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State/Territory Name: Alabama

State Plan Amendment (SPA) #: 24-0006

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
230 South Dearborn
Chicago, Illinois 60604



Financial Management Group

November 19, 2024

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

Re: Alabama State Plan Amendment (SPA)24-0006

Dear Commissioner: Stephanie McGee Azar,

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Alabama state plan amendment (SPA) to Attachment 4.19-B 24-0006, which was submitted to CMS on September 5, 2024. This plan amendment amends language in Alabama Primary care Physician Coordinated Health Network to align with ACHN program changes.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date October 1, 2024. 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 Monica Neiman at monica.neiman@cms.hhs.gov.

Sincerely,



Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER
2 4 — 0 0 0 6

2. STATE
AL

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT
 XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447.252

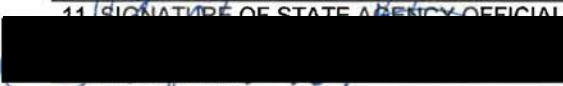
6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a FFY 2024 \$ 0
b FFY 2025 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B, Page 1a
Attachment 4.19-B, Page 2c
Attachment 4.19-B, Page 2d
Attachment 4.19-B, Page 10b.1
Attachment 4.19-B, Page 10b.2

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment 4.19-B, Page 1a (AL-21-0002) Page 2b (AL-19-0002)
Attachment 4.19-B, Page 2c (AL-19-0004) (AL-19-0002)
Attachment 4.19-B, Page 2d (AL-21-0002) Page 2c. (AL-19-0004)
Attachment 4.19-B, Page 10b.1 (AL-21-0002) Page 10b (AL-19-0008)
Attachment 4.19-B, Page 10b.2 (AL-21-0002) (AL-19-0008)

9. SUBJECT OF AMENDMENT
The purpose of these changes is to amend language in the Primary Care Physician Alabama Coordinated Health Network (ACHN) to align with the ACHN program changes effective October 1, 2024.

10. 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**

11. SIGNATURE OF STATE AGENCY OFFICIAL


12. TYPED NAME
Stephanie McGee Azar

13. TITLE
Commissioner

14. DATE SUBMITTED
09/05/2024

15. RETURN TO
Stephanie McGee Azar
Commissioner
Alabama Medicaid Agency
501 Dexter Avenue
Post Office Box 5624
Montgomery, Alabama 36103-5624

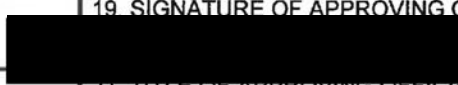
FOR CMS USE ONLY

16. DATE RECEIVED
September 5, 2024

17. DATE APPROVED
November 19, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
October 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL


20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement Review

22. REMARKS
**Pen and Ink change approved by the state and processed by CMS on the following 179 Form fields:
Section 7: To include the following pages: Attachment 4.19-B, page 2b, Attachment 4.19-B page 2c.1 and Attachment 4.19-B page 10b.
Section 8: To include superseding SPA information: Page 2b (AL-19-0002) Page 2c.(AL-19-0004) and Page 10b (AL-19-0008)**

1. **Rural Health Clinic (continued)**

A. **Bonus Payment**

Beginning October 1, 2024, RHCs that are Alabama Coordinated Health Network (ACHN) Certified are eligible to receive a bonus payment in addition to the PPS rate, but only if they meet ACHN bonus payment criteria.

ACHN Certified Maternity Care Provider (MCP) Enhanced Payment

ACHN Certified MCPs will receive an enhanced payment for:

- i. an initial prenatal visit in the first trimester and/or
- ii. post-partum visits.

ACHN Certified Provider Performance Payments

Performance Payments for ACHN Certified Primary Care Provider (PCP) Groups:

A performance payment pool will be established in the amount of \$15 million annually to fund three (3) performance payments for ACHN Certified PCP groups. The performance payments' pool is allotted as follows: 50% for quality, 45% for cost effectiveness, and 5% for PCMH Recognition.

a. Quality Performance Payments

a. Eligibility: All ACHN Certified PCP groups will be eligible for a performance payment if the PCP group meets the requirements described below.

b. Methodology:

- i. ACHN Certified PCP groups that achieve annual performance benchmarks determined by the Agency are eligible to receive performance payments.
- ii. Benchmarks will be posted at www.medicaid.alabama.gov by September 2024 and will be updated annually at least 30 days prior to the contract period.
- iii. The quality benchmarks will be posted to: www.medicaid.alabama.gov
Click the ACHN tab/Provider.
- iv. The amount available for the quarterly quality payment will be one-quarter (1/4) of the annual amount described above.
- v. The first payment will be made in October 2024. Subsequent payments will be made on a quarterly basis.
- vi. Level One Quality Performance Payment for the period between October 1, 2024 and March 31, 2026:
 1. The Agency will make quarterly payments in the first month of the quarter based on provider reporting of necessary data and other activities including provider engagement in the ACHN and their review and response to quality data provided by the Agency, implementing any policies and processes to improve the efficiency of their practices, and engaging with the ACHNs in preparation to be paid based on performance-based quality payments. Providers will also be readjusting their practice guidelines to manage attributed patient populations rather than Agency assigned panels.
 2. Payments made in this period are based on the engagement by the PCP group and not for the achievement of quality measurements.
 3. Payments will be distributed to each PCP group based on the number of Medicaid members attributed to the PCP group for the prior quarterly period.
- vii. Level Two Quality Performance Payment for the period of April 1, 2026 and beyond:
 1. The Agency's quarterly payments beginning with the April 2026 payment will be based on actual quality measure performance calculated for the services rendered for the previous 12 months with a 9-month time lag on a rolling basis. For example, the quarterly payments made during April 2026, will be based on the actual quality measure performance calculated for the period between July 1, 2024, and June 30, 2025. Similarly, the quality measure payments made during July 2026, will be based on the quality measure performance calculated for the period between October 1, 2024, and September 30, 2025.

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 99202 through 99499 that are considered reimbursable by Alabama Medicaid.

II. Applies to Vaccine Administration

- a. The state reimburses vaccine administration services furnished by physicians meeting the requirements of 42 C.F.R. § 447.400(a) at the regional maximum administration fee set by the VFC program.
- b. The Alabama Medicaid Agency requires VFC administration fees to be billed using the specific product code (vaccine codes).

The Primary Care (Enhanced) Rates “Bump” fee schedule is effective October 1, 2019. All rates are published on the Agency’s website at www.medicaid.alabama.gov. To view the Primary Care (Enhanced) Rates “Bump” fee schedule visit: www.medicaid.alabama.gov

- a. click Providers tab
- b. click fee schedules
- c. click Physicians Primary Care Enhanced Bump Rates

4. Higher Levels of Service Defined by Engagement of ACHN Certified PCP Groups with the ACHN Program:

ACHN Certified PCP group may earn higher payment levels (Certified Rates) on 15 E&M codes (refer to 1 (a) under Payment Methodology) and Performance payments (Section III) if they provide a higher level of service by engaging with the ACHN as follows:

- a. Over a twelve (12) month period, attending in person, or virtual in at least three (3) quarterly Medical Management Meetings with the ACHN’s Medical Director. Attendance requirements can be met by having one PCP or Nurse Practitioner/Physician Assistant from the group attend;
- b. Engagement in ACHN initiatives centered around quality measures;
- c. Reviewing data provided by the ACHN to help achieve Agency and ACHN quality goals;
- d. Engagement as appropriate in the ACHN’s Multidisciplinary Care Team and the development of an individualized and comprehensive Care Plan;
- e. Certification requirements will be monitored on a monthly basis. ACHNs will report monthly to the Agency a list of PCP groups who are meeting certification requirements. If the ACHN indicates a PCP group is decertified due to failure to meet the certification requirements, then the Agency will confirm with the ACHN as well as the PCP group before allowing the PCP group to receive the ACHN certification rates.

5. Higher Levels of Service Defined by Engagement of ACHN Certified Maternity Care Providers (MCPs) with the ACHN Program:

- a. MCPs, which include OB/GYNs, Nurse Midwives, and other physicians, provide a higher level of service by engaging with an ACHN as described below:
 - i. Providing data to the ACHN;
 - ii. Engagement in the development of the Recipient’s care plan; and
 - iii. Engagement in the MCP selection and referral process.
- b. Certification requirements will be monitored on a monthly basis. ACHNs will report monthly to the Agency a list of MCPs who they have contracted and engaging with to provide maternity services. MCPs who fail to meet certification requirements will no longer be referred to by the ACHN or will be able to provide maternity services to the ACHN population.

ACHN Certified Provider Rates

I. Rates for ACHN Certified PCPs:

ACHN Certified PCPs will receive higher rates for certain E&M billing codes (99202-99205, 99211-99215, 99242-99245) that are considered reimbursable by Alabama Medicaid. The ACHN Certified Rate fee schedule is effective October 1, 2024. All rates are published on the Agency's website at www.medicaid.alabama.gov.

To view the ACHN Certified Rates, visit www.medicaid.alabama.gov

- a. click Providers tab
- b. click fee schedules
- c. click Physician Primary Care "ACHN Certified Rates"

The following provider groups are not eligible to receive the ACHN Certified Rates:

- a. Federally Qualified Health Centers (FQHCs)
- b. Rural Health Centers (RHCs)
- c. OB/GYNs and Nurse Midwives
- d. Nursing Facilities

TN No. AL-24-0004

Supersedes

TN No. AL-19-0004

Approval Date: 11/19/24

Effective Date 10/01/24

IV. Rates for ACHN Certified MCPs:

- a. ACHN Certified MCPs will receive an enhanced payment for:
 - i. an initial prenatal visit in the first trimester and/or
 - ii. post-partum visits.

