



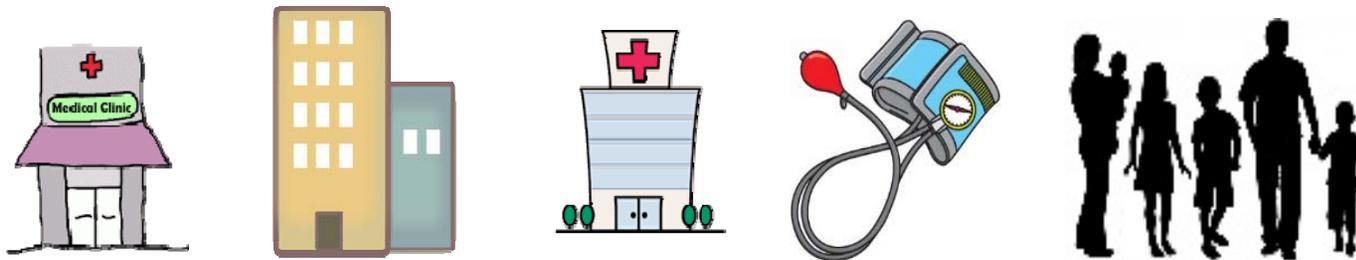
# Medicaid Update: Regional Care Organizations

March 2016

# Regional Care Organizations (RCOs)



- RCOs are locally-led managed care organizations that will provide services for Medicaid enrollees at an established cost when the program is implemented in October 2016.



***Certified RCOs will assume the risk of managing the full cost of covered Medicaid services and care coordination for most Medicaid recipients***



# RCOs as a Vehicle for Medicaid Reform

- The strategy is to establish a capitated managed care system through regional care organizations (RCOs)
- RCOs modify the delivery of services by:
  - Mandatory enrollment in a care management entity
  - Requiring medical/health home model for Medicaid recipients
  - Including most Medicaid recipients
  - Managing physical and behavioral health services

# RCOs as a Vehicle for Medicaid Reform



- Emphasis on quality is central to reforming Medicaid's healthcare delivery system
- Philosophical change from a system that is based on "visits and volume" to one that focuses on outcomes and quality
- Measurement and analysis will be at the forefront of the Agency's quality effort

# RCO Regions



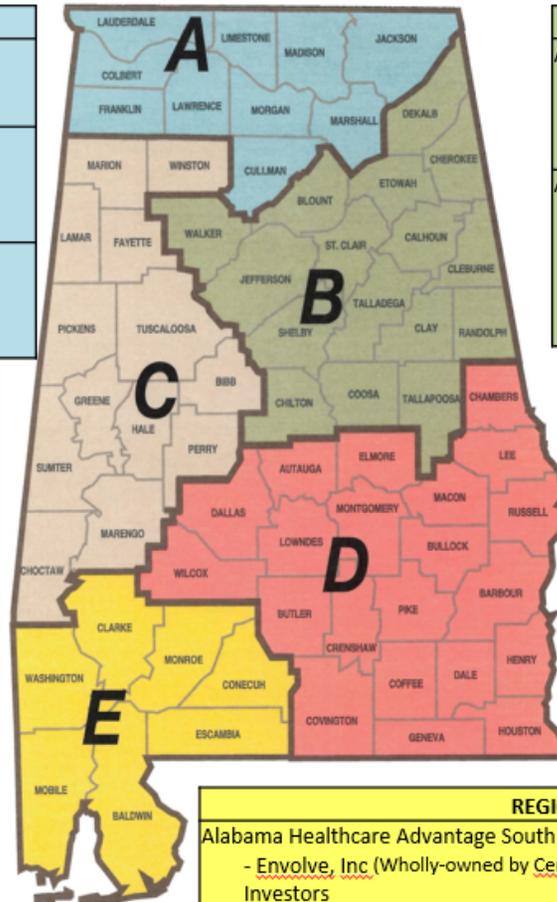
## ALABAMA MEDICAID

### Probationary Regional Care Organizations and Contributing Entities



REGION A
Alabama Community Care - Region A - Sentara - Huntsville Hospital System
Alabama Healthcare Advantage North - <u>Envolve, Inc</u> (Wholly owned by <u>Centene</u> ) - Individual Investors
My Care Alabama - Healthcare Business Solutions, LLC (Wholly-owned by BCBS) - North Alabama RCO Holding Co, LLC

