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State/Territory Name: Alaska

State Plan Amendment (SPA) #: 13-010

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Additional Companion letter (delete if not applicable)
- 3) CMS 179 Form/Summary Form (with 179-like data)
- 4) Approved SPA Pages



MAY 23 2014

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

RE: Alaska State Plan Amendment (SPA) Transmittal Number 13-010

Dear Mr. Streur:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of Alaska State Plan Amendment (SPA) Transmittal Number 13-010.



Alaska submitted this SPA to update the payment fee schedules for advanced nurse practitioners, ambulatory surgical clinic services, dental services, direct entry midwife services, EPSDT screening services, midwife birthing center services, nurse-midwife services, physical and occupational therapy services, physician services, and podiatry services.

This SPA is approved effective July 1, 2013, as requested by the State.

During the review of Alaska SPA 13-010, CMS performed an analysis of corresponding coverage sections not originally submitted with this SPA. This analysis revealed issues that will require additional information and/or possible revision through a corrective action plan (CAP). Under separate cover, CMS will release a letter detailing those issues, and provide guidance on timeframes for correction.

If you have any questions concerning this SPA, please contact me, or have your staff contact Treva Wornath at (907) 271-1920 or via email at treva.wornath@cms.hhs.gov.

Sincerely,



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

cc:

Deborah Etheridge, Medicaid Policy Analyst for Health Care Services
Gennifer Moreau-Johnson, State Plan Coordinator



Centers of Medicaid and CHIP Services

MAY 23 2014

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 13-010

Dear Mr. Streur:

This letter is being sent as a companion to the Centers for Medicare & Medicaid (CMS) approval of Alaska State Plan Amendment (SPA) Transmittal Number 13-010, which was submitted on September 28, 2013. Alaska submitted this SPA to update the payment fee schedules for advanced nurse practitioners, ambulatory surgical clinic services, dental services, direct entry midwife services, EPSDT screening services, midwife birthing center services, nurse-midwife services, physical and occupational therapy services, physician services, and podiatry services.

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. The CMS' analysis determined that additional changes related to coverage of the benefits specified below are needed in the Alaska Medicaid State plan.

Attached Sheet to Attachment 3.1-A, Page 1

1. Please update the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) section of the State plan, Attached Sheet to Attachment 3.1-A, Page 1, to include a comprehensive description of all assessments and services that may be performed during an EPSDT screening.
2. The State submitted SPA 13-006 in June, 2013, to address CMS' questions in companion letters for SPAs 11-007, 12-006, 12-009 and 13-002 regarding the EPSDT section of the State plan. The State withdrew that SPA October, 2013, because the State required more time to respond to CMS' request for additional information (RAI) regarding EPSDT requirements, including tribal consultation, revision of regulations, and to solicit public comment. With the withdrawal of SPA 13-006, CMS must repeat our previous questions regarding the EPSDT section of the State plan:

- a) Please update the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) section of the State plan, Attached Sheet to Attachment 3.1-A, Page 1, to include the following assurance:

"Any Medicaid eligible child under 21 years of age, pursuant to Section 1905(r) (5) of the Social Security Act has access to necessary health care, diagnostic services, treatment and other measures described in section 1905(a) to correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services, whether or not such services are covered under the State plan."

- b) In the above referenced EPSDT section, please include the appropriate service category (e.g., section 1905(a) (6)-Other Licensed Practitioners (OLP)), service description, provider qualifications, and prior authorization requirements, if any. Please note whether the service is offered only under EPSDT. If services available for children under EPSDT are described elsewhere in the plan, there is no need to specify those services in the EPSDT section.

Attachment 3.1-A, Midwife Birthing Center Services, Nurse Midwife Services, Birthing Centers

3. Please update Attachment 3.1-A to include a comprehensive description of Midwife Birthing Center Services and Nurse-Midwife Services. Please include provider qualifications, prior authorization requirements, and limitations, if any.
4. Section 2301 of the Affordable Care Act requires States that recognize freestanding birth centers, and the services rendered by certain professionals providing services in a freestanding birth center (to the extent the State licenses or otherwise recognizes such providers under the State law) to cover the services provided by these centers and professionals as mandatory Medicaid services eligible for FFP. Please complete and submit as a State plan amendment for CMS approval the Coverage Template for Freestanding Birth Center Services. The Template is included with this letter.

Attached Sheet to Attachment 3.1-A, Page 2

5. Please delete the reference to "physician collaborators" under Physician Services in Attachment 3.1-A, Page 2, so that the language will be consistent with Physician Services described in Attachment 4.19-A, Page 6.

