

Template B16 – Alternative Benefit Plans Payment Methodologies

Statute: 1902(a)(13) and (a)(30)(A)

Regulation: 42 CFR Part 447

INTRODUCTION

This template is used to indicate if the payment methodologies used for Alternative Benefit Plan benefits are the same as those described in the Medicaid State plan for the same or similar benefit or if they are different. If the payment methodology is different from that in the State plan or the benefit is not included in the State plan, the State must submit a State Plan Amendment through the normal process to describe the payment methodology.

BACKGROUND

Section 1902(a)(30)(A) of the Act requires that States assure that payments are consistent with efficiency, economy, and quality of care. 42 CFR 442 Part 447 prescribes the methodologies States must use for establishing payment rates for providers of Medicaid benefits and services. All of these requirements apply to Medicaid benefits provided through an Alternative Benefit Plan.

States may include in their Alternative Benefit Plans benefits from a source Benchmark Benefit Package or Base Benchmark Plan commercial plan that are not included in their standard State plan benefits. They may also, under Secretary-Approved Coverage, add State plan benefits that are not included in their standard State plan benefit package. Under any of these circumstances the State must establish a payment methodology for these benefits and document this methodology in the State plan. This is done by indicating in this template that they will use an existing State Plan payment methodology for the benefit or by submitting a State Plan Amendment through the normal HCFA-179 process with an Attachment 4.19a, 4.19b or 4.19c, as appropriate.

Note to reviewers: May States use a payment methodology for an Alternative Benefit Plan benefit that is different than that used for the same benefit in their standard State plan? (I hope not. I don't know why they would, but I thought I better check. If so, we will need to address this in the guide.)

TECHNICAL GUIDANCE

- Select an Alternative Benefit Plan Benefit Package from the list of existing packages
- Select each benefit from the list of Benchmark Benefit Package Benefits and for each benefit indicate one of the following:
 - The payment methodology for the benefit is the same as the same or similar benefit in the State plan.

- If selected, select the State plan benefit whose payment methodology will be used for this Alternative Benefit Plan benefit
- The Alternative Benefit Plan benefit's payment methodology is different from any existing State plan payment methodologies.
 - If selected, the State must submit a State Plan Amendment with an Attachment 4.19a (Inpatient Hospital Services), 4.19b (Other 1905(a) Benefits) or 4.19d (Nursing Facilities and ICF-IIDs) through the normal HCFA-179 submission process describing the payment methodology for the Alternative Benefit Plan benefit.
 - The State must issue public notice and, if an inpatient hospital, nursing facility or ICF-IID payment methodology, conduct a public process , prior to submitting the payment methodology SPA.
- The above payment methodology process must be repeated for each and every benefit within the Alternative Benefit Plan to identify the payment methodology that will be used for that benefit.

Review Criteria

The State must indicate the indicate a payment methodology approach for each benefit included in the Benchmark Benefit Package in order the Alternative Benefit Plan submission to be approved.