

## **Table of Contents**

**State/Territory Name: Alabama**

**State Plan Amendment (SPA)#: 24-0002**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS-179 Summary Form
- 3) Approved SPA Pages

**DEPARTMENT OF HEALTH & HUMAN SERVICES**  
Centers for Medicare & Medicaid Services  
601 E. 12th St., Room 355  
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

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February 16, 2024

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

Re: Alabama State Plan Amendment (SPA) 24-0002

Dear Commissioner Azar:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) AL 24-0002. The purpose of this amendment is to provide assurance that the State is in compliance with Section 202 of the Consolidated Appropriations Act 2022, as requested by the Centers for Medicare & Medicaid Services.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations of the Consolidated Appropriations Act 2022 Section 202. This letter is to inform you that Alabama's Medicaid SPA 24-0002 was approved on February 16, 2024, with an effective date of January 1, 2024.

Enclosed are copies of the CMS-179 Summary Form and approved SPA pages to be incorporated into the Alabama State Plan.

If you have any questions, please contact Rita Nimmons at (404) 562-7415 or via email at [Rita.Nimmons@cms.hhs.gov](mailto:Rita.Nimmons@cms.hhs.gov).

Sincerely,



James G. Scott, Director  
Division of Program Operations

Enclosures

cc: Stephanie Lindsay

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>2 4 - 0 0 0 2</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, 2024
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5. FEDERAL STATUTE/REGULATION CITATION Consolidated Appropriations Act 2022 Section 202	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a FFY <u>24</u> \$ <u>0</u> b FFY <u>25</u> \$ <u>0</u>
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7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  Attachment 4.22-B Page 2 Section 4 Page 69a	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  Attachment 4.22-B Page 2 Section 4 Page 69a
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9. SUBJECT OF AMENDMENT  
The purpose of this change is to provide assurance that the State is in compliance with Section 202 of the Consolidated Appropriations Act 2022 as requested by the Centers of Medicare and Medicaid Services (CMS).

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. SIGNING 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 01/02/2023	

**FOR CMS USE ONLY**

16. DATE RECEIVED January 2, 2024	17. DATE APPROVED February 16, 2024
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**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL January 1, 2024	19. SIGNING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL James G. Scott	21. TITLE OF APPROVING OFFICIAL Director, Division of Program Operations

22. REMARKS  
State requested "pen & ink" change via email on 1/17/2024 to add "Section 4 Page 69a" to Boxes 7 and 8.

Providers are monitored for compliance with insurance billing requirements through post payment recovery by a vendor. If a report of prior payment to either the provider or insured person is received, the amount paid by the carrier is recouped from the provider.

**Third Party Collection Procedures to be Cost-Effective:**

The Medicaid Agency's MMIS uses a \$50 threshold in determining whether to seek recovery from a health insurance carrier for all except drug claims. Claims which do not exceed a paid amount of \$50 are placed in an automated suspense file. The suspense file is read monthly to identify recipients whose accumulated claims exceed the threshold. Claims are carried on the suspense file for up to twelve months. The Medicaid Agency's MMIS uses a \$25 threshold for drug claims. Drug claims are accumulated monthly for submission to a third party. Accumulated claims which exceed a \$25 paid amount are submitted to the third party carrier.

The Medicaid Agency uses a \$250 threshold for casualty recovery. Once a liable third party is identified, the entire recipient paid claims history is reviewed. If the accumulated total of paid claims related to the injury third party exceeds \$250, recovery is sought from the liable third party.

The Medicaid Agency ensures that regulations are in effect that bar liable third-party payers from refusing payment for an item or service solely on the basis that such item or service did not receive prior authorization under the third-party payer's rules. These regulations comply with the provisions of section 202 of the Consolidated Appropriations Act, 2022.

State/Territory: ALABAMA

**4.22 Third Party Liability (Continued)**

**Citation**

- 42 CFR 433.139 (b) (3) X (c) Providers are required to bill liable third parties when services covered under the plan are furnished to an individual on whose behalf child support enforcement is being carried out by the State IV-D agency.
- (ii) (A)
- (d) Attachment 4.22-B specifies the following:
- 42 CFR 433.139(b) (3) (1) The method used in determining a provider's compliance with the third party billing requirements at 433.139(b)(3)(ii)(c).
- (ii) (C) (2) The threshold amount or other guideline used in determining whether to seek recovery of reimbursement from a liable third party, or the process by which the agency determines that seeking recovery of reimbursement would not be cost effective.
- 42 CFR 433.139(f)(2) (3) The dollar amount or time period the State uses to accumulate billings from a particular liable third party in making the decision to seek recovery of reimbursement.
- 42 CFR 433.139(f)(3)
- 42 CFR 447.20 (e) The Medicaid agency ensures that the provider furnishing a service for which a third party is liable follows the restrictions specified in 42 CFR 447.20.
- 1902(a)(25)(I) (f) The Medicaid Agency ensures that regulations are in effect that bar liable third-party payers from refusing payment for an item or service solely on the basis that such item or service did not receive prior authorization under the third-party payer's rules. These regulations comply with the provisions of section 202 of the Consolidated Appropriations Act, 2022.