

Table of Contents

State/Territory Name: Alabama

State Plan Amendment (SPA) #: 13-009

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
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

September 13, 2013

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

Re: Title XIX State Plan Amendment, AL #13-009

Dear Ms. Azar:

We have reviewed the proposed amendment to the Alabama Medicaid State Plan #13-009 that was received in the Regional Office on March 13, 2013. The purpose of this state plan amendment is to change the Non-Emergency Transportation program from an In-House Administered reimbursement program to a broker model.

Based on the information provided, we are now ready to approve the Medicaid State Plan Amendment AL -13-009. This SPA was approved on September 12, 2013. The effective date of this amendment is October 1, 2013. We are enclosing the approved form HCFA-179 and plan pages.

If you have any questions, please contact Melanie Johnson at 404-562-0151 or Joseph Raymundo at 404-562-7406.

Sincerely,

/s/

Charna R. Pettaway
Acting Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: AL-13-009	2. STATE Alabama
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION		4. PROPOSED EFFECTIVE DATE October 1, 2013	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES			
5. TYPE OF PLAN MATERIAL (<i>Check One</i>):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR § 440.170		7. FEDERAL BUDGET IMPACT:	
		a. FFY 14 \$8,646,196	
		b. FFY 15 \$9,074,575	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 3.1-A, Page 9.a to 9.g. Attachment 3.1-D, Page 1. Attachment 4.19-B, Page 14.a		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): NEW Attachment 3.1-D, Page 1. NEW	
10. SUBJECT OF AMENDMENT: The primary purpose for this amendment is to change the Non-Emergency Transportation program from an In-House Administered reimbursement program to a broker model.			
11. GOVERNOR'S REVIEW (<i>Check One</i>):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Governor's designee on file via letter with CMS	
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED			
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: //s//		16. RETURN TO: Stephanie McGee Azar Acting Commissioner Alabama Medicaid Agency Post Office Box 5624 Montgomery, Alabama 36103-5624	
13. TYPED NAME: Stephanie McGee Azar			
14. TITLE: Acting Commissioner			
15. DATE SUBMITTED: 03/12/13			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 03/12/13		18. DATE APPROVED: 09/12/13/13	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 10/01/13		20. SIGNATURE OF REGIONAL OFFICIAL: //s//	
21. TYPED NAME: Charna R. Pettaway		22. TITLE: Acting Associate Regional Administrator Division of Medicaid & Children Health Opns	
23. REMARKS: Approved with the following changes to items 8 and 9 as authorized by the State Agency email dated 09/10/13. Block #8 changed to read: Attachment 3.1-A, pages 9.a thru 9.g and 9.24; Attachment 3.1-D, page 1 and 4.19-B page 14a Block #9 changed to read: Attachment 3.1-A, pages 9.a thru 9.g(new) and 9.24; Attachment 3.1-D, page 1 and 4.19-B page 14a(new)			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

State/Territory: Alabama

SECTION 3 – SERVICES: GENERAL PROVISIONS

3.1 **Amount, Duration, and Scope of Services**

Medicaid is provided in accordance with the requirements of sections 1902(a), 1902(e), 1903(i), 1905(a), 1905(p), 1905(r), 1905(s), 1906, 1915, 1916, 1920, 1925, 1929, and 1933 of the Act; section 245(A)(h) of the Immigration and Nationality Act; and 42 CFR Parts 431, 440, 441, 442, and 483.

A. **Categorically Needy**

24. **Any other medical care, and any other type of remedial care recognized under State law, specified by the Secretary in accordance with section 1905(a)(28) of the Social Security Act and 42 CFR 440.170.**

Non-emergency transportation is provided in accordance with 42 CFR §431.53 as an administrative service.

Without limitations With limitations (Describe limitations in either a Supplement to 3.1A a Supplement or in Attachment 3.1D)

Non-emergency transportation is provided without a broker in accordance with 42 CFR §440.170 as an optional medical service, excluding “school-based” transportation.

Without limitations With limitations (Describe limitations in either a Supplement to 3.1A or in Attachment 3.1D)

(If non-emergency transportation is provided without a broker as an optional medical service or as an administrative service, **the state should describe in Attachment 3.1D how the transportation program operates** including types of transportation and transportation related services provided and any limitations. Describe emergency and non-emergency transportation services separately. Include any interagency or cooperative agreements with other Agencies or programs.)

