

1 HB499
2 150491-1
3 By Representative Wren
4 RFD: Health
5 First Read: 02-APR-13

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8 SYNOPSIS: This bill would provide for the
9 establishment, operations and funding of the Health
10 Center Access and Quality Improvement Program,
11 would provide for an assessment on qualified health
12 centers in Alabama to be administered by the
13 Department of Revenue; would create a Health Center
14 Assessment Account and require health center
15 assessments be deposited in that account for use by
16 the Alabama Medicaid Agency to obtain matching
17 federal funds; would provide that the program shall
18 terminate on September 30, 2016; would provide that
19 the Centers for Medicare and Medicaid Services
20 (CMS) must approve changes to the Medicaid State
21 Plan associated with the creation, operation, and
22 funding of the Health Center Access and Quality
23 Improvement Program before the assessment program
24 is put into place; would establish and set out
25 responsibilities of the Health Center Services and
26 Reimbursement Panel.
27

1 A BILL
2 TO BE ENTITLED
3 AN ACT
4

5 To provide for the establishment, operations and
6 funding of the Health Center Access and Quality Improvement
7 Program, to provide for an assessment on qualified health
8 centers in Alabama to be administered by the Department of
9 Revenue; to create a Health Center Assessment Account and
10 require health center assessments be deposited into that
11 account for use by the Alabama Medicaid Agency to obtain
12 matching federal funds; to provide that the program shall
13 terminate on September 30, 2016; to provide that the Centers
14 for Medicare and Medicaid Services (CMS) must approve any
15 changes to the Medicaid State Plan associated with the
16 creation, operation, and funding of the Health Center Access
17 and Quality Improvement Program before the assessment program
18 is put into place; and to establish and set out
19 responsibilities of the Health Center Services and
20 Reimbursement Panel.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. The Alabama Medicaid Program was created
23 pursuant to Title XIX of the Social Security Act which has
24 specific requirements for each state's program. The Alabama
25 Medicaid Program enrolls qualified health centers as primary
26 care providers. The Alabama Medicaid Agency and qualified
27 health centers are committed to moving rapidly toward patient

1 centered medical home models of care with enhanced focus on
2 increasing quality and coordination of care while improving
3 health outcomes. The State of Alabama, the Alabama Medicaid
4 Agency and qualified health centers desire to create, operate
5 and fund the Health Center Access and Quality Improvement
6 Program to demonstrate the value of a coordinated, patient
7 centered delivery system in improving health outcomes for
8 Alabama residents and reducing the overall cost of health
9 care. The State of Alabama has had difficulty for many years
10 in appropriating sufficient money in the State General Fund to
11 obtain all of the federal funds available for the Alabama
12 Medicaid Program to support enhanced quality improvement
13 programs and for the implementation and operation of the
14 Health Center Access and Quality Improvement Program. Alabama
15 health centers working with the Alabama Medicaid Agency have
16 developed a state funding methodology that will establish and
17 operate the Health Center Access and Quality Improvement
18 Program to pay qualified health centers for services provided
19 to Medicaid beneficiaries and expanded quality improvement
20 activities and programs subject to CMS approval prior to the
21 methodology being put in place.

22 The Legislature finds that the Health Center Access
23 and Quality Improvement Program created in this Act will
24 assure payments for access and quality improvement activities
25 and programs through qualified health centers and assist
26 Medicaid in developing a federally approved funding source in
27 addition to the annual State General Fund appropriation for

1 fiscal years 2014, 2015 and 2016, unless the Legislature
2 approves later legislation extending the act into future state
3 fiscal years.

4 Section 2. For purposes of this chapter, the
5 following terms shall have the following meanings:

6 (1) ACCESS PAYMENT. An enhanced payment made to
7 eligible qualified health centers to ensure access to primary
8 care for people who are medically vulnerable.

9 (2) AGENCY: The Alabama Medicaid Agency.

10 (3) ASSESSMENT. License fee imposed on qualified
11 health centers by the State of Alabama for the purpose of the
12 creation, operation, and funding of the Health Center Access
13 and Quality Improvement Program.

14 (4) CENTERS FOR MEDICARE AND MEDICAID SERVICES
15 (CMS). The federal agency responsible for the administration
16 and oversight of the State of Alabama Medicaid Program.

17 (5) DEPARTMENT. The Department of Revenue of the
18 State of Alabama.

