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**State/Territory Name: Alabama**

**State Plan Amendment (SPA) #:15-0007**

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



**DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS**

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November 16, 2015

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 #15-0007

Dear Ms. Azar:

We have reviewed the proposed amendment to the Alabama Medicaid State Plan #15-0007 that was received in the Regional Office on September 01, 2015. This state plan amendment allows emergency medical services provided in the hospital emergency room to be certified and signed by the attending licensed physician, nurse practitioner or physician assistant at the time the service is rendered and documented in the medical record.

Based on the information provided, we are now ready to approve the Medicaid State Plan Amendment AL -15-0007. This SPA was approved on November 16, 2015. The effective date of this amendment is October 1, 2015. We are enclosing the approved form HCFA-179 and plan pages.

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

Sincerely,

//s//

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

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER: AL-15-007	2. STATE Alabama
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>	4. PROPOSED EFFECTIVE DATE October 1, 2015	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

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 440.20	7. FEDERAL BUDGET IMPACT: a. FFY 2016 0 b. FFY 2017 0
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-B, Page 8.2	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  Attachment 4.19-B, Page 8.2

10. SUBJECT OF AMENDMENT:

The primary purpose for this amendment is to allow emergency medical services provided in the hospital emergency room to be certified and signed by the attending licensed Physician, Nurse Practitioner or Physician Assistant at the time the service is rendered and documented in the medical record.

11. GOVERNOR'S REVIEW (*Check One*):

- GOVERNOR'S OFFICE REPORTED NO COMMENT                       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED                      Governor's designee on file  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL                      via letter with CMS

12. SIGNATURE OF STATE AGENCY OFFICIAL: //s//	16. RETURN TO: Stephanie McGee Azar Acting Commissioner Alabama Medicaid Agency 501 Dexter Avenue Post Office Box 5624 Montgomery, Alabama 36103-5624
13. TYPED NAME: Stephanie McGee Azar	
14. TITLE: Acting Commissioner	
15. DATE SUBMITTED:	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: 09-01-15	18. DATE APPROVED: 11-16-15
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 10-01-15	20. SIGNATURE OF REGIONAL OFFICIAL: //s//
21. TYPED NAME: Jackie Glaze	22. TITLE: Associate Regional Administrator Division of Medicaid & Children Opns

23. REMARKS:

Payment for all out-of-state outpatient hospital services will be from approved rates based on procedure codes. The Agency's rates were set as of October 1, 2009 and are effective for services on or after that date.

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers and the fee schedule and any annual/periodic adjustments to the fee schedule are published on the Alabama Medicaid Agency's website as follows:

[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)

Certified emergency room visits must be properly documented by the attending licensed physician, nurse practitioner or physician assistant in the medical record. The costs of providing additional care for all non-certified emergency room visits shall be accounted for and reported to Alabama Medicaid as a cost of providing care to Medicaid eligible recipients.

c. Upper Payment Limit

For the period from October 1, 2013, through September 30, 2016, in addition to any other Medicaid covered outpatient service base payments paid to hospitals for outpatient hospital services to Medicaid patients, each eligible hospital, except for hospitals as outlined in d. below, shall receive outpatient hospital access payments each state fiscal year. The outpatient hospital access payment shall be calculated as follows:

Due to the Children's Hospital of Alabama's Medicare population being dramatically different from other acute hospitals in the State of Alabama, the Upper Payment Limit for this hospital shall be calculated separately and added to the aggregate amount for private owned and operated hospitals as outlined in paragraph (7) below.

- (1.) Hospitals cost reports with a fiscal year ending during the rate year one year prior to the beginning of the rate year (ex. Cost reports ending in rate year 2012 would be used for rate year beginning October 1, 2013) will be used to determine the upper payment limit. Children's Hospital of Alabama will be calculated separately for the rate year beginning October 1, 2013 and October 1, 2014, reference paragraph (7).
- (2.) From the CMS Form 2552-10 cost reporting forms, an outpatient ancillary cost to charges ratio was calculated as follows:
  - a. Total cost for each of the following cost centers on Worksheet B Part I Column 24 are obtained: CMS Lines 50-76.99 and 90-93.99.
  - b. Outpatient charges for each of the following cost centers on Worksheet C Part I Column 7 are obtained: CMS Line 50-76.99 and 90-93.99.
  - c. Total charges for each of the following cost centers on Worksheet C Part I Column 8 are obtained: CMS Line 50-76.99 and 90-93.99.
  - d. Outpatient charges for each CMS Line in paragraph b. will be divided by the total charges for each CMS Line in paragraph c. to determine an outpatient percentage of charges.
  - e. The total cost for each CMS Line in paragraph a. will be multiplied by the outpatient percentage of charges for each CMS Line in paragraph d. to determine the outpatient cost.
  - f. Total outpatient cost determined in paragraph e. Will be divided by total outpatient charges from paragraph b. to determine an outpatient ancillary cost to charge ratio.
- (3.) Total Medicaid hospital outpatient covered charges were obtained from the Alabama Medicaid MMIS system for claims incurred for services for each hospitals cost reporting period which meet the definition of a paid claim for SFY 2014 through SFY 2016. Consistent with paragraph (1.) above, the applicable cost reporting period for each hospital will be the cost report with a fiscal year ending during the rate year one year prior to the rate year (ex. Cost reports ending in rate year 2012 would be used for rate year beginning October 1, 2013.) Additionally, documentation will be submitted by hospitals for charges that were reduced on Medicaid claims from the standard charges of the hospital related to 340B pricing of claims that the Alabama Medicaid Agency required to be billed at the cost of drugs versus the hospital's standard charge. The Alabama Medicaid Agency changed this billing requirement on October 1, 2012.