Non-emergency transportation is provided through a brokerage program as an optional medical service in accordance with 1902(a)(70) of the Social Security Act and 42 CFR 440.170(a)(4).

The State conducted a competitive procurement process as required by 42 CFR 440.170(a) (4), and in compliance with the requirements of 45 CFR 92.36(b)-(i). The State conducted a competitive process which included all Transportation Vendors registered with the State Purchasing Division. The Request for Proposals (RFP) was released in July 2012 and proposals were received from some national firms. For profit brokers were not prohibited from competing by submitting a proposal during the procurement process.

The State assures it has established a non-emergency medical transportation program in accordance with 1902(a)(70) of the Social Security Act in order to more cost-effectively provide transportation, and can document, upon request from CMS, that the transportation broker was procured in compliance with the requirements of 45 CFR 92.36 (b)-(i).

- (1) The State will operate the broker program without regard to the requirements of the following paragraphs of section 1902(a);

(1) state-wideness (Please indicate the areas of State that are covered by the broker. If the State chooses to contract with more than one broker the State must provide a separate preprint for each broker)

(10)(B) comparability

(23) freedom of choice

- (2) Transportation services provided will include:

wheelchair van

taxi

stretcher car

bus passes

tickets

secured transportation

other transportation (if checked describe below other types of transportation provided.)

When cost effective appropriate and necessary to ensure access to eligible medical services, will consider using /authorizing mileage reimbursement for transport by private vehicles and will allow reimbursement for meal and lodging as outlined in 42 CFR 440.170 (a) (3) (ii).

For certain recipients accessing Mental Health treatment facilities, the broker will not arrange or provide NET transportation services. Certain mental health facilities will arrange and provide transport for the recipients for these services and will be reimbursed at a specific agreed upon rate for these services.

- (3) The State assures that transportation services will be provided under a contract with a broker who:

(i) is selected through a competitive bidding process based on the State's evaluation of the broker's experience, performance, references, resources, qualifications, and costs:

(ii) has oversight procedures to monitor beneficiary access and complaints and ensures that transportation is timely and transport personnel are licensed qualified, competent and courteous:

(iii) is subject to regular auditing and oversight by the State in order to ensure the quality and timeliness of the transportation services provided and the adequacy of beneficiary access to medical care and services:

(iv) complies with such requirements related to prohibitions on referrals and conflict of interest as the Secretary shall establish (based on prohibitions on physician referrals under Section 1877 and such other prohibitions and requirements as the Secretary determines to be appropriate.)

- (4) The broker contract will provide transportation to the following categorically needy mandatory populations:

Low-income families with children (section 1931)

- X Deemed AFCD-related eligibles
- X Poverty-level related pregnant women
- X Poverty-level infants
- X Poverty-level children 1 through 5
- X Poverty-level children 6 – 18
- X Qualified pregnant women AFDC – related
- X Qualified children AFDC – related
- X IV-E foster care and adoption assistance children
- X TMA recipients (due to employment) (section 1925)
- X TMA recipients (due to child support)
- X SSI recipients
- Individuals eligible under 1902(a)(10)(A)(i)- new eligibility group VIII (very-low income adults who are not otherwise eligible under any other mandatory eligibility group) – Becomes effective January 1, 2014, but states can elect to cover now as an early option.

(5) The broker contract will provide transportation to the following categorically needy optional populations:

- Optional poverty-level - related pregnant women
 - Optional poverty-level - related infants
 - Optional targeted low income children
 - X Non IV-E children who are under State adoption assistance agreements
 - X Non IV-E independent foster care adolescents who were in foster care on their 18th birthday
 - Individuals who meet income and resource requirements of AFDC or SSI
 - Individuals who would meet the income & resource requirements of AFDC if child care costs were paid from earnings rather than by a State agency
 - Individuals who would be eligible for AFDC if State plan had been as broad as allowed under Federal law
 - Children aged 15-20 who meet AFDC income and resource requirements
 - Individuals who would be eligible for AFDC or SSI if they were not in medical institution
 - Individuals infected with TB
 - X Individuals screened for breast or cervical cancer by CDC program
 - Individuals receiving COBRA continuation benefits
 - X Individuals in special income level group, in a medical institution for at least 30 consecutive days, with gross income not exceeding 300% of SSI standard
- a
- income
- X Individuals receiving home and community based waiver services who would only be eligible under State plan if in a medical institution (please note that the broker may only provide transportation to and from 1905 (a) services)

