

A L E R T

March 8, 2016

TO: All Providers

RE: Integrated Provider System (IPS) Program

A new funding pool has been approved by the federal government to specifically help the Alabama Medicaid Agency and Regional Care Organizations (RCOs) meet the goals of the 1115 Demonstration Waiver during the transition from a fee-for-service program to a managed care program under locally administered provider-based RCOs. A copy of the IPS Fact Sheet is included in this ALERT.

The funding pool, known as the Integrated Provider System (IPS) Program, is designed to improve clinical, operational and financial performance in specific areas related to Alabama Medicaid beneficiaries.

An overview of the IPS program and application process will be held during a webinar scheduled for 2:30 p.m. on Thursday, March 10, 2016. Instructions to participate in this listen-only presentation are available in the following link: http://www.medicaid.alabama.gov/CONTENT/2.0_newsroom/2.7.3.9_RCO_IPS.aspx.

A second session to go over questions about the program will be held at 2:30 p.m. on Wednesday, March 16, 2016. Instructions for the March 16 presentation will be posted on the Agency's website under Newsroom > Regional Care Organizations.

Alabama Medicaid Agency
Section 1115 Demonstration Waiver
Integrated Provider System Program
Fact Sheet¹

What is Alabama’s Section 1115 Demonstration Waiver?

Alabama applied for a Section 1115 demonstration waiver (demonstration) on May 30, 2014, to provide the funding needed to support the transition from a fee-for-service program to a managed care program provided through Regional Care Organizations (RCOs). Section 1115(a) of the Social Security Act gives the Federal Secretary of Health and Human Services the authority to approve experimental, pilot, or demonstration projects that promote the objectives of the Medicaid and CHIP programs by giving states added flexibility to design improved and innovative state programs. On February 9, 2016, the Centers for Medicare and Medicaid Services (CMS) approved Alabama’s request for a five year demonstration to develop and implement regionally based provider based organizations called RCOs. CMS’ approval of the demonstration is conditioned upon compliance with the Special Terms and Conditions (STCs), which detail the operation of the demonstration, including the nature, character, and extent of anticipated federal involvement in the demonstration.

RCOs will provide Medicaid covered services to beneficiaries for a per member per month amount paid by the Alabama Medicaid Agency (AMA) to RCOs for each beneficiary enrolled in an RCO. In return, the RCO is required to arrange and pay for the covered services needed by the Medicaid beneficiaries it covers. Each RCO will develop a network of contracted service providers and RCO enrollees will be required to use the RCO network providers to receive covered services.

What is the Integrated Provider System (IPS) Program?

The IPS program is part of a statewide Medicaid transformation effort intended to improve care coordination, efficiency of service delivery and beneficiary outcomes, and is more fully described in the STCs issued by CMS. CMS has approved funding for the IPS program over a three year period, from April 2016 through March 2019.

The IPS program will provide funding to support efforts to improve clinical, operational and financial performance in specific areas related to Medicaid beneficiaries. IPS work plans/projects must address one or more of the following RCO program objectives, as defined in the STCs:

¹ This document is intended to provide an overview of the Integrated Provider System (IPS) program which is more fully described in the Special Terms and Conditions (STCs) issued by CMS. Pursuant to STC 89, the IPS program protocols are subject to CMS approval. As a result, the Alabama Medicaid Agency reserves the right to add, alter, change and/or delete any or all terms and provisions of this document pending CMS approval of the IPS program protocols.

- Improved prevention and management of chronic disease
- Improved access to and care coordination of health services
- Improved birth outcomes
- Healthcare delivery system financial efficiency

AMA will evaluate the IPS work plan/project's ability to support the following improvement goals, as AMA's continued receipt of demonstration funding is contingent upon meeting these goals:

- Increase well-child visits by 7.22 percentage points from the current baseline of 59.65 percent for children ages 3-6
- Increase well-care visits for adolescents age 12-21 by 4.8 percentage points from current baseline of 40.5 percent
- Reduce rate of ambulatory care-sensitive condition admissions by 9 percentage points from current baseline of 1,226 per 100,000
- Increase percentage of deliveries that received a prenatal care visit in the first trimester or within 42 days of enrollment by 16.0 percentage points from the current baseline of 64.4 percent

What is the Role of RCOs in the IPS Program?

