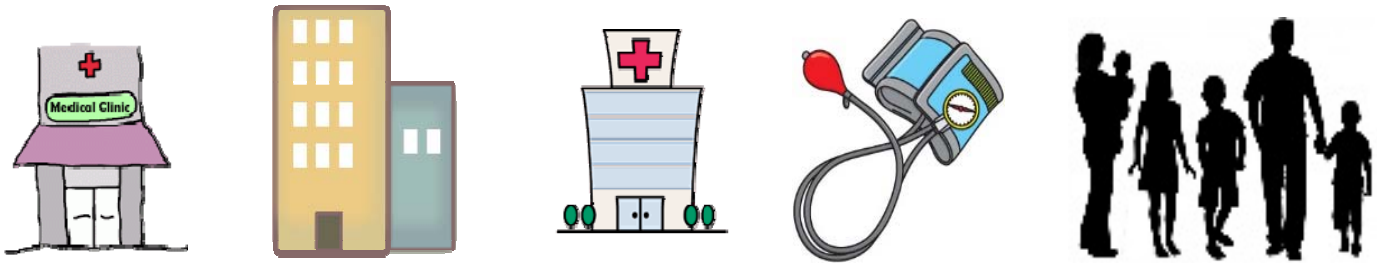
Medicaid Update:

