

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control No: 560 Department or Agency: Alabama Medicaid Agency

Rule No: 560-X-23-.02

Rule Title: Definitions and Basic Concepts
 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

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.

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 Arca

Date: 9-28-11

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ALABAMA MEDICAID AGENCY

NOTICE OF INTENDED ACTION

RULE NO. & TITLE: 560-X-23-.02 – Definitions and Basic Concepts

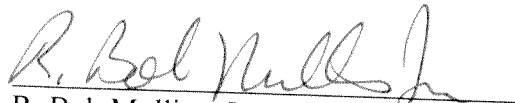
INTENDED ACTION: Amend 560-X-23-.02

SUBSTANCE OF PROPOSED ACTION: The above-referenced rule is being amended to clarify payment methodology as defined in the State Plan Attachments 4.19-B and 3.1-A. The payment methodology for outpatient hospital will change from an encounter payment methodology to a fee for service payment methodology.

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 December 5, 2011.

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., MD
Commissioner

Rule No. 560-X-23-.02 Definitions and Basic Concepts

(1) Access Payment: A payment by the Medicaid program to an eligible hospital for inpatient and outpatient hospital care provided to a Medicaid recipient. ~~The access payment will be made contingent upon the assessment tax required by Ala. Code (1975) §40-26B-70, et seq. being collected.~~

(2) Hospital: For purposes of Medicaid base, access and DSH payments for the period from October 1, 2011~~09~~, through September 30, 201~~13~~, a facility, which is licensed as a hospital under the laws of the State of Alabama, provides 24-hour nursing services, and is primarily engaged in providing, by or under the supervision of doctors of medicine or osteopathy, inpatient services for the diagnosis, treatment, and care or rehabilitation of persons who are sick, injured, or disabled.

(3) Medicare Cost Report: The electronic cost report (ECR) filing of the CMS Form 2552-96 and 2552-10 Hospital and Hospital Health Care Complex Cost Report, as defined in CMS Provider Reimbursement Manual (PRM) 15-II (hereinafter referred to as "~~Form CMS form 2552-96 and all accompanying schedules, forms and supporting information.~~"),

(4) Privately Owned and Operated Hospital: For purposes of Medicaid base, access and DSH payments for the period from October 1, 200~~9~~11, through September 30, 201~~13~~, a hospital in Alabama other than:

(a) Any hospital that is owned and operated by the federal government;

(b) A hospital that is a state agency or unit of state government, including without limitation a hospital owned by a state agency or a state university.

(c) A hospital created and operating under the authority of a governmental unit which has been established as a public corporation pursuant to Chapter 21 of Title 22 or Chapter 95 of Title 11, or a hospital otherwise owned and operated by a unit of local government.

(d) A hospital that limits services to patients primarily to rehabilitation services as authorized by Alabama Administrative Code 410-2-4-.08; or

(e) A hospital granted a Certificate of Need as a Long Term Acute Care Hospital as defined by Alabama Administrative Code 410-2-4-.02(8).

(5) Non State Government Owned and Operated Hospital: For purposes of Medicaid base, access and DSH payments for the period from October 1, 200~~9~~11, through September 30, 201~~13~~, a hospital in Alabama created or operating under the authority of a governmental unit which has been established as a public corporation pursuant to Ala. Code, Chapter 21 of Title 22 or Chapter 95 of Title 11, or a hospital otherwise owned or operated by a unit of local government.

(6) State Owned or Operated Hospital: For purposes of Medicaid base, access and DSH payments for the period from October 1, 200~~9~~11, through September 30, 201~~13~~, a hospital in Alabama that is a state agency or

unit of state government, including without limitation a hospital owned or operated by a state agency or a state university.

Author: Keith Boswell, Director, Provider Audit/Reimbursement.

Statutory Authority: State Plan, Title XIX, Social Security Act, 42 C.F.R. Section 401, et seq.

History: Effective June 9, 1986. **Amended:** October 11, 1986; September 9, 1987; May 25, 1988; November 10, 1988; April 14, 1989. **Amended:** Emergency Rule effective October 1, 1991. **Amended:** January 14, 1992; September 11, 1992, May 13, 1993, January 11, 1996. **Amended:** Emergency Rule filed and effective September 2, 1010. **Amended:** Filed September 20, 2010; effective December 17, 2010. **Amended:** Emergency Rule filed and effective October 1, 2011. : Filed September 23, 2011. **Amended** Filed October 20, 2011; effective January 16, 2012.