Attached Sheet to Attachment 3.1-A, Page 3

6. The State submitted SPA 13-005 in June, 2013, to address CMS' questions in the companion letter for SPA 12-006 and 13-002, regarding the Clinic Services section of the State plan. The State withdrew that SPA October, 2013, because the State required additional time to reconsider the intent of the SPA. With the withdrawal of SPA 13-005, CMS must repeat our previous questions regarding the Clinic Services section of the State plan:
 - a) In the Clinic Services section, Attached Sheet to Attachment 3.1-A, Page 3, please revise this section to clearly state that ambulatory surgical clinic services and renal dialysis physician clinics are covered under the clinic benefit. Please make sure the language indicates that renal dialysis physician clinics include comprehensive outpatient dialysis and related services, including labs, drugs (erythrocyte-stimulating agents, parenteral iron replacement products,

etc.). Please include provider qualifications, prior authorization requirements, and limitations, if any.

b) Please remove the following language from the plan page "Ambulatory surgical clinic services and renal disease physician clinics are provided as separate services."

7. In the Clinic Services section, please revise the plan to include a comprehensive definition and description of Mental Health Clinic Services. Please include provider qualifications, prior authorization requirements, and limitations, if any.

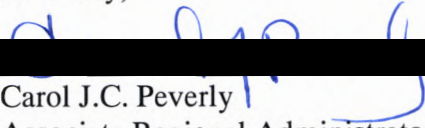

Behavior Rehabilitation Services (BRS)

The State submitted SPA 13-013 to address CMS' questions in the companion letters for SPAs 11-007 and 12-009, regarding behavior rehabilitation services. CMS is presently awaiting the State's response to CMS' request for additional information sent to the State on March 24, 2014. If the State should withdraw SPA 13-013, or should CMS not approve this SPA, CMS' companion letter questions regarding behavior rehabilitation services will continue to require the State to take corrective action in the State's plan.

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

If you have questions concerning this letter, please contact me or have your staff contact Treva Wornath at 907-271-1920 or at Treva.Wornath@cms.hhs.gov.

Sincerely,



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

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 13 - 010	2. STATE: Alaska
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE: July 1, 2013	

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT


COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.201, 42, CFR 447.302	7. FEDERAL BUDGET IMPACT: a. FFY <u>2013</u> \$ <u>0</u> b. FFY <u>2014</u> \$ <u>725,409.00</u>
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B page 1, page 1.1, page 4, page 5b, page 6, page 7.	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

10. SUBJECT OF AMENDMENT:
Rate and Fee Schedule Updates

11. GOVERNOR'S REVIEW (Check One):


GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Does not wish to comment
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Division of Medical Assistance 4501 Business Park Blvd Bldg L Anchorage, Alaska 99503-7167
13. TYPED NAME: Margaret Brodie	
14. TITLE: Director, Division of Medical Assistance	
15. DATE SUBMITTED: 9/28/13	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 9/28/13	18. DATE APPROVED: 5/23/14
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2013	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Carol J.C. Peverly	22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health
23. REMARKS:	

Methods and Standards forEstablishing Payment Rates: Other Types of CareAdvanced Nurse Practitioners

Payment is made at the lesser of billed charges, 85 percent of the Resource Based Relative Value Scale methodology used for physicians, the provider's lowest charge, or the state maximum allowable for procedures that do not have an established RVU. Laboratory services are reimbursed at the lesser of billed charges or the Medicare fee schedule. State developed fee schedule rates are the same for both public and private providers. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers. The fee schedule and its effective date are published at <http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>

The fee schedule was last updated, to be effective for services on or after 7/1/2013.

Ambulatory Surgical Clinic Services

Payment is made to ambulatory (outpatient) surgical clinics on a prospectively determined rate. Payment covers all operative functions attendant to medically necessary surgery performed at the clinic by a private physician or dentist, including admitting and laboratory tests, patient history and examination, operating room staffing and attendants, recovery room care, and discharge. It includes all supplies related to the surgical care of the beneficiary while in the clinic. The payment excludes the physician, radiologist, and anesthesiologist fee. State developed fee schedule rates are the same for both public and private providers and the fee schedule and any annual/periodic adjustments to the fee schedule and its effective dates are published at <http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>

The fee schedule was last updated on 03/02/10, to be effective for services on or after 01/01/10.

