

APA-1

TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION

Control No: 560 Department or Agency: Alabama Medicaid Agency

Rule No: 560-X-01-.27 (4), (8)

Rule Title: Organ Transplants  
         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: 9/20/13

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**ALABAMA MEDICAID AGENCY**

**NOTICE OF INTENDED ACTION**

**RULE NO. & TITLE:** 560-X-01-.27

**INTENDED ACTION:** Amend 560-X-01-.27 (4), (8)

**SUBSTANCE OF PROPOSED ACTION:** The above referenced rule is being amended to be consistent with the transplant services listed in our current contract.

**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 November 5, 2013.

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



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Stephanie McGee Azar  
Acting Commissioner

**Rule No. 560-X-01-27 Organ Transplants**

Alabama Medicaid will cover organ transplants under the following terms and conditions. These terms will apply to all procedures except cornea transplants.

(1) Transplants must be performed in the state of Alabama if medically available and appropriate for particular patient and transplant type with the exception of (8)(d) below.

(2) All transplant candidates must be from referrals by EPSDT or the primary physician.

(3) All transplant evaluations must be conducted by the Medicaid primary contractor. If the primary contractor is unable to perform the transplant, a referral to another facility may be made. The primary contractor will be responsible for coordination and reimbursement of referrals.

(4) The following transplants are covered for recipients of any age:

- (a) bone marrow,
- (b) kidney,
- (c) heart,
- (d) lung (single or double),
- (e) heart/lung,
- (f) liver,
- (g) pancreas,
- (h) pancreas/kidney,
- (i) liver/small bowel,
- (j) small bowel,
- (k) liver/pancreas/small bowel.

(5) For EPSDT referrals, other transplants may be considered for approval if medically necessary, therapeutically effective, and non-experimental.

(6) All transplants must be prior approved by Medicaid. The primary contractor will forward a recommendation packet to Medicaid following evaluation of the recipient. Medicaid will issue notice to the recipient of approval or denial.

(7) Recipients who are denied Medicaid coverage for transplants will be offered the opportunity for a fair hearing under the provisions of Chapter Three of this code.

(8) Reimbursement

(a) Reimbursement will be a global payment established by Medicaid.

The global payment will include the following:

- 1. pre-transplant evaluation,
- 2. organ procurement,
- 3. hospital room, board, and ancillary services,
- 4. out of hospital ancillary services,
- 5. post-operative care,

6. pharmacy and laboratory services, and
7. all professional fees.

(b) Services provided after discharge will be reimbursed on a fee for service basis.

(c) Reimbursement provisions apply to transplants performed both ~~in state~~ in state and out-of-state. The global payment represents full payment for all services associated with the transplant. Recipients may not be billed for the difference between the submitted amount and the global payment.

(d) Third Party Payors: Medicaid is a payor of last resort. When a primary payor other than Medicaid has obligated to cover the transplant Medicaid may, at its discretion, approve that payor's site preference for the transplant.

(9) Cornea transplants are covered for defects (as diagnosed by ophthalmologists) which are correctable by transplant.

(10) Cornea transplants do not require prior approval.

(11) Reimbursement for cornea transplants will be normal Medicaid pricing methodology.

(12) Services associated with cornea transplants will be counted in a recipient's regular Medicaid benefit limits.

**Author:** Karen Smith, Associate Director, Clinic Services/Mental Health Programs.

**Statutory Authority:** Title XIX, Social Security Act; 42 CFR, Section 405.310(k), Section 440.10, Section 440.50, et seq; State Plan, Attachment 3.1.E and Attachment 4.19B, Section 18.

**History:** Rule effective June 10, 1987. Amended July 17, 1991; October 12, 1991; May 13, 1996; January 12, 1998; and January 11, 1999. Amended: Filed October 20, 1999; effective January 12, 2000. Amended: Filed May 22, 2000; effective August 10, 2000. Amended: Emergency Rule filed January 19, 2000; effective February 1, 2001. Amended: Filed January 19, 2001; effective April 18, 2001. Amended: Filed July 20, 2001, effective October 16, 2001. Amended: Filed September 20, 2013