19 (6) FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP).
20 That portion of funds paid by the federal government to the
21 State of Alabama for its federal share of expenditures for
22 providing and administering the State's Medicaid Program.

23 (7) DEPARTMENT HEALTH AND HUMAN SERVICES (HHS). The
24 United States Department of Health and Human Services (HHS),
25 the principal agency for protecting the health of all
26 Americans and providing essential health and human services.

1 (8) HEALTH CENTER ACCESS AND QUALITY IMPROVEMENT
2 PROGRAM. Alabama's program for qualified health centers
3 designed to achieve a coordinated, patient centered delivery
4 system through an alternative payment methodology to improve
5 health outcomes for Alabama residents while reducing the
6 overall cost of care.

7 (9) HEALTH CENTER ASSESSMENT ACCOUNT. An account
8 created within the Health Care Trust Fund for the purpose of
9 operating the Alabama Health Center Access and Quality
10 Improvement Program.

11 (10) TOTAL FUNDED EXPENDITURES. The combined total
12 of federal matching funds and state revenue dollars generated
13 from the assessment imposed under this Article.

14 (11) HEALTH CENTER MEDICAID REIMBURSEMENT.
15 Methodology for Medicaid reimbursement to health centers for
16 services provided to Medicaid recipients in accordance with
17 Sections 1902(a)(10)(A), 1905(a)(2)(C), and 1902 (bb) of the
18 Social Security Act (SSA) as of March 1, 2013.

19 (12) HEALTH CENTER SERVICES AND REIMBURSEMENT PANEL.
20 A group of individuals appointed to review and approve any
21 Medicaid State Plan amendments, waivers or policy which
22 involve health center services or reimbursement prior to
23 submission to the Centers for Medicare and Medicaid Services
24 or the Alabama Legislature, if applicable.

25 (13) HEALTH HOME PROGRAM. Program which provides
26 health home services for eligible Medicaid recipients in
27 accordance with the Medicaid State Plan.

1 (14) HEALTH HOME PAYMENT. A payment made to Medicaid
2 providers including qualified health centers in accordance
3 with the Medicaid State Plan.

4 (15) HEALTH RESOURCES AND SERVICES ADMINISTRATION
5 (HRSA). An office within the Department of Health and Human
6 Services that is primarily responsible for improving access to
7 health care services for people who are uninsured, isolated or
8 medically vulnerable and serves as the federal oversight
9 entity for qualified health centers.

10 (16) MEDICAID. The medical assistance program as
11 established in Title XIX of the Social Security Act and as
12 administered in the State of Alabama by the Alabama Medicaid
13 Agency pursuant to executive order, Chapter 6 (commencing with
14 Section 22-6-1) of Title 22 of the Code of Alabama 1975 and
15 Title 560 of the Alabama Administrative Code.

16 (17) MEDICAID APPROPRIATION. That amount
17 appropriated by the Legislature for Medicaid that includes
18 both state and federal matching funds representing total
19 Medicaid expenditure.

20 (18) MEDICAID STATE PLAN. The document describing
21 the nature and scope of the Alabama Medicaid Agency as
22 required under Section 1902 of the Social Security Act and
23 approved by the Department of Health and Human Services.

24 (19) NET PATIENT REVENUE. The amount calculated in
25 accordance with generally accepted accounting principles for
26 qualified health centers reported through the Uniform Data
27 System.

1 (20) OFFICE OF THE NATIONAL COORDINATOR FOR HEALTH
2 INFORMATION TECHNOLOGY. A position within the Department of
3 Health and Human Services to promote a national health
4 information technology infrastructure and oversee its
5 development.

6 (21) QUALIFIED HEALTH CENTER. A facility recognized
7 as a Federally Qualified Health Center (FQHC) under Section
8 1905(1)(2)(B) of the Social Security Act operating health care
9 practices within Alabama.

10 (22) QUALITY IMPROVEMENT PAYMENT. Medicaid payment
11 to eligible qualified health centers for activities and
12 programs designed to improve the quality of care and health
13 outcomes of Medicaid patients and to reduce the cost of care.

14 (23) STATE FISCAL YEAR. An accounting period of
15 twelve months beginning on the first day of the first month of
16 the state fiscal year.

17 (24) STATE PLAN AMENDMENT. A change or update to the
18 Medicaid State Plan that is approved by the Centers for
19 Medicare and Medicaid Services.

20 (25) UNIFORM DATA SYSTEM. A core set of information
21 and data for each qualified health center maintained and
22 administered by the Health Resources and Services
23 Administration within the Department of Health and Human
24 Services.

