



DEC 07 2011

William J. Streur, Commissioner
Department of Health and Social Services
Post Office Box 110601
Juneau, Alaska 99811-0601

RE: Alaska State Plan Amendment (SPA) Transmittal Number 11-003

Dear Mr. Streur:

This letter serves as a companion to our approval of Alaska State Plan Amendment (SPA) Transmittal Number 11-003, submitted on March 31, 2011. The State of Alaska submitted this SPA to revise the reimbursement methodology for Medicaid personal care services. During the review of this SPA, the Centers for Medicare & Medicaid Services (CMS) made requests for revisions to include assurances and specific language as required by federal regulations. Based on CMS' current policies related to SPA review, it was determined that the unresolved issues would not delay the approval process for SPA 11-003, but would be compiled in this companion letter.

Regulations at 42 Code of Federal Regulations (CFR) 430.10 require that the State plan be a comprehensive written statement describing the nature and scope of the State's Medicaid program and that it contain all information necessary for CMS to determine whether the plan can be approved to serve as the basis for Federal Financial Participation (FFP) in the State program.

To that end, CMS welcomes the opportunity to work with you and your staff to discuss options for resolving the issues outlined below:

Attached Sheet to ATTACHMENT 3.1A, Page 2

1. This section includes language regarding the coverage for home health services. These services are listed under items 7.a-d as "*Home Health Services.*" The description provided in the State plan is as follows: "*Home health services must be requested by the attending physician and must be prior authorized by the medical review section of the Division of Medical Assistance or its fiscal agent. Occupational therapy, physical therapy, and speech pathology/audiology may be ordered by a physician, advanced nurse practitioner, or other licensed health care professional within the scope of the practitioner's license. Equipment and appliances that require prior authorization by the medical review section of the Division of Medical Assistance or its fiscal agent are listed in the physician provider manual.*"

The State plan must specify the amount, duration and scope of each service it covers as cited at 42 CFR 440.230. Please address the following issues:

DEC 07 2011

- Please provide an assurance that home health services are provided in accordance with 42 CFR 440.70.
- Please provide a service description, list of providers and provider qualifications for each service provided.
- Please further describe the prior authorization process and an explanation that services are provided based on medical necessity criteria.
- Please provide an assurance that occupational therapists, physical therapists, and providers of speech language pathology services meet qualifications as specified at 42 CFR 440.110.
- Please provide an assurance that “services are provided to an individual on his/her physician’s orders and must be a part of a written plan of care that the physician reviews every sixty (60) days.”
- Please provide an assurance that all medically necessary services are provided without limitations to EPSDT eligible individuals.

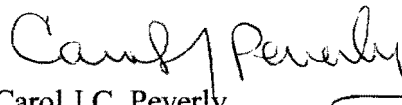
Attached Sheet to ATTACHMENT 3.1A, Page 3

2. Issues related to this section were identified and presented in a companion letter with the approval of Alaska SPA 10-008. This section includes language regarding the coverage for speech, hearing, and language services.

The State has 90 days from the date of this letter to address the issues described above. Within that period the State may submit a SPA(s) to address the issues identified above or submit a corrective action plan describing in detail how the State will resolve the issues in a timely manner. Failure to respond will result in the initiation of a formal compliance process. During the 90 days, CMS is available to provide technical assistance.

If you have any questions or concerns, please contact me, or have your staff contact Daphne Hicks at (410) 786-6572 or email at daphne.hicks@cms.hhs.gov.

Sincerely,



Carol J.C. Peverly
Associate Regional Administrator
Division of Medicaid and Children’s Health
Operations

cc: Kimberli Poppe-Smart, Deputy Commissioner