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State/Territory Name: AK

State Plan Amendment (SPA) #: 23-0009

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/ Division of Reimbursement Review

November 16, 2023

Emily Ricci
Department of Health Commissioner's Office
3601 C Street, Suite 902
Anchorage, AK 99503

RE: Alaska State Plan Amendment TN: #23-0009

Dear Director Ricci,

We have reviewed the proposed Alaska State Plan Amendment (SPA) AK-23-0009 which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 29, 2023. This SPA updates the effective date and fee-schedules for Ambulatory Surgical Clinic Services, In-home Peritoneal Services, Physician Services, Licensed Behavior Analysts, Substance Use Rehabilitation Services, Personal Care Services, Personal Care Services for Community First Choice Option, Chore Services for Community First Choice Option, and Long Term Services and Supports (LTSS) Targeted Case Management.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2023. 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 Matthew Klein at 214-767-4625 or matthew.klein@cms.hhs.gov

Sincerely,

A solid black rectangular box used to redact the signature of Todd McMillion.

Todd McMillion
Division of Reimbursement Review Director

Enclosures

<p>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES</p>		<p>1. TRANSMITTAL NUMBER <u>2 3 — 0 0 0 9</u></p>	<p>2. STATE <u>AK</u></p>
<p>TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES</p>		<p>3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI</p>	
<p>5. FEDERAL STATUTE/REGULATION CITATION <u>42 CFR 447.201</u></p>		<p>4. PROPOSED EFFECTIVE DATE <u>July 1, 2023</u></p>	
<p>7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <u>Attachment 4.19-B, page 1, 1.2, 5b, 6, 11, 11a2</u></p>		<p>6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>4,023,500</u> b. FFY <u>2024</u> \$ <u>16,094,000</u></p>	
<p>9. SUBJECT OF AMENDMENT <u>1. Annual update to effective fee schedule dates. 2. Technical changes to update website links and remove outdated language.</u></p>		<p>8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <u>Pg.1 supersedes 21-0002 Pg.1.2 supersedes 21-0007 Pg. 5b and Pg 11a.2 supersedes 23-0004 Pg.6 and Pg. 11 supersedes 19-0006</u></p>	
<p>10. GOVERNOR'S REVIEW (Check One)</p> <p><input type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="radio"/> OTHER, AS SPECIFIED: <input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL</p>			
<p>11. SIGNATURE OF STATE AGENCY OFFICIAL [Redacted]</p>	<p>15. RETURN TO Dept of Health Commissioner's Office c/o Emily Beaulieu 3601 C Street, Suite 902 Anchorage, AK 99503</p>		
<p>12. TYPED NAME <u>Emily Ricci</u></p>	<p>14. DATE SUBMITTED <u>September 29, 2023</u></p>		
<p>13. TITLE <u>Deputy Commissioner & Medicaid Director</u></p>	<p>FOR CMS USE ONLY</p>		
<p>16. DATE RECEIVED <u>September 29, 2023</u></p>	<p>17. DATE APPROVED <u>November 16, 2023</u></p>		
<p>PLAN APPROVED - ONE COPY ATTACHED</p>			
<p>18. EFFECTIVE DATE OF APPROVED MATERIAL</p>	<p>19. SIGNATURE OF APPROVING OFFICIAL [Redacted]</p>		
<p>20. TYPED NAME OF APPROVING OFFICIAL <u>Todd McMillion</u></p>	<p>21. TITLE OF APPROVING OFFICIAL <u>Director, Division of Reimbursement Review</u></p>		
<p>22. REMARKS</p>			

Methods and Standards for
Establishing Payment Rates: Other Types of Care

Advanced Nurse Practitioners

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 state maximum allowable for procedures that do not have an established RVU. Laboratory services are reimbursed at the lesser of billed charges or the Medicare fee schedule. Except as otherwise noted in the plan, state developed fees schedule rates are the same for both governmental and private providers. Rates update automatically when the RBRVS rate changes annually. The fee schedule and its effective date are published at <https://extranet-sp.dhss.alaska.gov/hcs/medicaidalaska/Provider/Sites/FeeSchedule.html>.

Ambulatory Surgical Clinic Services

Payment is made to ambulatory (outpatient) surgical clinics on a prospectively determined rate. Payment covers all operative functions attendant to medically necessary surgery performed at the clinic by a private physician or dentist, including admitting and laboratory tests, patient history and examination, operating room staffing and attendants, recovery room care, and discharge. It includes all supplies related to the surgical care of the beneficiary while in the clinic. The payment excludes the physician, radiologist, and anesthesiologist fee. State developed fee schedule rates are the same for both public and private providers. The fee schedule is published at <https://extranet-sp.dhss.alaska.gov/hcs/medicaidalaska/Provider/Sites/FeeSchedule.html>.

