

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, GA 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

August 30, 2012

Stephanie McGee Azar
Acting Commissioner
Alabama Medicaid Agency
501 Dexter Avenue
Post Office Box 5624
Montgomery, Alabama 36103-5624

RE: Alabama Title XIX State Plan Amendment (SPA), Transmittal # AL 12-008

Dear Ms. Azar:

We have reviewed the proposed amendment to the Alabama State Plan (State Plan Amendment AL 12-008). This SPA was submitted on June 1, 2012 with a stated purpose of decreasing Durable Medical Equipment (DME) provider reimbursement from 80% of the 2005 Medicare allowable amount to 72% of the 2005 Medicare allowable amount and removing language regarding percentage of established usual and customary price for orthotics and prosthetics, effective June 1, 2012. Based on the HCFA 179 submitted by the state, the federal budget impact would be a savings of \$771,847 for FFY 2012 and a savings of \$2,312,503 for FFY 2013.

Based on the information provided, we are now ready to approve Medicaid State Plan Amendment AL 12-008. This SPA was approved August 30, 2012. The effective date of this amendment is June 1, 2012. We are enclosing the approved form HCFA-179 and the approved plan pages.

If you have any questions or need further assistance, please contact Darlene Noonan at 404-562-2707.

Sincerely,

/s/

Jackie Glaze
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

Enclosures