

## **Table of Contents**

**State/Territory Name: AL**

**State Plan Amendment (SPA) #: 19-0002**

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**

June 13, 2022

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

Re: Alabama State Plan Amendment (SPA) 19-0002

Dear Ms. Azar:

We have reviewed the proposed Alabama State Plan Amendment (SPA) 19-0002, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on November 21, 2019. This plan amendment will allow enhanced payments to physicians associated with teaching hospitals.

Based upon the information provided by the State, we have approved the amendment with an effective date of January 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 Moe Wolf at 410-786-9291 or [Moshe.Wolf@CMS.HHS.gov](mailto:Moshe.Wolf@CMS.HHS.gov).

Sincerely,

A black rectangular box redacting the signature of Todd McMillion.

Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER <div style="border-bottom: 1px solid black; text-align: center;">1 9 — 0 0 0 2</div>	2. STATE <div style="border-bottom: 1px solid black; text-align: center;">A L</div>
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <div style="display: flex; justify-content: space-around;"> <input checked="" type="radio"/> XIX           <input type="radio"/> XXI         </div>	
5. FEDERAL STATUTE/REGULATION CITATION 42 C.F.R. Section 447.204		4. PROPOSED EFFECTIVE DATE <div style="text-align: center; font-weight: bold;">January 1, 2020</div>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  Attachment 4.19-B, Page 2 Attachment 4.19-B, Page 2a Attachment 4.19-B, Page 2a.1 (NEW) Attachment 4.19-B, Page 2b		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a FFY <u>2020</u> \$ <u>15,300,000</u> b FFY <u>2021</u> \$ <u>26,800,000</u>  8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  Attachment 4.19-B, Page 2 Attachment 4.19-B, Page 2a Attachment 4.19-B, Page 2b	
9. SUBJECT OF AMENDMENT The primary purpose for this amendment is to make enhanced payments to physicians associated with teaching hospitals.			
10. GOVERNOR'S REVIEW (Check One) <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT  <input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  <input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL           </div> <div style="width: 50%;"> <input checked="" type="radio"/> OTHER, AS SPECIFIED: Governor's designee on file via letter with CMS           </div> </div>			
11. SIGNATURE OF STATE AGENCY OFFICIAL <div style="background-color: black; height: 30px; width: 100%;"></div>		15. RETURN TO Stephanie McGee Azar Commissioner Alabama Medicaid Agency 501 Dexter Avenue Post Office Box 5624 Montgomery, Alabama 36103-5624	
12. TYPED NAME Stephanie McGee Azar		13. TITLE Commissioner	
14. DATE SUBMITTED <div style="font-size: 1.2em; font-family: cursive;">4/11/22</div>		16. DATE RECEIVED 11/21/2019	
FOR CMS USE ONLY			
18. EFFECTIVE DATE OF APPROVED MATERIAL 01/01/2020		17. DATE APPROVED 6/13/2022	
PLAN APPROVED - ONE COPY ATTACHED			
20. TYPED NAME OF APPROVING OFFICIAL Todd McMillion		19. SIGNATURE OF APPROVING OFFICIAL <div style="background-color: black; height: 30px; width: 100%;"></div>	
22. REMARKS		21. TITLE OF APPROVING OFFICIAL Director, Division of Reimbursement Review	

- c. For crossover claims the allowable payment to the provider is determined not by the Alabama Medicaid Agency but by Medicare. The Alabama Medicaid Agency will pay no more than the part of the allowable payment not paid by Medicare and other insurers who are obligated to pay part of the claim.

3. Physicians and Other Practitioners

**Effective Date: 01/01/2020**

- a. Physician Fee Schedule Payment: A statewide maximum payment will be calculated for each service designated by a procedure code recognized by the Alabama Medicaid Agency as designating a covered service. To determine payments for procedures codes without an established Medicaid rate, the Alabama Medicaid Agency will base rates on the current Medicare rate, and if not available the average commercial rate. Except as otherwise noted in the state plan, state-developed fee schedule rates are the same for both governmental and private physicians and other practitioners. The Agency's fee schedule rates were set as of October 1, 2018 and are effective for services provided on or after that date. All rates are published and maintained on the Agency's website at [www.medicaid.alabama.gov](http://www.medicaid.alabama.gov). For the most recent Physician Service Fee Schedule click on the Providers tab, select Fee Schedules, check "I Accept" on the User Agreement, and select Physician Fee Schedule.

1. Rural Physician (Enhanced) Payment:

- (i) Providers in rural counties whose specialty is OB/GYN, Family Practice, General practice or Pediatrics, will be paid an enhanced rate for global delivery codes and delivery codes only. These rates can be found at [www.medicaid.alabama.gov](http://www.medicaid.alabama.gov) To view a Rural Physician Fee Schedule visit [http://medicaid.alabama.gov/content/Gated/7.3G\\_Fee\\_Schedules/7.3G\\_Rural\\_Physician\\_Fee\\_Schedule\\_5-27-15.pdf](http://medicaid.alabama.gov/content/Gated/7.3G_Fee_Schedules/7.3G_Rural_Physician_Fee_Schedule_5-27-15.pdf)
- (ii) In order to increase provider participation and improve access to care, both governmental and non-governmental providers of all specialties in rural counties will be paid an additional \$1.00 per office visit or hospital visit.

2. Supplemental Payments for Qualifying Physicians and Professional Services:

**Physician Access (Enhanced) Payments – Teaching Physicians**

*Qualifying Criteria:*

In order to maintain adequate access to specialty faculty physician (all specialties including general practice, family practice, and general pediatrics) services as required, supplemental payments will be made for services provided to Medicaid recipients by eligible physicians and other professional services practitioners.