- _____ Individuals terminally ill if in a medical institution and will receive hospice care
- _____ Individuals aged or disabled with income not above 100% FPL
- _____ Individuals receiving only an optional State supplement in a 209(b) State
- _____ Individuals working disabled who buy into Medicaid (BBA working disabled group)
- under _____ Employed medically improved individuals who buy into Medicaid
WWIA Medical Improvement Group
- _____ Individuals disabled age 18 or younger who would require an institutional level of care (TEFRA 134 kids).

(6) Payment Methodology

- (A) Please describe the methodology used by the State to pay the broker:

Based on the number of NET-Eligibles per month, the Agency shall compensate Contractor monthly at the PMPM rate established in through a competitive bidding proposal process. The Agency will determine the number of NET-Eligibles as of the first day of each month and multiply that number by the PMPM rate. The Agency will reimburse Contractor for each month covered under this contract on the first checkwrite of the following month. Payments are dependent upon successful completion of described work and responsibilities.

- (B) Please describe how the transportation provider will be paid:

The NET broker will establish a network of NET providers and will negotiate and provide direct reimbursement to qualified transportation entities. The NET broker is encouraged to develop innovative and creative strategies to reduce per trip costs such as providing reimbursement for gasoline and making greater use of fixed-route public transportation. The NET broker will be responsible for evaluating recipients' requests to utilize their own transportation and shall determine the means that is the most cost efficient to the Program.

- (C) What is the source of the non-Federal share of the transportation payments?

Describe below the source of the non-Federal share of the transportation payments proposed under the State plan amendment. If more than one source exists to fund the non-Federal share of the transportation payment, please separately identify each source of non-Federal share funding.

The state general fund appropriation for the Medicaid program will be the source of the non-Federal share of the transportation payments.

- (D) The State assures that no agreement (contractual or otherwise) exists between the State or any form of local government and the transportation broker to return or redirect any of the Medicaid payment to the State or form of local government (directly or indirectly). This assurance is not intended to interfere with the ability of a transportation broker to contract for transportation services at a lesser rate and credit any savings to the program.

The State assures that no agreement exists between the State or any form of local government and the transportation broker to return or redirect any of the Medicaid payment to the State or form of local government (directly or indirectly).

- (E) The State assures that payments proposed under this State plan amendment will be made directly to transportation providers and that the transportation provider payments are fully retained by the transportation providers and no agreement (contractual or otherwise) exists between the State or local government and the transportation provider to return or redirect any of the Medicaid payment to the State or form of local government (directly or indirectly).

The State assures that no agreement exists between the State or any form of local government and the transportation broker to return or redirect any of the Medicaid payment to the State or form of local government (directly or indirectly).

- (F) The State has included Federal Medicaid matching funds as State match when drawing down FTA SAFETEA-LU grants.

Not applicable.

- (7) The broker is a non-governmental entity:

- The broker is not itself a provider of transportation nor does it refer to or subcontract with any entity with which it has a prohibited financial relationship as described at 42 CFR 440.170(4)(ii).
- The broker is itself a provider of transportation or subcontracts with or refers to an entity with which it has a prohibited financial relationship and:
- Transportation is provided in a rural area as defined at 42 CFR 412.62(f) and there is no other available Medicaid participating provider or other provider determined by the State to be qualified except the non-governmental broker.

Transportation is so specialized that there is no other available Medicaid participating provider or other provider determined by the State to be qualified except the non-governmental broker

The availability of other non-governmental Medicaid participating providers or other Providers determined by the State to be qualified is insufficient to meet the need for transportation.

- (8) The broker is a governmental entity and provides transportation itself or refers to or subcontracts with another governmental entity for transportation. The governmental broker will:

Maintain an accounting system such that all funds allocated to the Medicaid brokerage program and all costs charged to the Medicaid brokerage will be completely separate from any other program.

Document that with respect to each individual beneficiary's specific transportation needs, the government provider is the most appropriate and lowest cost alternative.

