

# A L E R T

January 7, 2015

**TO: Primary Medical Providers (PMPs), Core Specialists and Designated Facilities**

**RE: Approval of Probationary Regional Care Organizations – Network Development**

On December 30, 2014, five additional organizations were certified by the state of Alabama as probationary Regional Care Organizations, bringing the total number of certified probationary RCOs to 11. As with the groups announced previously, these organizations may now proceed to work with health care providers to show that they have the ability to develop an adequate provider network by April 1, 2015.

The organizations approved as probationary Regional Care Organizations are:

- Alabama Community Care - Region A (Region A)
- Alabama Healthcare Advantage North (Region A)
- My Care Alabama (Region A)
- Alabama Care Plan (Region B)
- Alabama Healthcare Advantage East (Region B)
- Alabama Community Care – Region C (Region C)
- Alabama Healthcare Advantage West (Region C)
- Alabama Healthcare Advantage (Region D)
- Care Network of Alabama (Region D)
- Alabama Healthcare Advantage South (Region E)
- Gulf Coast Regional Care Organization (Region E)

RCOs are locally-led managed care systems that will provide health care to Medicaid beneficiaries under the supervision and approval of the Alabama Medicaid Agency. State legislation passed in 2013 created the new managed care structure to enable Medicaid to move away from a volume-based, fee-for-service environment to a payment system that incentivizes the delivery of quality health care and improved health outcomes.

Under the new structure, Alabama Medicaid will enter into contracts with RCOs to provide services for patients at an established cost.

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As an interim step, the State will offer probationary RCOs an opportunity to participate in Medicaid's federally-approved Health Home program. Probationary RCOs that participate in this program will provide care management for recipients with certain chronic health conditions while accelerating development of an adequate provider network.

Questions regarding this process may be directed to Carolyn Miller at [carolyn.miller@medicaid.alabama.gov](mailto:carolyn.miller@medicaid.alabama.gov) or by calling (334) 353-5539.

## What Alabama Medicaid providers need to know:

- 1) RCOs which have received probationary certification are required to demonstrate by **April 1, 2015** to the State that they will have an adequate provider network. To do this, probationary RCOs will ask primary medical providers, core specialists and certain facilities (see list below) to submit a Letter of Intent (LOI). The LOI is a standard form developed by the Alabama Medicaid Agency.
- 2) Probationary RCOs that wish to participate in the Health Home program will need completed LOIs from primary medical providers no later than **February 11, 2015**.
- 3) Providers interested in contracting with one or more RCOs to provide covered services to Medicaid recipients, should indicate so by signing the LOI to express their interest. By signing the LOI, the provider is not obligated to sign a contract and may rescind his or her intent to subcontract with the RCO upon review of a final contract.
- 4) Providers may sign LOIs or contract with more than one RCO.
- 5) An RCO must contract with "any willing provider" as long as he or she agrees to the terms offered to comparable providers. The minimum fee-for-service reimbursement rates that a Regional Care Organization is to pay providers for covered services provided to a Medicaid recipient is to be the prevailing Medicaid fee-for-service schedule, unless otherwise jointly agreed to by a provider and an RCO through a contract or mandated by federal law.

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**Primary Medical Providers (PMP)**

Family practitioner  
Federally Qualified Health Center  
General practitioner  
Internist  
Pediatrician  
Obstetrician or gynecologist  
Rural Health Clinic

**Core Specialists**

Allergist  
Anesthesiologist  
Cardiologist  
Cardiovascular Surgeon  
Dermatologist  
Gastroenterologist  
General Surgeon  
Neurologist

**Facilities**

Hospitals (as defined in Rule 560-X-7-.02)  
Inpatient Psychiatric Hospitals  
Laboratory Services  
End State Renal Disease Treatment and  
Transplant Center  
Outpatient Mental Health Center  
Independent Radiology Center

**Core Specialists (continued)**

Oncologist  
Ophthalmologist  
Optometrist  
Orthopedic surgeon  
Psychiatrist  
Pulmonologist  
Radiologist  
Urologist