

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth St., Suite 4T20
Atlanta, Georgia 30303-8909



February 1, 2011

R. Bob Mullins, Jr., MD
Commissioner
Alabama Medicaid Agency
501 Dexter Avenue
Post Office Box 5624
Montgomery, Alabama 36103-5624

Re: Alabama Title XIX State Plan Amendment, Transmittal #10-019

Dear Dr. Mullins:

We have reviewed Alabama State Plan Amendment (SPA) 10-019, which was received in the Atlanta Regional Office on November 3, 2010. This SPA is amending the Alabama State Plan for Medical Assistance to cover the Program of All-Inclusive Care for the Elderly (PACE) as authorized through Federal regulations at 42 CFR 460.

Based on the information provided, we are pleased to approve Alabama SPA 10-019 as of January 31, 2011. The effective date is October 1, 2011. The signed CMS-179 and the approved plan pages are enclosed. If you have any questions regarding this amendment, please contact Terrie Morris at (404) 562-7414.

Sincerely,

Jackie L. Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

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

1. TRANSMITTAL NUMBER:
10-019

2. STATE
Alabama

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
October 1, 2011

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 460 Subpart E

7. FEDERAL BUDGET IMPACT:
a. FFY 11 \$0
b. FFY 12 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 3.1A pages 13-14
Supplement 3 to Attachment 3.12-A, pages 1-7

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):
Attachment 3.1-A pages 13-14
Supplement 3 to Attachment 3.1-A, pages 1-7

10. SUBJECT OF AMENDMENT:

This amendment will allow the Alabama Medicaid Agency to offer Program of All Inclusive Care for the Elderly (PACE) within the state of Alabama.

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:
Governor's designee on file
via letter with CMS

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Carol H. Steckel

14. TITLE:
Commissioner

15. DATE SUBMITTED:
11-3-10

16. RETURN TO:

Carol H. Steckel
Commissioner
Alabama Medicaid Agency
501 Dexter Avenue
Post Office Box 5624
Montgomery, Alabama 36103-5624

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
11-3-10

18. DATE APPROVED:
2-1-11

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
10-01-11

SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:
JACKIE GLAZE

Associate Reg. Administrator, DMCHO

23. REMARKS:

**State of Alabama
Program of All Inclusive Care for the Elderly (PACE) State Plan Amendment**

I. Eligibility

The State determines eligibility for PACE enrollees under rules applying to community groups.

A. X The State determines eligibility for PACE enrollees under rules applying to institutional groups as provided for in section 1902(a)(10)(A)(ii)(VI) of the Act (42 CFR 435.217 in regulations). The State has elected to cover under its State plan the eligibility groups specified under these provisions in the statute and regulations. Spousal impoverishment eligibility rules will apply. The applicable groups are:

Individuals receiving services under this program are eligible under the following eligibility groups:

- A Special Income level equal to 300% of the SSI Federal benefit (FBR) (42 CFR 435.236)

(If this option is selected, please identify, by statutory and/or regulatory reference, the institutional eligibility group or groups under which the State determines eligibility for PACE enrollees. Please note that these groups must be covered under the State's Medicaid plan.)

B. X The State determines eligibility for PACE enrollees under rules applying to institutional groups, but chooses not to apply post-eligibility treatment of income rules to those individuals. (If this option is selected, skip to II - Compliance and State Monitoring of the PACE Program.

C. The State determines eligibility for PACE enrollees under rules applying to institutional groups, and applies post-eligibility treatment of income rules to those individuals as specified below. Note that the post-eligibility treatment of income rules specified below are the same as those that apply to the State's approved HCBS waiver(s).

Regular Post Eligibility

A. ___ SSI State. The State is using the post-eligibility rules at 42 CFR 435.726. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.

1. Sec. 435.726--States which do not use more restrictive eligibility requirements than SSI.

(A) Allowances for the needs of the:

(1) Individual (check one)

(a) ___ The following standard included under the State plan (check one):

(i) ___ SSI

(ii) ___ Medically Needy

(iii) ___ The special income level for the institutionalized

(iv) ___ Percent of the Federal Poverty Level: ___%

(v) ___ Other (specify): _____

(b) ___ The following dollar amount: \$ _____

Note: If this amount changes, this item will be revised.

(c) ___ The following formula is used to determine the needs allowance:

Note: If the amount protected for PACE enrollees in item 1 is equal to, or greater than the maximum amount of income a PACE enrollee may have and be eligible under PACE, enter N/A in items 2 and 3.