REGION C
Alabama Community Care - Region C - Sentara - Huntsville Hospital System - DCH Health System - Mental Health Retardation Board of Bibb, Pickens and Tuscaloosa Counties
Alabama Healthcare Advantage West - <u>Envolve, Inc</u> (Wholly-owned by <u>Centene</u> ) - <u>WellDyneRX</u> - Individual Investors



REGION B
Alabama Care Plan - UAB Health Systems - St Vincents Health System - Triton Health Systems
Alabama Healthcare Advantage East - <u>Envolve, Inc</u> (Wholly-owned by <u>Centene</u> ) - Ball Health Services - Anniston EMS - Individual Investors - <u>WellDyneRX</u>

REGION D
Care Network of Alabama - East Alabama Health Care Authority - East Alabama Medical Center - Triton Health Systems - Health Care Authority for Baptist Health - Houston County Health Care Authority - Univ of Ala Board of Trustees for UAB
Alabama Healthcare Advantage - <u>Envolve, Inc</u> (Wholly-owned by <u>Centene</u> ) - Jackson Hospital - Individual Investors - <u>WellDyneRX</u>

REGION E
Alabama Healthcare Advantage South - <u>Envolve, Inc</u> (Wholly-owned by <u>Centene</u> ), <u>WellDyneRX</u> , Individual Investors
Gulf Coast Regional Care Organization - USA HealthCare Management LLC, AltaPoint Health Care Systems

Revised: Jan 25, 2016

# RCO Program Key Dates



## RCO Network

### Adequacy Deadline

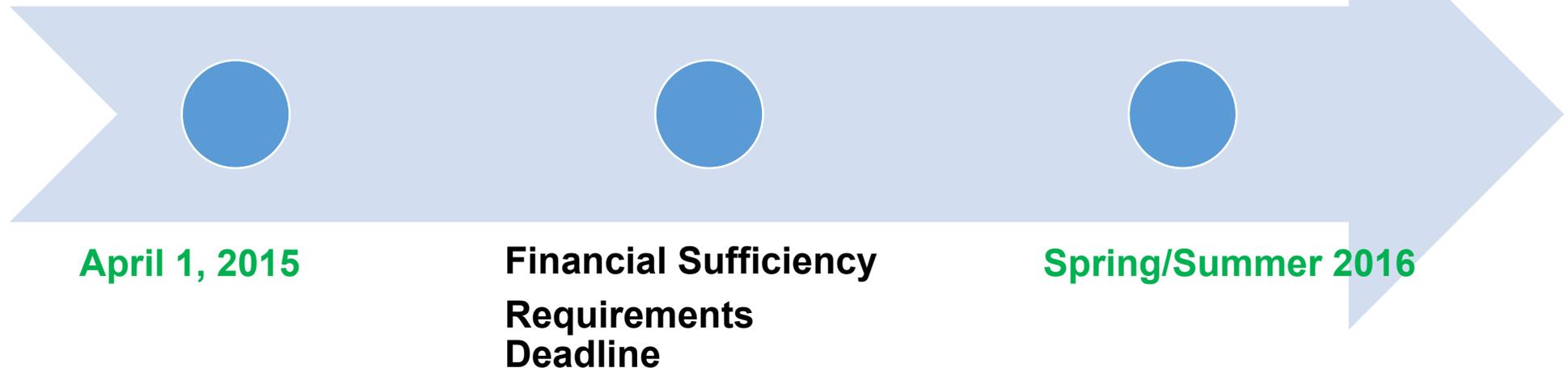
- Probationary RCOs Must Demonstrate Sufficient Number of PMPs to Medicaid

