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**State/Territory Name: Alabama**

**State Plan Amendment (SPA) #: 19-0004**

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  
61 Forsyth Street S.W. Suite 4T20  
Atlanta, Georgia 30303-8909



## **Atlanta Regional Operations Group**

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June 17, 2019

Stephanie McGee Azar, Commissioner  
Alabama Medicaid Agency  
501 Dexter Avenue  
Montgomery, AL 36103-5624

Re: Title XIX State Plan Amendment, AL #19-0004

Dear Ms. Azar:

We have reviewed the proposed amendment to the Alabama State Plan, submitted under transmittal number AL-19-0004. This amendment amends the payment methodology for actively participating Primary Care Physicians and Delivering Healthcare Professionals in the Alabama coordinated Health Network (ACHN) program as defined in the ACHN (AL-09) 1915(b) waiver.

Based on the information provided, this amendment was approved on June 14, 2019. The effective date is October 1, 2019. We are enclosing the approved CMS Form 179 and plan pages.

If you have any questions, please contact Joseph Raymundo at 404-562-7406 or [joseph.raymundo@cms.hhs.gov](mailto:joseph.raymundo@cms.hhs.gov)

Sincerely,

/s/

Shantrina D. Roberts, MSN  
Deputy Director  
Division of Medicaid Field Operations South

cc: Dan Yablochnikov, CMCS

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER: AL-19-0004	2. STATE Alabama
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE October 1, 2019	

5. TYPE OF PLAN MATERIAL (*Check One*):

NEW STATE PLAN                       AMENMENT 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 447.400	7. FEDERAL BUDGET IMPACT: This program is expected to be budget neutral
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-B, Page 2b, 2c, and 2d	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  Attachment 4.19-B, Page 2b, 2c, and 2d

10. SUBJECT OF AMENDMENT:  
The primary purpose for this amendment is to amend the payment methodology for Primary Care Physicians and Delivering Healthcare Professionals providing services pursuant to the Alabama Coordinated Healthcare Network effective October 1, 2019

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 Commissioner Alabama Medicaid Agency 501 Dexter Avenue Post Office Box 5624 Montgomery, Alabama 36103-5624
13. TYPED NAME: Stephanie McGee Azar	
14. TITLE: Commissioner	
15. DATE SUBMITTED: 03/18/19	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED: 03/18/19	18. DATE APPROVED: 06/14/19

PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 10/01/19	20. SIGNATURE OF REGIONAL OFFICIAL: /s/
21. TYPED NAME: Shantrina D. Roberts	22. TITLE: Deputy Director Division of Medicaid Field Operations South

23. REMARKS: Approved with following changes to block 8 as authorized by state agency on email dated 06/13/19.

Block # changed to read: Attachment 4.19-B, pages 2b, 2c, 2d, 2c.1 (new), 2e (new) and 2f (new).

- (vii) Divide the Total Commercial Payment Amount by the Total Medicare Equivalent Payment Amount to determine the aggregate Average Commercial Rate Percentage of Medicare.
- (viii) Based on the average commercial rate demonstration for calendar year 2015 Medicaid utilization and 2015 Medicare base rates the established teaching physician percentage is 162.41%.
- (ix) 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.
- (x) Reimbursement rates for numeric procedure codes not recognized by Medicare, but recognized by the Alabama Medicaid Agency will be the average rate paid by the top five commercial insurance companies in Alabama for that numeric procedure code for each public university system and children's hospital system, identified in section 3 a 2, for the most recent full calendar year.

**Effective Date: 10/01/19**

3. Primary Care (Enhanced) Rates "Bump":

The state will continue to reimburse for services provided by physicians with a primary specialty designation of family medicine, pediatric medicine or internal medicine as if the requirements of 42 C.F.R. § 447.400 remain in effect and there is no signed Alabama Coordinated Health Network (ACHN) agreement on file for ACHN certified Primary Care Physicians (PCPs). A provider must meet one of the following requirements listed below to qualify for the Alabama Medicaid Physicians Primary Care Enhanced Rates "Bump" Program.

