



**ALABAMA MEDICAID AGENCY**

**NOTICE OF INTENDED ACTION**

**RULE NO. & TITLE:** 560-X-13-02.(3)(c);(4); (9); (14) – Participating Agencies and Suppliers

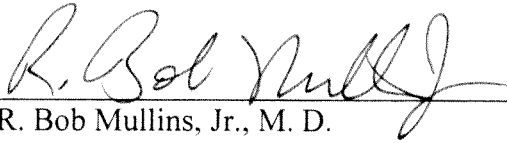
**INTENDED ACTION:** Amend 560-X-13-.02(3)(c) (4); (9); (14)

**SUBSTANCE OF PROPOSED ACTION:** The above-mentioned rule is being amended to show the following changes: 1) To clarify that DME providers can serve recipients in all counties adjoining the county in which they have a business license and where business is physically located; 2) To clarify that DME providers must have DME supplies stocked in the physical store location that are readily available to Medicaid recipients; 3) To change the division's name from Long Term Care Division to Clinical Services and Support Division; and 4) To clarify that Pharmacy/ DME providers enrolled with Alabama Medicaid are required to submit their Medicare enrollment letter only and are not required to have a Medicaid Surety Bond.

**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 May 4, 2012.

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

  
R. Bob Mullins, Jr., M. D.  
Commissioner

**Rule No. 560-X-13-.02. Participating Agencies and Suppliers.**

(1) Participating agencies are those Home Health Agencies contracted with Alabama Medicaid Agency for this program.

(2) Participating suppliers are those pharmacies and medical equipment suppliers contracted with Alabama Medicaid Agency for this program.

(3) The provider's business must be physically located within the state of Alabama or within a 30-mile radius of the state of Alabama. Suppliers located more than 30- miles from the border of Alabama may be enrolled only as follows:

(a) For specialty equipment and supplies such as augmentative communication devices and vest airway clearance systems which are not readily available in state;

(b) For supplies and equipment needed as the result of a transplant or unique treatment approved out of state as the result of an EPSDT referral. Suppliers will be enrolled by the Medicaid fiscal agent on a temporary basis for these situations.

(c) Providers may serve recipients only in the county in which the business is physically located and any adjoining the counties. Recipients living in areas where there is limited access to Durable Medical Equipment (DME) Supplies and Appliances may seek a list of available DME providers by contacting the Alabama Medicaid Agency's Pharmacy/ DME Unit. Recipients who have medical problems, disabilities or lack of transportation, may also seek a list of available DME Providers by contacting the Alabama Medicaid's Pharmacy/ DME Unit.

(4) There must be at least one person employee present to conduct business at the physical location. Answering machines and/or answering services are not acceptable as personal coverage during normal business hours (8:00 a.m. – 5:00 p.m.). DME providers must have durable medical equipment, appliances or supply items (as related to the provider specialty) stocked in the physical store location that are readily available to Medicaid recipients presenting prescriptions for these items.

(5) Satellite businesses affiliated with a provider are not covered under the provider contract; therefore, no reimbursement will be made to a provider doing business at a satellite location. However, the satellite could enroll with a separate national provider number.

(6) The provider shall have no felony convictions and no record of noncompliance with Medicaid or Medicare regulations.

(7) The provider must submit a copy of a current business license to the Medicaid fiscal agent.

(a) Medicaid's fiscal agent enrolls supply, appliance, and durable medical equipment providers and issues provider contracts to applicants who meet the licensure or certification requirements of the State of Alabama, the Code of Federal Regulations, the Alabama Medicaid Agency Administrative Code, and the Alabama Medicaid Provider Manual.

(b) A copy of the approved Medicare enrollment application is required.

(8) Providers must notify Medicaid's fiscal agent in writing of any changes to the information contained in its application at least 30 business days prior to making such changes.

These changes may include, but are not limited to, changes in ownership or control, federal tax identification number, or business address changes.

(9) All Alabama Medicaid DME and medical supply providers must submit copies of their Medicare Accreditation and their Medicare Surety Bonds to the Alabama Medicaid Agency's, ~~Long Term Care (LTC) Policy Advisory Unit, Clinical Services and Support Division.~~

(a) The Alabama Medicaid DME and medical supply providers are required to have a \$50,000 Surety Bond for each NPI by October 1, 2010.

(b) DME providers requesting to enroll as an Alabama Medicaid provider will be required to have a \$50,000 Surety Bond for three years before qualifying for the \$100,000 two-year volume exemption as referenced in rule (12)(f) below.

(10) Failure of Medicaid DME and medical supply providers to comply with these requirements will result in their termination from the Alabama Medicaid Program.

(11) Alabama Medicaid DME and medical supply providers must renew their required surety bonds annually, before the day and month that the first bond was effective to avoid a lapse in coverage, a denial of Medicaid reimbursements and termination as a provider of Medicaid DME and medical supply services.

(a) Proof of the renewal must be submitted to the Alabama Medicaid Agency at least 30 days prior to the individual bond's termination date. The assigned Medicaid DME provider location number and current physical location address must be included on the surety bond renewal document for the individual DME and medical supply business location being bonded.

(b) If there is a lapse in surety bond coverage dates, the provider will be denied payment for services that may have been otherwise covered by Medicaid, and the individual DME location without a current surety bond on file will be terminated as a provider of Medicaid DME and medical supply services.

(12) A DME and medical supply business is exempt from surety bond requirements if the DME and medical supply business:

(a) Is a DME supplier who has been a Medicaid provider for five years or longer with no record of impropriety, and whose refund requests have been repaid as requested; or

(b) Is a government-operated Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS); or

(c) Is a state-licensed orthotic and prosthetic personnel in private practice making custom-made orthotics and prosthetics; or

(d) Are physicians and non-physician practitioners, as defined in section 1842(b)(18) of the Social Security Act; or

(e) Are physical and occupational therapists in private practice; or

(f) Are providers who received \$100,000 or less Medicaid payment in the past two calendar years; or

(g) Are pharmacy providers; or

(h) Are phototherapy providers who only provide phototherapy services for infants; or

(i) Are Federally Qualified Health Centers.

(13) DME suppliers who have been a Medicaid provider for five years or longer who are initially exempted from the Medicaid Surety Bond requirement as referenced in Rule (12)(a) of this section, will be subject to the Surety Bond requirement if the Medicaid Agency identifies a consistent problem with improper billing or fraudulent activity.

(14) Pharmacy providers seeking to enroll as Alabama Medicaid DME Providers are required to submit their Medicare enrollment letter only. They are not required to submit a Medicare Surety Bond, Medicare Accreditation or Medicaid Surety Bond.

**Author:** Vivian Bristow, Administrator, Pharmacy/ DME Unit.

**Statutory Authority:** State Plan Attachment 3.1-A; 42 CFR Section 434.6; and Title XIX, Social Security Act.

**History:** Rule effective October 1, 1982. Amended: Filed December 17, 2001; effective March 15, 2002. **Amended:** Filed November 19, 2002. Effective February 14, 2003. **Amended:** Filed September 20, 2006; effective December 13, 2006. **Amended:** Filed February 20, 2008; effective May 16, 2008. **Amended:** Filed October 20, 2008; effective January 16, 2009. **Amended:** Filed October 20, 2009; effective January 15, 2010. **Amended:** Filed April 20, 2010; effective July 16, 2010. **Amended:** Filed March 20, 2012; effective June 15, 2012.