To qualify for the supplemental payments, eligible physicians and other professional service practitioners must:

- 1. Be enrolled as one of the following provider types:
  - a. Physicians (as defined in state plan)
  - b. Physician Assistants
  - c. Nurse Practitioners (NPs)
  - d. Certified Nurse Midwives (CNM)
  - e. Certified Registered Nurse Anesthetists (CRNAs) or Anesthesiology Assistants (AAs)
  - f. Clinical Psychologists
  - g. Optometrists

2. Be in a hospital sponsored location as an approved place of service:
  - a. Inpatient hospital
  - b. Outpatient hospital
  - c. Hospital-based clinic
  - d. Hospital affiliated clinic
3. Be licensed by the State of Alabama, have an Alabama Medicaid provider agreement and be employed by or under contract with a medical school that is part of the public university system or a children's hospital healthcare system which meets the criteria and receives funding under Section 340E (a) of the U.S. Public Health Services Act (42 U.S.C. 256e) and which operates and maintains a state license for specialty pediatric beds. Participants that qualify under this subsection are:
  - a. The University of Alabama at Birmingham
  - b. The University of South Alabama
  - c. Children's of AlabamaThe services listed below do not qualify under the Physician Access (Enhanced) Payments Teaching Physicians:
  - a) Clinical diagnostic lab procedures
  - b) Technical component of radiology services
  - c) Services provided to dual eligibles
  - d) EPSDT
  - e) Injectables

*Supplemental Payment Methodology*

4. Calculation of total Medicare equivalent payment rate - Teaching Physicians
  - a. Recognize the non-facility Medicare physician fee schedule for the most recent full calendar year.
  - b. Obtain the rates paid by the top five commercial insurance companies in Alabama for each public university system and children's hospital healthcare system for the calendar year ending December 31, 2018 and calculate the average commercial rate by CPT for each hospital.
  - c. Obtain the units paid during the calendar year from the MMIS system for each procedure code in 4a.
  - d. Anesthesia payment is based on a fifteen minutes unit of service as well as a base payment.
  - e. Calculate the aggregate commercial payment equivalent for the most recent full calendar year by multiplying the Medicaid units identified in 4c above by the commercial rates identified in 4b, then combine the payments for all services. This produces the total commercial equivalent payment amount.
  - f. Calculate the Medicare equivalent payments for the most recent full calendar year by multiplying the Medicaid units in 4c above by the Medicare rates identified in 4a, then combine the payments for all services. This produces the total Medicare equivalent payment amount.
  - g. Divide the total commercial payment amount by the total Medicare equivalent payment amount to determine the Medicare equivalent payment percentage.
  - h. Multiply the Medicare equivalent payment percentage from 4f above times the Medicare fee schedule rates in 4a to determine the Medicare equivalent rates.
  - i. Based on the demonstration for calendar year 2018 Medicaid utilization and the 2018 Medicare based rates, the established teaching physician percentage is 190.1%.
  - j. Reimbursement rates for numeric procedure codes not recognized by Medicare, but recognized by the Alabama Medicaid Agency will be the weighted average rate paid by the top five commercial insurance companies in Alabama for that numeric procedure code for each public university system and children's hospital system, identified in the Qualifying Criteria above, for the most recent full calendar year.

5. Calculation of quarterly supplemental payments – Teaching Physicians
  - a. Each quarter Alabama Medicaid will query its MMIS for paid Medicaid claims for participants as defined in *Qualifying Criteria* listed above for the preceding quarter to determine units paid and amounts allowed during the quarter.
  - b. Supplemental payments will be paid on the difference between the actual paid claim amounts in 5a above and the Medicare rates of those claims multiplied by the Medicare Equivalent of the ACR percentage determined in 4i above.
  - c. Obtain the Medicare rate (from the non-facility Medicare physician fee schedule for the most recent full calendar year) for each code identified in 5a and multiply them by the Medicare Equivalent of the ACR percentage identified in 4i.
  - d. Multiply the Medicare equivalent rates in 5c by the Medicaid units in 5a for each provider to determine the enhanced payment per code.
  - e. The amount Medicaid allowed for the claims in 5a is subtracted from 5d above to establish the total allowable quarterly supplemental payment amount for the participants in 1 above.

**Effective Date: 10/01/19**

**3. Primary Care (Enhanced) Rates “Bump”:**

The state will continue to reimburse for services provided by physicians with a primary specialty designation of family medicine, pediatric medicine or internal medicine as if the requirements of 42 C.F.R. § 447.400 remain in effect and there is no signed Alabama Coordinated Health Network (ACHN) agreement on file for ACHN certified Primary Care Physicians (PCPs). A provider must meet one of the following requirements listed below to qualify for the Alabama Medicaid Physicians Primary Care Enhanced Rates “Bump” Program.

- a. A provider must be Board certified with a specialty or subspecialty designation in family medicine, general internal medicine, or pediatrics that is recognized by the American Board of Medical Specialties (ABMS), the American Board of Physician Specialties (ABPS), or the American Osteopathic Association (AOA), and must actually practice in their specialty.
- b. A NON-board certified provider who practices in the field of family medicine, general internal medicine, or pediatrics or a subspecialty under one of these specialties, is eligible if he/she can attest that sixty percent of their paid Medicaid procedures billed are for certain specified procedure codes for evaluation and management (E&M) services and certain Vaccines for Children (VFC) vaccine administration codes during the most recently completed CY or, for newly eligible physicians, the prior month.

**Payment Methodology**

- I. Applies to E&M billing codes 99201 through 99499 that are considered reimbursable by Alabama Medicaid.