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State/Territory Name: AL

State Plan Amendment (SPA) #: 25-0009

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106

CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Medicaid and CHIP Operations Group

October 31, 2025

Timothy "Bo" A. Offord, Jr.
Commissioner
Alabama Medicaid Agency
501 Dexter Avenue
Post Office Box 5624
Montgomery, Alabama 36103-5624

Re: Alabama State Plan Amendment (SPA) – 25-0009

Dear Commissioner Offord:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 25-0009. This amendment decreases the minimum threshold dollar amount in relation to seeking recovery from a health insurance carrier.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations 42 CFR 433.139. This letter informs you that Alabama's Medicaid SPA TN 25-0009 was approved on October 31, 2025, effective October 1, 2025.

Enclosed are copies of Form CMS-179 and the approved SPA page to be incorporated into the Alabama State Plan.

If you have any questions, please contact Kia Carter-Anderson at (404) 562-7431 or via email at Kia.Carter-Anderson@cms.hhs.gov.

Sincerely,

Mandy Strom
On Behalf of Courtney Miller, MCOG Director

Enclosures

cc: Lauren Ray

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 25 — 0009

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, 2025

5. FEDERAL STATUTE/REGULATION CITATION
42 C.F.R 433.139

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2025 $ 0
b. FFY 2026 $ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.22-B Page 2

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.22-B Page 2 (AL-24-0002)

9. SUBJECT OF AMENDMENT
This amendment will change the minimum threshold in relation to seeking recovery from a health insurance carrier.

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
Timothy "Bo" A. Offord, Jr.

13. TITLE
Commissioner

14. DATE SUBMITTED
10/21/25

15. RETURN TO
Timothy "Bo" A. Offord, Jr.
Commissioner
Alabama Medicaid Agency
501 Dexter Avenue
Post Office Box 5624
Montgomery, Alabama 36103-5624

FOR CMS USE ONLY

16. DATE RECEIVED
10/21/2025

17. DATE APPROVED
10/31/2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
10/01/2025

19. SIGNATURE OF APPROVING OFFICIAL
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Mandy Strom

21. TITLE OF APPROVING OFFICIAL
On Behalf of Courtney Miller, MCOG Director

22. REMARKS

Instructions on Back

Providers are monitored for compliance with insurance billing requirements through post payment recovery by a vendor. If a report of prior payment to either the provider or insured person is received, the amount paid by the carrier is recouped from the provider.

Third Party Collection Procedures to be Cost-Effective:

The Medicaid Agency's MMIS uses a $5 threshold in determining whether to seek recovery from a health insurance carrier for all except drug claims. Claims which do not exceed a paid amount of $5 are placed in an automated suspense file. The suspense file is read monthly to identify recipients whose accumulated claims exceed the threshold. Claims are carried on the suspense file for up to twelve months. The Medicaid Agency's MMIS uses a $25 threshold for drug claims. Drug claims are accumulated monthly for submission to a third party. Accumulated claims which exceed a $25 paid amount are submitted to the third party carrier.

The Medicaid Agency uses a $250 threshold for casualty recovery. Once a liable third party is identified, the entire recipient paid claims history is reviewed. If the accumulated total of paid claims related to the injury third party exceeds $250, recovery is sought from the liable third party.

The Medicaid Agency ensures that regulations are in effect that bar liable third-party payers from refusing payment for an item or service solely on the basis that such item or service did not receive prior authorization under the third-party payer's rules. These regulations comply with the provisions of section 202 of the Consolidated Appropriations Act, 2022.