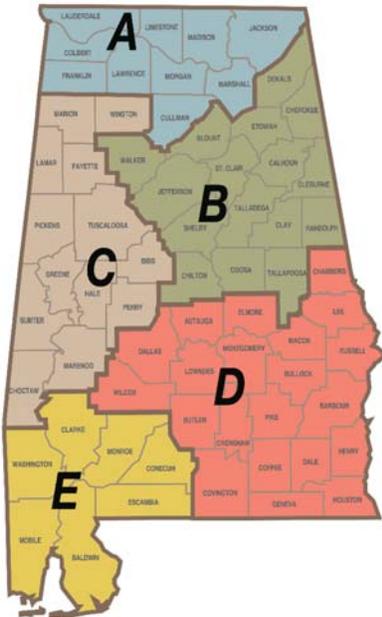


Medicaid Matters

Five regions established for Medicaid Regional Care Organizations



Alabama Medicaid has achieved its first official milestone toward the establishment of regional care organizations in the state with the establishment of five regional service areas September 17.

The regions were designated following several months of discussions with providers, recipients and others. The map and the required state Administrative Code changes were submitted on June 28. Public input on the new map was received at a public hearing held on July 15 and additional comments were received by the Agency through August 2. State law required that the districts be in place by October 1, 2013.

The final map had two changes: One change moved Chilton County into Region B which includes Birmingham, Anniston and Gadsden, and the other change moved Covington County into Region D which includes Montgomery and Dothan, according to State Health Officer Dr. Donald Williamson, who is leading the Medicaid transformation effort. [Read more](#)

New Study Commission to review opportunities for pharmacy savings

A new Pharmacy Study Commission to review Medicaid's pharmacy delivery and reimbursement system and to evaluate options for reform held its first meeting August 23.

The commission was appointed in June by Governor Robert Bentley and is 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 determine 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.

State Health Officer and commission chair Dr. Donald Williamson emphasized that the commission will not make specific recommendations. Instead, the focus of the group's effort will be on developing consensus on the facts upon which a solution can be built.



Dr. Don Williamson responds to a question from State Representative Jim McClendon (R) at the Pharmacy Study Commission meeting.

"We want to look at all of the options," he said. "This commission won't make any recommendations, but I hope that we can agree on a set of facts about where we are now, how we compare to other states, and what the potential savings are of other delivery system modifications."

[Read more](#)



Inside:

- Agency employs multiple strategies to save money, preserve access
- New mobile app provides direct link to Agency news, alerts and website

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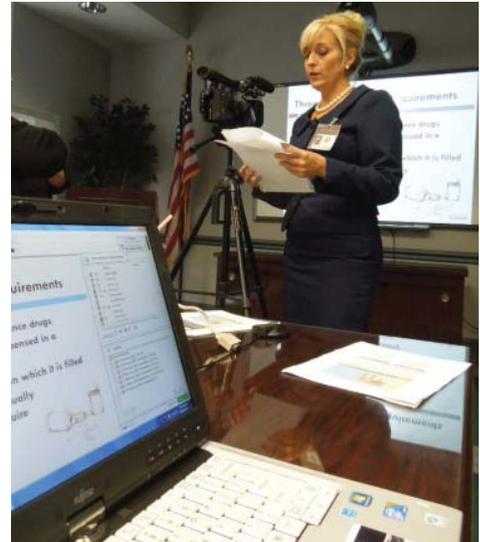
Agency employs multiple strategies to save money, preserve access

By employing a combination of financial, clinical and administrative strategies, Alabama Medicaid officials hope to cut approximately \$11 million in state dollars from its pharmacy program in FY 2014 while still providing access to most critical medications for more than 600,000 Medicaid recipients who qualify for drug coverage each year.

The first cost-cutting measures were implemented July 1 and included reimbursement changes for compounded drugs, increased co-payments on drugs and a change to prevent stockpiling of medications via early refills. The three measures are estimated to save about \$1 million in state funds during the 2014 fiscal year.

The next round of changes will start October 1 and include prescription drug limits, a mandatory three-month supply for certain drugs used to treat selected chronic diseases, and an end to coverage of over-the-counter drugs with exceptions for insulin, specialized nutritional products and second generation (e.g. non-sedating) antihistamines. Other measures set to begin on October 1 include a change to the Agency's "lower of" payment method and expanded efforts of the Agency's Drug Utilization Review board. Together they are projected to save \$11.1 million during FY 2014.

One of the most visible changes will be the prescription drug limit for adults and a mandatory dispensing of a three month supply of certain drugs. Recipients will be limited to a total of five drugs per month, four of which may be brand-name drugs. [Read more](#)



Kelli Littlejohn, Pharm.D., Clinical Services Director, explains new cost-cutting measures that begin October 1.

New mobile app provides direct link to Agency news, alerts and website



Each year, more than a million Medicaid recipients, providers and applicants turn to the Alabama Medicaid Agency for information on how to apply, provide or be reimbursed for covered services.

Now, a new mobile app is now available at no charge to link smart phone and iPod Touch and iPad users to breaking news and alerts while providing direct access to the Agency's website and contact information.

The Alabama Medicaid mobile app is available for downloading via the App Store. The app requires iOS 6.1 or later and is compatible with iPhone, iPad and iPod Touch. This app is optimized for iPhone 5.

Contact Us: Recipient Questions & Assistance: 1-800-362-1504
Provider Assistance (HP) 1-800-688-7989
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