

# ***Medicaid Matters***



*Gov. Bentley signs Medicaid legislation surrounded by (left to right) State Representative Jim McClendon, Mike Horsley, president, Alabama Hospital Association, Dr. Don Williamson, State Health Officer, State Senator Greg Reed, and Stephanie Azar, Acting Medicaid Commissioner. (Picture courtesy of Jamie Martin, photographer, Governor's Office)*

## **Gov. Bentley signs state Medicaid reform legislation, Senate Bill 340**

Governor Robert Bentley held a ceremonial bill signing June 6 for Senate Bill 340, a measure that will help increase efficiency in Alabama Medicaid while also helping improve patient care.

"We're providing a way to improve care for people on Medicaid and make smarter use of the tax dollars that support the program," Governor Bentley said. "This bill will benefit people enrolled in Medicaid by helping them have access to well-managed care. This bill will benefit taxpayers by controlling costs to the state. This represents an important milestone in our efforts to make Alabama Medicaid a more efficient and more affordable program."

Reforming Medicaid by increasing efficiency and improving care has been a long-term goal for Governor Bentley. The Governor established the Alabama Medicaid Advisory Commission in October of 2012 to evaluate the financial stability of Alabama Medicaid and the care that is provided to patients.

Senate Bill 340 is built on the commission's work. Currently, Alabama Medicaid operates under a "fee-for-service" model. [Read more >>](#)



**Inside:** • New commission to review Alabama Medicaid's pharmacy program  
• 2,700 primary care physicians to receive Medicaid payment "bump"

Alabama Medicaid Agency P.O. Box 5624 Montgomery, AL 36103-5624

## New commission to review Alabama Medicaid's pharmacy program

A new Pharmacy Study Commission to review Medicaid's pharmacy delivery and reimbursement system and evaluate options for reform has been established by Governor Robert Bentley. Governor Bentley signed Executive Order 40 on June 6 following the ceremonial signing of Senate Bill 340 which is designed to reform Alabama's Medicaid program.

Commission members are specifically charged with analyzing the current system, comparing Alabama's program with other states' operations, identifying alternative pharmacy systems that could maintain quality and save money for Alabama and the estimated savings and economic impact for each described system if implemented. The commission is to report its findings to the Governor no later than December 1, 2013.

Reforming Medicaid by increasing efficiency and improving care has been a long-term goal for Governor Bentley. The Governor established the Alabama Medicaid Advisory Commission in October of 2012 to evaluate the financial stability of Alabama Medicaid and the care that is provided to Medicaid recipients. Commission findings were incorporated into Senate Bill 340 which was later approved by the Legislature and signed into law.

State Health Officer Dr. Donald Williamson, who served as chair of the Alabama Medicaid Advisory Commission, will also chair the new Alabama Medicaid Pharmacy Study Commission. Acting Alabama Medicaid Commissioner Stephanie Azar will serve on the new commission as well. [Read more >>](#)



## 2,700 primary care physicians to receive Medicaid payment "bump"

Approximately 2,700 eligible primary care physicians who are enrolled in Alabama Medicaid will soon benefit from increased payments from the Agency following federal approval on May 29 of the state's request to change its payment method.



According to Medicaid Chief Medical Officer Robert Moon, M.D., the Agency will begin paying the enhanced rate to qualified providers starting on June 8. In July, Alabama Medicaid will begin reprocessing claims paid under the old rate and should have all reprocessing completed by the end of September so eligible providers will receive the difference for services provided since January, he said.

The increased reimbursement is the result of the Affordable Care Act which required state Medicaid programs to increase or "bump" up in payments to certain physicians for specified primary care services beginning January 1, 2013.

The Affordable Care Act requires states to pay 100% of the Medicare rate for 2013 and 2014, or if higher, the Medicare rate for primary codes using the Calendar Year 2009 Medicare conversion factor. The increased payments – projected to be \$39.6 million per year in Alabama – are funded entirely by the federal government for 2013 and 2014. However, the responsibility of maintaining the higher fees will fall to the state in 2015. [Read more >>](#)

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