

**CERTIFICATION OF ADMINISTRATIVE RULES
FILED WITH THE LEGISLATIVE SERVICES AGENCY
OTHNI LATHRAM, DIRECTOR**

(Pursuant to Code of Alabama 1975, §41-22-6, as amended).

I certify that the attached is/are correct copy/copies of rule/s as promulgated and adopted on Monday, May 12, 2025, and filed with the agency secretary on Monday, May 12, 2025.

AGENCY NAME: Alabama Medicaid Agency

INTENDED ACTION: Amend

RULE NO.: 560-X-2-.01
(If amended rule, give specific paragraph, subparagraphs, etc., being amended) **560-X2-.01**

RULE TITLE: Methods For Assuring High Quality Care

ACTION TAKEN: State whether the rule was adopted with or without changes from the proposal due to written or oral comments:

Adopted without changes

NOTICE OF INTENDED ACTION PUBLISHED IN VOLUME XLIII, ISSUE NO. 6, AAM,
DATED MONDAY, MARCH 31, 2025.

STATUTORY RULEMAKING AUTHORITY: State Plan; 42 C.F.R. Sec. 401, et seq.

(Date Filed)
(For LRS Use Only)
REC'D & FILED
MAY 20, 2025
LEGISLATIVE SVC AGENCY

Stephanie Lindsay

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Certifying Officer or his or her
Deputy

(NOTE: In accordance with §41-22-6(b), as amended, a proposed rule is required to be certified within 90 days after completion of the notice.)

The following methods shall be used in administering the Medical Assistance Program to ensure that medical remedial care, and service provided are of high quality, properly utilized and based on acceptable professional medical standards, state and federal laws and regulations.

(1) Peer Review Committees, as appropriate, will be established in Alabama for the purpose of settling disputes related to charges made for professional and other medical assistance services. Problems submitted to Peer Review Committees may originate with Alabama Medicaid Agency, its fiscal agent, providers, and recipients. Additional Peer Review Committees may be established as needed.

(a) Problem referral procedure.

1. The fiscal agent shall gather information about a problem discovered through claims processing and attempt to resolve it with a provider or recipient.

2. Where a solution cannot be reached, the facts will be submitted to the Alabama Medicaid Agency for resolution.

3. Problems not resolved by the Alabama Medicaid Agency may be referred to the appropriate Peer Review Committee. Medicaid will assemble the facts and arrange for the Peer Review Committee to consider the problems at a mutually agreeable time and place. When a professional specialty consultation is needed, Medicaid may arrange for the service.

(b) Facts about Peer Review Committees.

1. Peer Review Committees act independently of fiscal agent and representatives of the Alabama Medicaid Agency.

2. No member of a Peer Review Committee who has an ownership interest in a facility under review will participate in committee action for the facility.

3. A member of a Peer Review Committee shall not review a case on which he or a partner or associate is the attending physician or dentist or in which he has had a professional responsibility.

4. Peer Review Committees may be provided with advice and consultation from other medical and paramedical specialty agencies organized to deal with problems within their specialty.

5. A majority of the members of the committee will constitute a quorum.

6. Peer Review Committees will send their reports to the Deputy Commissioner Program Administration, Alabama Medicaid Agency. Information and reports are releasable on a need-to-know basis.

7. A decision made by a Peer Review Committee is final and binding on all parties if approved by the Director, Programs, Alabama Medicaid Agency.

(c) Pharmacy Peer Review Committees. See Chapter 16: Pharmacy Services: Rule 560-X-16-.23, Rule 560-X-16-.24, and Rule 560-X-16-.25.

(d) Optometric Peer Review Committee.

1. An Optometric Peer Review Committee will be maintained in the state by Medicaid.

2. The committee shall meet at least twice each calendar year to discuss problems and complaints relative to optometric services within the Alabama Medicaid Program.

3. The committee shall function as an appeal body on the request of Medicaid, optometric providers, and Medicaid recipients.

4. Prior authorization requests from optometrists denied by Medicaid shall be submitted for consultation to the peer review committee before a final determination is made.

(2) Utilization Review. Each agency, organization, or institution providing care or services in the Medicaid program, must have a utilization review plan approved by Medicaid or its designated agent.

(a) Medicaid or its designee will monitor facility utilization review activities on inpatient hospital and extended care services.

(b) Utilization review for dental services is a part of the dental professional review program.

