between the actual paid claim amounts in 5a above and the Medicare rates of those claims multiplied by the Medicare Equivalent percentage determined in 4i above.
 - c) Obtain the Medicare rate (from the non-facility Medicare physician fee schedule for the most recent full calendar year) for each code identified in 5a and multiply them by the Medicare Equivalent percentage identified in 4i.
 - d) Multiply the Medicare equivalent rates in 5c by the Medicaid units in 5a for each provider to determine the enhanced payment per code.
 - e) The amount Medicaid allowed for the claims in 5a is subtracted from 5d above to establish the total allowable quarterly supplemental payment amount for the participants in 1 above.