(2) Spouse only (check one):

(a) ___ SSI Standard

(b) ___ Optional State Supplement Standard

(c) ___ Medically Needy Income Standard

(d) ___ The following dollar amount: \$ _____

Note: If this amount changes, this item will be revised.

(e) ___ The amount is determined using the following formula:

(f) ___ Not applicable (N/A)

- (3) Family (check one):
(a) AFDC need standard
(b) Medically needy income standard

The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

- (c) The following dollar amount: \$ _____
Note: If this amount changes, this item will be revised.
(d) The following percentage of the following standard that is not greater than the standards above: _____ % of _____ standard.
(e) The amount is determined using the following formula:

(f) Other
(g) Not applicable (N/A)

(B) Medical and remedial care expenses in 42 CFR 435.726.

Regular Post Eligibility

B. 209(b) State, a State that is using more restrictive eligibility requirements than SSI. The State is using the post-eligibility rules at 42 CFR 435.735. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.

1. **42 CFR 435.735**--States using more restrictive requirements than SSI.

- (A) Allowances for the needs of the:
(1) Individual (check one)
(a) The following standard included under the State plan (check one):
(i) SSI
(ii) Medically Needy
(iii) The special income level for the institutionalized
(iv) Percent of the Federal Poverty Level: _____ %
(v) Other (specify): _____
(b) The following dollar amount: \$ _____
Note: If this amount changes, this item will be revised.

3. The following formula is used to determine the needs allowance:

Note: If the amount protected for PACE enrollees in item 1 is **equal to, or greater than** the maximum amount of income a PACE enrollee may have and be eligible under PACE, **enter N/A in items 2 and 3.**

(2) Spouse only (check one):

(a) The following standard under 42 CFR 435.121:

(b) The Medically needy income standard

(c) The following dollar amount: \$

Note: If this amount changes, this item will be revised.

(d) The following percentage of the following standard that is not greater than the standards above: % of standard.

(e) The amount is determined using the following formula:

(f) Not applicable (N/A)

(3) Family (check one):

(a) AFDC need standard

(b) Medically needy income standard

The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

(c) The following dollar amount: \$

Note: If this amount changes, this item will be revised.

(d) The following percentage of the following standard that is not greater than the standards above: % of standard.

(e) The amount is determined using the following formula:

(f) Other

(g) Not applicable (N/A)

(C) Medical and remedial care expenses specified in 42 CFR 435.735.

TN No. AL-10-019

Supersedes

TN No. New

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Spousal Post Eligibility

C. ___ State uses the post-eligibility rules of Section 1924 of the Act (spousal impoverishment protection) to determine the individual's contribution toward the cost of PACE services if it determines the individual's eligibility under section 1924 of the Act. There shall be deducted from the individual's monthly income a personal needs allowance (as specified below), and a community spouse's allowance, a family allowance, and an amount for incurred expenses for medical or remedial care, as specified in the State Medicaid plan.

1. Allowances for the needs of the:

(A) Individual (check one)

(1) ___ The following standard included under the State plan (check one):

(a) ___ SSI

(b) ___ Medically Needy

(c) ___ The special income level for the institutionalized

(d) ___ Percent of the Federal Poverty Level: ___ %

(e) ___ Other (specify): _____

(2) ___ The following dollar amount: \$ _____

Note: If this amount changes, this item will be revised.

(3) ___ The following formula is used to determine the needs allowance:

If this amount is different than the amount used for the individual's maintenance allowance under 42 CFR 435.726 or 42 CFR 435.735, explain why you believe that this amount is reasonable to meet the individual's maintenance needs in the community:

TN No. AL-10-019

Supersedes

TN No. New

Approval Date: 2-~~1~~⁰¹11

Effective Date: 10/01/11

II. Rates and Payments

A. The State assures HCFA that the capitated rates will be equal to or less than the cost to the agency of providing those same fee-for-service State plan approved services on a fee-for-service basis, to an equivalent non-enrolled population group based upon the following methodology. Please attach a description of the negotiated rate setting methodology and how the State will ensure that rates are less than the cost in fee-for-service.

1. Rates are set at a percent of fee-for-service costs
2. Experience-based (contractors/State's cost experience or encounter date)(please describe)
3. Adjusted Community Rate (please describe)
4. Other (please describe)

B. The State Medicaid Agency assures that the rates were set in a reasonable and predictable manner. Please list the name, organizational affiliation of any actuary used, and attestation/description for the initial capitation rates.

