

APA-1

TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION

Control No: 560 Department or Agency: Alabama Medicaid Agency

Rule No: 560-X-62-.15

Rule Title: Right to Terminate Certificates of Probationary and Fully Certified Regional Care Organizations

X New Rule; \_\_\_\_\_ 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: 6/19/14

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**ALABAMA MEDICAID AGENCY**

**NOTICE OF INTENDED ACTION**

**RULE NO. & TITLE:** 560-X-62-.15 Right to Terminate Certificates of Probationary and Fully Certified Regional Care Organizations

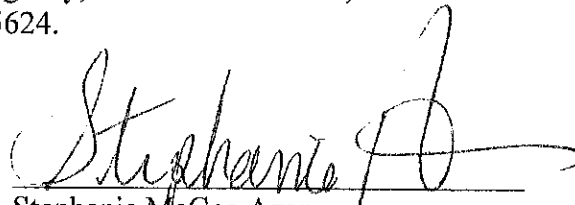
**INTENDED ACTION:** Add New Rule 560-X-62-.15

**SUBSTANCE OF PROPOSED ACTION:** The above referenced rule is being added to comply with Code of Alabama, Sections 22-6-150, *et seq.* to provide for the right of the Alabama Medicaid Agency to terminate certificates of Probationary and Fully Certified Regional Care Organizations.

**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. 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 August 4, 2014.

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



Stephanie McGee Azar  
Acting Commissioner

**Rule No. 560-X-62-.15 Right to Terminate Certificates of Probationary and Fully Certified Regional Care Organizations – NEW RULE**

(1) The certificate of an organization as a probationary regional care organization or as a full regional care organization (referred to collectively hereafter in this rule as “certificate”) may be terminated by the Medicaid Agency, in its sole discretion, for nonperformance of contractual duty or for failure to meet or maintain benchmarks, standards, or requirements provided by Sections 22-6-150, *et seq.* of the Alabama Code or rules promulgated by the Medicaid Agency.

(2) In the event of termination by the Medicaid Agency, a written notice of termination shall be sent to the organization.

(3) The Medicaid Agency may terminate a certificate based on an organization’s failure to timely file required reports and updated information as required by Rules 560-X-62-.05(20) and 560-X-62-.06(9) or otherwise required by the Medicaid Agency after reasonable written notice with an opportunity to cure is provided by the Medicaid Agency.

(4) The Medicaid Agency may terminate a certificate based on material misrepresentations and/or omissions in applications and reports required of the organization pursuant to Medicaid rules and any contract between the organization and the Medicaid Agency.

(5) The Medicaid Agency may terminate a certificate for the failure on the part of the organization to meet and/or maintain the solvency and other financial requirements set forth in Section 22-6-151 of the Alabama Code and rules promulgated by the Medicaid Agency.

(6) The Medicaid Agency may terminate a certificate should it reasonably determine that the continued operation of the organization is hazardous to Medicaid beneficiaries or to the state after reasonable notice of the hazardous condition and an opportunity to cure is provided by the Medicaid Agency to the organization.

(7) Notwithstanding any provisions of this rule, the Medicaid Agency may terminate an organization’s certificate for violations of state or federal law related to acts or omissions that could reasonably affect the delivery of care to Medicaid beneficiaries, committed by the organization and/or any of its officers and directors.

(8) The organization may request a fair hearing in writing if it is not satisfied with the termination action.

(9) A written request for a fair hearing must be received by the Medicaid Agency within 30 days from the date the notice of termination is mailed. The Medicaid Agency will not accept requests for fair hearings which are outside the 30 day limit.

**Author:** Sharon Weaver, Administrator, Administrative Procedures Office.

**Statutory Authority:** Code of Alabama, 1975 Section 22-6-150 *et seq.*; 42 CFR Part 438.

**History:** New Rule: Filed June 19, 2014.