RCOs are responsible for working with network providers to develop proposals for IPS work plans/projects that support the goals identified in the STCs. RCOs, as the coordinating organizations, will accept and review applications from providers for proposed IPS work plans/projects and thereafter submit to AMA for consideration qualified IPS work plans/ projects on behalf of the providers. The RCO can choose not to support a provider's IPS application if it does not meet any of AMA's specifications and goals identified in the STCs. RCOs must:

- Ensure that IPS applications will support improvements in one or more of the program objective areas identified in the STCs
- Ensure IPS applications meet the overall needs of the RCO's region based on needs assessment studies and evaluation and including but not limited to geographic reach, number of beneficiaries impacted, return on investment, and sustainability of the IPS interventions or projects after the IPS program funding ends
- Work with network providers to ensure that the IPS applications meet all of AMA-specified requirements
- Ensure that the RCO's decisions regarding which IPS work plans/projects to forward to AMA are fair and impartial and are made in strict conformance with all conflict of interest requirements
- Work with providers throughout the IPS work plan/project to report on the progress of the IPS work plan/project (including measure reporting)
- Distribute payments to providers participating in the IPS program

What is the Role of Providers in the IPS Program?

While RCOs are the lead applicants through which IPS applications are submitted to AMA and the first level of application review, providers are the main focus of the IPS program and, as such, providers are responsible for:

- Proposing an IPS work plan/project to the sponsoring RCO
- Developing and submitting an IPS application, including required IPS attestations and other documents, in coordination with the sponsoring RCO
- Implementing and sustaining the IPS work plan/project
- Reporting on progress of the IPS work plan/project to the sponsoring RCO
- Achieving IPS work plan/project milestones

What Types of Providers May Participate in the IPS Program?

Providers must have a final or pending contract with an RCO to be eligible to propose and submit an IPS application. The following types of providers are eligible to submit an IPS application:

- Hospitals
- Federally Qualified Health Centers
- Community Mental Health Centers
- Primary Medical Providers
- Specialists
- Other providers (to be approved by AMA)

Can a Provider Challenge an RCO's Decision?

A provider that believes it submitted a qualified IPS work plan/project to an RCO, and the RCO thereafter refuses to forward that IPS work plan/project to AMA for consideration, will be provided a process to challenge the RCO's decision before the Medicaid Quality Assurance Committee (QAC).

What is the Maximum IPS Award Amount and How Will the Award Amount Be Determined?

Each IPS work plan/project is eligible to receive a maximum of \$20 million in funding. AMA will pay the award over the duration of the work plan/project to the sponsoring RCO, who will distribute payments to the providers participating in the IPS work plan/project based on the approved award distribution in accordance with the STCs and Transition Pool Terms. RCOs may retain no more than 10 percent of the total funds awarded to the provider to assist with IPS coordination, project management and reporting, with the remaining funding going to providers. The RCO and/or participating provider(s) must contribute 10 percent of the total cost of the work plan/project.

While IPS applicants will provide a requested funding amount for their IPS work plan/project based on a budget, AMA has the final decision making authority on the amount of funding awarded for each IPS work plan/project.

Providers and their sponsoring RCOs whose IPS applications are approved will be required to submit work plans and meet milestones in order to continue receiving IPS payments, and fulfill all other applicable requirements contained in the STCs and regulations and policies of AMA.

Can a Provider Participate in Multiple IPS Work Plans/ Projects?

Providers may participate in multiple IPS work plans/projects if the IPS work plans/projects are not duplicative. In no situation may a provider or RCO receive duplicative State or Federal funding related to an IPS work plan/project. AMA will require RCOs and providers to submit attestations regarding the federal funding they currently receive and anticipate receiving in the future.

Will there be a Letter of Intent (LOI) Process?