Document that the Medicaid program is paying no more for fixed route public transportation than the rate charged to the general public and no more for public para-transit services than the amount charged to other human services agencies for the same service.

- (9) Please provide a complete description of how the NEMT brokerage program operates. Include all services provided by the broker (call center, over-sight of providers, etc.). If applicable, describe any transportation services that will not be provided by the broker and how these services will be provided

The Agency will contract with a Vendor which will administer and operate the NET Broker Program, including but not limited to the authorization, coordination, scheduling, management, and reimbursement of NET Services.

Vendor shall maintain a Recipient Call Center in Alabama to interact with eligible Medicaid recipients requesting transportation access to eligible Medicaid covered services and authorize trips only after broker verifies client eligibility and determine that clients do not have other transportation resources/options. The Call Center shall include at least one statewide toll-free telephone number for receipt of requests for NET Services and another statewide toll-free telephone number for all recipients to call if their ride is more than 15 minutes late. The numbers shall be answered by live operators Monday through Friday, 7:00 a.m. to 6:00 p.m. Central Time including State holidays except for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

The Vendor will be responsible to develop a network of providers, using a fair and clear contracting process, through the use of subcontracts, that establish a variety of service providers for each mode of transportation (e.g., ambulatory and non ambulatory trips). The subcontracts must be in writing, and must include stated requirements of the RFP. The subcontracts must include payment method, rates, and the minimum quality standards outlined in the RFP (e.g., standards for transport vehicles, drivers, and transportation performance). Vendor shall reimburse NET Providers.

The Agency will not require Vendor to reimburse for unauthorized NET Services provided by out of network providers.

Vendor shall have written material for the benefit of the recipient that shall be easily understood by individuals who have a sixth-grade reading level, be available in English and such other language as the Agency may require at any time with written notice to Vendor, and be available in alternative formats that take into account special needs of recipients, such as visual impairment.

Vendor and Agency shall meet as needed throughout the term of the Contract to discuss and resolve administrative and operational issues. Meetings may be conducted in person, by teleconference or by videoconference as directed by the Agency.

Following are general steps the Agency deems necessary for the provision of NET Services by Vendor. Vendor shall program its information systems for use by Vendor during the screening, assignment, dispatch, and monitoring process to ensure consistent application of guidelines. The Agency will provide the vendor with system access to allow the look up of recipient eligibility information. Based on authorizations of previous NET Services, Vendor shall display recipients' permanent and temporary special needs, appropriate Mode of Transportation, any special instructions regarding the nearest appropriate Provider, and any other information necessary to ensure that appropriate transportation is authorized and provided. Information shall be easily accessible by all Vendor Staff on their workstation computers.

Vendor shall screen all requests for NET Services to confirm each of the following items:

- That the recipient is eligible for NET Services;
- That the recipient has a medical need which requires NET Services;

AL-13-009

Attachment 3.1-A

Page 9.g

- That the most economical Mode of Transportation appropriate to meet the medical needs of the recipient is used, given the recipient's mobility status and personal capabilities on the date of service (Vendor shall document the reason in detail if Vendor approves a Mode of Transportation that is not the most economical);
- That the medical provider is the nearest appropriate provider to the recipient. If the medical provider is an excessive distance from the recipient's residence, verification must be obtained of the necessity of the transport.
- That any attendant or assistance requested is necessary. Vendor may require a medical certification statement from the recipient's physician in order to approve Door-to-Door Service or Hand-to-Hand Service;
- That the medical service for which NET Service is requested is a Covered Medical Service; and
- That the recipient does not have access to Available Transportation (Vendor shall require recipient to certify this).

Additionally the Vendor will be responsible for the following:

- Acquisition of office space, furniture, and telecommunications, computer equipment, including software, and installation of utilities.
- Hiring and training of central office staff, Call Center staff, and service staff.
- Recruitment and contracting of NET Providers.
- Verification that NET Provider vehicles meet Contract standards, including inspection and certification.
- Verification that drivers meet Contract standards; operational readiness testing of daily operational requirements, including, but not limited to, Call Center, dispatch and real time communications with drivers, to ensure that all components are functioning adequately.
- Installation of trip scheduling, reservation, and dispatch systems.
- Recipient, NET Provider and Provider education and training.
- Development of reports, the Operations Procedure Manual, the NET Providers Manual, the eligibility file requirement, the utilization data submission procedures, the quality assurance plan, the business continuity plan and the disaster recovery plan.
- Vendor shall comply with the Health Insurance Portability and Accountability Act (HIPAA).

