

## **Table of Contents**

**State/Territory Name: Alabama**

**State Plan Amendment (SPA) #: 21-0002**

This file contains the following documents in the order listed:

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

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601



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**Financial Management Group**

June 1, 2021

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

Re: Alabama State Plan Amendment (SPA) 21-0002

Dear Ms. Azar,

We have reviewed the proposed Alabama State Plan Amendment (SPA) 21-0002, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on March 10, 2021. The primary purpose for this amendment is to update the Alabama Coordinated Health Network (ACHN) Quality Bonus Payment date from July 2021 to October 2021, effective March 1, 2021. The reason for the change is to allow enough run time for historical claims data.

Based upon the information provided by the State, we have approved the amendment with an effective date of March 1, 2021. We are enclosing the approved CMS-179 (HCFA-179) and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Moe Wolf at 410-786-9291 or [Moshe.Wolf@CMS.HHS.gov](mailto:Moshe.Wolf@CMS.HHS.gov).

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

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

1. TRANSMITTAL NUMBER:  
AL-21-0002

2. STATE  
Alabama

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

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

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

4. PROPOSED EFFECTIVE DATE  
March 1, 2021

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 447.252

7. FEDERAL BUDGET IMPACT:  
a. FFY 2021 0  
b. FFY 2022 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Page 1a  
Attachment 4.19-B, Page 2d  
Attachment 4.19-B, Page 10b.1  
Attachment 4.19-B, Page 10b.2

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Attachment 4.1-B, Page 1a  
Attachment 4.19-B, Page 2d  
Attachment 4.19-B, Page 10b.1  
Attachment 4.19-B, Page 10b.2

10. SUBJECT OF AMENDMENT:

The primary purpose for this amendment is to update the Alabama Coordinated Health Network (ACHN) Quality Bonus Payment date from July 2021 to October 2021 effective March 1, 2021. The reason for the change is to allow enough run time for historical claims data.

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

[Redacted Signature] L:  
13. TYPED NAME:  
Stephanie McGee Azar  
14. TITLE:  
Commissioner  
15. DATE SUBMITTED:  
March 10, 2021

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:  
March 10, 2021

18. DATE APPROVED:  
June 1, 2021

**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
March 1, 2021

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:  
Todd McMillion

[Redacted Signature]  
22. TITLE:  
Director, Division of Reimbursement Review

23. REMARKS:

**A. Alternative Payment Methodology (APM) Reimbursement**

Beginning October 1, 2019, RHCs that are Alabama Coordinated Health Network (ACHN) Certified are eligible to receive an APM reimbursement in addition to the PPS rate, but only if the following statutory requirements are met. First, the APM must be agreed to by Alabama Medicaid and by each individual RHC that participates in the program. Second, the methodology must result in a total payment (PPS plus APM) that is at least equal to the amount to which the RHC is entitled under the Medicaid PPS.

**ACHN Certified Delivering Healthcare Professionals (DHCPs) Enhanced Payment**

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.

**ACHN Certified Provider Performance Payments**

Performance Payments for ACHN Certified Primary Care Provider (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

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

b. 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 September 30, 2021:
  1. 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.
  2. Payments made in this period are based on the engagement by the PCP group and not for the achievement of quality measurements.
  3. 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 October 1, 2021 and beyond:
  1. The Agency's quarterly payments beginning with the October 2021 payment will be based on actual quality measure performance as soon as the previous calendar year's performance has been calculated (anticipated date twelve months after the start of the second contract year). For example, the quarterly payments made in October 2021, January 2022, April 2022, and July 2022 will be based on the actual quality measure performance calculated for the period between January 1, 2020 and December 31, 2020.

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**

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

b. **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 September 30, 2021:
  - 1. 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.
  - 2. Payments made in this period are based on the engagement by the PCP group and not for the achievement of quality measurements.
  - 3. 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 October 1, 2021 and beyond:

- 1. The Agency's quarterly payments beginning with the October 2021 payment will be based on actual quality measure performance as soon as the previous calendar year's performance has been calculated (anticipated date twelve months after the start of the second contract year). For example, the quarterly payments made in October 2021, January 2022, April 2022, and July 2022 will be based on the actual quality measure performance calculated for the period between January 1, 2020 and December 31, 2020.

**ACHN Certified Delivering Healthcare Professionals (DHCPs) Enhanced Payment**

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.

**ACHN Certified Provider Performance Payments**

Performance Payments for ACHN Certified Primary Care Provider (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

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

b. 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 September 30, 2021:
  1. 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.

2. Payments made in this period are based on the engagement by the PCP group and not for the achievement of quality measurements.
  3. 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 October 1, 2021 and beyond:
1. The Agency's quarterly payments beginning with the October 2021 payment will be based on actual quality measure performance as soon as the previous calendar year's performance has been calculated (anticipated date twelve months after the start of the second contract year). For example, the quarterly payments made in October 2021, January 2022, April 2022, and July 2022 will be based on the actual quality measure performance calculated for the period between January 1, 2020 and December 31, 2020.
  2. 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
- a. 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.
  - b. 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.