AMA plans to release a LOI template to RCOs at the beginning of March. RCOs must return the LOI to AMA by April 15, 2016. This LOI will allow AMA to understand the level of interest in IPS work plans/projects along with additional information about each proposed work plan/project. Interested providers should begin reaching out to the RCO(s) in their Region with whom they have a contract (or plan to have a contract) to begin discussing IPS work plans/projects. The LOIs from RCOs are non-binding and AMA recognizes that the proposed IPS work plans/projects may change as providers have more in depth discussions with RCOs. AMA will post all LOIs it receives on the AMA website.

Will there be a Formal IPS Application Process?

AMA will require a formal IPS application which will be due to AMA by no later than July 1, 2016, except for IPS applications that are referred to AMA by the QAC as a result of a successful appeal by a provider. Providers and RCOs must collaborate to develop all of the required elements of the IPS application. A separate application must be submitted for each IPS work plan/project. All submitted IPS applications, appropriately redacted, will be posted on the AMA website for public comment following submission to AMA. The application process will have specific requirements and forms, which if not accurately completed and submitted will result in a rejection of an application with no option to resubmit at a later date or appeal. In addition, failure to submit an application by the deadline will result in a rejection of the application with no option to resubmit at a later date or appeal.

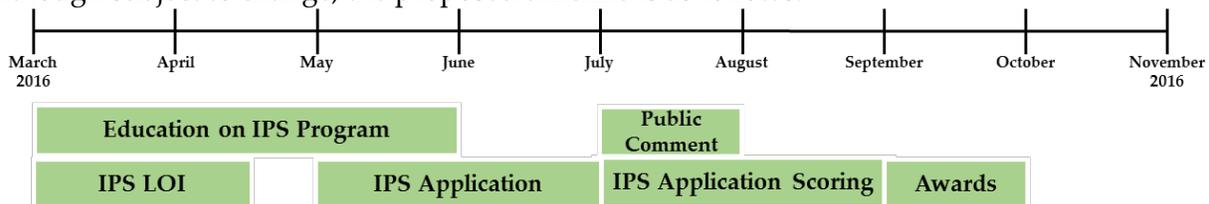
How Will AMA Make IPS Award Decisions?

AMA will develop a standard IPS application evaluation process which will include review by independent evaluators and AMA. AMA will have the final decision making authority with

respect to the awarding of work plans/projects and the terms and conditions related to the funding of such work plans/projects. Dissatisfied applicants will be allowed to ask AMA to reconsider its decision, but no other challenge to AMA's decision will be allowed. AMA estimates that it will make IPS award decisions for demonstration year one by October 2016.

What is Proposed Timeline for IPS Application and Award Decisions?

Although subject to change, the proposed timeline is as follows:



Who Is My RCO Contact for the IPS Program?

Alabama Community Care (Regions A and C)

Becky Henderson

P.O. Box 1790

Tuscaloosa, AL 35403

Becky.henderson@alabamacommunitycare.org

205/345-5205

Alabama Healthcare Advantage (Regions A,B,C,D and E)

Jean Wilms

One Perimeter Park South, Suite 100N

Birmingham, AL 35243

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785/207-1861

My Care Alabama (Region A)

Rachel Muro

500 Corporate Parkway

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Info@mycarealabama.org

205/220-1400

Alabama Care Plan (Region B)

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417 20th Street North, Suite 1100

Birmingham, AL 35203

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205/558-7189

Care Network of Alabama (Region D)

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Gulf Coast Regional Care Organization (Region E)

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251/415-1569

If an RCO does not reach out to a provider organization about this funding opportunity, it is incumbent on the providers interested in applying for IPS funding to develop relationships with RCOs who support and are willing to sponsor an IPS application. RCOs are obligated to respond to any provider request to discuss a potential IPS application, however, IPS funding timelines and requirements apply.

How Can I Learn More?

AMA will be hosting webinars to provide additional information to RCOs and providers about the IPS program and IPS application process. AMA will post materials on the AMA website, including key RCO contacts, and distribute updates through Medicaid Provider Alerts. Providers may also submit email questions to RCOQuality@Medicaid.Alabama.gov. Interested parties can expect to see the following information posted on the AMA website during March and April:

- IPS LOI template and requirements
- IPS application requirements and submission process
- IPS application rating process
- RCO metrics for each RCO program objective area
- Appeals process
- Transition Pool terms