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State/Territory Name: Alaska

State Plan Amendment (SPA) #: 15-0002-A

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Seattle Regional Office
701 Fifth Avenue, Suite 1600, MS/RX-200
Seattle, WA 98104



Centers of Medicaid and CHIP Services

August 4, 2015

Jon Sherwood, Deputy Commissioner
Department of Health and Social Services
Post Office Box 110601
Juneau, Alaska 99811-0601

RE: Alaska State Plan Amendment (SPA) Transmittal Number 15-0002-A

Dear Mr. Sherwood:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of Alaska State Plan Amendment (SPA) Transmittal Number 15-0002-A.

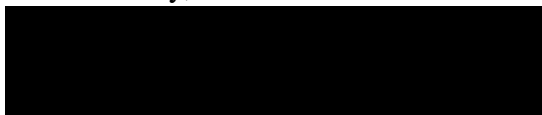
Alaska submitted this SPA to add the payment methodologies for certified nurse anesthetists, physician assistants, community health aides III and IV, and community health practitioners.

This SPA is approved effective January 1, 2015, as requested by the State.

During the review of Alaska SPA 15-0002-A, 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,



David L. Meacham
Associate Regional Administrator
Division of Medicaid and Children's Health
Operations

Page 2 – Mr. Sherwood

cc:

Naomi Harris, Medicaid Policy Analyst for Health Care Services

Gennifer Moreau-Johnson, State Plan Coordinator

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Seattle Regional Office
701 Fifth Avenue, Suite 1600, MS/RX-200
Seattle, Washington 98104



Division of Medicaid & Children's Health Operations

August 4, 2015

Jon Sherwood, Deputy Commissioner
Department of Health and Social Services
Post Office Box 110601
Juneau, Alaska 99811-0601

RE: Alaska State Plan Amendment (SPA) Transmittal Number 15-0002-A

Dear Mr. Sherwood:

This letter is being sent as a companion to the Centers for Medicare & Medicaid (CMS) approval of Alaska State Plan Amendment (SPA) Transmittal Number 15-0002-A, which adds reimbursement for covered physician assistants, certified nurse anesthetists, and community health aides and practitioners. This amendment was submitted on March 31, 2015, with an effective date of January 1, 2015.

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, EPSDT

1. The State submitted a draft SPA in January, 2015, to address CMS' questions in the companion letters for 11-007, 12-006, 12-009, 13-002, 13-010, and 14-010 regarding the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) section of the State plan. The draft SPA is currently being reviewed and technical assistance is being provided to the State. If a formal SPA is not submitted to CMS for approval, CMS will consider the questions regarding EPSDT as unresolved and will continue to require the State to take corrective action in the State's plan.

Attached Sheet to Attachment 3.1-A, Page 2, Physician Services

2. 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-B, Page 6.
3. Please update Attachment 3.1-A to include separate comprehensive descriptions of advanced nurse practitioners, certified nurse anesthetists, community health aides III and IV, community health practitioners, and physician assistants. Please include provider qualifications, prior authorization requirements, and limitations, if any.

Attached Sheet to Attachment 3.1-A, Page 3, Clinic Services

1. The state submitted a draft SPA in January, 2015, to address CMS’ questions in the companion letters for SPA 12-006, 13-002, 13-010, 14-006, and 14-010, regarding the Clinic Services section of the State plan. The draft SPA is currently being reviewed and technical assistance is being provided to the State by CMS. If the State does not submit a formal SPA to CMS for approval, CMS will consider the questions regarding the clinic services section as unresolved, and will continue to require the State to take corrective action in the State’s plan.

Attached Sheet to Attachment 3.1-A, Page 7, Behavior Rehabilitation Services (BRS)

2. The State submitted a draft SPA for CMS review in May 2015 and requested CMS assistance in developing a SPA that will comply with federal guidelines for the provision of behavior rehabilitation services. Behavior rehabilitation services will continue to require the State to take corrective action in the State’s plan.

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

The State responded to the companion letter for 14-010 in January, 2015, and indicated that the State has drafted revised regulations and payment methodologies for Midwife Birthing Center Services, Nurse Midwife Services, and Birthing Centers. The revised regulations are currently being reviewed internally by the State prior to posting for public comment. The State’s response assures CMS that once the State has posted the revised regulations for public comments, a SPA will be submitted during 2015 in order to fully comport with federal guidelines for these services. The State’s response to the companion letter for 14-010 did not mention submitting the Coverage Template for Freestanding Birth Centers as requested by CMS. Until a new SPA is submitted, CMS must repeat our previous questions regarding the Midwife Birthing Center Services, Nurse Midwife Services, and Birthing Centers section of the State plan:

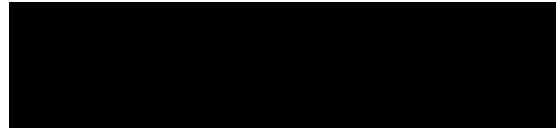
3. Please update Attachment 3.1-A to include a comprehensive description of Midwife Birthing Center Services and Nurse-Midwife Services. Please include provider qualifications, prior authorization requirements, and limitations, if any. Please complete and submit as a State plan amendment for CMS approval the Coverage Template for Freestanding Birth Center Services.

