

Table of Contents

State/Territory Name: Alabama

State Plan Amendment (SPA) #:18-0001

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
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

June 13, 2018

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

Re: Title XIX State Plan Amendment, AL #18-0001

Dear Ms. Azar:

We have reviewed the proposed amendment to the Alabama Medicaid State Plan #18-0001 Durable Medical Equipment (DME) reimbursement that was received in the Regional Office on April 30, 2018. This State plan amendment modifies the DME reimbursement in accordance with the 21st Century Cures Act. Specifically, the pricing methodology for DME items described in section 1861(n) of the Social Security Act will be equal to the lower of the DMEPOS non-rural Medicare rate or the competitive bidding area rate specific to Alabama.

Based on the information provided during our review, we are now ready to approve the Medicaid State Plan Amendment AL-18-0001. This SPA was approved on June 13, 2018. The effective date of this amendment is May 1, 2018. We are enclosing the approved form HCFA-179 and plan pages.

If you have any questions, please contact Joseph Raymundo at 404-562-7406.

Sincerely,

//s//

Shantrina D. Roberts, MSN
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: AL-18-0001	2. STATE Alabama
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION	4. PROPOSED EFFECTIVE DATE May 1, 2018	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

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 447.50, 447.252	7. FEDERAL BUDGET IMPACT: a. FFY 2018 \$1,357,000 reduction b. FFY 2019 \$1,365,000 reduction
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Page 7	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B, Page 7

10. SUBJECT OF AMENDMENT:

The plan is being amended in order to comply with the 21st Century Cures Act (114—Pub. L. 114—225). The amendment will modify Durable Medical Equipment (DME) reimbursement in accordance with .the 21st Century Cures Act

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:	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 04/30/18	18. DATE APPROVED: 06/13/18
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 05/01/18	20. SIGNATURE OF REGIONAL OFFICIAL: /s/
21. TYPED NAME: Shantrina D. Roberts	22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health Operations

23. REMARKS:

Effective Date: 05/01/18

For DME items described in section 1861(n) of the Social Security Act, the pricing methodology is equal to the Medicare rate, and will be updated on an annual basis based on the January Medicare published rate. The agency's fee schedule rate is in effect for services provided on or after May 1, 2018. All rates are published on the Medicaid Agency's website (www.medicaid.alabama.gov). Except as otherwise noted in the plan, the Medicaid developed fee schedule rates are the same for both governmental and private providers.

Effective Date: 10/1/14

The pricing methodology is 80% of the 2005 Medicare allowable amount as listed on the Alabama Supplies, Appliances, and DME Fee Schedule. The agency's fee schedule rate is in effect for services provided on or after October 1, 2014. All rates are published on the Medicaid Agency's website (www.medicaid.alabama.gov). Except as otherwise noted in the plan, the Medicaid developed fee schedule rates are the same for both governmental and private providers.

Effective Date: 06/01/93

If no Medicare price is available, Medicaid will establish a price for supplies, appliances, and durable medical equipment using the manufacturer's generated invoice to determine provider's actual cost after all discounts are applied. Medicaid will reimburse provider at their actual cost after all discounts are applied, plus 20% markup. If documented invoices cannot be obtained, reimbursement will be based on the Manufacturer Suggested Retail Price (MSRP) minus 40%. Freight and delivery, evaluation and fitting charges are included in the markup percentage for specially constructed wheelchairs.

Effective Date: 08/12/94

If no Medicare price is available, reimbursement rates established by Medicaid for EPSDT-referred wheelchair systems will be based on a Discount from Manufacturer Suggested Retail Price (MSRP). Providers are required to submit available MSRPs from three manufacturers for equipment appropriate for the individual's medical needs. Provider must document nonavailability of required MSRPs to justify not sending in three prices. The established rate will be based on the MSRP minus the following discounts:

1. Manual Wheelchair Systems - 20% discount from MSRP.
2. Power Wheelchair Systems - 15% discount from MSRP.
3. Ancillary (add-on) products - 20% discount from MSRP.