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**State/Territory Name: Alaska**

**State Plan Amendment (SPA) #: 16-0007**

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  
Seattle Regional Office  
701 Fifth Avenue, Suite 1600, MS/RX-200  
Seattle, WA 98104



Division of Medicaid & Children's Health Operations

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January 13, 2017

Valerie Davidson, Commissioner  
Department of Health and Social Services  
P.O. Box 110601  
Anchorage, AK 99503-7167

RE: Alaska State Plan Amendment (SPA) Transmittal Number 16-0007

Dear Ms. Davidson:

The Centers for Medicare and Medicaid Services (CMS) has completed our review of Alaska State Plan Amendment Transmittal Number 16-0007. This SPA expands Medicaid reimbursement for certified community health aides, levels I-II, behavioral health aides, levels I-IV and practitioners.

This SPA is approved effective July 1, 2017.

If there are any questions, please contact me or your staff may contact Rhonda Martinez-McFarland at [rhonda.martinez-mcfarland@cms.hhs.gov](mailto:rhonda.martinez-mcfarland@cms.hhs.gov) or (206) 615-2267.

Sincerely,

Digitally signed by David L. Meacham -5



David L. Meacham  
Associate Regional Administrator

Enclosures

cc:  
Jon Sherwood, DHSS  
Courtney King, DHSS

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

1. TRANSMITTAL NUMBER:  
16-0007

2. STATE  
AK

**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  
July 1, 2017

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 Part 136; P.L. 94-437, as amended;  
1905(b) of the Social Security Act

7. FEDERAL BUDGET IMPACT:  
a. FFY 17 \$ 6,720,851  
b. FFY 18 \$26,883,404

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
  
Attached Sheet to Attachment 3.1-A page 2  
Attachment to 4.19-C pages 2a and 2b  
Attachment 4.19-B, page 12 (P&I)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*):  
Attached Sheet to Attachment 3.1-A, page 2a (P&I)  
Attached Sheet to Attachment 3.1-A page 2  
Attachment to 4.19C page 2a  
Attachment 4.19-B, page 12 (P&I)

10. SUBJECT OF AMENDMENT:

*(P&I)* Adds Tribal Community Health Provider services and reimbursement sections and *adds (P&I)* ~~certified community health aide~~ *I-II (P&I)* and ~~certified community health practitioner~~ *from the Physician Services section of the Plan.* behavioral health aide I-III and behavioral health aide practitioner to the Physician Services section of the Plan. *(P&I)*

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:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

[Redacted Signature]

13. TYPED NAME: Jon Sherwood

14. TITLE: Deputy Commissioner – DHSS

15. DATE SUBMITTED: November 17, 2016

16. RETURN TO:

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:  
11/21/2016

18. DATE APPROVED:  
1/13/2017

**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
7/1/2017

20. SIGNATURE OF REGIONAL OFFICIAL:

[Redacted Signature]

21. TYPED NAME:  
David L. Meacham

22. TITLE:  
Associate Regional Administrator

23. REMARKS:

1/11/17 - State authorized P&I change to box 8, 9 and 10  
1/12/17 - State authorized P&I change to box 10

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4. c. FAMILY PLANNING SERVICES: Fertility services not covered.
  5. a. PHYSICIAN SERVICES: Physicians services are provided in accordance with regulations at 42 CFR 440.50. A surgical procedure that could be considered experimental, investigative, or cosmetic is not covered, unless that procedure is medically necessary in the course of treatment for injury or illness and has been prior authorized by the medical review section of the division or its designee. A licensed physician provides services directly and supervises direct services provided by physician assistants, advanced nurse practitioners, certified registered nurse anesthetists, certified behavioral health aides I, II, and III, certified behavioral health practitioners, certified community health aides I, II, III, or IV, and certified community health practitioners.
  6. b. OPTOMETRIST SERVICES: Vision services are provided to recipients experiencing significant difficulties or complaints related to vision or if an attending ophthalmologist or optometrist finds health reasons for a vision examination. A second vision exam in a 12-month period must be prior authorized by the division or its designee.
  6. d. DIRECT ENTRY MIDWIFE SERVICES: Direct entry midwife services are those services for the management of prenatal, intrapartum and postpartum care that a direct entry midwife is authorized to provide under the scope of practice of her state license.
  6. d.2 TOBACCO CESSATION: Tobacco cessation is provided as face-to-face counseling by a qualified pharmacist to a recipient with a prescription for such service. All counseling encounters must follow general Medicaid documentation requirements for the service provided. Qualified pharmacists are those who have attended at least one continuing education course on Tobacco Cessation in accordance with federal public health guidelines found in the United States Department of Health and Human Services Public Health Services Quick Reference Guide for Clinicians: Treating Tobacco Use and Dependence. Such treatment may include discussing challenges to and strategies for success, behavior triggers, alcohol use, relapse and coordination with prescriber to ensure the correct therapy is employed.
  6. d.3 Qualified pharmacists providing administration of preventive vaccines, as authorized under "Other Licensed Practitioners" at 42 CFR 440.60, will be paid an administration fee for administering vaccines to recipients age 19 years old and above. Qualified pharmacists may administer all medically necessary vaccines, either by injection or intranasally, as authorized by the State within the scope of their practice.
  7. a-d. HOME HEALTH SERVICES: Home health services are offered in accordance with 42 CFR 440.70. Home health services must be ordered by the attending physician and must be prior authorized by the State Medicaid Agency or its designee.
    - c. Equipment and appliances that require prior authorization by the State Medicaid Agency or its designee are listed in the provider manual.
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**Methods and Standards for  
Establishing Payment Rates: Other Types of Care**

Telemedicine Applications

Payment for services delivered via telemedicine is made according to the Medicaid payment methodology for the service and provider type. Reimbursement is made for a telemedicine application if the service is:

1. An initial visit;
2. A follow-up visit;
3. A consultation made to confirm a diagnosis;
4. A diagnosis, therapeutic referrals/orders, or interpretive service;
5. A psychiatric or substance abuse assessment; or
6. Psychotherapy or pharmacological management services on an individual recipient basis.