**October 1, 2015**

### Readiness Review

**Finalization of  
Contracts**

**Full Certification**





# Covered Populations

- **Covered populations – Approximately 2/3rds of Medicaid eligibles**

- Aged, blind, and disabled recipients
- Breast and Cervical Cancer Treatment Program participants
- Recipients of Medicaid for Low Income Families (MLIF)
- SOBRA children and adults

- **Excluded populations**

- Medicare/dual eligibles
- Foster children
- Hospice patients
- ICF-MR recipients
- Nursing home/institutional recipients
- Plan 1<sup>st</sup> (family planning only) and unborn recipients
- Home and Community-Based Services waiver recipients

# Covered Services

- **Some of the services to be covered by RCOs:**
  - Hospital inpatient and outpatient care
  - Emergency Room
  - Primary and Specialty Care
    - NPs may participate via supervising physician
  - FQHCs/RHCs
  - Lab / Radiology
  - Mental/Behavioral Health (CMHCs included)
  - Eye Care
  - Maternity



# Covered Services

- Pharmacy is a Medicaid-covered service, but will not be part of RCOs
- Long term care and dental services are excluded now
- Substance abuse services deferred
- Recipients will receive minimum services as determined by Medicaid, the same as other Medicaid recipients; RCOs may add services or benefits but will not receive additional capitation payments



# Contracting, PAs and Referrals

- Provider Contracts must be approved by Medicaid.
- Providers must contract with at least one RCO in order to be paid for services; may contract with multiple RCOs.
- “Any Willing Provider” rule applies; providers are eligible to contract with any or all RCOs.
- Medicaid requires payment to providers to be no less than the prevailing FFS fee schedule in place on October 1, 2016, unless approved by Medicaid.
- EPSDT requirements must be met per contract
- Referral forms and process may vary from RCO to RCO.
- The program (along with PAs and referrals) is to be no more restrictive than what is currently in place on October 1, 2016, unless approved by Medicaid.

# RCO Enrollment Process & PMP Selection





# Assignment Process

## **Two levels:**

- Selection of RCO via Enrollment Broker or Assignment of RCO by HP
  - Medicaid will manage auto assignments to the RCO
- Selection of PMP from RCO's Network
  - RCOs will manage all PMP panel assignments