25 Section 3. (1) An assessment is imposed on each
26 qualified health center for the state fiscal years 2014, 2015
27 and 2016 in the amount of 5.5 percent of net patient revenue

1 for each qualified health center beginning in the quarter
2 starting with October 1, 2013. The assessment is a licensing
3 fee and the cost of doing business as a qualified health
4 center in the State of Alabama.

5 (2) The assessment shall be imposed on the class of
6 services offered by qualified health centers for the purpose
7 of the creation, operation and funding of the Alabama Health
8 Center Access and Quality Improvement Program.

9 (3) This Article does not authorize a unit of county
10 or local government to license for revenue or impose a tax or
11 assessment upon qualified health centers or a tax or
12 assessment measured by the income or earnings of a qualified
13 health center.

14 (4) Any assessment imposed under this Article for
15 qualified health centers, operating both within and outside
16 the state, is only to be calculated on net patient revenues
17 generated within Alabama.

18 (5) The payment by a qualified health center of the
19 assessment created in this Article shall be reported as an
20 allowable cost for Medicaid reimbursement purposes.

21 Section 4. (1) Certifications by the Alabama Primary
22 Health Care Association of Qualified Health Centers shall be
23 made on an annual basis.

24 a. The Alabama Primary Health Care Association shall
25 review the Uniform Data System reports of each qualified
26 health center and shall make a certification to the Alabama
27 Medicaid Agency regarding the qualified health center's

1 eligibility for access payments and quality improvement
2 payments. The initial eligibility certification shall be made
3 120 days prior to the first access payment and quality
4 improvement payment.

5 b. The Alabama Primary Health Care Association shall
6 review the Uniform Data System reports of each qualified
7 health center and shall make certification to the Alabama
8 Medicaid Agency and the Department of each qualified health
9 center's net patient revenue for purposes of assessment.

10 1. The initial net payment revenue certification
11 shall be made 120 days prior to the collection of the first
12 assessment.

13 2. Net patient revenue shall be determined using
14 data from the Uniform Data System. If net patient revenue data
15 is not available through the Uniform Data System for a
16 qualified health center as of September 1, 2013, the qualified
17 health center shall submit a copy of associated revenue data
18 to the Alabama Primary Health Care Association in order to
19 allow the Alabama Primary Health Care Association to determine
20 the health center's net patient revenue and to certify it to
21 the Alabama Medicaid Agency and the Department for determining
22 the corresponding assessment.

23 3. Net patient revenue shall be determined for
24 fiscal year 2014 based on Uniform Data System 2011 data.
25 Subsequent net patient revenue shall be determined and
26 certified based on the most recent, complete calendar year
27 reporting through the Uniform Data System.

1 (2) The Alabama Medicaid Agency must verify the
2 annual certifications from the Alabama Primary Health Care
3 Association.

4 a. Upon acceptable verification of the Net Patient
5 Review certification, the Agency shall deliver its own
6 certification of the net patient review data to the Department
7 within thirty days of receipt of the certifications from the
8 Alabama Primary Health Care Association.

9 b. Upon acceptable verification of the eligibility
10 certification, the Medicaid Agency shall pay each qualified
11 health center all of its eligible access payment, quality
12 improvement payment, and health home payment in accordance
13 with this Article.

14 (3) The Department shall administer the assessment
15 program created in this Article.

16 a. The Department shall adopt rules pursuant to the
17 Alabama Administrative Procedure Act to implement this
18 Article.

19 b. Unless otherwise provided in this Article, the
20 rules adopted under subdivision (1) shall not grant any
21 exceptions to or exemptions from the qualified health center
22 assessment imposed.

23 c. The rules adopted under this Article shall
24 include procedures for:

25 1. The proper imposition and collection of the
26 assessment imposed;

1 2. Enforcement of this Article, including without
2 limitation preliminary and final tax assessments; and

3 3. Reporting of Net Patient Revenue.

4 (4) To the extent practicable, the Department shall
5 administer and enforce this Article and collect the
6 assessments using procedures generally employed in the
7 administration of the Department's other powers, duties, and
8 functions including without limitations, those procedures
9 enumerated in the Taxpayers' Bill of Rights and Uniform
10 Revenue Procedures Act as well as the Tax Enforcement and
11 Compliance Act as codified in Chapters 2A and 29 of the Code
12 of Alabama 1975.

