

A L E R T

January 21, 2015

TO: All Providers

RE: Statewide Expansion of Health Home Program – Letters of Intent – RCO Network Development – Change in Case Management Fees

On April 1, 2015, Alabama Medicaid Agency's Health Home program will be expanded statewide as an interim step toward implementation of full-risk Regional Care Organizations. Probationary RCOs that submit a qualifying proposal to the state will be responsible for the administration and operation of a Health Home program in their approved regions between April 1, 2015, and September 30, 2016. On October 1, 2016, the Health Home program will be incorporated into the full risk RCOs' operations.

Letters of Intent (LOI)

A LOI is a non-binding Letter of Intent between a probationary RCO and a provider which indicates a provider's intent to contract with that particular organization.

- 1) Probationary RCOs that plan to operate a Health Home program starting April 1, 2015, must submit signed LOIs from Primary Medical Providers (PMPs) to Medicaid by February 11, 2015, in order to demonstrate that they have an adequate provider network for the Health Home program.
- 2) Probationary RCOs are also required to provide signed LOIs to the Alabama Medicaid Agency by April 1, 2015, to demonstrate that they have an adequate provider network for the RCO when full-risk operation begins in 2016. For this requirement, primary medical providers, facilities and core specialists are asked to sign a LOI as an expression of their interest.

Changes to Case Management Fees

Alabama Medicaid will continue to operate its current fee-for-service program until full-risk RCOs are implemented in October 2016. However, the statewide expansion of the Health Home program in April 2015 will impact the structure of the monthly case management fees paid to Patient 1st PMPs.

Beginning April 1, 2015, a PMP who contracts with a probationary RCO that is operating a Health Home program will receive 50 cents per month, per patient assigned to their panel and an additional \$8 per patient, per month, for each assigned patient with a qualifying chronic condition(s), excluding FQHCs and Rural Health Clinics. **If a Patient 1st provider does not contract with a probationary RCO that is operating a Health Home program, they will receive 50 cents per patient, per month for all patients in their panel.**

More information on case management fees for Patient 1st PMPs may be found in Medicaid Provider Manual Chapter 39.4 and in Attachment B of the Patient 1st Enrollment Form, found on the Agency's website www.medicaid.alabama.gov under Contact > Provider Enrollment > Forms > Administrative Forms.

A list of frequently asked questions on LOIs, the Health Home program, RCOs and related topics is attached to this ALERT and is also available on Medicaid's website at www.medicaid.alabama.gov under Newsroom>Regional Care Organizations.

Questions may be directed to RCOPortal@medicaid.alabama.gov



Frequently Asked Questions about Alabama Medicaid's Health Home Program

On April 1, 2015, the Alabama Medicaid Agency's Health Home program will be expanded statewide as an interim step toward implementation of full-risk Regional Care Organizations. Probationary RCOs that submit a qualifying proposal to the state will be responsible for the administration and operation of a Health Home program in their approved regions between April 1, 2015, and September 30, 2016.

On October 1, 2016, Alabama Medicaid's Health Home program will be incorporated into the full risk RCOs' operations. At that time, Alabama Medicaid providers will need to contract with one or more RCOs in order to be reimbursed for services they provide to Alabama Medicaid recipients.

Signing up for the Health Home Program

1. **What does it mean if providers do not join the Health Home program? Will providers lose their Medicaid patients?**
 - **If a Patient 1st provider does not contract with a probationary RCO that is operating a health home program, they will receive 50 cents per patient, per month for all patients in their panel.**
 - PMPs will not lose patients from their Patient 1st panels when Medicaid's Health Home program goes statewide on April 1, 2015.
 - However, PMPs who contract with a probationary RCO that is operating a Health Home program will receive 50 cents per month, per patient assigned to their panel and an additional \$8 per patient, per month, for each assigned patient with a qualifying chronic condition(s) (FQHCs and Rural Health Clinics are excluded)
 - More information on this may be found in Medicaid Provider Manual Chapter 39.4 and Attachment B of the Patient 1st Enrollment Form, both found on the Agency's website www.medicaid.alabama.gov under Contact > Provider Enrollment > Forms > Administrative Forms
2. **Will I be paid less if I participate in the Health Home program?**
 - Alabama Medicaid will continue to operate its current fee-for-service program until full-risk RCOs are implemented in October 2016.
 - The case management fees paid to PMPs in the expanded counties will change.
 - Patient 1st PMPs who contract with a probationary RCO that is operating a Health Home program will receive 50 cents per month, per patient assigned to their panel and an additional \$8 per patient, per month, for each assigned patient with a qualifying chronic condition(s) (FQHCs and Rural Health Clinics are excluded).
 - **If a Patient 1st provider does not contract with a probationary RCO that is operating a Health Home program, they will receive 50 cents per patient, per month for all patients in their panel.**
 - More information on this may be found in Medicaid Provider Manual Chapter 39.4 and Attachment B of the Patient 1st Enrollment Form, found on the Agency's website www.medicaid.alabama.gov under Contact > Provider Enrollment > Forms > Administrative Forms
3. **What is panel size?**

Panel size represents the number of patients assigned to a Patient 1st PMP. Specialists do not have assigned recipients. Generally, PMPs may have up to 1,200 patients although that may be increased up to 2,000 if physician extenders (limit of two) are employed within the practice.
4. **How does the Health Home program affect a provider's current Patient 1st panel?**

Implementation of the Health Home program will not change a PMP's current panel. Patient 1st recipients will continue to have the ability to choose the doctor or clinic for their PMP and change PMPs as is presently done.
5. **Do I have to take on more Medicaid recipients if I participate in the Health Home program?**

No. PMPs determine the number of patients they will accept in their panel.