C. The State will submit all capitated rates to the HCFA Regional Office for prior approval.

III. Enrollment and Disenrollment

The State assures that there is a process in place to provide for dissemination of enrollment and disenrollment data between the State and the State Administering Agency. The State assures that it has developed and will implement procedures for the enrollment and disenrollment of participants in the State's management information system, including procedures for any adjustment to account for the difference between the estimated number of participants on which the prospective monthly payment was based and the actual number of participants in that month.

TN No. AL-10-019

Supersedes

TN No. New

Approval Date: _____

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RATE METHOD

Program of All-inclusive Care for the Elderly (PACE) For Sites Operating Under Medicare and Medicaid Capitation

Alabama's monthly capitation rate for PACE services is set at 85% of current costs to AMA for a comparable fee-for-service population.

Rates are established by using a combination of the following data which constitutes the Upper Payment Limit (UPL):

Nursing Facility Cost

The nursing facility cost consists of the most recently available statewide average AMA nursing facility annual cost per recipient. (yearly amount reimbursed to AMA nursing facility providers for nursing facility residents, divided by the total number of AMA nursing facility residents in a year; multiplied by the average length of stay).

And

Cost of Other Services

Cost of other services consists of the most recently available statewide average cost of all claims paid for non-nursing facility services or non-waiver services for eligible recipients. (yearly amount reimbursed for institutionalized/waiver recipients for services included in capitation divided by the number of eligible recipients).

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Supersedes

TN No. New

Approval Date: _____

Effective Date: 10/01/11

Revision: HCFA-PM-91-4 (BPD)
1991

AL-10-019
ATTACHMENT 2.2-A
Page 11

OMB NO.: 0938-

State: Alabama

Agency*	Citation(s)	Groups Covered
		B. <u>Optional Groups Other Than the Medically Needy</u> (Continued)
		// The date beginning the last period of enrollment in the HMO as a Medicaid patient (not including periods when payment is made under this section), without any intervening disenrollment or periods of enrollment as a privately paying patient. (A new minimum enrollment period begins each time the individual becomes Medicaid eligible other than under this section).
AMA 42 CFR	<u>/X/</u>	4. A group or groups of individuals who would be eligible for Medicaid 435.217 under the plan if they were in a NF or an ICF/MR, who but for the provision of home and community-based services under a waiver granted under 42 CFR Part 441, Subpart G would require institutionalization, and who will receive home and community-based services under the waiver. The group or groups covered are listed in the waiver request. This option is effective date of the State's section 1915(c) waiver under which this group(s) is covered. In the event an existing 1915(c) waiver is amended to cover this group(s), this option is effective on the effective date of the amendment.
	<u>X</u>	5. PACE enrollees.

*Agency that determines eligibility for coverage.

TN No. AL-10-019
Supersedes
TN No. AL-91-36

Approval Date 2-1-11

Effective Date 10/01/11

HCFA ID: 7983E

State of Alabama

Program of All Inclusive Care for the Elderly (PACE) State Plan Amendment

Citation 3.1(a)(1) Amount, Duration, and Scope of Services: Categorically Needy
(Continued)

1905(a)(26) and 1934

X Program of All Inclusive Care for the Elderly (PACE) services, as described and limited in Supplement 3 to Attachment 3.1-A.

ATTACHMENT 3.1-A identifies the medical and remedial services provided to the categorically needy. (Note: Other programs to be offered to Categorically Needy beneficiaries would specify all limitations on the amount, duration and scope of those services. As PACE provides services to the frail elderly population without such limitation, this is not applicable for this program. In addition, other programs to be offered to Categorically Needy beneficiaries would also list the additional coverage -that is in excess of established service limits- for pregnancy-related services for conditions that may complicate the pregnancy. As PACE is for the frail elderly population, this also is not applicable for this.

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State of Alabama
Program of All Inclusive Care for the Elderly (PACE) State Plan Amendment

Amount, Duration and Scope of Medical and Remedial Care Services Provided to the
Categorically Needy

X Program of All Inclusive Care for the Elderly (PACE) services, as described in
Supplement 3 to Attachment 3.1-A.

X Election of PACE: By virtue of this submittal, the State elects PACE as an
optional State Plan service.

 No election of PACE: By virtue of this submittal, the State elects to not add
PACE as an optional State Plan service.

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