13 Section 5. (1) a. There is created within the
14 Alabama Health Care Trust Fund a designated account known as
15 the Health Center Assessment Account.

16 b. The health center assessments imposed under this
17 Article shall be deposited into the Health Center Assessment
18 Account by the Department upon receipt for the purpose of
19 operating the Alabama Health Center Access and Quality
20 Improvement Program.

21 (2) Moneys in the Health Center Assessment Account
22 shall consist of:

23 a. All moneys received by the Department from
24 qualified health center assessments collected pursuant to this
25 Article;

26 b. Any appropriations, transfers, donations, gifts,
27 or moneys from other sources, as applicable.

1 (3) Moneys in the Health Center Assessment Account
2 shall not be used to replace other general revenues funded and
3 appropriated by the Legislature or other revenues used to
4 support Medicaid and qualified health centers.

5 (4) The Health Center Assessment Account shall be
6 exempt from budgetary cuts, reductions, or eliminations caused
7 by a deficiency of Medicaid revenues to the extent permissible
8 under Amendment 26 to the Constitution of Alabama of 1901, now
9 appearing as Section 213 of the Official Recompilation of the
10 Constitution of Alabama of 1901, as amended.

11 (5) Except as necessary to reimburse any funds
12 borrowed to supplement funds in the Health Center Assessment
13 Account, the moneys in the Health Center Assessment Account
14 shall be used only to support the operations of the Alabama
15 Health Center Access and Quality Improvement Program as
16 follows:

17 a. To make health home payments to qualified health
18 centers under this Article;

19 b. To make access payments to qualified health
20 centers under this Article. Access payments shall be paid
21 based on access criteria met by qualified health centers;

22 c. To make Quality Improvement Payments to qualified
23 health centers. Quality Improvement Payments shall be paid
24 based on measures consistent with performance priorities
25 established by HRSA and as set forth in Section 12 of this
26 act; or

1 d. To reimburse moneys collected by the Department
2 from qualified health centers through error, mistake, as a
3 result of cessation of the assessment, or as otherwise
4 permissible under this Article.

5 (6) Provided that the payments set forth in (5) a.,
6 (5) b., and (5) c. of the Section have been fully funded, the
7 balance of funds remaining in the Health Center Assessment
8 Account included in the Medicaid appropriation that are the
9 subject of this Article may be used by the Agency for eligible
10 expenditures.

11 (7) Any reimbursement or payment to qualified health
12 centers under Medicaid shall be paid in a timely fashion. If
13 the amount payable is not in dispute and is not paid by the
14 Alabama Medicaid Agency within 30 days of the due date,
15 interest on the amount due shall be charged. The interest
16 rate shall be the legal amount currently charged by the state.

17 (8) Any funds remaining at the end of the state
18 fiscal year in the Health Center Assessment Account shall
19 remain in the Health Center Assessment Account and not revert
20 to the State General Fund or other funds.

21 (9) On September 30, 2016, any unspent, unencumbered
22 balance remaining in the Health Center Assessment Account
23 which was not used by Medicaid to obtain federal matching
24 funds shall be factored into the calculation of the new
25 assessment rate by reducing the amount of qualified health
26 center assessment funds that must be generated during the
27 fiscal year beginning on October 1, 2016. If there is no new

1 assessment beginning October 1, 2016, the funds remaining
2 shall be refunded to the qualified health center that paid the
3 assessment in proportion to the remaining amount.

4 Section 6. (1) The assessment imposed under Section
5 3 (1) of this Act shall be due and payable by the qualified
6 health center on a quarterly basis, provided the following has
7 occurred:

8 a. The Department issues the written notice required
9 by this Article stating that the payment methodologies to
10 qualified health centers required under this Article have been
11 approved by CMS and the waiver under 42 C.F.R. §433.72 for the
12 assessment imposed by this Article, if necessary, has been
13 granted by CMS;

14 b. The 30-day verification period required by this
15 Article has expired;

16 c. The Department and the Alabama Primary Health
17 Care Association has been notified by the Alabama Medicaid
18 Agency that the Agency has made all health home payments,
19 access payments and quality improvement payments that are due
20 for the state fiscal year consistent with the effective date
21 of the approved Medicaid State Plan amendment and waiver, if
22 applicable; and

23 d. The Department and the Alabama Primary Health
24 Care Association have been notified by Medicaid that CMS has
25 determined revenue generated from the licensing assessment as
26 eligible for Federal Medicaid Assistance Percentage (FMAP).

