January 14, 2021

Lynnette R. Rhodes, Esq.
Executive Director, Medical Assistance Plans
Department of Community Health
2 Peachtree Street, 36th Floor
Atlanta, Georgia 30303

Dear Ms. Rhodes:

In accordance with 42 CFR 438.6(c), the Centers for Medicare & Medicaid Services (CMS) has reviewed and is approving Georgia’s submission of a proposal for delivery system and provider payment initiatives under Medicaid managed care plan contracts. The proposal was received by CMS on July 30, 2020.

Specifically, the following proposal for delivery system and provider payment initiatives (i.e. state directed payment) is approved:

- Uniform Percentage Increase for teaching hospital physicians and practitioners established by the state for the rating period covering July 1, 2020 through June 30, 2021

This approval letter does not constitute approval of any Medicaid managed care plan contracts or rate certifications for the aforementioned rating period, or any specific Medicaid financing mechanism used to support the provider payment arrangement. All other federal laws and regulations apply. This approval letter only satisfies the regulatory requirement pursuant to 42 CFR 438.6(c)(2) for written approval prior to implementation of any payment arrangement described in 42 CFR 438.6(c)(1). Approval of the corresponding Medicaid managed care plan contracts and rate certifications is still required.

Note that this payment arrangement must be addressed in the applicable rate certifications. The state is always required to submit a contract action(s) to incorporate the contractual obligation for the state directed payment and related capitation rates that include this payment arrangement. The state has indicated that this state directed payment will be incorporated as a separate payment term. In accordance with 42 C.F.R. § 438.7(b)(6) and Section I, Item 4.D of the Medicaid Managed Care Rate Development Guide, the initial rate certification must certify the separate payment term for this proposal. After the rating period is complete and the state makes the state directed payment, the state must submit documentation to CMS that incorporates the total amount of the payment into the rate certification’s rate cells consistent with the distribution methodology described in the initial rate certification, as if the payment information had been known when the rates were initially developed. Please note the state and actuary would be required to submit a rate amendment if the actual amount of the separate payment term is greater than what was certified or the methodology is changed. The Medicaid Managed Care Rate Development Guide includes further details. CMS is happy to provide technical assistance to states and their actuaries.

Finally, CMS is approving this proposal with the condition that the state will submit an updated quality strategy for the 2021-2022 rating period.
If you have questions concerning this approval or state directed payments in general, please contact Lovie Davis, Division of Managed Care Policy, at (410) 786-1533 or lovie.davis@cms.hhs.gov.

Sincerely,

John Giles, MPA
Director, Division of Managed Care Policy
Center for Medicaid and CHIP Services