Separate reimbursement is not made for the use of technological equipment and systems associated with a telemedicine application to render the service.

Vision Care Services

Reimbursement is made at the lesser of billed charges, the Resource Based Relative Value Scale methodology used for physicians, the provider's lowest charge, or the state maximum allowable for procedures that do not have an established RVU. The state awards a competitive-bid contract for eyeglasses.

Optometry Services

Payment is made at the lesser of billed charges, the Resource Based Relative Value Scale (RBRVS) methodology used for physicians, or the provider's lowest charge. State developed fee schedule rates are the same for both governmental and private providers. The agency's rates were set as of 7/1/2016 and are effective for dates of services on or after that date. The fee schedule and its effective dates are published at <http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>.

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REIMBURSEMENT FOR INDIAN HEALTH SERVICE AND TRIBAL FACILITIES – CONTINUED

Other Physician Services:

At the option of Tribal outpatient hospitals certified or deemed to meet Medicare Conditions of Participation by the State Survey Agency or a national accreditation organization under a program approved by the Centers for Medicare and Medicaid Services:

1. Outpatient hospital services are reimbursed at the all-inclusive rate published by the Indian Health Service (IHS), reduced by the average amount for the services of any or all of the practitioner types listed in (2) below for whose professional services the tribal outpatient hospital elects to be separately reimbursed; and
2. Covered services rendered to Medicaid recipients in the outpatient hospital setting by the following practitioner types and whose costs are excluded from the all-inclusive rate as described under (1) above, are also paid a fee for service practitioner payment according to the methodology for their services described in Attachment 4.19-B:

Physicians

Physician Assistants

Advance Nurse Practitioners

Nurse Midwives

Certified Registered Nurse Anesthetists

Speech-Language Pathologists

Audiologists

Physical Therapists

Podiatrists

The Indian Health Service will provide the State with the revised outpatient hospital service rates, reduced by the average amount for the services of any or all of the practitioner types listed in this section.

Community Health Provider Services:

Payment for covered Community Health Provider (CHP) Services is made at a single statewide CHP Encounter Rate as described below.

The CHP Encounter Rate will equal total allowable costs for all levels and practice area categories of such CHPs, divided by their total annual encounters. The rate will be calculated by the Department's Office of Rate Review as described below, in close consultation with affected tribal health organizations, adjusted annually for inflation using the Global Insight's *Health-Care Cost Review*, Skilled Nursing Facility Total Market Basket available sixty days before January 1, and rebased every four years.

The initial rate will be calculated using costs associated with providing CHP services as indicated by the same federal fiscal year Alaska tribal hospital Medicare cost reports that are used to establish that calendar year's "Outpatient per Visit Rate (Excluding Medicare)" for Alaska approved by the Director of the Indian Health Service and published in the Federal Register. The costs will be reviewed and adjusted

by the Department to ensure they do not include unallowable or duplicative costs, and will be adjusted for inflation using the Global Insight's *Health-Care Cost Review*, Skilled Nursing Facility Total Market Basket available sixty days before January 1 to the midpoint of the rate year. Encounter data will be provided to the Department for the same year by an identified group of Alaska tribal health programs; the Department will review the encounter data and make any necessary adjustments in close consultation with affected tribal health programs. It is anticipated that the first CHP Encounter Rate will be established for Calendar Year 2017, using Federal Fiscal Year 2014 encounters data and Federal Fiscal Year 2014 costs, adjusted for inflation. If necessary, a different year can be utilized for a Tribal Health Organization (THO) if agreed to by the department and the THO. The total cost of providing the services includes salary, benefits, and other personnel costs of the CHPs whose services qualify for reimbursement under the CHP Encounter Rate, work-related travel, training costs, facility costs, costs of supplies and equipment, and overhead costs. Salary, benefits, and other personnel costs of physicians and other licensed practitioners who direct or supervise CHPs are included only to the extent that they are excluded for purposes of calculating the tribal hospital and tribal physician clinic encounter rates.

Payment is made to the enrolled Tribal Health Organization that employs or contracts with the CHP, and is limited to one CHP Encounter Rate payment per patient, per CHP, per day.

The CHP Encounter Rate includes payment for medical supplies and drugs used or administered during, and incidental to, the encounter, unless the services or supplies are billed under a separate methodology. The CHP Encounter Rate does not include payment for covered outpatient drugs, which are separately reimbursed under the methodology described at Attachment 4.19-B, Page 7.

The CHP Encounter Rate does not apply to services furnished by a CHP as part of a reimbursable Behavioral Health Service provided by an enrolled Tribal Community Behavioral Health Center, and the costs and encounters associated with such services are excluded from the CHP Encounter Rate. The CHP Encounter Rate does not apply to dental services furnished by dental health aides as described by the Alaska Community Health Aide Program Certification Board (CHAPCB) Standards and Procedures, which are paid at the methodology described at Attachment 4.19-B (page 14).