V. ACHN Certified Provider Performance Payments

Performance Payments for ACHN Certified PCP Groups:

A performance payment pool will be established in the amount of \$15 million annually to fund three (3) performance payments for ACHN Certified PCP groups. The performance payments' pool is allotted as follows: 50% for quality, 45% for cost effectiveness, and 5% for PCMH Recognition.

a. Quality Performance Payments

- a. Eligibility: All ACHN Certified PCP groups will be eligible for a performance payment if the PCP group meets the requirements described below.
- b. Methodology:
 - i. ACHN Certified PCP groups that achieve annual performance benchmarks determined by the Agency are eligible to receive performance payments.
 - ii. Benchmarks will be posted at www.medicaid.alabama.gov by September 2024 and will be updated annually at least 30 days prior to the contract period.
 - iii. The quality benchmarks will be posted to: www.medicaid.alabama.gov Click the ACHN tab/Provider.
 - iv. The amount available for the quarterly quality payment will be one-quarter (1/4) of the annual amount described above.
 - v. The first payment will be made in October 2024. Subsequent payments will be made on a quarterly basis.
 - vi. Level One Quality Performance Payment for the period between October 1, 2024 and March 31, 2026:
 - 1. The Agency will make quarterly payments in the first month of the quarter based on provider reporting of necessary data and other activities including provider engagement in the ACHN and their review and response to quality data provided by the Agency, implementing any policies and processes to improve the efficiency of their practices, and engaging with the ACHNs in preparation to be paid based on performance-based quality payments. Providers will also be readjusting their practice guidelines to manage attributed patient populations rather than Agency assigned panels.
 - 2. Payments made in this period are based on the engagement by the PCP group and not for the achievement of quality measurements.
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 - vii. Level Two Quality Performance Payment for the period of April 1, 2026 and beyond:
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20. Federally Qualified Health Center

Alabama Medicaid uses a Prospective Payment System (PPS) for FQHCs as required by S.S.A. §1902(a)(15) [42 U.S.C. § 1396a (a)(15)] and S.S.A. §1902(bb) [42 U.S.C. §1396a(bb)]. The PPS for FQHCs was implemented and took effect on January 1, 2001.

A. Prospective Payment System (PPS) rates

The baseline Prospective Payment System (PPS) for each FQHC (including “FQHC look alike clinics”) in FY 2002 was developed by weighing the FQHC’s provider specific reasonable costs for Fiscal Years 1999 and 2000 by the number of Medicaid encounters provided in each year. The FQHC is entitled to the previous year’s PPS, increased by the Medicare Economic Index (MEI) for primary care services, and adjusted to take into account any increase (or decrease) in the scope of services furnished by the FQHC during that fiscal year.

Prospective Payment System (PPS) Reimbursement for New Facilities

The rate established for a new FQHC shall be equal to 100% of the reasonable cost used in calculating the rates of like FQHCs located in the same or an adjacent area during the same fiscal year. The costs that must be considered in calculating the payment rate are those reasonable costs used in calculating the rates for neighboring clinics with similar caseloads.

Change in Scope of Services

The PPS rate for a FQHC shall be adjusted to take into account a change (either increase or decrease) in the scope of services furnished by the FQHC. A change in scope of services occurs if the FQHC has added or dropped any service that meets the definition of FQHC services as provided in section 1905(a)(2)(B) and (C) of the Social Security Act or if the service is included as a covered Medicaid service in the State Plan. A change in the scope of services is defined as a change in the type, intensity, duration, and/or amount of services provided during a FQHC visit. A change in the cost of a service is not considered in and of itself a change in the scope of services.

B. Bonus Payment

Beginning October 1,-2024, FQHCs that are Alabama Coordinated Health Network (ACHN) Certified are eligible to receive a bonus payment in addition to the PPS rate, but only if they meet the ACHN bonus payment criteria.

ACHN Certified Maternity Care Provider (MCP) Enhanced Payment

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ACHN Certified Provider Performance Payments

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 2. Payments will be distributed to each PCP group based on the number of Medicaid members attributed to the PCP group for the prior quarterly period.
- b. Cost Effectiveness Performance Payments
- a. Eligibility: All ACHN Certified PCP groups will be eligible for a performance payment if the PCP group meets or exceeds the cost effectiveness criteria established by the Agency.
 - b. Methodology:
 - i. ACHN Certified PCP groups that achieve annual performance benchmarks determined by the Agency are eligible to receive performance payments.
 - ii. Benchmarks will be posted at www.medicaid.alabama.gov by September 1, 2019 and will be updated annually at least 30 days prior to the contract period.
 - iii. The cost effectiveness performance payment criteria will be posted to: www.medicaid.alabama.gov
Click the ACHN tab/Provider
 - iv. The amount available for the quarterly cost effectiveness payment will be one-quarter (1/4) of the annual amount described above.
 - v. The first payment will be made in October 2019. Subsequent payments will be made on a quarterly basis.