1 (2) The quarterly assessment shall be paid during
2 the first 10 business days of each quarter beginning with the
3 quarter starting January 1, 2014.

4 Section 7. (1) a. The Department shall send a notice
5 of assessment to each qualified health center upon which an
6 assessment is imposed informing it of the assessment rate, the
7 net patient revenue calculation, and the resulting assessment
8 amount owed by the qualified health center for the applicable
9 state fiscal year.

10 b. Except as set forth in subdivision (3), annual
11 notices of assessment shall be sent at least 60 days before
12 the due date for the first quarterly assessment payment of
13 each fiscal quarter.

14 c. The first notice of assessment shall be sent
15 within 30 days after receipt by the Department of notification
16 from Medicaid that CMS has issued notice that the payments
17 required under this Article and, if necessary, the waiver
18 granted under 42 C.F.R. §433.72, have been approved and
19 eligible for Federal Medicaid Assistance Percentage (FMAP).
20 The assessment provided for in the Article is not intended to
21 be retroactively applied and will only be assessed for the
22 quarter ended following the effective date of such CMS
23 approval.

24 (2) a. Qualified health centers shall have 30 days
25 from the date of its receipt of a notice of assessment to
26 review and verify the assessment rate, the net patient revenue
27 calculation, and the resulting assessment amount.

1 b. If a qualified health center disputes the
2 Department's net patient revenue calculation and the resulting
3 assessment amount, the qualified health center shall notify
4 the Department of the disputed amounts with 10 business days
5 of notification of the assessment by the Department. The
6 Department shall regard the notice as equivalent to a Petition
7 for Review of a Preliminary Assessment under the Taxpayer's
8 Bill of Rights and Uniform Revenue Procedures Act, and the
9 qualified health center and the Department shall attempt to
10 resolve the dispute on an informal basis initially. If they
11 cannot informally resolve the dispute, then the process
12 described for appeal from a disputed final assessment in
13 Chapter 2A of this title, the Alabama Taxpayer's Bill of
14 Rights and Uniform Revenue Procedures Act shall be followed.

15 (3) a. For a qualified health center subject to the
16 assessment imposed under this Article that ceases to conduct
17 health center operations or experiences a change in its
18 federal designation as a qualified health center, or did not
19 conduct operations throughout a state fiscal year, the
20 assessment for the state fiscal year in which the cessation
21 occurs shall be adjusted by multiplying the annual assessment
22 computed under this Article by a fraction, the numerator of
23 which is the number of days during the year that the qualified
24 health center operated and the denominator of which is 365.

25 b. Immediately prior to ceasing operations, the
26 qualified health center shall pay the adjusted assessment for
27 that state fiscal year to the extent not previously paid.

1 c. The qualified health center shall also receive
2 payments from Medicaid under this Article, which shall be
3 adjusted by the same fraction as its quarterly assessment.

4 (4) Qualified health centers subject to an
5 assessment under this Article that has not previously been
6 federally designated as a qualified health center operating in
7 Alabama and that commences health center operations during a
8 state fiscal year shall pay the required assessment computed
9 under this Article and shall be eligible for health home
10 payments, access payments, and quality improvement payments
11 under this Article.

12 (5) An organization that is exempt from payment of
13 the assessment under this Article at the beginning of a state
14 fiscal year, but during the state fiscal year experiences a
15 change in status so that it becomes subject to the assessment
16 shall pay the required assessment computed under this Article
17 and shall be eligible for qualified health center health home
18 payments, access payments, and quality improvement payments
19 under this Article.

20 (6) A Qualified health center that is subject to
21 payment of the assessment computed under this Article at the
22 beginning of a state fiscal year, but during the state fiscal
23 year experiences a change in status so that it becomes
24 exempted from payment under this Article shall be relieved of
25 its obligation to pay the health center assessment.

26 (7) Medicaid shall review any change in status and
27 shall notify the Department when an organization should begin

1 to be treated as a qualified health center under this Act, or
2 should no longer be treated as such. If an organization
3 disputes the determination by Medicaid, the organization and
4 Medicaid shall resolve the dispute and Medicaid shall notify
5 the Department if the determination is changed.

