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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



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.

Sincerely,



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 (<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 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 (<i>If Applicable</i>): 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 (<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			
<div style="background-color: black; width: 300px; height: 20px; margin-bottom: 5px;"></div> L:		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: March 10, 2021			
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: <div style="background-color: black; width: 200px; height: 20px; margin-top: 5px;"></div>	
21. TYPED NAME: Todd McMillion		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 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
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 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
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 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
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 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
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.