

## **Table of Contents**

**State/Territory Name: Alabama**

**State Plan Amendment (SPA) #: 19-0010**

This file contains the following documents in the order listed:

- 1) RO Follow-Up Approval Letter
- 2) Pharmacy Approval Letter
- 3) CMS 179 Form
- 4) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
61 Forsyth Street S.W. Suite 4T20  
Atlanta, Georgia 30303



## **Atlanta Regional Operations Group**

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January 14, 2020

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

Re: Alabama State Plan Amendment 19-0010

Dear Ms. Azar:

This is to affirm approval of the above-referenced State Plan Amendment, which was submitted to the Atlanta Regional Operations Group on November 19, 2019. The state's requested effective date of October 1, 2019 has been accepted.

Enclosed for your records are:

1. a copy of the approval letter dated January 13, 2020 that was submitted to the state by Cynthia Denmark, Deputy Director, Division of Pharmacy;
2. the original signed 179; and
3. the approved plan pages.

If you have any additional questions or need further assistance, please contact Alice Hogan at (404) 562-7432 or [Alice.Hogan@cms.hhs.gov](mailto:Alice.Hogan@cms.hhs.gov).

Sincerely,

/s/

David R. Kimble  
Acting Deputy Director  
Division of Medicaid Field Operations South

Enclosures

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-14-26  
Baltimore, Maryland 21244-1850



**Center for Medicaid and CHIP Services**

**Disabled and Elderly Health Programs Group**

January 13, 2020

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

Dear Ms. Azar:

The CMS Division of Pharmacy team has reviewed Alabama State Plan Amendment (SPA) 19-0010 received in the Atlanta Regional Operations Group on October 16, 2019. This SPA proposes to allow the state to comply with the Medicaid Drug Utilization Review (DUR) provisions included in Section 1004 of the Substance Use-Disorder Prevention that promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act (P.L. 115-271).

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 19-0010 is approved with an effective date of October 1, 2019. A copy of the signed CMS-179 form, as well as the pages approved for incorporation into Alabama's state plan will be forwarded by the Atlanta Regional Operations Group.

If you have any questions regarding this request, please contact Justin Aplin at (410) 786-6901 or [Justin.Aplin@cms.hhs.gov](mailto:Justin.Aplin@cms.hhs.gov).

Sincerely,

/s/

Cynthia R. Denemark, R.Ph.  
Deputy Director  
Division of Pharmacy  
DEHPG/CMCS/CMS

cc: Shantrina Roberts, Director, Atlanta Regional Operations Group  
Alice Hogan, Atlanta Regional Operations Group

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

1. TRANSMITTAL NUMBER:  
AL-19-0010

2. STATE  
Alabama

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

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

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

4. PROPOSED EFFECTIVE DATE  
October 1, 2019

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 456.703  
42 CFR 456.709

7. FEDERAL BUDGET IMPACT:  
a. FFY 2019 0  
b. FFY 2020 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Section 4.26 Page 74c

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

Section 4.26 Page 74c

10. SUBJECT OF AMENDMENT:

The primary purpose for this amendment is to bring the State Plan into administrative compliance with the new Drug Utilization Review (DUR) requirements included in Section 1004 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act.

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:  
/s/

13. TYPED NAME:  
Stephanie McGee Azar

14. TITLE:  
Commissioner

15. DATE SUBMITTED:

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: 11/19/19

18. DATE APPROVED: 01/13/20

**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
10/01/19

20. SIGNATURE OF REGIONAL OFFICIAL:  
/s/

21. TYPED NAME: Davida R. Kimble

22. TITLE: Acting Deputy Director  
Division of Medicaid Field Operations South

23. REMARKS:

Revision: HCFA-PM-Section 4.26

(MB)

OMB

STATE / TERRITORY AlabamaCitation

1927 (g) (3) (C) 42 CFR 456.711 (a)-(d)	G.4.	The interventions include in appropriate instances: - Information dissemination - Written, oral and electronic reminders - Face-to-Face discussions - Intensified monitoring/ review of prescribers/ dispensers
1927 (g) (3) (D) 42 CFR 456.712 (A) and (B)	H.	The State assures that it will prepare and submit an annual report to the Secretary, which incorporates a report from the State DUR Board, and that the State will adhere to the plans, steps, procedures as described in the report.
1902(a)(85) and Section 1004 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act)	I.	<p>Claim Review Limitations</p> <ul style="list-style-type: none"> <li>- Prospective safety edits on opioid prescriptions to address days' supply, early refills, duplicate fills and quantity limitations for clinical appropriateness.</li> <li>- Prospective safety edits on maximum daily morphine milligram equivalents (MME) on opioids prescriptions to limit the daily morphine milligram equivalent on opioids prescription to limit the daily morphine equivalent (as recommended by clinical guidelines).</li> <li>- Retrospective reviews on opioid prescriptions exceeding these above limitations on an ongoing basis.</li> <li>- Retrospective reviews on concurrent utilization of opioids and benzodiazepines as well as opioids and antipsychotics on an ongoing periodic basis.</li> </ul> <p>Programs to monitor antipsychotic medications to children. Antipsychotic agents are reviewed for appropriateness for all children including foster children based on approved indications and clinical guidelines.</p> <p>Fraud and abuse identification: The DUR/Lock-In program has established a process that identifies potential fraud or abuse of controlled substances by enrolled individuals, health care providers and pharmacies.</p>
1927 (h) (1) 42 CFR 456.722	<u>X</u>	<p>I.1 The State establishes, as its principal means of processing claims for covered outpatient drugs under this title, a point-of-sale electronic claim management system to perform on-line:</p> <ul style="list-style-type: none"> <li>- real time eligibility verification</li> <li>- claims data capture</li> <li>- adjudication of claims</li> <li>- assistance to pharmacies, etc. applying for and receiving payment.</li> </ul>
1927 (g) (2) (A) (i) 42 CFR 456.705 (b)	<u>X</u>	2. Prospective DUR is performed using an electronic point of sale drug claims processing system.
1927 (j) (2) 42 CFR 456.703 (c)	J.	Hospitals which dispense covered outpatient drugs are exempted from the drug utilization review requirements of this section when facilities use drug formulary systems and bill the Medicaid program no more than the hospital's purchasing cost for such covered outpatient drugs.

TN No. AL-19-0010

Supersedes

TN No. AL-96-13Approval Date 01/13/20Effective Date 10-01-19