The fee schedule was last updated, to be effective for services on or after July 1, 2023.

Certified Nurse Anesthetist

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 state maximum allowable for procedures that do not have an established RVU. Payment rates are set using the Medicare Physician RBRVS payment rates and Alaska's state-specific conversion factor and inflation adjustments. The Medicare Physician RBRVS payment rates are published in the federal register as described under the Physician reimbursement section of this attachment (4.19-B). Alaska's state-specific conversion factors and inflation adjustments are published in the Alaska Administrative Code. Changes to the Medicaid rates will only occur when Medicare updates the RBRVS payment rates each year, and the department incorporates those changes with its Alaska-specific conversion factor and inflation adjustments the following July 1.

Other Licensed Practitioners

Licensed Behavior Analysts

The state Medicaid program reimburses for behavior analysis services through the supervising health care provider - who is a licensed behavior analyst operating within their scope of practice.

All covered services pay at the lesser of the provider's billed charges or the state maximum allowable for the procedures. State-developed fee schedule rates are the same for both governmental and private providers of behavior analysis services. Tribal behavioral health clinic encounter rates do not apply to services in this section.

The fee schedule and its effective date is published at <https://health.alaska.gov/dbh/Pages/Resources/Medicaidrelated.aspx>.

The fee schedule was last updated to be effective for services on or after July 1, 2023.

In-Home Peritoneal Dialysis

Payment for in-home renal dialysis services is at a composite per treatment rate for peritoneal dialysis. No more than one treatment may be billed per day.

The rate for in-home dialysis is all-inclusive, except that the department pays separately for erythrocyte-stimulating agents and parenteral iron replacement products, which are reimbursable under the existing prescribed drug payment methodology.

The composite per treatment payment rate for peritoneal dialysis is adjusted annually each July 1st.

The composite per treatment payment rate for peritoneal dialysis is calculated as a statewide weighted average. The following are used to develop the statewide weighted average:

- a. Alaska Medicaid claims information from the MMIS that identifies the number of peritoneal dialysis treatments delivered to Alaska Medicaid recipients during the most recent calendar year for which timely filing has passed; and
- b. The average cost per treatment included on Medicare Cost Reports submitted by end-stage renal disease clinics providing in-home dialysis services for the calendar year aligning with a) above.

The cost of the peritoneal cost per treatment taken from the average cost of treatments value reported on the Computation of Average Costs per Treatment Basic Composite Cost worksheet for Home Program Continuous Ambulatory Peritoneal Dialysis (CAPD) and Home Program Continuous Cycling Peritoneal Dialysis (CCDP) portion of the Medicare Cost Reports (CS 265-11, worksheet D) submitted by end-stage renal disease clinics.

When the average cost of treatments from the *Computation of Average Costs per Treatment Basic Composite Costs* is reported as weekly costs on the Medicare Cost Reports submitted by end-stage renal disease clinics, the department divides peritoneal dialysis values by seven treatments a week to arrive at the average cost per daily treatment.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of in-home dialysis services. The agency's fee schedule, dated July 1, 2023, and effective for services provided on or after that date, is located on the Office of Rate Review website <https://health.alaska.gov/Commissioner/Pages/RateReview/Rate-Setting.aspx>. Providers of In-Home Peritoneal Dialysis annually, before July 1st, receive a letter from the department providing the updated reimbursement rate.

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 July 1, 2023, are effective for services rendered on or after July 1, 2023. The fee schedule, including any annual/periodic adjustments to the fee schedule based on the CMS Home Health Agency Market Basket, and its effective dates are included in the fee schedule for personal care services published at <https://health.alaska.gov/dsds/Pages/info/costsurvey.aspx>.

Personal Care Services for Community First Choice Option

Effective for services provided on or after July 1, 2023, 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 Assistant adjusted to include:

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

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 effective date is published at <http://dhss.alaska.gov/dsds/Pages/info/costsurvey.aspx>.

Chore Services for Community First Choice Option

Effective for services provided on or after July 1, 2023, the State Medicaid Program reimburses providers of Chore Services for Community First Choice eligible recipients at the lesser of the amount billed to 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. The agency's rates for CFC chore services are effective July 1, 2023, for services provided on or after July 1, 2023. The fee schedule, including any annual/periodic adjustments to the fee schedule based on the CMS Home Health Agency Market Basket, and its effective date is included in the fee schedule for chore services 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 are available at <https://extranet-sp.dhss.alaska.gov/hcs/medicaidalaska/Provider/Sites/FeeSchedule.html>.

