

# Medicaid Matters

## \$643 million allocated for Medicaid in Fiscal Year 2012 General Fund

A pared-down General Fund budget that provides \$643 million for the Alabama Medicaid Agency has been signed into law by Governor Robert Bentley. The final General Fund budget was approved on the last day of the 2011 regular session of the Alabama Legislature after House members voted 83-13 to accept changes requested in an Executive Amendment by Governor Bentley. The Senate had approved the changes earlier 30-1.



Despite an increase of \$181.1 million, or 11.4 percent, from the 2011 fiscal year, the \$1.77 billion General Fund budget required many state agencies to make significant cuts to their programs. While receiving substantial funding, the Medicaid Agency's final allocation was \$57 million below its earlier request for \$700 million to maintain the existing program while covering a growing number of recipients and replacing federal stimulus funds. [Read more >>](#)

## Governor creates Health Insurance Exchange Study Commission

Creating an online marketplace where Alabama citizens can evaluate health insurance options and apply for coverage has long been a goal of Governor Robert Bentley. Now with the creation of the Alabama Health Insurance Exchange Study Commission, the governor hopes to not only meet the requirements of federal health reform legislation, but to better manage the cost of health care in the state.



*Governor Bentley signs Executive Order creating the Alabama Health Insurance Exchange Study Commission. On hand are Commission members: (L to R) State Representative Jim McClendon; Medicaid Commissioner Dr. R. Bob Mullins, Jr.; Alabama Insurance Commissioner Jim Ridling; and State Senator Greg Reed. (Photo courtesy of Jamie Martin, photographer, Governor's Office.)*

Governor Bentley signed an Executive Order creating the Commission on June 2. The duty of the Commission is to study and make recommendations on the most effective way for the state to move forward with the establishment of the Alabama Health Benefits Exchange.

By 2014, Alabama must be ready to implement the major provisions of the Patient Protection and Affordable Care Act, including the establishment of a health insurance exchange to provide an online market place for health insurance.

“My vision for a health insurance exchange started before federal health care reform. The Alabama Insurance Exchange should enable us to better manage the cost of health care while also providing Alabamians with more choices for health insurance coverage,” said Governor Robert Bentley. [Read more >>](#)



**Inside:** • CMS approves pilot testing of regional care networks in Alabama  
• Newly-approved professional pharmacy services save time, money

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## CMS approves pilot testing of regional care networks in Alabama

Pilot testing of three regional care networks is on track to begin this summer now that the Centers for Medicare & Medicaid Services (CMS) has approved the renewal of Alabama Medicaid's Patient 1st program for the next two years.

The regional care networks were part of the Agency's waiver request to the federal government to renew the Patient 1st and maternity care programs. Area 2, which includes Lee, Chambers, Tallapoosa and Macon counties, is scheduled to begin August 1. Areas 1 (Tuscaloosa, Fayette, Pickens, Greene, Hale, Bibb counties) and Area 3 (Madison and Limestone) will start up on September 1. Together, they cover approximately 80,000 Medicaid recipients.



The networks are designed to function as a "medical neighborhood" and improve the delivery of health care services to Medicaid recipients, especially those recipients with complex medical conditions, according to Medicaid Medical Director Robert Moon.

"These types of regional care networks have a track record of proven improvements in quality improvement and cost effectiveness," Dr. Moon said. "The networks consist of regional non-profit organizations driven by a board of local health care providers. Half of the providers must be practicing primary care providers from that region who will help develop network policy to augment the care provided for patients and to engage providers in better integrating care across the health care continuum." [Read more >>](#)

## Newly-approved professional pharmacy services save time, money

Federal approval of two new pharmacy service programs will expand professional service capabilities of community-based pharmacies enrolled in the Alabama Medicaid program while saving recipients – and the state – time and money.

The Centers for Medicare and Medicaid Services approved the Agency's request to add tablet splitting and the dispensing of a 90-day supply for certain drugs June 21. Both were programs related to the Phase III/Professional Services component of the Agency's pharmacy reimbursement modification. The changes are scheduled to begin January 2012.

The change allows the state to pay pharmacies an additional fee to dispense a 90-day supply of medicine when certain requirements are met. Previously, recipients could receive no more than a 34-day supply which required a monthly trip to the drug store. An additional fee also will be paid to pharmacies when tablets on an approved list are split per the physician's instructions. Both services will require pharmacist/physician coordination, supporting the "medical neighborhood" concept in which all health care providers work collaboratively to provide optimal patient care.



The changes will be a significant benefit for recipients who often have difficulty obtaining refills on a timely basis due to transportation or other barriers, according to Medicaid Pharmacy Services Director Kelli Littlejohn, Pharm.D. [Read more >>](#)

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