Behavior Rehabilitation Services

Payment for Behavior Rehabilitation Services is a fee-for service basis, with one day being the unit of service. Rates are based upon a periodic rate study using a prospective staffing based rate model that uses data gathered by the State Department of Labor reporting the prevailing wages in the State of Alaska. Specific position classifications were selected to reflect the comparable staffing requirements needed to provide quality rehabilitation services to the identified population. A factor is used to compensate for employee benefits and facility operating costs and supplies. Board and room are not included in the Behavior Rehabilitation Service rate paid to the provider. These rates are periodically adjusted based on appropriate cost-of-living adjustments and other market indicators and program standards. Rates and rate methodology are found in the Residential Behavioral Health Services Handbook 2013 at

<http://dhss.alaska.gov/dbh/Documents/TreatmentRecovery/RBRS%20Documents/BRS%20Handbook%2010-28-13.pdf>

Chiropractic Services

Payment for manual manipulation to correct subluxation of the spine and x-rays is made at the lesser of billed charges, the Resource Based Relative Value Scale methodology used for physicians, or the provider's lowest charge. State developed fee schedule rates are the same for both public and private providers. The fee schedule and its effective dates are published at <http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>

The fee schedule was last updated on 02/17/12, to be effective for services on or after 12/01/11.

TN No.: 13-010

Approval Date: 5/23/14

Effective Date: July 1, 2013

Supersedes: TN No.: 11-007

Methods and Standards for
Establishing Payment Rates: Other Types of Care

Dental Services

Payment is made at the lesser of billed charges, the Resource Based Relative Value Scale methodology used for physicians, or the provider's lowest charge. State developed fee schedule rates are the same for both public and private providers. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers. The fee schedule and its effective dates are published at <http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>. The fee schedule was last updated, to be effective for services on or after 7/1/2013.

Direct Entry Midwife Services

Payment is made at the lesser of billed charges, 85 percent of the Resource Based Relative Value Scale methodology used for physicians, or the provider's lowest charge. State developed fee schedule rates are the same for both public and private providers. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers. The fee schedule and its effective dates are published at <http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>. The fee schedule was last updated, to be effective for services on or after 7/1/2013.

EPSDT Screening Services

Payment is made at the lesser of billed charges, the Resource Based Relative Value Scale Methodology for physicians, or the provider's lowest charge. State developed fee schedule rates are the same for both public and private providers. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers. The fee schedule and its effective dates are published at <http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>. The fee schedule was last updated, to be effective for services on or after 7/1/2013.

Midwife Birthing Center Services

Rates for midwife services provided in a birthing center are based on the lesser of billed charges, 85% of the Medicare Resource Based Relative Value Scale Methodology used for physicians in the current year, or the provider's lowest charge, plus an amount equal to 50% of the statewide average rate for a normal vaginal hospital birth for the previous state fiscal year. See fee schedule rates for Advanced Nurse Practitioners (p.1 of this attachment) and Direct Entry Midwives (page 1.1 of this attachment) for fee schedule rates.

Methods and Standards for Establishing
Payment Rates: Other Types of Care

Mental Health Clinic Services

Mental health clinic services provided by a community mental health clinic, state operated mental health clinic, or mental health physician clinic (which is a group of psychiatrists or other mental health professionals working under the supervision of a psychiatrist) are reimbursed at the lesser of the amount billed the general public or the state maximum allowable. Community mental health clinics bill the Division of Mental Health and Developmental Disabilities under a separate reimbursement schedule for performing pre-admission screening and annual resident reviews (PASARR) of mentally-ill persons seeking admission to or residing in long-term care facilities.

The State assures that the requirements of 42 CFR 447.321 regarding upper limits of payment will be met.

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of mental health clinic services. The agency's fee schedule was updated 12/26/08 and is published in the Department's Community Behavioral Health Clinic billing manual dated 06/29/12, available at

<http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>

Mental Health Rehabilitation Services

Mental health rehabilitation services are reimbursed at the lesser of the amount billed the general public or the state maximum allowable.

Except as otherwise noted in the plan state developed fee schedule rates are the same for both governmental and private providers of mental rehabilitation services. The agency's fee schedule was updated 12/26/08 and is published in the Department's Community Behavioral Health Clinic billing manual dated 06/29/12, available at

<http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>

Nurse-Midwife Services

Payment is made at the lesser of billed charges, 85 percent of the Resource Based Relative Value Scale methodology used for physicians, the provider's lowest charge, or the state maximum allowable for procedures that do not have an established RVU. Laboratory services are reimbursed at the lesser of the amount billed the general public or at the Medicare fee schedule. Drugs are covered at 95 percent of the AWP but without a dispensing fee.

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of nurse-midwife services. The fee schedule was last updated, to be effective for services on or after 7/1/2013, and is available at:

<http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>

TN No. 13-010

Approval Date 5/23/14

Effective Date Jul 1, 2013

Supersedes TN No. 12-009

Personal Care Services

Services are reimbursed at the lesser of the amount billed the general public or the state maximum allowable.

