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June 23, 2021

Dear Tribal Health Leaders

On behalf of the Department of Health and Social Services (the department) and in keeping with the responsibility to conduct tribal consultation, I am writing to inform you of a proposed future Medicaid state plan amendment (SPA). *This opportunity for consultation runs concurrently with public comment on proposed regulations.*

**Purpose and content of the proposed amendment:**

The department proposes submitting a SPA adding a new page 2.1 to section 4.19-C of the Medicaid State Plan to create an alternative payment methodology (APM) for Tribal Federally Qualified Health Centers (TFQHCs). In addition, the new section contains language providing TFQHCs a choice between federal or state reimbursement methodologies. This SPA intends to align Alaska with the requirements of 42 CFR § 440.90 – clinic services by adding APM reimbursement for TFQHCs.

The proposed SPA includes the following

- Parameters for qualifying for reimbursement under the APM, such as operation in accordance with 1905(l)(2)(B)(iv) of the Social Security Act and the Indian Self-Determination and Education Assistance Act (Public Law 93-638), and enrollment in Alaska Medicaid as a TFQHC;
- An exclusion for TFQHCs from HRSA FQHC requirements;
- A facility is eligible to receive separate per visit rate payments for only one medical, one dental, and one behavioral health encounter per recipient per day, regardless of whether the facility is concurrently enrolled as more than one provider type;
- The Medicaid agency establishes a Prospective Payment System (PPS) rate annually so the TFQHC can determine that the published IHS rate is higher than the PPS rate.
- The options for reimbursement via APM are (1) the federally published outpatient all-inclusive rate (AIR), (2) the Prospective Payment System (PPS) rate established by the Office of Rate Review (ORR), or (3) the state's FQHC Alternative Payment Methodology (APM) following existing FQHC methodologies. TFQHCs opting for reimbursement under ORR methodologies are required to submit cost reports; and
- The state Medicaid agency reimburses TFQHCs for covered services provided outside of the facility.

#### Anticipated impact on Medicaid-eligible Alaska Native/American Indian beneficiaries:

With this SPA, the department anticipates that Medicaid-eligible Alaska Native/American Indian beneficiaries continue receiving services outside the clinic setting when a tribal clinic elects to change enrollment to a TFQHC. If a Medicaid-enrolled tribal clinic declines to convert to TFQHC enrollment, it loses the ability to receive Medicaid reimbursement for services outside the clinic setting as of November 1, 2021. In that eventuality, beneficiaries may experience an impact on existing services.

#### Anticipated impact on tribal health programs and the Indian Health Service:

With this SPA, the department anticipates that those tribal clinics electing to convert their Alaska Medicaid enrollment to a Tribal Federally Qualified Health Center to continue receiving reimbursement for services outside the four walls without a loss of revenue. If a Medicaid-enrolled tribal clinic declines to convert to TFQHC enrollment, it loses the ability to receive Medicaid reimbursement for services outside the clinic setting as of November 1, 2021. In that eventuality, tribal clinics may experience a loss of revenue for services outside the clinic setting.

#### Mechanism and timeline for comment

Written comments or questions regarding the proposed amendment are due no later than the close of business, August 5, 2021. If seeking an in-person meeting regarding the proposed SPA, please transmit a written request within 15-days of the date of this letter. Please direct all written correspondence to Courtney O'Byrne King, Alaska Department of Health and Social Services, 3601 C Street, Suite 902, Anchorage, AK 99503, or [courtney.king@alaska.gov](mailto:courtney.king@alaska.gov).

*Comments received in response to this consultation letter are considered for consultation and not comment on the regulations. Comments on the regulations are not considered comments for consultation on the SPA. **If you wish to provide comments for consideration in both the SPA and the regulations processes, you must do so separately.** To locate the regulations, please refer to the State of Alaska, Department of Health and Social Services web page at the "Public Notices" link*

Sincerely,

/s/

Courtney O'Byrne King, MS  
Medicaid State Plan Coordinator