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State/Territory Name: Alaska

State Plan Amendment (SPA) #: 17-0007

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) 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



Division of Medicaid & Children's Health Operations

August 8, 2017

Valerie Davidson, Commissioner
Department of Health and Social Services
3601 C Street, Suite 902
Anchorage, AK 99503-7167

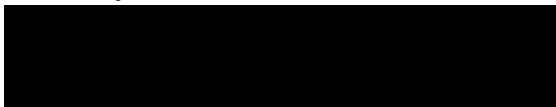
RE: Alaska State Plan Amendment (SPA) Transmittal Number 17-0007

Dear Ms. Davidson:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of Alaska State Plan Amendment (SPA) Transmittal Number 17-0007. This SPA modifies the reimbursement language of both the Community Health Provider services and transportation services to better reflect actual practice and the option for reimbursement at the state per diem, respectively. This SPA is approved effective July 26, 2017, as requested by the state.

If there are additional questions please contact me, or your staff may contact Bill Vehrs at bill.vehrs@cms.hhs.gov or at (503) 399-5682.

Sincerely,



David L. Meacham
Associate Regional Administrator

cc:
Jon Sherwood, DHSS

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

1. TRANSMITTAL NUMBER:
17-0007

2. STATE
AK

FOR: HEALTH CARE FINANCING ADMINISTRATION

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, 2017~~ (P&I)
July 26, 2017

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 440.170; 42 CFR part 136 as amended; 1905(b) of the Social
Security Act

7. FEDERAL BUDGET IMPACT:
a. FFY 2018 \$ 0
b. FFY 2019 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-C, p 2a & 2b
Attachment 4.19-B p. 11b

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):

Attachment 4.19-C, p 2a & 2b
Attachment 4.19-B p. 11b

10. SUBJECT OF AMENDMENT:

Revisions include modification of the reimbursement language for Community Health Provider Services and transportation services to reflect actual practice and the option for reimbursement at the state per diem rate, respectively.

11. 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:
Does not wish to comment.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: Jon Sherwood

14. TITLE: Deputy Commissioner, DHSS

15. DATE SUBMITTED: July 24, 2017

16. RETURN TO:

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
7/25/17

18. DATE APPROVED:
8/8/17

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
7/26/17

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:
David L. Meacham

22. TITLE:
Associate Regional Administrator

23. REMARKS:

8-4-17 - State authorized P&I change to block 4.

Transportation Services

Emergency and non-emergency transportation services are paid at the lesser of the amount billed the general public or the state maximum allowable if such a maximum has been established. State developed fee schedule rates are the same for both public and private providers. The agency's fee schedule rates were set as of August 27, 2012, and are effective for services provided on or after that date. All rates are published at

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

The following types of emergency transportation services for recipients are payable at the lesser of the amount billed the public or the state maximum allowable, published at

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

- Ground ambulance service, whether within the same community or outside of it;
- Air ambulance service.

The following types of non-emergency transportation services for recipients and authorized escorts are payable at the amount billed the public or the state negotiated rate, when applicable:

- Commercial airline service;
- Ferry service;
- Ground transportation.

The State maintains files of negotiated rates.

With the exception of government-operated accommodations, meal and lodging costs for recipients and approved escorts are reimbursed at the lesser of the amount billed the public or the state maximum allowable per day, which is the government rate established for all publicly funded travel-related room and board.

Costs for recipients and approved escorts utilizing government-operated accommodations are reimbursed at the federal per diem rate or the per diem rate established by the State of Alaska, whichever the provider chooses; or, if less, the amount billed to the public.

Prior authorization is required for all non-emergency transportation and all lodging and meal costs for both recipients and escorts.

REIMBURSEMENT FOR INDIAN HEALTH SERVICE AND TRIBAL FACILITIES – CONTINUED

Other Physician Services:

At the option of Tribal outpatient hospitals certified or deemed to meet Medicare Conditions of Participation by the State Survey Agency or a national accreditation organization under a program approved by the Centers for Medicare and Medicaid Services:

1. Outpatient hospital services are reimbursed at the all-inclusive rate published by the Indian Health Service (IHS), reduced by the average amount for the services of any or all of the practitioner types listed in (2) below for whose professional services the tribal outpatient hospital elects to be separately reimbursed; and
2. Covered services rendered to Medicaid recipients in the outpatient hospital setting by the following practitioner types and whose costs are excluded from the all-inclusive rate as described under (1) above, are also paid a fee for service practitioner payment according to the methodology for their services described in Attachment 4.19-B:

Physicians

Physician Assistants

Advance Nurse Practitioners

Nurse Midwives

Certified Registered Nurse Anesthetists

Speech-Language Pathologists

Audiologists

Physical Therapists

Podiatrists

The Indian Health Service will provide the State with the revised outpatient hospital service rates, reduced by the average amount for the services of any or all of the practitioner types listed in this section.

Community Health Provider Services:

Payment for covered Community Health Provider (CHP) Services is made at a single statewide CHP Encounter Rate as described below.

The CHP Encounter Rate will equal total allowable costs for all levels and practice area categories of such CHPs, divided by their total annual encounters. The rate will be calculated by the Department's Office of Rate Review as described below, in close consultation with affected tribal health organizations, adjusted annually for inflation using the Global Insight's *Health-Care Cost Review*, Skilled Nursing Facility Total Market Basket available sixty days before January 1, and rebased every four years.

The initial rate will be calculated using costs associated with providing CHP services by an identified group of Alaska tribal health programs. The costs will be reviewed and adjusted by the Department to

ensure they do not include unallowable or duplicative costs and will be adjusted for inflation using the Global Insight's *Health-Care Cost Review*, Skilled Nursing Facility Total Market Basket available sixty days before January 1 to the midpoint of the rate year. Encounter data will be provided to the Department for the same year by an identified group of Alaska tribal health programs; the Department will review the encounter data and make any necessary adjustments in close consultation with affected tribal health programs. It is anticipated that the first CHP Encounter Rate will be established for Calendar Year 2017; using Federal Fiscal Year 2014 encounters data and Federal Fiscal Year 2014 costs, adjusted for inflation. If necessary, a different year can be utilized for a Tribal Health Organization (THO) if agreed to by the department and the THO. The total cost of providing the services includes salary, benefits, and other personnel costs of the CHPs whose services qualify for reimbursement under the CHP Encounter Rate, work-related travel, training costs, facility costs, costs of supplies and equipment, and overhead costs. Salary, benefits, and other personnel costs of physicians and other licensed practitioners who direct or supervise CHPs are included only to the extent that they are excluded for purposes of calculating the tribal hospital and tribal physician clinic encounter rates.

Payment is made to the enrolled Tribal Health Organization that employs or contracts with the CHP and is limited to one CHP Encounter Rate payment per patient, per CHP, per day.

The CHP Encounter Rate includes payment for medical supplies and drugs used or administered during, and incidental to, the encounter, unless the services or supplies are billed under a separate methodology. The CHP Encounter Rate does not include payment for covered outpatient drugs, which are separately reimbursed under the methodology described at Attachment 4.19-B, Page 7.

The CHP Encounter Rate does not apply to services furnished by a CHP as part of a reimbursable Behavioral Health Service provided by an enrolled Tribal Community Behavioral Health Center, and the costs and encounters associated with such services are excluded from the CHP Encounter Rate. The CHP Encounter Rate does not apply to dental services furnished by dental health aides as described by the Alaska Community Health Aide Program Certification Board (CHAPCB) Standards and Procedures, which are paid at the methodology described at Attachment 4.19-B (page 14).