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State/Territory Name: Alabama

State Plan Amendment (SPA) AL-25-0003

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

June 17, 2025

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

Re: Alabama State Plan Amendment (SPA)25-0003

Dear Commissioner Azar, [REDACTED]

We have reviewed the proposed Alabama State Plan Amendment (SPA) 25-0003, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on April 23, 2025. This amendment proposes an increase to bonus-enhanced payments to providers that actively participate with the ACHN (Alabama Coordinated Health Network).

Based upon the information provided by the State, we have approved the amendment with an effective date of April 1, 2025. We are enclosing the approved CMS-179 Form 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,

[REDACTED]
Todd McMillion
Director
Division of Reimbursement Review

Enclosures

[REDACTED]

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER <div style="border-bottom: 1px solid black; display: flex; justify-content: space-around; width: 100%;"> 25—0003 </div>	2. STATE <div style="border-bottom: 1px solid black; display: flex; justify-content: space-around; width: 100%;"> AL </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 CFR 447.252		4. PROPOSED EFFECTIVE DATE <div style="text-align: center;">April 1, 2025</div>	
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		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a FFY <u>2025</u> \$ 5,000,000 \$3,642,000 b FFY <u>2026</u> \$ 5,000,000 \$3,642,000 8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-B, page 1a (AL-24-0006) Attachment 4.19-B, page 2c (AL-24-0006) Attachment 4.19-B, page 2d (AL-24-0006) Attachment 4.19-B, page 10b.1 (AL-24-0006)	
9. SUBJECT OF AMENDMENT This amendment will remove the performance payment pool amount due to potential funding changes.			
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 CVS </div> </div>			
11. SIGNATURE OF STATE AGENCY OFFICIAL <div style="background-color: black; height: 20px; 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="text-align: center;">04/23/25</div>		16. DATE RECEIVED <div style="text-align: center;">April 23, 2025</div>	
17. DATE APPROVED <div style="text-align: center;">June 17, 2025</div>		18. EFFECTIVE DATE OF APPROVED MATERIAL <div style="text-align: center;">April 1, 2025</div>	
19. SIGNATURE OF APPROVING OFFICIAL <div style="background-color: black; height: 20px; width: 100%;"></div>		20. TYPED NAME OF APPROVING OFFICIAL <div style="text-align: center;">Todd McMillion</div>	
21. TITLE OF APPROVING OFFICIAL <div style="text-align: center;">Director, Division of Reimbursement Review</div>		22. REMARKS <div style="color: red;"> Pen and Ink change approved by the state and processed by CMS in the following fields: Box 6 (a and b sections): to reflect the updated budget impacts for Federal Impact years. Form 179 updated to read \$3,642,000 for both 2025 and 2026 years. </div>	

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 \$20 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.

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 13 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.

IV. Rates for ACHN Certified MCPs:

- a. ACHN Certified MCPs will receive an enhanced payment for:
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V. ACHN Certified Provider Performance Payments

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