Medicaid Matters

Medicaid Advisory Commission submits report to Governor Bentley

The Alabama Medicaid Agency should end its current fee-for-service model in favor of locally-led managed care networks that eventually can assume the responsibility and the risk for improving patients' health outcomes, according to a report submitted to Governor Robert Bentley January 31 by the Alabama Medicaid Advisory Commission. Governor Bentley created the 33-member commission by executive order in October, tasking the group with evaluating the financial structure of the Agency and identifying ways to increase efficiency while also helping ensure the long-term sustainability of the agency.

State Health Officer Dr. Don Williamson, who served as commission chair, emphasized that both patients and taxpayers will benefit from such a change. "For the patient, it could mean they are going to have more encompassing care. For the agency, this will be the biggest fundamental change in Medicaid since its inception," he said.

The commission's recommendations included: 1) Alabama be divided into regions and that a community led network in each region coordinate the health care services of the Medicaid patients in that region; 2) Regional care networks formally engage consumer input and oversight at all levels of governance and operation; 3) The expanded regional patient care networks become risk-bearing organizations; 4) Regions may choose to contract with a commercial managed care organization to provide care, risk management, or other services in the region; 5) The Legislature where appropriate, and Medicaid where administratively possible, shall authorize regional care networks throughout the state and establish an implementation timeline. Specific benchmarks shall be set that must be met by the networks. Failure to meet the benchmarks shall authorize state intervention; 6) The Alabama Medicaid Agency should seek an 1115 waiver from CMS to implement the transformation to managed care; and 7) Legislation should be developed to create a Medicaid cap, provided that the legislation ensures adequate flexibility for the Agency to address federal mandates, rules, and regulations, economic uncertainty, catastrophic health events, and provider rates.

Sylvia Brown discusses successes of Patient Care Networks at the Commission's December 12 meeting. Brown is Executive Director of MedNet West, one of four Patient Care Networks in Alabama.

Since the commission's first meeting on November 1, 2012, members met several times to hear presentations from other state Medicaid programs, commercial managed care organizations and Alabama Medicaid's Patient Care Networks, and to review cost and other data.

Commission members include health care providers, legislative leaders, state health and human service agency officials, consumers and insurers appointed by the Governor. **Read more >>**

Inside: • Medicaid, ADPH collaborate to build new enrollment system
• Project designed to prevent pre-term births in at-risk recipients
• Project payment accuracy is focus of state-based RAC program

Medicaid, ADPH collaborate to build new enrollment system

Building on the past successes between the two agencies' programs, the Alabama Medicaid Agency and the Alabama Department of Public Health are collaborating to build a new eligibility and enrollment system using current technology while saving millions of dollars for the state.

The new system will replace the existing architecture and structure of the current Medicaid system which is over 30 years old and suffers from inefficiencies common to older, outdated systems. By using departmental employees, the two expect to save $20 million in state and federal funds by building the system in-house.

During the project's development, design and implementation phases, Medicaid and CHIP will complete the requirements for the Affordable Care Act by January 2014 while creating a system that automates application processing. According to Lee Rawlinson, Medicaid Deputy Commissioner for Beneficiary Services, this will result in quicker and more accurate eligibility determinations for pregnant women, parents, ALL Kids and Medicaid children, and Plan First women. **Read more >>**

Project designed to prevent pre-term births in at-risk recipients

When babies are born too early, they are more likely to have serious health problems or to die. To combat this problem, the Alabama Medicaid Agency is teaming up with the state's maternity care providers to reduce the number of premature, or pre-term, births among Medicaid-eligible women.

The two-year project, which began February 1, is based on the American College of Obstetricians and Gynecologists' recommendation that all pregnant women with a prior history of a spontaneous pre-term birth at 37 or fewer weeks gestation be counseled on the benefits of taking 17-Alpha Hydroxyprogesterone Caproate, or "17P" to prevent a second pre-term birth.

"Preterm birth is associated with long-term problems such as neurologic handicaps, blindness, deafness, and chronic respiratory disease among others, especially in births before 30 weeks gestation," said Medicaid Medical Director Dr. Robert Moon. He noted that conditions related to short gestation and low birth weight are the leading cause of infant death, based on a 2009 study conducted by the Alabama Perinatal Program.

In Fiscal Year 2011, the Alabama Medicaid Agency financed more than 50 percent of all deliveries in the state. Of the 31,028 Medicaid deliveries, 3,538 babies - 11 percent - received care in a neonatal intensive care unit at a cost of $57.8million, or an average cost of $16,345 per baby. **Read more >>**

Provider payment accuracy is focus of state-based RAC program

Mandatory provisions of the Affordable Care Act require the Alabama Medicaid Agency to select and provide oversight for a Medicaid Recovery Audit Contractor (RAC) to perform provider audits. Goold Health Systems (GHS), a Maine-based firm, has been selected to be Alabama Medicaid's contractor for a two-year period beginning January 1, 2013.

The RAC program is designed to improve payment accuracy by identifying under and overpayments in Medicaid. The Medicaid RAC program is a separate program from the Medicare RAC which is overseen by the Centers for Medicare and Medicaid Services. **Read more >>**

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Provider Assistance (HP) 1-800-688-7989
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