

**ALABAMA MEDICAID AGENCY
ADMINISTRATIVE CODE**

**CHAPTER 560-X-20
THIRD PARTY**

560-X-20-.08 Payment Of Health Insurance Premiums.

(1) The Alabama Medicaid Agency may pay health insurance premiums of certain Medicaid eligibles or recipients when the agency determines that payment of the premium would be cost effective. The primary objective of paying certain health insurance premiums is to reduce Medicaid expenditures by enrolling Medicaid eligibles in or continuing existing health insurance coverage so that Medicaid becomes a secondary payor.

(2) Cost effectiveness is defined as meaning the expenditure of Medicaid funds for a set of services is likely to be greater than the cost of paying the health insurance premium. Criteria for determining cost effectiveness will be determined by the Alabama Medicaid Agency.

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Statutory Authority: 42 CFR §§432, 433; §1902(a)(25) Social Security Act; Consolidated Omnibus Reconciliation Act of 1985; §4402 Omnibus Reconciliation Act of 1990.

History: **Emergency rule** effective April 1, 1991. **Permanent rule** effective August 16, 1991.

Ed. Note: Previous Chapter 560-X-20 (Rules 560-X-20-.01 through 560-X-20-.11) filed September 30, 1982. Repealed and new Chapter (Rules 560-X-20-.01 through 560-X-20-.07) adopted in lieu thereof: Filed February 4, 1985.