APA-1

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control No: 560 . Department or Agency: Alabama Medicaid Agency .

Rule No: 560-X-35-.09 .

Rule Title: Payment Methodology for Covered Services

_____ New Rule; __X__ Amend; _____ Repeal; _____ Adoption by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? _____no_____

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? _____yes_____

Is there another, less restrictive method of regulation available that could adequately protect the public? _____no_____

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? _____no_____

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? _____no_____

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? _____yes_____

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Does the proposed rule have any economic impact? _____no_____

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

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Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer: Stephanie Lindsay

Date: 4/20/12

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FOR APD USE ONLY

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ALABAMA MEDICAID AGENCY

NOTICE OF INTENDED ACTION

RULE NO. & TITLE: 560-X-35-.09 –Payment Methodology for Covered Services

INTENDED ACTION: Amend 560-X-35-.09(1)(2)(3)(4)(5)(a)(b)(c).

SUBSTANCE OF PROPOSED ACTION: The above-referenced rule is being amended to clarify the payment methodology for covered services.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Written or oral comments may be submitted to the Alabama Medicaid Agency, 501 Dexter Avenue, Post Office Box 5624, Montgomery, Alabama 36103-5624, 334-242-5833. Agency business hours are 8:00 a.m. to 5:00 p.m. Monday through Friday.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:. Written/Oral comments concerning this change must be received by the Alabama Medicaid Agency no later than June 5, 2012.

CONTACT PERSON AT AGENCY: Stephanie Lindsay, Administrative Secretary, Alabama Medicaid Agency, 501 Dexter Avenue, Post Office Box 5624, Montgomery, Alabama 36103-5624.

R. Bob Mullins, Jr., MD
Commissioner

Rule No. 560-X-35-.09. Payment Methodology for Covered Services.

(1) The Medicaid reimbursement for each service provided by a mental health service provider shall be based on a fee-for-service system. Each covered service is identified on a claim by a procedure code. ~~Each year's rate will be trended forward by using the prior year's rate adjusted by the medical portion of the consumer price index. The new rate will be reported to the Alabama Medicaid Agency fiscal agent liaison to be input into the system.~~

(2) Providers should bill no more than one month's services on a claim for a recipient. There may be multiple claims in a month, but no single claim may cover services performed in different months. For example, October 15, 1990, to November 15, 1990, would not be allowed. If the submitted claim covers dates of service, part or all of which were covered in a previously paid claim, it will be rejected. ~~Payment will be based on the number of units of service reported for HCPCS codes.~~

(3) Payment will be based on the number of units of service reported for HCPCS codes.

~~The basis for the fees will be the past rate history and amount of care needed based on acuity of client disability with consideration being given to the medical care portion of the consumer price index.~~

(4) All claims for services must be submitted within 12 months ~~six months~~ from the date of service.

(5) Accounting for actual cost and units of services provided during a waiver year must be accomplished on HCFA's form 372. The following accounting definitions will be used to capture reporting data, and the audited figures used in establishing new interim fees:

(a) A waiver year consists of 12 consecutive months starting with the approval date specified in the approved waiver document.

(b) An expenditure occurs when cash or its equivalent is paid in a quarter by a state agency for waiver benefits. For a public/governmental provider, the expenditure is made whenever it is paid or recorded, whichever is earlier. Non-cash payments, such as depreciation, occur when transactions are recorded by the state agency.

(c) The services provided by a direct service provider agency is reported and paid by dates of service. Thus, all services provided during the 12 months of the waiver year will be attributed to that year.

Author: Samantha McLeod, Associate Director, LTC Specialized Waiver Programs
Statutory Authority: 42 C.F.R. Section 441, Subpart G and the Home and Community-Based Waiver for Persons with Mental Retardation.
History: Rule effective July 9, 1985. **Amended**: November 18, 1987, May 15, 1990, and January 14, 1997. **Amended:** Filed December 18, 2000; effective March 12, 2001. **Amended:** Filed October 21, 2004; effective January 14, 2005. **Amended:** Filed April 20, 2012.