The Agency shall monitor the NEMT program through multiple efforts including desk audits monthly review of brokers invoices and reports, and backup documentation. Reports will be provided and reviewed for all trips of the subcontractors (number of trips , rates, mode, total dollar cost), grievances/complaints filed, accidents, monthly denial reports, scheduled reports, etc to determine the effective operation of the brokerage program.

Limitation of Services

24. **Any Other Medical Care and any other type Remedial Care
Recognized under State law, specified by the Secretary.**

Effective Date: 02/01/2009

24.a. Transportation

- (1) Emergency ambulance services are provided eligible recipients between:
 - (a) Scene (address) of emergency to hospital.
 - (b) Nursing facility to hospital.
 - (c) Local hospital to specialized hospital. (Example: From Montgomery to University Hospital in Birmingham.)
- (2) Medically necessary non-emergency ambulance service is provided to eligible recipients who must be bed-confined or have debilitating physical condition(s) that require travel by stretcher only and require ground transportation to receive medical services.
- (3) Non-emergency ambulance services provided eligible recipients outside of local area over 100 miles one way, must be prior authorized by the Alabama Medicaid Agency.
- (4) Certification that medical condition warrants the use of ambulance service is required by the attending physician or facility nurse for both emergency and non-emergency use.
- (5) Non-Emergency Medical Transportation for clients receiving allowable mental health services at Community Mental Health Centers are provided through contract with the Alabama Department of Mental Health (DMH).

Brokered Non-Emergency Medical Transportation is not reimbursable for beneficiaries receiving mental health services at Community Mental Health Centers which provide transportation services. The Community Mental Health Centers which provide transportation for beneficiaries through an agreement with DMH will be identified to the Broker to prevent duplication of services.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE OF ALABAMA
METHODS OF PROVIDING TRANSPORTATION

Effective Date: 02/01/09

The Alabama Medicaid Agency assures that necessary transportation of recipients to and from sources of medical care will be provided as follows:

I. **Non-emergency Transportation Services - Ambulance:**

- A. All non-emergency ambulance services rendered to eligible Alabama Medicaid recipients for trips over 100 miles one way, where medical care is received requires prior authorization. Certification that medical conditions warrant the use of ambulance services are required by the attending physician.
- B. Non-emergency ambulance service is provided to eligible recipients who must be bed-confined or have debilitating physical condition(s) that require travel by stretcher only and require ground transportation to receive medical services.

Effective Date : 10/01/13

II. **Non-emergency Transportation Services - Broker:**

The NET broker will be reimbursed monthly at the PMPM rate established through a competitive bidding proposal process for the number of NET-Eligibles. The number of NET-Eligibles will be determined as of the first day of each month. The NET broker will establish a network of NET providers and will negotiate and provide direct reimbursement to qualified transportation entities. The NET broker is encouraged to develop innovative and creative strategies to reduce per trip costs such as providing reimbursement for gasoline and making greater use of fixed-route public transportation. The NET broker will be responsible for evaluating recipients' requests to utilize their own transportation and shall determine the means that is the most cost efficient to the Program.

III. **Non-emergency Transportation Services – Other:**

Non-Emergency Medical Transportation for clients receiving allowable mental health services at Community Mental Health Centers are provided through contract with the Alabama Department of Mental Health (DMH).

Brokered Non-Emergency Medical Transportation is not reimbursable for beneficiaries receiving mental health services at Community Mental Health Centers which provide transportation services. The Community Mental Health Centers which provide transportation for beneficiaries through an agreement with DMH will be identified to the Broker to prevent duplication of services.

Medicaid reimburses DMH as stated in Attachment 4.19-B, Page 14.a, Section 27.

TN No: AL-13-009

Supersedes

TN. No: AL-10-009

Approval Date: 09-12-13

Effective Date: 10/01/13

Effective Date: 10/01/13
27. Non-Emergency Medical Transportation

Non-emergency medical transportation provided by the Alabama Department of Mental Health for Medicaid clients receiving allowable mental health services will be reimbursed a rate of \$17 per trip. This rate applies to government and non-governmental providers.