

Alabama Medicaid Agency

Health Care Delivery Options

Request for Information

May 17, 2010

Contact:

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Synopsis:

In an effort to improve the existing program and to prepare for the addition of several hundreds of thousands of newly eligible individuals, the State of Alabama is assessing the interest and capacity of managed care organizations (MCOs), Accountable Care Organizations (ACOs), care coordination networks similar to states such as North Carolina and Oklahoma, health care provider systems and related organizations, and others to establish more effective approaches to the delivery and/or financing of health care for Alabama Medicaid eligibles. The State is not focusing on any one service delivery or financing model at this time and encourages creative responses. The state is interested in a possible coordinated care options that focus only on the Nursing Home level of care population but also is interested in programs that address other Medicaid eligible populations as well. Consideration will be given to all ideas which improve the quality of care for Medicaid eligibles while reducing or better controlling the growth of the costs of the Medicaid program. While this RFI neither endorses nor advances any particular model, there is interest in approaches which are grounded in more direct collaboration between purchasers and providers of service. Such collaborations are expected to include innovative quality management, utilization management and payment arrangements. These arrangements should include a new degree of financial accountability between the purchaser and service provider not found in traditional fee-for-service reimbursement. These arrangements may include close partnerships between MCOs and provider systems to deliver necessary member service, provider service, record keeping, payment processes, reporting and other administrative services.

Existing Managed Care Arrangements:

Primary Care Case Management (PCCM)

Alabama's Primary Care Case Management Program, called the Patient 1st Program, has been operational since January 1, 1997. The overarching goal of Patient 1st is to provide Alabama Medicaid recipients a medical home. The physician-patient relationship is paramount. With the established medical home, the Agency has affected a change in unnecessary pharmacy utilization and inappropriate emergency room utilization. Within the Patient 1st Program, patients are assigned to a primary medical provider (PMP). The PMP is responsible for providing, directly or through referral, necessary medical care. PMPs are paid a varying case management fee depending on how they choose to meet contract requirements. A physician report card, called

the Profiler, helps the PMP understand the medical and cost utilization of his or her panel as compared to his or her peers. The Profiler illustrates the performance measures that will enable the PMP to share in program savings.

Through Patient 1st, providers have access to two patient management tools: in-home monitoring and an electronic health record, QTool, which was developed through Medicaid’s transformation grant. The in-home monitoring program allows a patient to record certain vital signs and/or test results at home and transmit the data to a central repository that allows a PMP and community nurses to monitor a patient’s condition on an on-going basis.

The implementation of a staggered case management fee in 2005 has been successful in helping the Agency promote areas of program management that will have the greatest impact. The development of case management fees has evolved over the years of the program. The following are the current case management fee components.

Requirement	Amount
Use of QTool	\$1.00
24/7 Voice-to-Voice Coverage	\$1.00
Radiology Management	\$0.50
Administrative fee	\$.10

For the last two PCCM waiver periods, Medicaid has committed to share program savings with PMPs. In April 2007, utilizing CMS’ approved methodology; the Agency distributed a portion of the money saved through the collective efforts of Patient 1st providers. The distribution of shared savings was based on a formula which reflected several measures of performance and efficiency. Efficiency reflected the actual amount Medicaid spent on behalf of a PMP’s panel compared to the expected expenditures. Performance measures were the actual utilization by the PMP’s panel compared to what was expected. The performance measures included: Generic Dispensing Rate, Non-Certified Emergency Room Visits and Office Visits by unique enrollee. A total of \$5,756,300 was shared with 1,021 PMPs out of a total of 1,088. The average check totaled \$5,638. The largest amount paid was \$133,538 and the lowest amount paid was \$1.69. For the second waiver period a total of \$4,746,292.16 was shared with 876 PMPs out of a total of 1,097. The average check totaled \$5,418.14. The largest amount paid was \$84,652.09 and the lowest amount paid was \$17.82. Current performance measures include utilization of emergency room visits (certified and non-certified), number of hospital days per 1,000 patients, percent of

generics utilized, percent of asthma patients who have had one or more ER visits with the primary diagnosis of Asthma, percent of diabetic patients who have had at least one HbA1c test during review period, screenings for 0-5 age population, and office visits per unique enrollee.

