

**MINUTES OF THE ALABAMA MEDICAID ADVISORY COMMISSION
DECEMBER 12, 2012
MONTGOMERY CITY HALL AUDITORIUM**

Members Present

Donald E. Williamson, M.D., Chair	Ms. Jessica Monroe
Mr. Richard Brockman	Mr. Jeff Parker
Mr. Frank Brown	Mike Ramsey, M.D.
Mr. Jim Carnes	Senator Greg Reed
Ted Catranis, M.D.	George "Buddy" Smith, Jr., M.D.
Mr. Barry Cochran	Mr. Courtney Tarver representing
Mr. Danny Cottrell	Mr. Jim Reddoch
Dr. Marquita F. Davis	Mr. Tim Vines
Ms. Mary Finch	Mr. Mike Warren
Mr. Stan Hammack	Representative Greg Wren
Ms. Nancy Herndon representing	Ms. Charlotte Wynn
Mr. Kyle Godfrey	

Members Absent

Mr. Jeff Brannon	Mr. Carl Jamison
Brigadier General Edward F. Crowell	Hiram Johnson, D.M.D.
Representative Laura Hall	Mr. Neil Morrison
Melanie Halvorson, M.D.	Senator Arthur Orr
Representative Ed Henry	Ms. Linda Segrest
	Mr. Graham L. Sisson, Jr.

Consideration of Minutes

The minutes of November 1, 2012, were approved as distributed.

Discussion

The following information was provided to the Commission: a letter from Mercy Medical encouraging the Commission to continue to keep the Program for All-Inclusive Care for the Elderly in mind as a redesign of Medicaid was considered, a document from Alabama ARISE detailing core principles of consumer centered Medicaid reform, and the one-page summary document with the accompanying detailed document of the work of the Executive Committee regarding other states' managed care experiences.

Dr. Williamson noted that, as compared to other states, Alabama had the third lowest per member per year (PMPY) cost and among the most restrictive Medicaid programs in the nation. Additionally, all Medicaid programs were different and while there could be savings in Medicaid, he did not know the amount of state savings Alabama could

expect, but did not anticipate it being \$100 million. He further noted that Alabama had 940,000 Medicaid eligibles and spent just under \$5.6 billion. Alabama saw less than 1 percent annual inflation of PMPY during the last 4 to 5 years and had a significant growth in enrollment, which was driven by the economic downturn.

If Alabama's economy were to continue to improve, the Commission would need to determine the effect a decrease in unemployment would have on Medicaid. If Alabama's economy improved more rapidly than the national average, the federal medical assistance percentage, or FMAP, rate would decrease. As a result, Alabama would pay a higher match to receive the same funds.

Dr. Williamson suggested that an estimate of cost savings be requested from one or more commercial managed care companies and from Medicaid's actuary, if the existing patient care networks were to be expanded statewide. The net figures would be non-binding, would include the source of the savings, would be built upon the existing funding structure, would be based on the assumption that the Legislature would renew the provider taxes, would include whether or not the savings would be continual, would include the carve ins and carve outs of the population groups, would include qualitative goals, and would not include long term care in the core benefits.

A motion was made and passed for Dr. Williamson to obtain the best comparisons allowed between the commercial managed care option and the community-based managed care option so that the Commission could have some level of fiscal comparison.

The Medicaid staff was charged with inviting no more than three commercial managed care companies to provide an estimate of cost savings. Additionally, the Medicaid actuary would provide an estimate of cost savings for expansion of the patient care networks.

The cost savings estimates would be provided to the Commission at its next meeting and if the Commission were in a position to make the decision regarding the state moving to commercial managed care, community-based managed care, or a hybrid of both, a discussion regarding the benefits of one model versus the other would occur and a vote would be taken. The next series of meetings would revolve around inclusions, exclusions, indicators to rate the plans, and risk transfer.

Adjournment

There being no further business, the meeting was adjourned.



Donald E. Williamson, M.D.
State Health Officer
Chair, Alabama Medicaid Advisory Commission