

Table of Contents

State/Territory Name: AL

State Plan Amendment (SPA) #: 25-0009

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106



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

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER 2 5 — 0 0 0 9	2. STATE A L
	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. PAGENUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.22-B Page 2 (AL-24-0002)	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

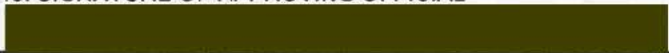
☒ OTHER, AS SPECIFIED: Governor's designee on file via letter with CMS

11. SIGNATURE OF STATE AGENCY OFFICIAL	15. RETURN TO Timothy "Bo" A. Offord, Jr. Commissioner Alabama Medicaid Agency 501 Dexter Avenue Post Office Box 5624 Montgomery, Alabama 36103-5624
12. TYPED NAME Timothy "Bo" A. Offord, Jr.	
13. TITLE Commissioner	
14. DATE SUBMITTED 10/21/25	

FOR CMS USE ONLY

16. DATE RECEIVED 10/21/2025	17. DATE APPROVED 10/31/2025
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL 10/01/2025	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Mandy Strom	21. TITLE OF APPROVING OFFICIAL On Behalf of Courtney Miller, MCOG Director

22. REMARKS

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.

TN No. AL-25-0009

Supersedes

Approval Date:
10/31/25

Effective Date: 10/01/25

TN No. AL-24-0002