Prepaid Ambulatory Health Plan (PAHP)

Alabama's Maternity Care Program began in 1988 under the original 1915(b) waiver authority. The waiver was developed in an effort to address Alabama's high infant mortality rate, the high drop-in delivery rate and the lack of delivering physician participation. The program changed from a PIHP to a PAHP effective January 1, 2010. The State contracts with one administrative entity for each of 14 districts through a competitive bid process. This entity is known as the Primary Contractor. The Primary Contractor, in turn, has the responsibility for establishing a comprehensive network of subcontractors that can provide prenatal, delivery and postpartum care. Medicaid pays for approximate half or 30,000 of all deliveries in the State of Alabama.

Recent program changes include the requirement that Primary Contractor staff be trained as application assisters to assist women in obtaining Medicaid eligibility quicker; a screening for mental health needs; an emphasis on smoking cessation; access to Medicaid covered contraceptives through local pharmacies; utilization of the Agency website to offer education and resources to the care coordinators, and better coordination between the Maternity Care Program care coordinator and the Plan First (family planning) care coordinator. In addition, the Agency has, through the most recent contract, offered Performance Incentive Payments to the Primary Contractors. These payments are intended to promote improved safety and quality outcomes by supporting the use of best practice guidelines. Specific measures have been developed that will be monitored per the Agency web based data collection system and medical record documentation.

Prepaid Inpatient Health Plan (PIHP)

Since October 1995, Alabama has operated a PHP for reimbursement of inpatient hospital services for most of the Medicaid population. Hospitals in contiguous geographic areas formed organizations to participate as Prepaid Health Plans (PHPs). The eight PHPs contract with the Alabama Medicaid Agency to provide inpatient hospital services to Medicaid eligibles residing in the PHP's geographic area under a capitated arrangement. The PHP receives a monthly capitation payment for each eligible, plus the disproportionate share payments for the hospitals in that PHP's district. Capitation payments for all eligible enrollees for each plan are made monthly. A State Plan Amendment has been submitted to CMS and is pending approval which

would modify inpatient reimbursement for fiscal years 2010 and 2011. Under the new methodology, hospitals will be paid a base amount which is the total inpatient payments made by Medicaid to each hospital from all sources except DSH payments during state fiscal year 2007, divided by the total paid inpatient hospital days incurred by that hospital during state fiscal year 2007, multiplied by the inpatient days incurred by each hospital during fiscal years 2010 and 2011. It is anticipated that an alternative payment methodology for hospital reimbursement will be implemented starting in FY 2012. Responses should take this into consideration and reflect ideas accounting for two scenarios; one for potential savings achieved through a reduction in inpatient utilization and one assuming no reduction in inpatient utilization.

Data

See statistical data about Alabama Medicaid at www.medicaid.alabama.gov/resources/statistics.

The following charts are included as an attachment to this document:

FY 2009 Total Payment by County of Recipient

Monthly Eligibles by Aid Category

Monthly Eligible Count by County

FY 2009 Cost Per Eligible by category, gender, race, and age

Text files of detailed claim data for the Aged, Blind, and Disabled population is available by request for a reproduction fee of \$304. A data sharing agreement must be signed prior to release of the data.

Response:

Your response should indicate if you would be willing to provide a face-to-face presentation, if requested by the Agency.

Specifically, this RFI seeks the information listed below. Submit one original response and one electronic (word 2007 format) copy of the response on CD or jumpdrive clearly labeled with the Vendor name. Please respond to these topics in numerical order:

1. Briefly describe your company or organization, your products and services, history, and other information you deem relevant.
2. Provide a recent annual report, if available.
3. Describe the delivery model and target population recommended for the Alabama Medicaid Program.

Responses should be mailed to:

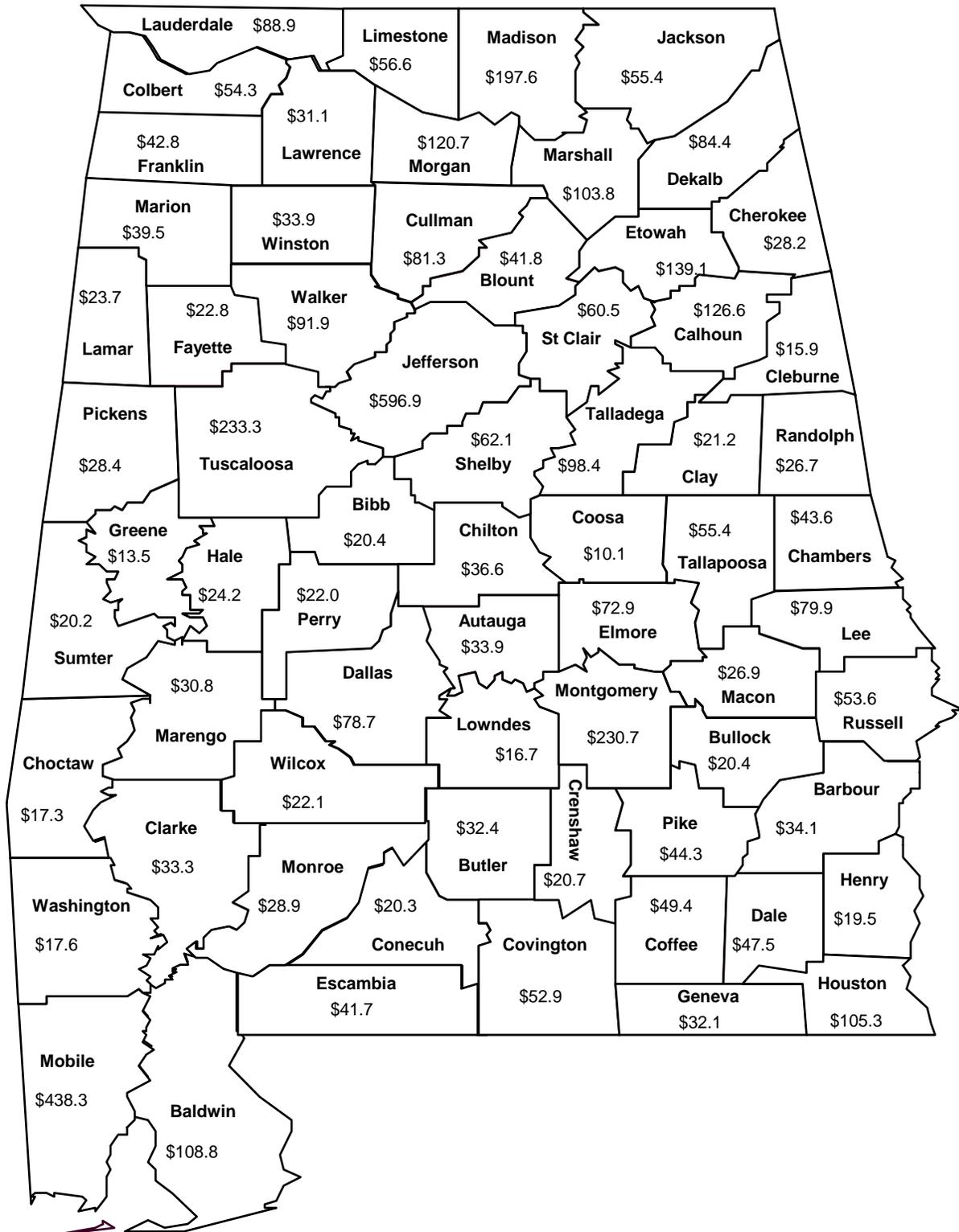
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Questions regarding this solicitation for information should be sent to kathy.hall@medicaid.alabama.gov no later than 5:00 pm on July 2, 2010.