(c) Medicaid monitors utilization review activities concerned with evaluation and supervision of nursing and other services provided by home health agencies.

(d) Utilization review for Pharmaceutical services is a part of the pharmacy professional review program and monitored by the Drug Utilization Review Program in cooperation with the fiscal agent. Other monitoring activities are carried out by Medicaid in cooperation with the fiscal agent.

(e) Medical review for hospitals will be the responsibility of Medicaid or its designee.

(f) Medical review for skilled and intermediate care nursing facilities, to include ICF/IID, is the responsibility of the Alabama Medicaid Agency.

(3) Medicaid Advisory Committee (MAC):

(a) Alabama Medicaid will establish a MAC in accordance with 42 CFR § 431.12. The MAC will provide guidance and recommendations to Alabama Medicaid and the Alabama Medicaid Commissioner on various aspects of the Alabama Medicaid program. This includes advising on policy development, program administration, and the delivery of health and medical care services. The committee aims to ensure that Medicaid services are accessible, high-quality, and meet the needs of Medicaid recipients.

(b) The MAC shall meet quarterly with at least two meetings per year open to the public. Additional off-cycle meetings may be held as needed.

(c) Decisions made by the MAC are recommendations only and shall not constitute decisions by Alabama Medicaid.

(d) Membership appointments will be made by the Medicaid Commissioner and shall include members from the Beneficiary Advisory Council (BAC) and other individuals as set forth in the MAC bylaws.

(e) Alabama Medicaid will develop and publish, by posting publicly on its website, bylaws for governance of the MAC, the MAC regular meeting schedule, and the MAC Annual Report.

(4) Beneficiary Advisory Council (BAC):

(a) Alabama Medicaid will establish a BAC in accordance with 42 CFR § 431.12. The BAC will provide a forum for Medicaid recipients, their families, and caregivers to share their experiences and offer direct feedback related to policy development and effective administration of the Medicaid program to Alabama Medicaid. This council aims to ensure that the voices of those directly impacted by Medicaid policies and services are heard and considered.

(b) The BAC shall meet quarterly. Additional off-cycle meetings may be held as needed. The BAC must meet separately from the MAC and in advance of each MAC meeting to ensure BAC member preparation for each MAC meeting.

(c) Decisions made by the BAC are recommendations only and shall not constitute binding decisions by Alabama Medicaid.

(d) Membership appointments will be made by the Medicaid Commissioner.

(e) Alabama Medicaid will develop and publish, by posting publicly on its website, bylaws for governance of the BAC and the BAC regular meeting schedule.

(5) Interested Parties Advisory Group:

(a) Alabama Medicaid will establish an interested parties advisory group in accordance with 42 CFR § 447.203(b)(6). The interested parties advisory group will advise Alabama Medicaid on payment rates paid to direct care workers for personal care, home health aide, homemaker, and habilitation services.

(b) The interested parties advisory group shall meet at least every two years and make recommendations to Alabama Medicaid on the sufficiency of the Alabama Medicaid State Plan, 1915(c) waiver, and demonstration direct care work payment rates, as applicable.

(c) Decisions made by the interested parties advisory group are recommendations only and shall not constitute decisions by Alabama Medicaid.

(d) Membership appointments will be made by the Medicaid Commissioner.

(e) Alabama Medicaid will develop and publish, by posting publicly on its website, detailed bylaws for governance of the interested parties advisory group and recommendations produced.

(6) Quality Assurance Committee:

(a) Medicaid may convene standing Quality Assurance Committees to provide guidance, insight and technical assistance as appropriate. The Committees will be convened and members will be selected as appropriate for the initiative or program the Agency is requesting guidance for.

(b) The Commissioner shall arrange for committee representation from licensed physicians and other appropriate providers who are familiar with the medical needs of low income population groups that will be incorporated in the initiative or program.

Author: Stephanie Lindsay, Director, Administrative Procedures Office

Statutory Authority: State Plan; 42 C.F.R. §§401, et seq.

History: Rule effective October 1, 1982. Amended effective May 9, 1984. **Amended:** Filed October 6, 1995; effective November 12, 1995. **Amended:** Filed February 11, 2011; effective March 18, 2011. **Amended:** Filed August 10, 2018; effective September 24, 2018. **Amended:** Published May 30, 2025; effective July 14, 2025.