

- c. For crossover claims the allowable payment to the provider is determined not by the Alabama Medicaid Agency but by Medicare. The Alabama Medicaid Agency will pay no more than the part of the allowable payment not paid by Medicare and other insurers who are obligated to pay part of the claim.

3. Physicians and Other Practitioners

**Effective Date: 01/01/12**

- a. Physician Fee Schedule Payment: A statewide maximum payment will be calculated for each service designated by a procedure code recognized by the Alabama Medicaid Agency as designating a covered service. To determine payments for procedure codes without an established Medicaid rate, the Alabama Medicaid Agency will base rates on the current Medicare rate, and if not available the average commercial rate. Except as otherwise noted in the plan, payment for these services is based on state-developed fee schedule rates effective January 1, 2012. Current rates are published and maintained on the agency's website at [http://www.medicaid.alabama.gov/CONTENT/6.0\\_Providers/6.6\\_Fee\\_Schedules.aspx](http://www.medicaid.alabama.gov/CONTENT/6.0_Providers/6.6_Fee_Schedules.aspx). Payment rates are the same for both governmental and non-governmental providers except as noted below.
1. Rural Physician (Supplemental/Enhanced) Payment:
    - (i) Providers in rural counties whose specialty is OB/GYN, Family Practice, General practice or Pediatrics, will be paid an enhanced rate for global delivery codes and delivery codes only. These rates can be found at the following link: [http://www.medicaid.alabama.gov/documents/6.0\\_Providers/6.6\\_Fee\\_Schedules/6.6\\_Physician\\_Rural\\_Rate\\_Fee\\_Sched\\_3-25-12.pdf](http://www.medicaid.alabama.gov/documents/6.0_Providers/6.6_Fee_Schedules/6.6_Physician_Rural_Rate_Fee_Sched_3-25-12.pdf)
    - (ii) In order to increase provider participation and improve access to care, both governmental and non-governmental providers of all specialties in rural counties will be paid an additional \$1.00 per office visit or hospital visit.
  2. Physician Access (Supplemental/Enhanced) Payment: In order to maintain adequate access to specialty faculty physician (all specialties including general practice, family practice, and general pediatrics) services as required by 42 USC 1396(a) (30) and 42 CFR 447.204, enhanced rates will be paid to teaching physicians. Teaching physicians are defined as doctors of medicine or osteopathy employed by or under contract with (a) a medical school that is part of the public university system (The University of Alabama at Birmingham and The University of South Alabama) or (b) a children's hospital healthcare system which meets the criteria and receives funding under Section 340E (a) of the U.S. Public Health Service Act (42 USC 256e), and which operates and maintains a state license for specialty pediatric beds. Payments will be added to the fee-for-service rate and reconciled annually. The provider's average commercial rate demonstration will be updated annually.  
Enhanced rates have been established based on 2011 Medicare rates. The Agency's rates were set as of January 1, 2012, and are effective for services provided on or after that date. These rates can be found at the following link: [http://www.medicaid.alabama.gov/CONTENT/6.0\\_Providers/6.6\\_Fee\\_Schedules.aspx](http://www.medicaid.alabama.gov/CONTENT/6.0_Providers/6.6_Fee_Schedules.aspx)

- a. Calculation of the rates for teaching physicians is described as follows:
- (i) Identify Medicare rates for the most recent full calendar year.  
Applicable rates are obtained in the following manner:
    - a. If more than 50 percent of the claims identified in the calculation period were performed in a non facility setting, Medicaid will use the non facility Medicare physician fee schedule.
    - b. If 50 percent or more of the claims identified in the calculation period were performed in a facility setting, Medicaid will use the facility Medicare physician fee schedule for that teaching facility.
  - (ii) Obtain the rates paid by the top five commercial insurance companies in Alabama for each public university system for the most recent full calendar year.
  - (iii) Obtain the adjudicated units of service by procedure code for the, most recent full calendar year. The State identifies adjudicated claims through Medicaid's MMIS system, that were processed during the most recent full calendar year for services performed by eligible physicians at approved places of service. Approved places of service include a hospital sponsored location such as an inpatient hospital, outpatient hospital, hospital-based clinic or a hospital-affiliated clinic. The following services are excluded from these claims: clinical diagnostic lab procedures, services provided to dual eligibles, and the technical component of radiology services. Anesthesia payment is based on a fifteen minute unit of service as well as a base payment.
  - (iv) Calculate the aggregate commercial payment equivalent for the most recent full calendar year by multiplying the Medicaid units identified in (iii) above by the commercial rates identified in (ii), then combine the payments for all services. This produces the Total Commercial Equivalent Payment Amount.
  - (v) Calculate the equivalent Medicare payments for the most recent full calendar year by multiplying the Medicaid units from (ii) above by the Medicare rates identified in (i), then combine the payments for all services. This produces the Total Medicare Equivalent Payment Amount.

(vi) Divide the Total Commercial Payment Amount by the Total Medicare Equivalent Payment Amount to determine the aggregate Average Commercial Rate Percentage of Medicare.

(vii) Based on the average commercial rate demonstration results, the rates for the teaching physicians shall be 150% of the applicable Medicare rate.

(viii) Calculated reimbursement rates for all numeric procedure codes will be rounded to the nearest dollar. Rates for procedure codes starting with an alpha character will be rounded to the nearest penny.

(ix) Procedure codes not recognized by Medicare are ineligible for the enhanced payment.

**Effective Date: 04/01/90**

b. For Medicare crossover claims, refer to item 19 in this attachment.

**Effective Date: 01/01/12**

c. Payment to Certified Registered Nurse Anesthetists is 80% of the maximum allowable rate paid to physicians for providing the same service.

**Effective Date: 01/01/12**

d. Payment to physician-employed Physician Assistants and Certified Registered Nurse Practitioners is 80% of the maximum allowable rate paid to physicians for providing the same service except for injectables and laboratory procedure. Injectable and Laboratory procedures are reimbursed at 100% of the amount paid to physicians.

**Effective Date: 01/01/12**

e. Pharmacists, employed by pharmacies participating in the Alabama Medicaid program, are reimbursed a vaccine administration fee established at the same rate paid to physicians. The Agency's rate for vaccine administration was set as of January 1, 1999, and is effective for services on or after that date. All rates are published on the Agency's website at [www.Medicaid.alabama.gov](http://www.Medicaid.alabama.gov). Except as otherwise noted in the plan, state developed rates are the same for both governmental and private providers.