

APA-1

TRANSMITTAL SHEET FOR NOTICE OF INTENDED ACTION

Control: 560
Department or Agency: Alabama Medicaid Agency
Rule No.: 560-X-13-.02
Rule Title: Participating Agencies And Suppliers
Intended Action: Amend

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? No

To what degree?: N/A

Is the increase in cost more harmful to the public than the harm that might result from the absence of the proposed rule? No

Are all facets of the rule-making process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed action relate to or affect in any manner any litigation which the agency is a party to concerning the subject matter of the proposed rule? No

Does the proposed rule have an 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.

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 Services Agency.

Signature of certifying officer

Timothy "Bo" A. Offord, Jr.
Timothy Offord

Date

Tuesday, May 19, 2025

REC'D & FILED
MAY 20, 2026
LEGISLATIVE SVC AGENCY

**ALABAMA MEDICAID AGENCY**

**NOTICE OF INTENDED ACTION**

**AGENCY NAME:** Alabama Medicaid Agency

**RULE NO. & TITLE:** 560-X-13-.02 Participating Agencies And Suppliers

**INTENDED ACTION:** Amend

**SUBSTANCE OF PROPOSED ACTION:**

The above referenced rule is being amended to remove the Alabama Board of Prosthetists and Orthotists (O&P Board) and all associated licensing requirements. The O&P Board will be sunset effective October 1, 2026.

**TIME, PLACE AND 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:**

Friday, July 3, 2026

**CONTACT PERSON AT AGENCY:**

Administrative Secretary  
Alabama Medicaid Agency  
501 Dexter Avenue  
Post Office Box 5624  
Montgomery, Alabama 36103-5624  
Phone: (334) 353-3399

*Timothy "Bo" A. Offord, Jr.*

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Timothy Offord

(Signature of officer authorized  
to promulgate and adopt  
rules or his or her deputy)

(1) Participating providers (also referred to as "all providers mentioned in this chapter" or "provider") are those Home Health Agencies, pharmacies, DME, supply, appliance and POP suppliers contracted with Medicaid for this program.

(2) Participating providers must meet the Medicare criteria as specified in the regulations of the Centers for Medicare and Medicaid Services, Department of Health and Human Services at 42 C.F.R. Section 424.57, which regulations are adopted by reference. Copies of these regulations may be obtained from the U.S. Government Printing Office, Washington, DC 20402-9328.

(3) Medicaid's fiscal agent enrolls providers and issues provider contracts to applicants who meet the licensure or certification requirements of the State of Alabama, Code of Federal Regulations, Alabama Medicaid Administrative Code, and Alabama Medicaid Provider Manual.

(4) All providers within this chapter should contact the applicable licensing or accreditation board(s) to determine the licensure requirements for each of the specialties. The appropriate documentation must be submitted during the Alabama Medicaid provider enrollment or re-enrollment process. If the appropriate licensure documentation is not submitted, the provider will not be assigned the selected specialty. Please refer to Chapter 14, DME, of the Medicaid Provider Manual for additional licensure information.

(5) All providers mentioned in this chapter, except pharmacy providers as outlined in subparagraph (d) (ii) below, must submit the following documentation to the Medicaid fiscal agent prior to enrollment:

(a) Copy of a current Home Medical Equipment (HME) license or documentation that the provider meets an exemption to the licensure requirements outlined in Code of Ala. 1975, §34-14C-5;

(b) copy of a current business license;

(c) copy of the approved Medicare enrollment application or Medicare enrollment letter; and

(d) copies of the Medicare Accreditation and the Medicare Surety Bond(s).

1. Effective October 1, 2010, all participating providers are required to have a \$50,000 Surety Bond for each

National Provider Identifier (NPI) unless the provider meets an exemption in paragraph (6) below. ~~In order to~~To qualify for the exemption in (6) (f) below, the provider must have a Surety Bond for three years prior.

2. Pharmacy providers seeking to enroll as Alabama Medicaid DME providers are required to submit their Medicare enrollment letter only. They are not required to submit a Medicare Surety Bond, Medicare Accreditation letter or Medicaid Surety Bond.

(6) Provider(s) are exempt from surety bond requirements if the provider(s):

(a) is a DME supplier who has been a Medicaid provider for five years or longer with no record of impropriety, and whose refund requests have been repaid as requested. If Medicaid identified a problem with improper billing or fraudulent activity the provider will be required to obtain a Surety Bond; or

(b) is a government-operated DME, Prosthetics, Orthotics and Supplies (DMEPOS) provider; or

(c) is ~~a state-licensed orthotic and prosthetic personnel~~ in an accredited DME, Prosthetics, Orthotics, & Supplies (DMEPOS) provider with Centers for Medicare and Medicaid Services (CMS) working in a private practice under the supervision of a physician making custom-made orthotics and prosthetics for patients within the private practice only; or

(d) are physicians and non-physician practitioners, as defined in Section 1842(b) (18) of the Social Security Act; or

(e) are physical and occupational therapists in private practice; or

(f) are providers who received \$100,000 or less Medicaid payment in the previous two calendar years; or

(g) are pharmacy providers; or

(h) are phototherapy providers who only provide phototherapy services for infants; or

(i) are Federally Qualified Health Centers.