- 6. We only accept our current Medicaid patients or those current patients that for some reason became Medicaid eligible. Do we have to accept other/new patients?**
No. PMPs determine the number of patients they will accept in their panel.
- 7. We refer patients to UAB which I believe is in Region B. Do I need to have an agreement with an RCO in that region to refer my patients?**
No. Your ability to refer patients will not change under the Health Home program.
- 8. Are Medicaid providers responsible for making the initial contact to discuss being included in the network(s) or will the RCOs be contacting providers?**
Probationary RCOs will contact providers as part of the process to demonstrate that they have an adequate provider network.

However, providers are welcome to contact the probationary RCOs as well. A list of contacts is on the agency's website at www.medicaid.alabama.gov under Newsroom>Regional Care Organizations
- 9. If there is more than one Health Home program in a region, are providers obligated to join more than one?**
No. The decision to sign a LOI or contract with any RCO organization is up to the provider.

Letters of Intent

- 10. What is a LOI? What is the purpose of the LOI?**
A LOI is a non-binding Letter of Intent between a probationary RCO and a provider which indicates a provider's intent to contract with that particular organization.

Probationary RCOs that plan to operate a Health Home program starting April 1, 2015, must submit signed LOIs for Primary Medical Providers (PMPs) to Medicaid by February 11, 2015, to demonstrate that they have an adequate provider network for the Health Home program.

Probationary RCOs are also required to provide signed LOIs to the Alabama Medicaid Agency by April 1, 2015, to demonstrate that they have an adequate provider network. For this requirement, primary medical providers, facilities and core specialists as described in an Alabama Medicaid Agency ALERT issued on January 7, 2015, are asked to sign a LOI as an expression of their interest.
- 11. Is the LOI with the Alabama Medicaid Agency or the RCO?**
A LOI is a non-binding Letter of Intent between a probationary RCO and a provider which indicates a provider's intent to contract with that particular organization. It is the responsibility of the Probationary RCO to contact providers to obtain a signed LOI. Providers may also contact the RCO directly. A list of approved probationary RCOs is available on the agency's website at www.medicaid.alabama.gov under Newsroom>Regional Care Organizations.
- 12. Which organizations should providers sign LOIs with?**
Providers are free to sign an LOI and ultimately contract with one or more RCOs both within and outside the region in which they are physically located. Primary Medical Providers may want to sign with RCOs in regions where their patients live as RCO assignment will be based on the residence of the Medicaid recipient. Core specialists and hospitals likewise may want to consider signing with RCOs in other regions if their patient service area covers multiple regions.

The Health Home program

- 13. Can you explain more about the Health Home program?**
The Health Home program is defined by the federal government as an optional Medicaid program that integrates and coordinates care for patients with certain chronic conditions to achieve improved health outcomes.

Frequently Asked Questions About Alabama Medicaid's Health Home Program – continued

In Alabama, the Health Home program is set up to add an additional level of support to Patient 1st Primary Medical Providers (PMPs) by intensively coordinating the care of patients who have or are at risk of having certain chronic conditions: asthma, diabetes, cancer, COPD, HIV, mental health conditions, substance use disorders, transplants, sickle cell, BMI over 25, heart disease, and Hepatitis C.

Care Management, or coordinated care in the Health Home program is done by connecting patients with needed resources, teaching self-management skills, providing transitional care, and bridging medical and behavioral services, among other services.

The Health Home program was first implemented in Alabama in 2012 as a pilot project in four areas of the state, known as Patient Care Networks. On April 1, 2015, the Health Home program will be expanded statewide and managed by probationary RCOs who submit qualifying proposals for their respective regions.

This interim step is designed as a building block for probationary RCOs that are working toward full certification by facilitating network development and providing resources while offering the probationary RCOs an opportunity to demonstrate that they have resources to manage patients in their region.

14. Are patients in the Health Home program “homebound” and receive Home Health services and not come to doctor visits?

The Health Home program is not to be confused with home health services. Patients who receive case management services through the Health Home program are Patient 1st enrollees with specific chronic conditions. They are typically ambulatory patients.

15. What are RCOs?

Regional Care Organizations (RCOs) are locally-led managed care systems that will ultimately provide healthcare services to Medicaid enrollees at an established cost under the supervision and approval of the Alabama Medicaid Agency.

RCOs were created by state law in 2013. As of January 1, 2015, 11 organizations have been awarded probationary certification by the state, allowing them to work toward full implementation by October 1, 2016. More information is available on Medicaid's website at www.medicaid.alabama.gov under Newsroom>Regional Care Organizations.

16. What is the difference between the Health Home program and RCOs?

Regional Care Organizations (RCOs) are locally-led managed care systems that will ultimately provide healthcare services to Medicaid enrollees at an established cost under the supervision and approval of the Alabama Medicaid Agency.

RCOs that: 1) have been approved for probationary certification by the state; and 2) submit a qualifying proposal to the state will be responsible for the administration and operation of a Health Home program in their approved region between April 1, 2015, and September 30, 2016. On October 1, 2016, the Health Home program will be incorporated into the full risk RCO's operation. This interim step is designed as a building block for probationary RCOs that are working toward full certification by facilitating network development and providing resources while offering the probationary RCOs an opportunity to demonstrate that they have resources to manage patients in their region.

17. What region am I in?

- Five regions have been set up as required by state law.
- The map will be used for both the Health Home program (starting April 1, 2015) and the planned Regional Care Organizations in October 2016.
- The map was drawn with input from providers, Medicaid recipients and others and is designed to recognize existing referral patterns and to keep various health systems together when possible.
- A copy of the map is available on the agency's website www.medicaid.alabama.gov under Newsroom>Regional Care Organizations.