Except as otherwise noted in the plan, payment for these services is based on state-developed fee schedule rates, which are the same for both governmental and private providers of personal care services. The agency's rates for personal care services were updated on 02/01/2012 and are effective for services rendered on or after 07/01/12. The fee schedule and any annual/periodic adjustments to the fee schedule and its effective dates are included in the fee schedule for personal care services published at <http://hss.state.ak.us/dsds/costsurvey.htm>.

Physical and Occupational Therapy Services

Payment is made at the lesser of billed charges, 85 percent of the Resource Based Relative Value Scale methodology used for physicians, the provider's lowest charge, or the maximum allowable for procedures that do not have an established RVU.

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of physical and occupational therapy services. The fee schedule was last updated, to be effective for services on or after 7/1/2013, and is available at: <http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>

Methods and Standards for Establishing Payment Rates: Other Types of Care

Physician Services

Payment is made at the lesser of billed charges, the Resource Based Relative Value Scale (RBRVS) methodology, the provider's lowest charge, or the state maximum allowable for procedures that do not have an established Relative Value Unit (RVU). The Resource Based Relative Value Scale methodology is that described in 42 CFR 414 except that increases and reductions to the average payment made for an individual procedure code billed at least ten times during the previous fiscal year will be phased in until the year 2000. The relative value units used are the most current version published in the Federal Register. Non-routine office supplies are reimbursed at the lesser of billed charges or the state maximum allowable.

Surgical reimbursement is in accordance with the Resource Based Value Scale methodology except that multiple surgeries performed on the same day are reimbursed at 100 percent for each additional surgery; bilateral surgeries are reimbursed at 150 percent of the RBRVS rate; co-surgeons are reimbursed by increasing the RBRVS rate by 25 percent and splitting the payment between the surgeons; and supplies associated with surgical procedures performed in a physician's office are reimbursed at the lesser of billed charges or the state maximum allowable. Payment is made to surgical assistants at the lesser of billed charges or 25 percent of the Resource Based Relative Value Scale methodology.

Payment to physicians for in-office laboratory services are reimbursed at the lesser of the amount billed the general public or the Medicare fee schedule.

Payment is made to independently enrolled hospital-based physician for certain services at the lesser of the amount billed the general public or 100 percent of the Resource Based Relative Value Scale methodology.

Anesthesia services are reimbursed using base units and time units and a state determined conversion factor.

State developed fee schedule rates are the same for both public and private providers. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers. The fee schedule was last updated, to be effective for services on or after 7/1/2013 and is available at:

<http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>

Methods and Standards for
Establishing Payment Rates: Other Types of Care

Podiatry Services

Payment is at the lesser of billed charges, the Resource Based Relative Value Scale methodology used for physicians, the provider's lowest charge, or the state maximum allowable for procedures that do not have an established RVU. State developed fee schedule rates are the same for both public and private providers. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers. The fee schedule was last updated, to be effective for services on or after 7/1/2013, and is available at:

<http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>

Prescribed Drugs

- (a) Reimbursement will be made to the provider for reasonable and necessary postage or freight costs incurred in the delivery of the prescription from the dispensing pharmacy to a recipient in a rural area. Cross-town postage or delivery charges are not covered. Handling charges are included in the dispensing fee (below) and not directly reimbursed.
- (b) The payment for multiple source drugs for which the Centers for Medicare and Medicaid has established a specific upper limit amount will be the lowest of the amount billed, estimated acquisition cost, state maximum allowable cost or the federal upper limit plus the dispensing fee.
- (c) The payment for drugs other than those of (b) above, and for brand names of multiple source drugs specified by the prescriber in accordance with 42 C.F.R. 447.331 will be the dispensing fee plus the in state estimated acquisition cost of that drug, which is the wholesale acquisition cost published by First Data Bank as updated weekly plus 8 percent of that amount, the payment will not exceed the lower of the estimated acquisition cost plus the dispensing fee or the provider's lowest charge. Physician and advance nurse practitioner administered drugs are reimbursed at the lower of the billed amount or Wholesale Acquisition Cost plus 8 percent.
- (d) For out-of-state providers the estimated acquisition cost is the wholesale acquisition cost plus 1 percent.
- (e) The payment for compounding prescriptions will be the sum of the costs of each of the ingredients as established under (b) or (c) (above), plus the compounding dispensing fee to reimburse no more than the provider's lowest charge.

TNNO: 13-010 Approval Date: 5/23/14
Supersedes: TN No: 11-007

Effective Date: July 1, 2013