6 Section 8. Medicaid shall directly reimburse
7 qualified health centers for health center services provided
8 to Medicaid recipients in accordance with Sections
9 1902(a)(10)(A), 1905(a)(2)(C), and 1902(bb) of the Social
10 Security Act (SSA) as of March 1, 2013. This payment shall be
11 paid using Medicaid's published check write table and is in
12 addition to any health home payment, access payment, quality
13 improvement payment, or other payments described in the
14 Article or allowed by the Medicaid State Plan. Health center
15 Medicaid reimbursement shall be funded from any available
16 state revenue appropriated to Medicaid and not from revenues
17 generated under this Article.

18 Section 9. (1) Medicaid shall pay qualified health
19 centers for health home services as established within the
20 Medicaid State Plan and as reimbursed to non-health center
21 providers. This payment shall be paid using Medicaid's
22 published check write table and is in addition to any health
23 center Medicaid reimbursement, access payment, quality
24 improvement payment, or other payments described in the
25 Article or allowed by the Medicaid State Plan. Qualified
26 health center health home payments shall be funded from the

1 Health Center Assessment Account or other funds appropriated
2 by the Alabama Legislature.

3 (2) There is hereby annually allocated from the
4 Health Center Assessment Account an amount necessary as
5 determined by the Health Center Services and Reimbursement
6 Panel to make Health Home Payments by Medicaid to qualified
7 health centers in accordance to the Health Home Program
8 available for non-health center providers.

9 Section 10. (1) As part of the Alabama Access and
10 Quality Improvement Program, Medicaid shall pay health center
11 access payments to qualified health centers as set forth in
12 this section to preserve and improve access to primary and
13 preventive health care services for medically under served
14 individuals including those who are uninsured or medically
15 vulnerable or otherwise disenfranchised for services provided
16 by a qualified health center on or after October 1, 2013.

17 (2) All qualified health centers shall be eligible
18 for access payments to be paid by Medicaid for state fiscal
19 years 2014, 2015, and 2016 as set forth in this Article,
20 provided the qualified health center meets at least one of the
21 following criteria:

22 a. Greater than or equal to 25% of patients served
23 by the qualified health center lack health coverage, or

24 b. Greater than or equal to 30% of patients served
25 by the qualified health center have health coverage through a
26 public program including, but not limited to Medicaid,
27 Medicare, or the Children's Health Insurance Program, or

1 c. Greater than or equal to 50% of patients served
2 by the qualified health center have incomes at or below 200%
3 of the federal poverty limit, or

4 d. Greater than or equal to 25% of the patients
5 served by the qualified health center are racial and/or ethnic
6 minorities, or

7 e. Greater than or equal to 25% of the Medicaid
8 patients served by the qualified health center have at least
9 one chronic disease and are at risk of additional chronic
10 diseases, or

11 f. Greater than or equal to 30% of patients served
12 by the qualified health center have either a chronic disease,
13 are at risk for chronic disease or have a mental health
14 diagnosis, or

15 g. Greater than or equal to 15% of patients served
16 by the qualified health center have a mental health diagnosis,
17 or

18 h. Greater than or equal to 40% of patients served
19 by the qualified health center have special health care needs
20 and are deemed at significant risk for poor health outcomes,
21 or

22 i. Greater than or equal to 75% of patients served
23 by the qualified health center fall within federally
24 designated medically underserved populations or areas.

25 (3) Subsequent criteria may be considered and
26 adopted by the Health Center Services and Reimbursement Panel
27 in accordance with this Title.

1 (4) There is hereby annually allocated the amount of
2 22% of Total Funded Expenditures designated for access
3 payments by Medicaid to qualified health centers. This
4 percentage shall be adjusted as necessary to maintain an
5 equivalent percentage, based on any change in the State of
6 Alabama's FMAP, established under Section 1905 of the Social
7 Security Act, for the state fiscal years 2014, 2015, and 2016.

8 (5) Access payments to eligible qualified health
9 centers shall be paid by the Agency on a quarterly basis on
10 the last 10 business days of each quarter beginning with the
11 quarter starting October 1, 2013.

12 (6) A health center access payment shall not be used
13 to offset any other Medicaid payment for health center
14 reimbursements, health home payments, quality improvement
15 payments or any other payment allowed under the Medicaid State
16 Plan.

17 (7) An alternative payment methodology for health
18 centers payments as allowed under Sections 1902(a)(10)(A),
19 1905(a)(2)(C), and 1902 (bb) of the Social Security Act (SSA)
20 as of March 1, 2013 and including access payments to qualified
21 health centers shall be described in a Medicaid State Plan
22 amendment to be submitted to and approved by CMS. The
23 assessment created by this Article shall not become effective
24 until and unless the alternative payment methodology is
25 approved by CMS and the FMAP is made available.