Regional Care Organizations

February 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

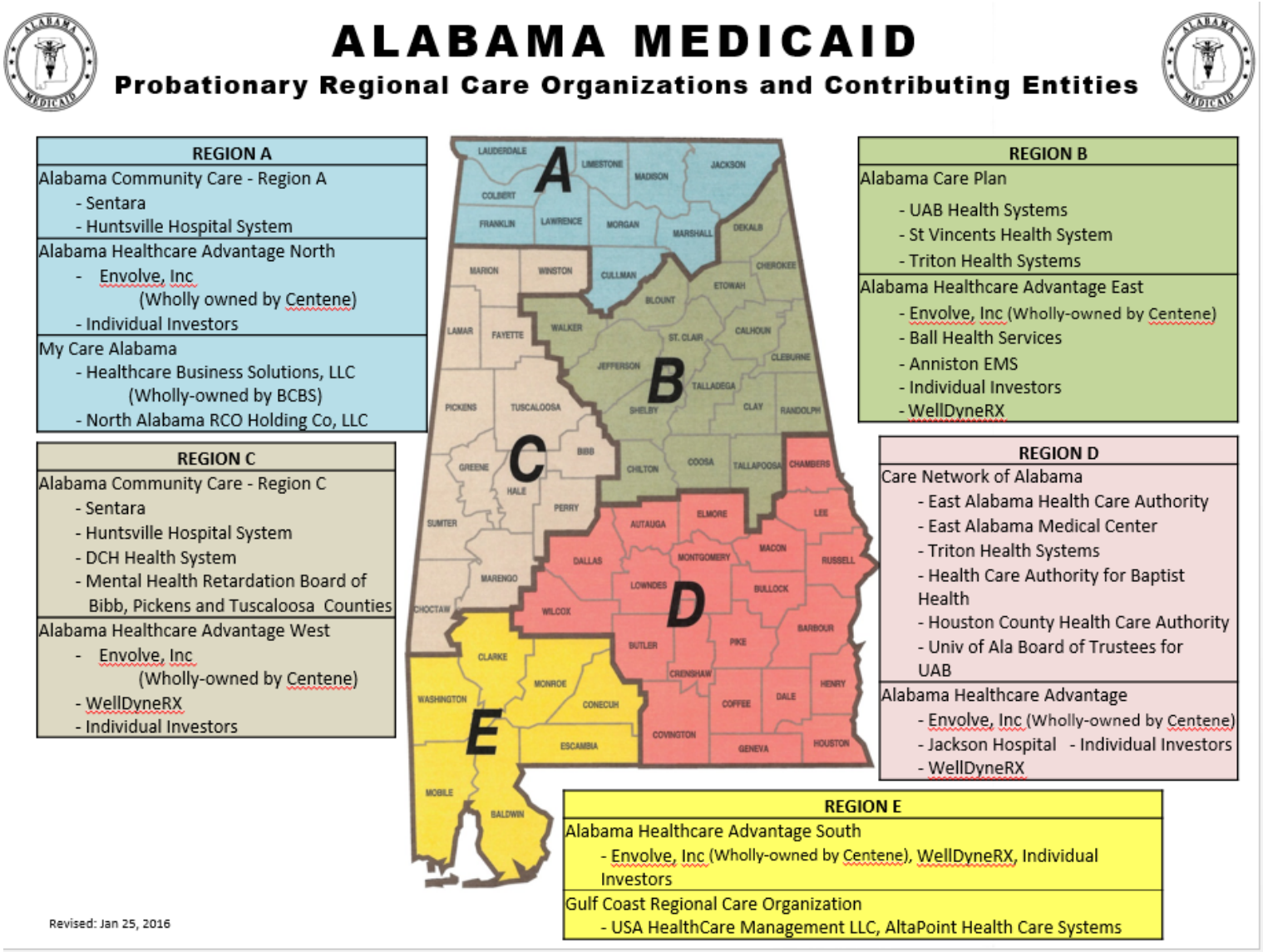
RCOs as a Vehicle for Medicaid Reform

- 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
- Envolve, Inc
(Wholly owned by Centene)
- Individual Investors
My Care Alabama
- Healthcare Business Solutions, LLC
(Wholly-owned by BCBS)
- North Alabama RCO Holding Co, LLC
REGION B
Alabama Care Plan
- UAB Health Systems
- St Vincents Health System
- Triton Health Systems
Alabama Healthcare Advantage East
- Envolve, Inc (Wholly-owned by Centene)
- Ball Health Services
- Anniston EMS
- Individual Investors
- WellDyneRX
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
- Envolve, Inc
(Wholly-owned by Centene)
- WellDyneRX
- Individual Investors
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
- Envolve, Inc (Wholly-owned by Centene)
- Jackson Hospital - Individual Investors
- WellDyneRX
REGION E
Alabama Healthcare Advantage South
- Envolve, Inc (Wholly-owned by Centene), WellDyneRX, Individual Investors
Gulf Coast Regional Care Organization
- USA HealthCare Management LLC, AltaPoint Health Care Systems
Revised: Jan 25, 2016
A
B
C
D
E
LAUDERDALE
LIMESTONE
MADISON
JACKSON
COLBERT
FRANKLIN
LAWRENCE
MORGAN
MARSHALL
DEKALB
MARION
WINSTON
CULLMAN
CHEROKEE
ETOWAH
BLOUNT
LAMAR
FAYETTE
WALKER
ST. CLAIR
CALHOUN
CLEBURNE
JEFFERSON
TALLADEGA
PICKENS
TUSCALOOSA
SHELBY
CLAY
RANDOLPH
BIBB
GREENE
CHILTON
COOSA
TALLAPOOSA
CHAMBERS
HALE
PERRY
SUMTER
AUTAUGA
ELMORE
LEE
DALLAS
MONTGOMERY
MACON
RUSSELL
MARENGO
LOWNDES
BULLOCK
CHOCTAW
WILCOX
BARBOUR
BUTLER
PIKE
CLARKE
CRENSHAW
HENRY
MONROE
WASHINGTON
CONECUH
COFFEE
DALE
COVINGTON
ESCAMBIA
GENEVA
HOUSTON
MOBILE
BALDWIN

RCO Program Key Dates

RCO Network Adequacy Deadline

- Probationary RCOs Must Demonstrate Sufficient Number of PMPs to Medicaid

April 1, 2015

October 1, 2015

Financial Sufficiency Requirements Deadline

Readiness Review

Finalization of Contracts

Full Certification

Spring/Summer 2016

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 1st (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:

