

# Medicaid Matters

## Budget shortfall prompts Agency to seek delay for RCO start date

Citing the current lack of funding for the 2017 fiscal year, the Alabama Medicaid Agency announced May 9 that it would seek to delay the October 1, 2016, start date for Regional Care Organizations, the core component of its transformation plans. A revised start date has not been determined, according to Medicaid Commissioner Stephanie Azar.



Before making a decision on a start date, she emphasized that the next step is to talk with the Centers for Medicare and Medicaid Services and Governor Bentley to explore options available to the state.

The change in plans became necessary after the Alabama Legislature adjourned May 4 without appropriating additional funds needed by the Agency for existing operations and to move forward with its plans to implement RCOs.

A federal waiver that would enable the state to implement the managed care program was approved in February. Commissioner Azar emphasized that the legislation passed on the last day of the regular session provides the Agency flexibility to work with the Centers for Medicare and Medicaid Services and the Probationary RCOs on an alternative implementation plan.

## Alabama Medicaid budget cuts likely without additional funding

Medicaid program cuts became more likely after the Alabama Legislature adjourned its annual session May 4 without providing the additional funds needed by the Alabama Medicaid Agency to maintain its current operations and reform its existing fee-for-service system.

Alabama Medicaid Commissioner Stephanie Azar emphasized that without additional funding, the Alabama Medicaid program will have to make significant changes.

“I think it’s important for Medicaid providers and recipients to prepare for the impact of these cuts, because this is the budget for Medicaid at this point in time,” she added.

Governor Robert Bentley had asked for \$785 million from the General Fund to continue the existing Medicaid program without payment reductions to primary care physicians and other cuts and to move forward with the Agency’s transformation initiative. The Legislature appropriated \$700 million to the Agency from the General Fund and later overrode the governor’s veto of the \$1.8 billion budget.

At an April news conference, Governor Bentley and Commissioner Azar warned that the \$700 million Medicaid appropriation from the General Fund budget will require the Agency to cut services and provider payments to balance its budget in the fiscal year that begins October 1, 2016.

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**Inside: Alabama Medicaid will be part of new Children’s Cabinet initiative  
Agency RCO outreach efforts expand to include more stakeholders**

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## Alabama Medicaid will be part of new Children's Cabinet initiative



Gov. Robert Bentley signs Executive Order 17 creating the Alabama Children's Cabinet. (Photo credit: Jamie Martin)

Governor Robert Bentley on April 12 announced a statewide effort to streamline services to Alabama's more than 1 million children. Alabama Medicaid, which serves more than 650,000 Alabama children, will be part of this new initiative.

The Alabama Children's Cabinet, created by Executive Order 17, will serve as an advisory body in formulating policies, encouraging innovation, and discussing issues critical to the needs of Alabama's children. The Cabinet will align systems of children's programs and services, creating a unified and cohesive delivery of services through a comprehensive approach.

"Alabama's children are our future, and we must ensure that their needs are being met just as we do with adults," Governor Robert Bentley said. [Read more >>](#)

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## Agency RCO outreach efforts expand to include more stakeholders

While Probationary RCOs take preparatory steps to become fully certified as RCOs, the Alabama Medicaid Agency is expanding its outreach efforts to involve a wider circle of stakeholders.

"One of the major issues is that providers' relationships with Medicaid will substantially change once RCOs are implemented," said Medicaid Chief Medical Officer Dr. Robert Moon. "Many of the policy decisions now made by Medicaid will be the responsibility of the RCOs in the future. It is our goal to help providers and recipients adjust to this new relationship by providing opportunities for meaningful dialogue."

Current outreach activities include informational sessions for providers and specific workgroups for primary care physicians and those serving special needs children and teens.

During February and March, more than 1200 individuals attended one of 17 Provider Forums held in 10 different locations. The sessions updated participants on the planned implementation, how Medicaid recipients will enroll in the program and provided an opportunity for questions from participants. [Read more >>](#)



Jerri Jackson, Alabama Medicaid Managed Care director, fields questions during a provider forum.

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