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State/Territory Name: Alabama

State Plan Amendment (SPA) #: 20-0010

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

October 6, 2020

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

Dear Ms. Azar:

We have reviewed the proposed amendment to the Alabama State Plan, submitted under transmittal number AL 20-0010. The SPA was submitted to seek an exception to 42 CFR §455.502(b), the Medicaid Recovery Audit Contractor (RAC) program, effective November 30, 2020.

Based on the information provided, we are pleased to inform you that SPA 20-0010 was approved on October 5, 2020, with an effective date of November 30, 2020, as requested by the State, through November 30, 2022. At this time, it is not permissible to grant an exception to this policy indefinitely or for more than two years. We are enclosing the approved form HCFA 179 and plan page.

If you have any additional questions or need further assistance, please contact Charles Friedrich at (404) 562-7404 or Charles.Friedrich@cms.hhs.gov.

Sincerely,

A black rectangular redaction box covering the signature of James G. Scott. A small portion of a blue circular stamp is visible to the left of the redaction.

James G. Scott
Director
Division of Program Operations

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:
AL-20-0010

2. STATE
Alabama

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE
November 30, 2020

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 455.502(b)

7. FEDERAL BUDGET IMPACT:
a. FFY 2020 0
b. FFY 2021 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Section 4.5, Pages 36.1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):

Section 4.5, Pages 36.1

10. SUBJECT OF AMENDMENT:

The primary purpose for this amendment is to seek an exception to 42 CFR 455.502(b), the Medicaid Recovery Audit Contractor (RAC) program.

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

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:
Governor's designee on file
via letter with CMS

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Stephanie McGee Azar

14. TITLE:

Commissioner

15. DATE SUBMITTED:

9.1.20

16. RETURN TO:

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

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

09/01/2020

18. DATE APPROVED:

10/05/20

PLAN APPROVED -- ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

11/30/2020

20. SIGNATURE OF:

21. TYPED NAME:

James G. Scott

22. TITLE:

Director, Division of Program Operations

23. REMARKS:

AL concurred with Pen and Ink change to reflect November 30, 2020 as effective date for this SPA.

State: ALABAMA**SECTION 4 - GENERAL PROGRAM ADMINISTRATION****4.5 Medicaid Recovery Audit Contractor Program**

<u>Citation</u>	
Section 1902(a)(42)(B)(i) of the Social Security Act	<u>N/A</u> The State has established a program under which it will contract with one or more recovery audit contractors (RACs) for the purpose of identifying underpayments and overpayments of Medicaid claims under the State plan and under any waiver of the State plan.
	<p><u>X</u> The State is seeking an exception to establishing such program for the following reasons:</p> <p>The State is seeking an exception to 42 CFR §455.502(b), the Medicaid Recovery Audit Contractor (RAC) program. The State did not procure a vendor in response to the Medicaid RAC Services Request for Proposals issued on June 1, 2017, and August 7, 2019.</p>
Section 1902(a)(42)(B)(ii)(I) of the Act	<u>N/A</u> The State/Medicaid agency has contracts of the type(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute.
Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act	<p>Place a check mark to provide assurance of the following:</p> <p><u>N/A</u> The State will make payments to the RAC(s) only from amounts recovered.</p> <p><u>N/A</u> The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.</p> <p>The following payment methodology shall be used to determine State payments to Medicaid RACs for recovered overpayments (e.g., the percentage of the contingency fee):</p>
Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act	<u>N/A</u> The State attests that if the contingency fee rate paid to the Medicaid RAC will exceed the highest rate paid to Medicare RACs, as published in the Federal Register, the State will only submit for