FY 2009

TOTAL PAYMENTS

By County of Recipient





**Alabama Medicaid Agency
Monthly Eligible Count By County
FY 2009-2010**

	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
Autauga	7,144	7,109	7,075	7,130	7,120	7,197						
Baldwin	21,330	21,227	21,174	21,470	21,678	21,983						
Barbour	6,627	6,556	6,497	6,561	6,552	6,602						
Bibb	4,169	4,126	4,155	4,209	4,254	4,303						
Blount	9,031	8,952	8,962	9,029	9,029	9,034						
Bullock	3,575	3,531	3,539	3,531	3,538	3,572						
Butler	5,915	5,890	5,874	5,865	5,891	5,918						
Calhoun	23,606	23,442	23,333	23,498	23,548	23,764						
Chambers	7,607	7,508	7,474	7,545	7,576	7,632						
Cherokee	4,784	4,737	4,714	4,765	4,775	4,848						
Chilton	8,194	8,166	8,212	8,327	8,402	8,599						
Choctaw	3,164	3,153	3,131	3,171	3,187	3,210						
Clarke	6,147	6,101	6,066	6,104	6,038	6,151						
Clay	2,915	2,892	2,903	2,967	3,009	3,009						
Cleburne	2,829	2,782	2,776	2,793	2,811	2,828						
Coffee	7,694	7,615	7,593	7,651	7,676	7,736						
Colbert	10,005	9,885	9,853	7,886	9,967	10,103						
Conecuh	3,888	3,874	3,843	3,895	3,902	3,895						
Coosa	2,193	2,169	2,161	2,170	2,180	2,212						
Covington	8,435	8,352	8,259	8,308	8,379	8,407						
Crenshaw	3,431	3,393	3,377	3,403	3,402	3,399						
Cullman	13,642	13,511	13,496	13,587	13,664	13,760						
Dale	9,375	9,333	9,325	9,434	9,456	9,516						
Dallas	16,119	15,988	15,932	16,037	16,007	16,093						
Dekalb	15,954	15,858	15,769	15,854	15,903	15,886						
Elmore	9,855	9,793	9,819	9,920	9,948	10,059						
Escambia	8,421	8,376	8,328	8,401	8,429	8,548						
Etowah	20,625	20,349	20,235	20,277	20,347	20,431						
Fayette	3,509	3,488	3,492	3,534	3,545	3,579						
Franklin	7,454	7,415	7,368	7,366	7,409	7,471						
Geneva	5,653	5,599	5,576	5,610	5,637	5,734						
Greene	3,276	3,198	3,183	3,188	3,202	3,233						
Hale	5,132	5,122	5,081	5,107	5,110	5,085						
Henry	3,221	3,204	3,223	3,256	3,289	3,299						
Houston	20,033	19,902	19,884	20,091	20,125	20,383						
Jackson	9,591	9,447	9,449	9,518	9,542	9,637						
Jefferson	104,258	103,489	103,173	104,190	104,767	105,637						
Lamar	3,170	3,163	3,159	3,176	3,198	3,216						
Lauderdale	14,345	14,161	14,086	14,137	14,164	14,325						
Lawrence	5,998	5,921	5,898	5,937	5,940	5,993						
Lee	16,840	16,706	16,664	16,792	16,758	16,905						
Limestone	10,451	10,392	10,399	10,498	10,642	10,817						
Lowndes	3,557	3,528	3,492	3,475	3,504	3,544						
Macon	5,535	5,481	5,491	5,518	5,507	5,558						
Madison	35,045	34,933	35,024	35,426	35,509	36,109						
Marengo	5,249	5,200	5,193	5,236	5,241	5,270						
Marion	6,308	6,176	6,134	6,183	6,213	6,288						
Marshall	20,153	20,001	19,889	20,044	20,057	20,123						
Mobile	80,037	79,492	78,938	79,678	79,843	80,939						
Monroe	5,048	5,003	4,986	4,989	5,003	5,041						
Montgomery	48,198	47,853	47,648	48,002	47,971	48,302						
Morgan	18,816	18,722	18,673	18,806	18,973	19,143						
Perry	3,896	3,851	3,837	3,874	3,869	3,866						
Pickens	4,930	4,866	4,801	4,791	4,860	4,937						
Pike	7,136	7,077	7,095	7,115	7,109	7,143						
Randolph	4,765	4,690	4,709	4,728	4,733	4,789						
Russell	11,698	11,595	11,627	11,700	11,773	11,884						
St. Clair	12,005	11,906	11,863	11,934	11,969	12,100						
Shelby	13,309	13,219	13,261	13,314	13,485	13,698						
Sumter	4,285	4,237	4,193	4,206	4,204	4,240						
Talladega	19,395	19,223	19,224	19,381	19,438	19,487						
Tallapoosa	8,947	8,833	8,794	8,875	8,901	8,912						
Tuscaloosa	29,329	29,184	29,152	29,397	29,551	29,949						
Walker	13,899	13,764	13,733	13,844	13,937	14,060						
Washington	3,277	3,267	3,266	3,276	3,262	3,276						
Wilcox	5,012	4,965	4,945	4,983	4,991	5,013						
Winston	5,094	5,024	4,984	5,021	5,031	5,092						
DYS	219	200	193	176	206	191						
TOTAL	834,747	828,165	825,655	830,160	835,136	842,963	-	-	-	-	-	-

FY 2009
 COST PER ELIGIBLE
 By Category, Gender, Race, and
 Age