26 Section 11. (1) As part of the Alabama Health Center
27 Access and Quality Improvement Program, Medicaid shall pay

1 both base and additional quality improvement payments to
2 eligible qualified health centers as set forth in this Section
3 to enhance quality improvement activities and support
4 improvement of health outcomes of Medicaid patients served by
5 qualified health centers.

6 (2) a. Qualified health centers are eligible for
7 base quality improvement payments provided that the qualified
8 health center is certified by the Alabama Primary Health Care
9 Association for:

10 1. Adopting an electronic medical record system
11 certified by the Office of National Coordinator for Health
12 Information Technology;

13 2. Tracking and reporting clinical data related to
14 patient health outcomes consistent with reporting priorities
15 defined by HRSA; and/or

16 3. Developing and maintaining an integrated
17 continuous quality improvement plan supported by operational
18 and clinical data.

19 b. There is hereby annually allocated the amount of
20 9% of total funded expenditures designated for base quality
21 improvement payments by Medicaid to qualified health centers.
22 This percentage shall be adjusted as necessary to maintain an
23 equivalent percentage, based on any change in the State of
24 Alabama's FMAP, established under Section 1905 of the Social
25 Security Act, for the state fiscal years 2014, 2015, and 2016.

26 (3) a. Qualified health centers are eligible for
27 additional quality improvement payments provided that the

1 qualified health center is certified by the Alabama Primary
2 Health Care Association for engaging in the following quality
3 improvement activities and programs:

4 1. Patient centered medical home accreditation,
5 recognition or certification through either the National
6 Council on Quality Assurance, The Joint Commission, or other
7 accrediting body approved by the Health Center Services and
8 Reimbursement Panel.

9 2. Integration and participation in a statewide
10 quality information and improvement system to support
11 continuous quality improvement.

12 3. Participation in a statewide program supported by
13 integrated technology designed to increase the appropriate use
14 of primary care and preventive services in the appropriate
15 health care setting, enhance compliance with nationally
16 recognized clinical treatment guidelines, and enhanced patient
17 self management and health education.

18 4. Participation in statewide clinical outcomes
19 performance program designed to improve patient outcomes
20 within relevant chronic disease states including, but not
21 limited to diabetes, hypertension, and cardiovascular disease.
22 Specific clinical measures shall be reviewed and approved by
23 the Health Center Services and Reimbursement Panel.

24 b. There is hereby annually allocated an amount not
25 less than 15% of total funded expenditures designated for
26 additional quality improvement payments by Medicaid to
27 qualified health centers. This percentage shall be adjusted

1 as necessary to maintain an equivalent percentage, based on
2 any change in the State of Alabama's FMAP, established under
3 Section 1905 of the Social Security Act, for the state fiscal
4 years 2014, 2015, and 2016.

5 (4) All qualified health centers shall be eligible
6 for quality improvement payments based on demonstrated
7 activities and/or performance in established areas for state
8 fiscal years 2014, 2015, and 2016 as set forth in this
9 Article.

10 (5) Health center quality improvement payments shall
11 be made based on quality and performance standards consistent
12 with priorities established by HRSA. Quality improvement
13 payments shall not be used to offset any other payments made
14 to eligible qualified health centers including health centers
15 Medicaid reimbursement, health home payments, access payments
16 and any other allowable payments under the Medicaid State
17 Plan.

18 (6) Quality improvement payments to qualified health
19 centers shall be payable on a quarterly basis on the last 10
20 business days of each quarter beginning with the quarter
21 starting October 1, 2013.

22 (7) An alternative payment methodology for health
23 centers payments as allowed under Sections 1902 (a) (10) (A),
24 1905 (a) (2) (C), and 1902 (bb) of the Social Security Act
25 (SSA) as of March 1, 2013 and including quality improvement
26 payments to qualified health centers shall be described in the
27 Medicaid State Plan through an amendment to be submitted to

1 and approved by CMS. The assessment created by this Article
2 shall not become effective until and unless the alternative
3 payment methodology is approved by CMS and FMAP is made
4 available.