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.

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 via email at treva.wornath@cms.hhs.gov.

Sincerely,



David L. Meacham
Associate Regional Administrator
Division of Medicaid and Children's Health
Operations

cc:

Gennifer Moreau-Johnson, gennifer.moreau-johnson@alaska.gov

Naomi Harris, Naomi.harris@alaska.gov

Margaret Brodie, margaret.brodie@alaska.gov

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 15 - 002 - <i>A</i>	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: January 1, 2015	

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 447.210, 447.302	7. FEDERAL BUDGET IMPACT: a. FFY <u>2015</u> \$ <u>0</u> b. FFY <u>2016</u> \$ <u>0</u>
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: 4.19-C page 2 4.19-C page 2a 4.19-B page 1 4.19-B page 1.1 4.19-B page 5 4.19-B page 5b	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): 4.19-C page 2 4.19-C page 2a 4.19-B page 1 4.19-B page 1.1 4.19-B page 5 4.19-B page 5b

10. SUBJECT OF AMENDMENT:
Restoring mid-level physician service language.

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: Department Health and Social Services 350 Main Street, Suite 404 Juneau, Alaska 99801-1149
13. TYPED NAME: Jon Sherwood	
14. TITLE: Deputy Commissioner DHSS	
15. DATE SUBMITTED: March	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 03/31/2015	18. DATE APPROVED: 8/04/15
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 01/01/2015	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME: David L. Meacham	22. TITLE:
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 fees 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 7/1/2014.

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

The fee schedule was last updated, to be effective for services on or after 7/1/2014.

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 rehabilitative 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 Behavioral Rehabilitative 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 Residential Behavioral Health Service handbook 2013 at <http://dhss.alaska.gov/dbh/Documents/TreatmentRecovery/RBRS%20Documents/BRS%20Handbook%2010-28-13.pdf>

Certified Nurse Anesthetist 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. Payment rates are set using the Medicare Physician RBRVS payment rates and Alaska's state-specific conversion factor and inflation adjustments. The Medicare Physician RBRVS payment rates are published in the federal register as described under the Physician reimbursement section of this attachment (4.19B). Alaska's state-specific conversion factor and inflation adjustments are published in the Alaska Administrative Code. Changes to the Medicaid rates will only occur when Medicare updates the RBRVS payment rates each year and the department incorporates those changes with its Alaska-specific conversion factor and inflation adjustments the following July 1.

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, to be effective for services on or after 7/1/2104.

Methods and Standards forEstablishing Payment Rates: Other Types of Care

Community Health Aides Payment for the services of community health aides III and IV or a community health practitioner certified by the state is made at the lesser of billed charges, 85 percent of the Resource Based Relative Value Scale methodology, the provider's lowest charge, or the state maximum allowable for the procedures that do not have an RVU. For EPSDT screening services paid at 100 percent of the Resource Based Relative Value Scale methodology used for physicians. Payment rates are set using the Medicare Physician RBRVS payment rates and Alaska's state-specific conversion factor and inflation adjustments. The Medicare Physician RBRVS payment rates are published in the federal register as described under the Physician reimbursement section of this attachment (4.19B). Alaska's state-specific conversion factor and inflation adjustments are published in the Alaska Administrative Code. Changes to the Medicaid rates will only occur when Medicare updates the RBRVS payment rates each year and the department incorporates those changes with its Alaska-specific conversion factor and inflation adjustments the following July 1.

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 7/1/2014.

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 7/1/2014.

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 7/1/2014.

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, 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 Advance Nurse Practitioners (p.1 of this attachment) and Direct Entry Midwives (page 1.1 of this attachment) for fee schedule rates.

Method and Standards forEstablishing PaymentPersonal 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 rate for personal care services were updated on 2/01/2012 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://dhss.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 the 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 7/1/2014 and is available at <http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>

Physician Assistants

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.

Payment rates are set using the Medicare Physician RBRVS payment rates and Alaska's state-specific conversion factor and inflation adjustments. The Medicare Physician RBRVS payment rates are published in the federal register as described under the Physician reimbursement section of this attachment (4.19B). Alaska's state-specific conversion factor and inflation adjustments are published in the Alaska Administrative Code. Changes to the Medicaid rates will only occur when Medicare updates the RBRVS payment rates each year and the department incorporates those changes with its Alaska-specific conversion factor and inflation adjustments the following July 1.