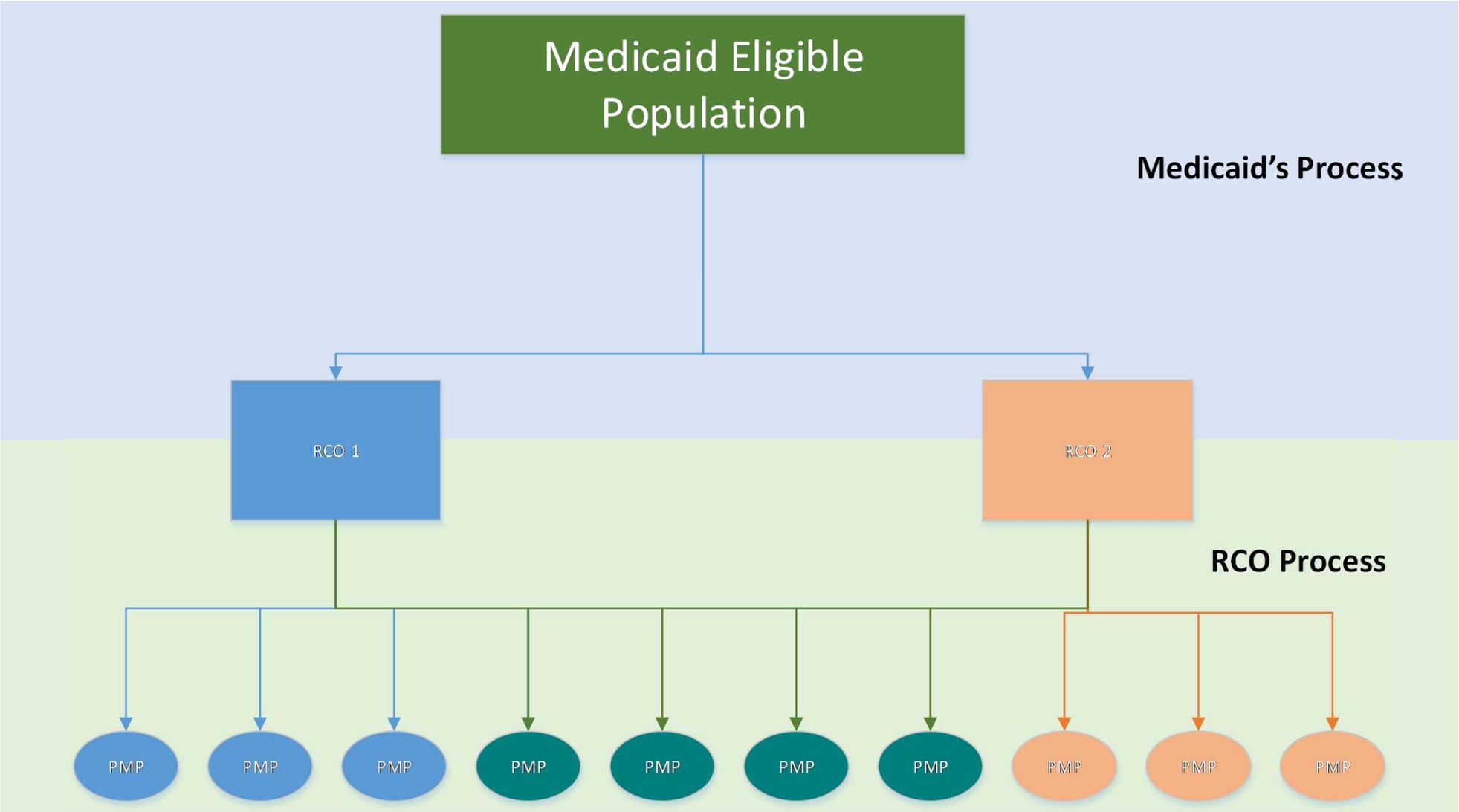
Note: Last Patient 1<sup>st</sup> assignment will be in August 2016 for September assignments. Patient 1<sup>st</sup> will end on September 30, 2016.



# Assignment Process

- Initial enrollment process will begin July 2016 and go through late August
- Enrollment Broker to assist recipients in choosing RCO
  - Will have a list of each RCO's contracted PMPs
    - PMPs identified by name and practice group
- Recipients who do not select an RCO will be auto assigned
- Recipients may change their choice of RCO by 12/31/16; after that time, may change during annual open enrollment period

# Division of Assignment Processes



# Questions?



A screenshot of the Alabama Medicaid Agency website. The header includes the "Alabama Medicaid Agency" logo and the slogan "Together for Quality". A navigation menu lists: Home, Newsroom, Apply for Medicaid, Programs, Resources, Providers, Fraud/Abuse Prevention, Contact, Recipients, Reference. The main content area features a search bar, buttons for "Recipients, Applicants, Sponsors" and "Providers", and a "News Alerts Calendar" section. A red arrow points to the "Regional Care Organizations" icon in the bottom left corner of the page. The "Welcome" section contains text about the Medicaid program. On the right side, there are logos for "My MEDICAID", "Patient 1st", "One Health Record", "eHR", and "Alabama VOTES". The footer includes links for "MIS Login", "ACE Email Login", "Home", "Statements &amp; Policies", "Alabama.gov", "Online Services", "Media", and "Top".

## Resources/Questions:

[RCOPortal@Medicaid.Alabama.gov](mailto:RCOPortal@Medicaid.Alabama.gov)

[www.Medicaid.Alabama.gov](http://www.Medicaid.Alabama.gov) > Newsroom>Regional Care Organizations