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 are available at: <https://extranet-sp.dhss.alaska.gov/hcs/medicaidalaska/Provider/Sites/FeeSchedule.html>.

Methods and Standards for
Establishing Payment Rates: Other Types of Care

Physician Services:

Payment is made at the lesser of billed charges, the Resource Based Relative Value Scale (RBRVS) methodology, the provider's lowest charge, or the state maximum allowable for procedures that do not have an established Relative Value Unit (RVU). The Resource Based Relative Value Scale methodology is that described in 42 CFR 414 except that increases and reductions to the average payment made for an individual procedure billed at least ten times during the previous fiscal year will be phased in until the year 2000. The relative value units used are the most current version published in the Federal register. Non-routine office supplies are reimbursed at the lesser of billed charges or the state maximum allowable.

Surgical reimbursement is in accordance with the Resource Based Value Scale methodology except that multiple surgeries performed on the same day are reimbursed at 100 percent for each additional surgery; bilateral surgeries are reimbursed at 150 percent of the RBRVS rate; co-surgeons are reimbursed by increasing the RBRVS rate by 25 percent and splitting the payment between the two surgeons; and supplies associated with surgical procedures performed in a physician's office are reimbursed at the lesser of billed charges or the state maximum allowable. Payment is made to surgical assistants at the lesser of billed charges or 25 percent of the Resource Based Relative Value Scale methodology.

Payment to physicians for in-office laboratory services are reimbursed at the lesser of the amount billed the general public or the Medicare fee schedule.

Payment is made to independently enrolled hospital-based physician for certain services at the lesser of the amount billed the general public or 100 percent of the Resource Based Relative Value Scale methodology.

Anesthesia services are reimbursed using the base units and time units and a state determined conversion factor.

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers. Effective July 1, 2023, physician services reimbursement will be set using the Medicare Relative Value Units, updated on a quarterly basis, and the most recently published Medicare Geographic Practice Cost Index for the state of Alaska. The state of Alaska applies a conversion factor of \$43.412 to the formula in the calculation of an RBRVS rate. The fee schedule and effective date is available at: <https://extranet-sp.dhss.alaska.gov/hcs/medicaidalaska/Provider/Sites/FeeSchedule.html>.

Speech, Hearing, and Language Services:

The department will pay for speech pathology/audiology services if they are identified in the *CPT Fee Schedule for Speech Pathologist table and HCPC Fee Schedule for Speech Pathologists table*.

Payment for speech-language pathology services provided by a speech pathologist or outpatient speech therapy center 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 state maximum allowable for procedures that do not have an established RVU. Payment for hearing services provided by an audiologist 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 state maximum allowable for procedures that do not have an established RVU. Payment to a hearing aid supplier is made at the lesser of billed charges or the state maximum allowable. The fee schedule and effective date is available at <https://extranet-sp.dhss.alaska.gov/hcs/medicaidalaska/Provider/Sites/FeeSchedule.html>.

Substance Abuse Rehabilitation Services:

The following substance abuse rehabilitation services are reimbursed at the lesser of the amount billed the general public or the state maximum allowable:

1. assessment and diagnosis services;
2. outpatient services, including individual, group, and family counseling; care coordination; and rehabilitation treatment services;
3. intensive outpatient services;
4. intermediate services; and
5. related medical services, including medical evaluation for admission into methadone treatment, intake physical for non-methadone recipients, methadone treatment plan review, medication management, medication dispensing, and urinalysis and detoxification services.

The fee schedule was last updated to be effective for services on or after July 1, 2023 and is available at <https://health.alaska.gov/dbh/Pages/Resources/Medicaidrelated.aspx>.

Long Term Services and Supports (LTSS) Targeted Case Management:

Reimbursement to providers of long-term services and supports (LTSS) targeted case management services provided on or after July 1, 2023, is a monthly fee for service at rates based on:

- Salaries
- Fringe Benefits
- Allowable Indirect Costs
- Average caseload size

Payment Methodology: The Department of Health (the department) will authorize case management as a service within the participant support plan. Payment will be made through MMIS and each encounter will be documented to support the billing. The department established regulations for the operation of long term services and supports targeted case management services in a manner that protects and promotes the health, safety, and welfare of participants. The fee schedule will be rebased at least every four years. In the years in which the fee schedule is not rebased, the payment rate will be increased using the most recent quarterly publication available 60 days before July 1 of Global Insights Health Care Cost Review, CMS Home Healthy Agency Market Basket.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both government and private providers. The fee schedule was last updated to be effective for services on or after July 1, 2023, and is available at <https://health.alaska.gov/dsds/Pages/info/costsurvey.aspx>.