

## **Table of Contents**

**State/Territory Name: Alaska**

**State Plan Amendment (SPA) #: 20-0005**

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**

August 14, 2020

Adam Crum, Commissioner  
Department of Health and Social Services  
3601 C Street, Suite 902  
Anchorage, AK 99503-7167

RE: TN 20-0005

Dear Mr. Crum:

We have reviewed the proposed Alaska State Plan Amendment (SPA) 20-0005 to Attachment 4.19-B, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on June 23, 2020. This plan amendment corrects an error related to the reimbursement methodology for personal care services (PCS) provided through the Community First Choice (CFC) option. Through the approval of two previous AK SPAs (17-0008 and 17-0011), this methodology was inadvertently removed from the State plan.

Based upon the information provided by the State, we have approved the amendment with an effective date of April 1, 2020. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Tom Couch at 208-861-9838 or [Thomas.Couch@cms.hhs.gov](mailto:Thomas.Couch@cms.hhs.gov).

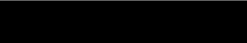
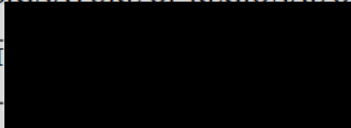
Sincerely,



Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

cc: Courtney King

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: 20-0005	2. STATE AK
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		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 April 1, 2020	
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: Title XIX of the SSA		7. FEDERAL BUDGET IMPACT:	
		a. FFY 2020                      \$ 0	
		b. FFY 2021                      \$ 0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-B pages 5a.1 and 5b		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  Attachment 4.19-B pages 5a.1 and 5b	
10. SUBJECT OF AMENDMENT: Technical correction to reimbursement for 1915(k) Community First Choice services.			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED:	
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED		Does not wish to comment	
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Attn: Courtney O'Byrne King 3601 C Street, Suite 902 Anchorage, AK 99503	
13. TYPED NAME: Albert E Wall			
14. TITLE: Deputy Commissioner, Medicaid Director			
15. DATE SUBMITTED: June 23, 2020			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: 06/23/2020		18. DATE APPROVED: 8/14/2020	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 04/01/2020		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Todd McMillion		22. T reimbursement Review	
23. REMARKS:			

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Method and Standards for  
Establishing Payment

(Outpatient Hospital Services, continued)

year 2020, July 2, 2019 through June 30 2020, the payment rate for hospitals that are not licensed as Critical Access Hospitals will be paid at 95% of the rate that would have been effective July 1, 2019. Facilities licensed as Critical Access Hospitals through the State of Alaska, Division of Health Care Services, Health Facilities Licensing Certification List, updated February 28, 2019, will be exempt from this provision and will be reimbursed at 100% of the rate calculated under the provisions under this subsection.

Facilities may choose to be reimbursed under an Optional Prospective Payment Rate Methodology for Small Facilities. A small acute care hospital facility is defined as one that had 4,000 or fewer total inpatient hospital days as an acute care, specialty, or psychiatric hospital or at a combined hospital-nursing facility during the facility's fiscal year that ended 12 months before the beginning of its prospective payment rate year.

A small acute care hospital may elect a new four-year rate agreement if the facility becomes a combined acute care hospital-nursing facility and meets the qualifications described in this section. The facility may choose this option within 30 days after the two facilities combine. The outpatient percentage rate is calculated as the statewide average of the outpatient payment rates in effect for all qualified acute care hospital small facilities as of the date the facilities combine.

For a new facility, the outpatient prospective payment rate percentage is established at the statewide weighted average outpatient payment percentages of acute care and specialty hospitals, in accordance with this section for the most recent 12 months of permanent rates. The outpatient percentages are the statewide weighted average using the base year's outpatient charges. To determine this weighted average, Medicaid charges for the most recent 12 months from each facility are multiplied by the facility's respective rate to get the payment. The sum of facilities' payments is then divided by the sum of their charges to calculate a weighted average outpatient payment percentage.

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Method and Standards for  
Establishing Payment

Personal Care Services

Services are reimbursed at the lesser of the amount billed the general public or the state maximum allowable.

Except as otherwise noted in the plan, payment for these services is based on state developed fee schedule rates, which are the same for both governmental and private providers of personal care services. The agency's rate for personal care services updated on 7/1/2019, are effective for services rendered on or after 07/01/19. The fee schedule and any annual/periodic adjustments to the fee schedule and its effective dates are included in the fee schedule for personal care services published at <http://dhss.alaska.gov/dsds/Pages/info/costsurvey.aspx>. For SFY20, July 1, 2019 through June 30, 2020, the payment rates will be 95% of the SFY19 rates.

Personal Care Services for Community First Choice Option

Effective for services provided on or after January 1, 2018, providers of Personal Care Services for Community First Choice eligible recipients will be reimbursed at fee for service rates built on the base rate of the Personal Care Attendant adjusted to include:

- Salaries for Personal Care Supervisors and Personal Care Attendants
- Fringe Benefits for Personal Care Supervisors and Personal Care Attendants
- Training time for Personal Care Supervisors and Personal Care Attendants

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. The fee schedule and its effective date is published at <http://dhss.alaska.gov/dsds/Pages/info/costsurvey.aspx>.

Physical and Occupational Therapy Services

Payment is made at the lesser of billed charges, 85 percent of the Resource Based Relative Value Scale methodology used for the physicians, the provider's lowest charge, or the maximum allowable for procedures that do not have an established RVU. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of physical and occupational therapy services. The fee schedule and its effective dates is available at <http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>.

Physician Assistants

Payment is made at the lesser of billed charges, 85 percent of the Resource Based Relative Value Scale methodology used for physicians, the provider's lowest charge, or the maximum allowable for procedures that do not have an established RVU. State developed fee schedules are the same for both public and private providers. The fee schedule and effective date is available at: <http://manuals.medicaidalaska.com/medicaidalaska/providers/FeeSchedule.asp>.