5 Section 12. (1) The assessment imposed under this
6 Article shall not take effect or shall immediately cease to be
7 imposed if any of the following occur:

8 a. Medicaid changes in its rules that violate the
9 health center reimbursement provisions within Sections
10 1902(a)(10)(A), 1905(a)(2)(C), and 1902(bb) of the Social
11 Security Act;

12 b. The assessment is determined to be an
13 impermissible tax under Title XIX of the Social Security Act,
14 42 U.S.C. §1396 et seq., and if so, shall be disbursed to the
15 extent federal matching is not reduced due to the
16 impermissibility of the assessments, and any remaining moneys
17 shall be refunded to health centers in proportion to the
18 amounts paid by them;

19 c. CMS determine that Medicaid is not eligible for
20 FMAP on the assessment referenced in this Article;

21 d. FMAP under Title XIX of the Social Security Act
22 is not available to Medicaid at the approved federal medical
23 assistance percentage, established under Section 1905 of the
24 Social Security Act, for the state fiscal years 2014, 2015,
25 and 2016;

1 e. CMS fails to approve any Medicaid State Plan
2 amendments or alternative payment methodology submitted by
3 Medicaid related to the implementation of this Article;

4 f. CMS fails to approve any necessary waivers
5 requested by Medicaid under 42 C.F.R. § 433.72 if applicable;

6 g. CMS or the United States Congress implements
7 statutory or regulatory provisions inconsistent with the
8 requirements set forth in this Article; or

9 h. Any portion of this Article is adjudged to be
10 unconstitutional or otherwise invalid.

11 (2) In the event of cessation as described in
12 subsection (1), any moneys remaining in the Health Center
13 Assessment Account shall be refunded to qualified health
14 centers in proportion to the amounts paid by them, unless
15 otherwise stated.

16 Section 13. (1) There is established the Health
17 Center Services and Reimbursement Panel to advise in the
18 development of and approval of any Medicaid State Plan
19 amendment, waiver or policy which involves health center
20 services or reimbursement before submission to CMS or Alabama
21 Legislature if applicable.

22 a. The panel shall consist of six members and be
23 constituted in the following manner:

24 1. The Commissioner of the Alabama Medicaid Agency.

25 2. Three members to be appointed by the Governor
26 from a list of six (6) names submitted by the Alabama Primary
27 Health Care Association. The health center members appointed

1 shall represent the diversity of health centers within the
2 state.

3 3. One member to be appointed by the Speaker of the
4 House of Representatives.

5 4. One member to be appointed by the Senate Pro
6 Tempore.

7 b. All Panel members shall be residents of Alabama
8 and the composition of the panel shall reflect the racial,
9 gender, geographic, urban/rural, and economic diversity of the
10 state.

11 The panel shall meet within 30 days subsequent to
12 May 15, 2013, to elect a chair and establish procedures
13 necessary to carry out the business of the panel. A quorum
14 shall be a majority of the members appointed to the panel. The
15 sole purpose of the panel is to approve any amendments to the
16 Medicaid State Plan, waivers or policies prior to
17 consideration by and submission to CMS or the Legislature, if
18 applicable, which involve health center services or
19 reimbursement. Amendments to the Medicaid State Plan, waivers
20 or policies must be approved by a majority of the members on
21 the panel prior to consideration by or submission to CMS or
22 Alabama Legislature.

23 (2) Medicaid shall file with CMS a Medicaid State
24 Plan amendment approved by the Health Center Services and
25 Reimbursement Panel to implement the requirements of this
26 Article, including the establishment of an alternative payment
27 methodology and payment of health center access payments and

1 quality improvement payments no later than 45 days after the
2 effective date of this Article.

3 (3) Medicaid shall file a Medicaid State Plan
4 amendment approved by the Health Center Services and
5 Reimbursement Panel with CMS to implement the health home
6 program and to make health home payments to qualified health
7 centers no later than 45 days after the effective date of this
8 Article. The Health Home Program shall include qualified
9 health centers as participating providers.

10 Section 14. The provisions of this Article are
11 expressly declared not to be severable. If any part or
12 provision of this Article is declared or adjudged to be
13 invalid under the constitution or laws of this state, or if
14 Medicaid is ineligible for FMAP, then this entire Article
15 shall be invalid and the Health Center Access and Quality
16 Improvement Program shall cease immediately upon such
17 determination.

18 Section 15. This Article shall become effective
19 immediately following its passage and approved by the
20 Governor, or following its otherwise becoming law. This
21 Article shall automatically terminate and become null and void
22 by its own terms on September 30, 2016, unless a later bill is
23 passed extending the Article to future state fiscal years.