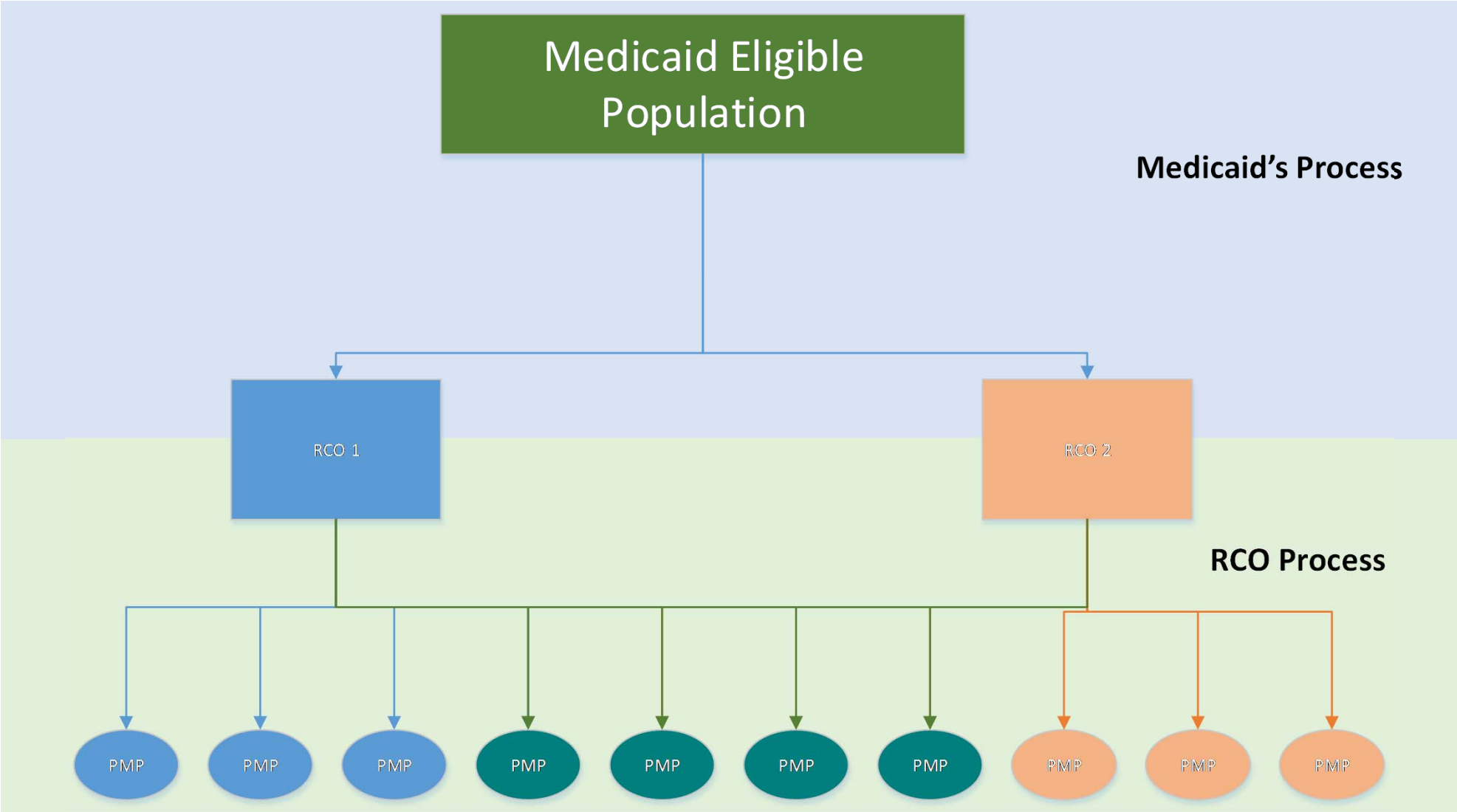
- Selection of RCO via Enrollment Broker or Assignment of RCO by HP
  - Medicaid will manage auto assignments to the RCO
- Selection of PMP from RCO's Network
  - RCOs will manage all PMP panel assignments

Note: Last Patient 1st assignment will be in August 2016 for September assignments. Patient 1st 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?

Resources/Questions:

RCOPortal@Medicaid.Alabama.gov
www.Medicaid.Alabama.gov > Newsroom>Regional Care Organizations