- a. A provider must be Board certified with a specialty or subspecialty designation in family medicine, general internal medicine, or pediatrics that is recognized by the American Board of Medical Specialties (ABMS), the American Board of Physician Specialties (ABPS), or the American Osteopathic Association (AOA), and must actually practice in their specialty.
- b. A NON-board certified provider who practices in the field of family medicine, general internal medicine, or pediatrics or a subspecialty under one of these specialties, is eligible if he/she can attest that sixty percent of their paid Medicaid procedures billed are for certain specified procedure codes for evaluation and management (E&M) services and certain Vaccines for Children (VFC) vaccine administration codes during the most recently completed CY or, for newly eligible physicians, the prior month.

**Payment Methodology**

- I. Applies to E&M billing codes 99201 through 99499 that are considered reimbursable by Alabama Medicaid.

II. Applies to Vaccine Administration

- a. The state reimburses vaccine administration services furnished by physicians meeting the requirements of 42 C.F.R. § 447.400(a) at the regional maximum administration fee set by the VFC program.
- b. The Alabama Medicaid Agency requires VFC administration fees to be billed using the specific product code (vaccine codes).

The Primary Care (Enhanced) Rates “Bump” fee schedule is effective October 1, 2019. All rates are published on the Agency’s website at [www.medicaid.alabama.gov](http://www.medicaid.alabama.gov). To view the Primary Care (Enhanced) Rates “Bump” fee schedule visit: [www.medicaid.alabama.gov](http://www.medicaid.alabama.gov)

- a. click Providers tab
- b. click fee schedules
- c. click Physicians Primary Care Enhanced Bump Rates

4. Higher Levels of Service Defined by Engagement of ACHN Certified PCP Groups with the ACHN Program: ACHN Certified PCP group may earn higher payment levels (Certified Rates) on 15 E&M codes (refer to 1 (a) under Payment Methodology) and Performance payments (Section III) if they provide a higher level of service by engaging with the ACHN as follows:

- a. Over a twelve (12) month period, attending in person in at least two (2) quarterly Medical Management Meetings and one webinar/facilitation exercise with the ACHN’s Medical Director. Attendance requirements can be met by having one PCP or Nurse Practitioner/Physician Assistant from the group attend;
- b. Engagement in ACHN initiatives centered around quality measures;
- c. Reviewing data provided by the ACHN to help achieve Agency and ACHN quality goals;
- d. Engagement as appropriate in the ACHN’s Multidisciplinary Care Team and the development of an individualized and comprehensive Care Plan;
- e. Certification requirements will be monitored on a monthly basis. ACHNs will report monthly to the Agency a list of PCP groups who are meeting certification requirements. If the ACHN indicates a PCP group is decertified due to failure to meet the certification requirements, then the Agency will confirm with the ACHN as well as the PCP group before allowing the PCP group to receive the ACHN certification rates.

5. Higher Levels of Service Defined by Engagement of ACHN Certified Delivering Health Care Professionals (DHCPs) with the ACHN Program:

- a. DHCPs, which include OB/GYNs, Nurse Midwives, and other physicians, provide a higher level of service by engaging with an ACHN as described below:
  - i. Providing data to the ACHN;
  - ii. Engagement in the development of the Eligible Individual’s (EI’s) care plan; and
  - iii. Engagement in the DHCP selection and referral process.
- b. Certification requirements will be monitored on a monthly basis. ACHNs will report monthly to the Agency a list of DHCPs who they have contracted and engaged with to provide maternity services. DHCPs who fail to meet certification requirements will no longer be referred to by the ACHN or will be able to provide maternity services to the ACHN population.

### **ACHN Certified Provider Rates**

III. Rates for ACHN Certified PCPs:

ACHN Certified PCPs will receive higher rates for certain E&M billing codes (99201-99205, 99211-99215, 99241-99245) that are considered reimbursable by Alabama Medicaid. The ACHN Certified Rate fee schedule is effective October 1, 2019. All rates are published on the Agency's website at [www.medicaid.alabama.gov](http://www.medicaid.alabama.gov).