(7) Alabama Medicaid DME, supply, appliance, and POP providers must renew their required surety bonds annually, before the day

and month that the first bond was effective to avoid a lapse in coverage, a denial of Medicaid reimbursements and termination as a Medicaid provider.

(a) Proof of the renewal must be submitted to Medicaid's fiscal agent at least 30 days prior to the individual bond's termination date. The assigned Medicaid provider location number and current physical location address must be included on the surety bond renewal document for the individual DME, supply, appliance, or POP business location being bonded.

(b) If there is a lapse in surety bond coverage dates, the provider will be denied payment for services that may have been otherwise covered by Medicaid, and the individual location without a current surety bond on file will be terminated as a Medicaid provider.

(8) The provider's business must be physically located within the state of Alabama or within a 30-mile radius of the state of Alabama. This requirement does not apply to Medicare crossover-only providers or providers described below.

(a) Providers located more than 30-miles from the border of Alabama may be enrolled only as follows:

1. for specialty equipment and supplies such as augmentative communication devices, automatic external defibrillators, high frequency chest wall oscillation air pulse generator systems which are not readily available in state; or

2. for supplies and equipment needed as the result of a transplant or unique treatment approved out of state as the result of an Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) referral or medical necessity. Suppliers will be enrolled by the Medicaid fiscal agent on a temporary basis for these situations.

(9) All providers must maintain a physical facility on an appropriate site in accordance with all applicable federal and state regulations or requirements.

(a) The provider's business location must be accessible to the public, Medicaid recipients, recipient's representatives and Alabama Medicaid and its agents. (The location must not be in a gated community or other area where access is restricted.)

(b) The location may be a "closed door" business, such as a pharmacy or supplier providing services only to recipients

residing in a nursing home that complies with all applicable federal and state regulations or requirements.

(10) All providers mentioned in this chapter must remain open to the public for a minimum of 30 hours per week during normal business hours except physicians, physical and occupational therapists or a provider working with custom made orthotics and prosthetics. A provider must maintain a primary business telephone listed under the name of the business in a local directory or a toll-free number available through directory assistance. The exclusive use of ~~a beeper,~~ an answering machine, answering service, or cell phone during posted business hours is prohibited. Providers (as related to the ~~provider~~ provider's specialty) must have DME, appliances or supply items stocked in the physical store location that are readily available to Medicaid recipients presenting prescriptions or orders for these items.

(11) All providers in this chapter must maintain a permanent visible sign in plain view and post the hours of operation. If the provider's place of business is located within a building complex, the sign must be visible at the main entrance of the building.

(12) Satellite businesses affiliated with a provider are not covered under the provider contract; therefore, no reimbursement will be made to a provider doing business at a satellite location.

(13) The provider must not have any felony convictions or record of noncompliance with Medicaid or Medicare regulations.

(14) All providers mentioned in this chapter must notify Medicaid's fiscal agent in writing of any changes to the information contained in its application at least 30 business days prior to making such changes. These changes may include, but are not limited to, changes in ownership or control, federal tax identification number, or business address changes.

(15) Failure of providers to comply with these requirements will result in their termination from the Alabama Medicaid Program.

**Author:** ~~Kelli Littlejohn Newman, PharmD, Director~~ Jessica Grace, DME/POP Program Manager, Clinical Services- ~~and Support~~

**Statutory Authority:** State Plan; 42 C.F.R. §434.6; Title XIX, Social Security Act.

**History:** Rule effective October 1, 1982. **Amended:** Filed February 8, 2002; effective March 15, 2002. **Amended:** Filed January 10, 2003; effective February 21, 2003. **Amended:** Filed November 8, 2006; effective December 13, 2006. **Amended:** Filed April 11, 2008; effective May 16, 2008. **Amended:** Filed December

12, 2008; effective January 16, 2009. **Amended:** Filed December 11, 2009; effective January 15, 2010. **Amended:** Filed June 11, 2010; effective July 16, 2010. **Amended:** Filed May 11, 2012; effective June 15, 2012. **Amended:** Filed November 9, 2012; effective December 14, 2012. **Amended:** Filed January 11, 2016; effective February 25, 2016. **Amended: Published** ;  
effective .