

Rule No. 560-X-62-.06. Active Supervision of Organizations with Probationary Certification. NEW RULE

(1) The Medicaid Agency shall actively monitor and supervise the collective negotiations, bargaining, and cooperation among Collaborators as defined in Section 22-6-150(4) of the Alabama Code and each organization that receives probationary certification as a regional care organization (“Probationary Organization”) in accordance with Sections 22-6-150, *et seq.* of the Alabama Code. Each Probationary Organization shall submit an on-line periodic report to the Medicaid Agency quarterly on the last day of the month following the end of each full quarter (January 31, April 30, July 31 and October 31) in which the Probationary Organization is certified.

(2) Each periodic report must contain the information requested by the Medicaid Agency in order to allow the Medicaid Agency to engage in appropriate state supervision in accordance with Section 22-6-163 of the Alabama Code, including the following information:

(a) A description of the Probationary Organization’s activities during the reporting period, including a description of what entities and persons with whom the Probationary Organization engaged in collective negotiations, bargaining, or cooperation during the reporting period;

(b) A description of progress the Probationary Organization has made during the reporting period establishing or developing a regional care organization (RCO) that may gain full RCO certification on or before October 1, 2016;

(c) A description of any concerns or problems encountered in the collaborative process during the reporting period; and

(d) A description of the nature and scope of expected future activities of the Probationary Organization.

(3) All periodic reports submitted by each Probationary Organization must also include a narrative analysis, based upon currently available information, explaining whether and how the operation of the organization as a certified RCO is expected to:

(a) result in improved quality of healthcare services to Medicaid beneficiaries;

(b) result in cost-containment in providing health care services;

(c) result in enhancements in technology;

(d) maintain competition in the health care services market; and/or

(e) identify appropriate service delivery systems and reimbursement methods in order to align incentives in support of integrated and coordinated health care delivery consistent with Section 22-6-150, *et seq.* of the Alabama Code.

(4) The Probationary Organization shall certify in each periodic report that the bargaining during the reporting period was in good faith and necessary to meet the legislative intent expressed in Section 22-6-163 of the Alabama Code.

(5) Each Probationary Organization must also submit the following reports to the Medicaid Agency:

(a) On or before February 1, 2015, a report demonstrating to the Medicaid Agency's approval the ability to establish an adequate medical service delivery network not later than April 1, 2015;

(b) On or before July 1, 2015, a report demonstrating to the Medicaid Agency's approval the ability to meet the solvency and financial requirements for a regional care organization pursuant to Section 22-6-151(e)(1) of the Alabama Code and Medicaid Administrative Code not later than October 1, 2015; and

(c) On or before July 1, 2016, a report demonstrating to the Medicaid Agency's approval that the organization is capable of providing services pursuant to a risk contract not later than October 1, 2016.

The Medicaid Agency shall issue future regulations defining each of the requirements referenced in this subsection.

(6) The Probationary Organization's submittal of a periodic report in accordance with this rule does not relieve any person or entity from the requirement to submit periodic progress reports to the Medicaid Agency pursuant to a Certificate to Collaborate under Rule 560-X-62.02.

(7) In addition, the Medicaid Agency may inspect or request additional information, inspect or request documentation, and may convene meetings, make inquiries, and/or have such discussions it deems appropriate.

(8) All documents and information produced or provided by the Probationary Organization or third parties and all notes, memoranda, emails, correspondence, reports, work papers, findings, documents or other information generated by the Medicaid Agency as part of any audit, investigation, inspection or request for additional documents or information may be withheld from public inspection or disclosure if necessary, in the opinion of the Commissioner of the Medicaid Agency, to protect the confidential or proprietary nature of such information and documents or if deemed necessary to protect the Probationary Organization and any persons affiliated therewith from unwarranted injury or if otherwise deemed by the Commissioner of the Medicaid Agency to be in the public interest.

(9) Failure to file a periodic report required by this rule or failure to provide information or documents requested by the Medicaid Agency within fourteen (14) days after notice of default shall result in a fine of \$100 for each additional day that the periodic report is not filed or the requested information or documents are not provided to the Medicaid Agency. In

addition, the Medicaid Agency may revoke a Probationary Certificate as a Regional Care Organization for failure to file a periodic report required by this rule or failure to provide information or documents requested by the Medicaid Agency within fourteen (14) days after notice of default.

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Statutory Authority: Code of Alabama, 1975 Section 22-6-150 *et seq.*

History: Filed December 17, 2013.