To view the ACHN Certified Rates, visit [www.medicaid.alabama.gov](http://www.medicaid.alabama.gov)

- a. click Providers tab
- b. click fee schedules
- c. click Physician Primary Care "ACHN Certified Rates"

The following provider groups are not eligible to receive the ACHN Certified Rates:

- a. Federally Qualified Health Centers (FQHCs)
- b. Rural Health Centers (RHCs)
- c. OB/GYNs and Nurse Midwives
- d. Nursing Facilities

IV. **Rates for ACHN Certified DHCPs:**

- a. ACHN Certified DHCPs will receive an enhanced payment for:
  - i. an initial prenatal visit in the first trimester and/or
  - ii. a post-partum visit.

V. **ACHN Certified Provider Performance Payments**

Performance Payments for ACHN Certified PCP Groups:

A performance payment pool will be established in the amount of \$15 million annually to fund three (3) performance payments for ACHN Certified PCP groups. The performance payments' pool is allotted as follows: 50% for quality, 45% for cost effectiveness, and 5% for PCMH Recognition.

a. **Quality Performance Payments**

- 1. **Eligibility:** All ACHN Certified PCP groups will be eligible for a performance payment if the PCP group meets the requirements described below.

- 2. **Methodology:**

- i. ACHN Certified PCP groups that achieve annual performance benchmarks determined by the Agency are eligible to receive performance payments.
- ii. Benchmarks will be posted at [www.medicaid.alabama.gov](http://www.medicaid.alabama.gov) by September 1, 2019 and will be updated annually at least 30 days prior to the contract period.
- iii. The quality benchmarks will be posted to: [www.medicaid.alabama.gov](http://www.medicaid.alabama.gov)  
Click the ACHN tab/Provider
- iv. The amount available for the quarterly quality payment will be one-quarter (1/4) of the annual amount described above.
- v. The first payment will be made in October 2019. Subsequent payments will be made on a quarterly basis.
- vi. **Level One Quality Performance Payment for the period between October 1, 2019 and June 30, 2021:**
  - a. The Agency will make quarterly payments in the first month of the quarter based on provider reporting of necessary data and other activities including provider engagement in the ACHN and their review and response to quality data provided by the Agency, implementing any policies and processes to improve the efficiency of their practices, and engaging with the ACHNs in preparation to be paid based on performance-based quality payments. Providers will also be readjusting their practice guidelines to manage attributed patient populations rather than Agency assigned panels.
  - b. Payments made in this period are based on the engagement by the PCP group and not for the achievement of quality measurements.
  - c. Payments will be distributed to each PCP group based on the number of Medicaid members attributed to the PCP group for the prior quarterly period.
- vii. **Level Two Quality Performance Payment for the period of July 1, 2021 and beyond:**
  - a. The Agency's quarterly payments beginning with the July 2021 payment will be based on actual quality measure performance as soon as the previous calendar year's performance has been calculated (anticipated date six months after the start of the second contract year). For example, the quarterly payments made in July 2021, October 2021, January 2022, and April 2022 will be based on the actual quality measure performance calculated for the period between January 1, 2020 and December 31, 2020.

