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State/Territory Name: Alabama

State Plan Amendment (SPA) AL-23-0003

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

November 8, 2023

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

Re: Alabama State Plan Amendment (SPA)23-0003

Dear Ms. Azar,

We have reviewed the proposed Alabama State Plan Amendment (SPA) 23-0003, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on August 1, 2023. This amendment will allow enhanced payments to providers associated with teaching hospitals.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2023. We are enclosing the approved CMS-179 Form and a copy of the new state plan pages.


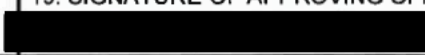
If you have any additional questions or need further assistance, please contact Monica Neiman at monica.neiman@cms.hhs.gov.

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 2 3 — 0 0 0 3	2. STATE AL
		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 July 1, 2023	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 415.172		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY 2023 \$ 55,209,223 b. FFY 2024 \$ 219,923,246	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT 4.19-B Page 2a		8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) 4.19-B Page 2a (AL-19-0002)	
9. SUBJECT OF AMENDMENT This amendment will allow enhanced payments to providers associated with teaching hospitals.			
10. GOVERNOR'S REVIEW (Check One)			
<input type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="radio"/> 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 8-1-2023			
FOR CMS USE ONLY			
16. DATE RECEIVED August 1, 2023		17. DATE APPROVED November 8, 2023	
PLAN APPROVED - ONE COPY ATTACHED			
18. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2023		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			

1. 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
2. Be licensed by the State of Alabama, have an Alabama Medicaid provider agreement and be employed by or under contract with a medical school that is part of the public university system or a children's hospital healthcare system which meets the criteria and receives funding under Section 340E (a) of the U.S. Public Health Services Act (42 U.S.C. 256e) and which operates and maintains a state license for specialty pediatric beds. Participants that qualify under this subsection are:
 - a. The University of Alabama System
 - b. The University of South Alabama
 - c. Children's of AlabamaThe services listed below do not qualify under the Physician Access (Enhanced) Payments Teaching Physicians:
 - a) Clinical diagnostic lab procedures
 - b) Technical component of radiology services
 - c) Services provided to dual eligibles
 - d) EPSDT
 - e) Injectables

Supplemental Payment Methodology

3. Calculation of total Medicare equivalent payment rate - Teaching Physicians
 - 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 public university system and children's hospital healthcare system for the calendar year ending December 31, 2021 and calculate the average commercial rate by CPT for each hospital.
 - 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 minutes 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. Based on the demonstration for calendar year 2021 Medicaid utilization and the 2021 Medicare based rates, the established teaching physician percentage is 199.23%.
 - j. Reimbursement rates for numeric procedure codes not recognized by Medicare, but recognized by the Alabama Medicaid Agency will be the weighted average rate paid by the top five commercial insurance companies in Alabama for that numeric procedure code for each public university system and children's hospital system, identified in the Qualifying Criteria above, for the most recent full calendar year.