- b. Payments will be distributed to each PCP group based on the number of Medicaid members attributed to the PCP group for the prior quarterly period.
- b. Cost Effectiveness Performance Payments
1. Eligibility: All ACHN Certified PCP groups will be eligible for a performance payment if the PCP group meets or exceeds the cost effectiveness criteria established by the Agency.
  2. Methodology:
    - i. ACHN Certified PCP groups that achieve annual performance benchmarks determined by the Agency are eligible to receive performance payments.
    - ii. Benchmarks will be posted at [www.medicaid.alabama.gov](http://www.medicaid.alabama.gov) by September 1, 2019 and will be updated annually at least 30 days prior to the contract period.
    - iii. The cost effectiveness performance payment criteria will be posted to:  
[www.medicaid.alabama.gov](http://www.medicaid.alabama.gov)  
Click the ACHN tab/Provider
    - iv. The amount available for the quarterly cost effectiveness payment will be one-quarter (1/4) of the annual amount described above.
    - v. The first payment will be made in October 2019. Subsequent payments will be made on a quarterly basis.
    - vi. Level One Cost Effectiveness Performance Payment for the period between October 1, 2019 and December 31, 2020:
      - a. The Agency will make quarterly payments in the first month of the quarter for review and response to cost effectiveness data provided by the Agency, implementing any policies and processes to improve the efficiency of their practices, and engaging with the ACHNs in preparation to be paid based on performance-based cost effectiveness payments. Providers will also be readjusting their practice guidelines to manage attributed patient populations rather than Agency assigned panels.
      - b. Payments made in this period are based on the engagement by the PCP group and not for the achievement of cost effectiveness measurements.
      - c. Payments will be distributed to each PCP group based on the number of Medicaid members attributed to the PCP group for the prior quarterly period.
    - vii. Level Two Cost Effectiveness Performance Payment for the period of January 1, 2021 and beyond:
      - a. The Agency's quarterly payments beginning with the January 2021 payment will be based on actual cost effectiveness performance.
      - b. The cost effectiveness performance calculation compares a 12-month per member per month (PMPM) to a risk-adjusted expected PMPM based on the costs of similar PCP groups that treat Medicaid recipients. Groups will be ranked by an efficiency score that is derived from actual PMPM versus the expected PMPM. Performance payment will be made for PCP groups at or below the median efficiency score. This calculation will occur as soon as the previous calendar year's performance has been calculated (anticipated date three months after the start of the second contract year). For example, the quarterly payments made in January 2021, April 2021, July 2021 and October 2021 will be based on the actual cost effectiveness calculated for the period between October 1, 2019 and September 30, 2020 providing three months of claims payment run-out.
      - c. Payments will be distributed to each PCP group based on the number of Medicaid members attributed to the PCP group for the prior quarterly period.



- c. Patient Centered Medical Home (PCMH) Performance Payments  
The purpose of the PCMH Recognition performance payment is to incentivize providers to attain PCMH Recognition thereby ensuring Medicaid Recipients are receiving care through a nationally recognized medical home model.
1. Eligibility: All ACHN Certified PCP groups who receive PCMH recognition as described below.
  2. Methodology:
    - i. PCMH Recognition information may be obtained at: [www.medicaid.alabama.gov](http://www.medicaid.alabama.gov)  
Click the ACHN tab/Provider
    - ii. The PCP group can obtain PCMH Recognition or certification through a nationally recognized entity such as National Committee for Quality Assurance (NCQA). Details from NCQA can be found at <https://www.ncqa.org/programs/helath-care-providers-practices/patient-centered-medical-home-pcmh>.
    - iii. The amount available for the quarterly PCMH Recognition payment will be one-quarter (1/4) of the annual amount described above.
    - iv. The first payment will be made in October 2019. Subsequent payments will be made on a quarterly basis.
    - v. Level One PCMH Performance Payment for the period between October 1, 2019 and September 30, 2020:
      - a. The Agency will make quarterly payments in the first month of the quarter for PCMH Recognition performance payments.
      - b. Payments made in this period are for PCP groups that have already obtained the Recognition or certification and PCP groups that are progressing toward attainment of Recognition or certification. To be eligible for the PCMH Recognition performance payment, PCP groups must attest to the status of their attainment of PCMH Recognition or to their progress towards attainment.
      - c. Payments will be distributed to each PCP group based on the number of Medicaid members attributed to the PCP group for the prior quarterly period.
    - vii. Level Two PCMH Performance Payment for the period October 1, 2020 and beyond
      - a. Payments made in this period are for PCP groups that attest they have obtained the Recognition or certification. The Agency will review the PCP groups attestation on an annual basis on the last business day of the month prior to the first quarterly payment for the ensuing year. For example, the quarterly payments made in October 2020, January 2021, April 2021, and July 2021 will be based on the PCP groups attestation of their achievement of Recognition or certification as of the last business day in September 2020.
      - b. The amount of the performance payment distributed to each PCP group will be based on the number of Medicaid members attributed to the PCP group for the prior quarterly period.
      - c. If a PCP group does not meet PCMH Recognition and does not show adequate progress toward meeting recognition, the Agency will not pay the PCMH performance 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.