

Questions and Agency Responses
Alabama Medicaid Agency Regional Care Organizations
6/25/13

#	Question	Response
1	I'm confused about the status of people with developmental disabilities in relation to the RCOs. In the concept paper, Table 1.1 on p. 5 cites the developmentally disabled among groups excluded from the RCO delivery system. But I've been hearing elsewhere that folks in that group are not categorically excluded, only individually excluded on the basis of waiver participation. I would appreciate a clarification.	To clarify, the developmentally disabled have not been categorically excluded from the RCO population estimates. However, any individual participating in a Home and Community Based Waiver has not been included in the RCO estimates.
2	How will the RCO affect Rural Health Clinics?	Rural Health Clinics will need to contract with an RCO to serve Medicaid clients.
3	Is there a cut-off for filing as a state authorized collaborator? If so, what is that date?	This date has not been determined.
4	Can a state authorized collaborator be an alternate care provider or will there be a separate process for filing as an alternate care provider?	There is nothing in the law to prohibit a state authorized collaborator from also applying as an alternate care provider. The application process has not yet been determined.
5	Is it a requirement for the RCO's to contract with UAB, Children's, etc. or is that just assumed because of the services those hospitals provide?	RCOs will be required to contract with any willing provider who is willing to accept the reimbursement and comply with the requirements of the RCO.
6	Is it a final decision that only one RCO will be allowed per region?	More than one RCO will be allowed per region.
7	Doesn't moving to a managed care system simply create another level of costs, especially with regions having more than one RCO? This question assumes that each RCO will be sufficiently staffed to appropriately, efficiently and expeditiously administer and pay claims.	Per the legislation, "The Medicaid Agency may enter into contracts only if, in the judgment of the Medicaid Agency, care of Medicaid beneficiaries would be better, more efficient, and less costly than under the then existing care delivery system."

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8	Does the creation of RCOs mean that the State Medicaid Agency will no longer require the level of staffing that it currently has?	This is yet to be determined.
9	As long as we agree to a region's fee schedule, are we allowed to participate with a region in which we are not located?	RCOs will be required to contract with any willing provider who is willing to accept the reimbursement and comply with the requirements of the RCO.
10	What is the time period that covers Medicaid's allotment of funds to each contractor...one year, three years, five years?	This is yet to be determined.
11	What happens to funds that are not used during this time period? (Are they) divided among the "risk takers."? Among all providers who have rendered services during the time period? Carried over to the next allotment period? Go back to Medicaid? Is it a use it or lose it contract, used for other Medicaid business, given to another RCO?	We anticipate that actuarially determined rates will be set for each RCO based on patient mix. The RCO will be responsible for paying providers. Payments to providers may be capitated, fee for service or some other basis. Any funds remaining would be utilized as directed by the RCO Board as long as that use was within Medicaid rules.
12	Doesn't collaboration between the RCO and the Risk Takers contribute to a conflict of interest? If the Risk Takers benefit from "leftover" funds, will such collaboration incentivize the Risk Takers to influence the RCO to set the reimbursement schedule at rock bottom fees or not render services?	A floor, or minimum payment level will be established for in-region and out-of-region providers. In addition, the governance structure assures that while risk bearers have a majority of the Board, collaboration with non risk bearing providers is necessary for a Board action.
13	Dr. Moon talked about "efficiency of distribution of funds" and federal dollars. How will each RCO be paid?	See answer 11
14	Will the reimbursement for maternity services remain Global Reimbursement to coincide with CPT rules, or will these services move to Fee-For-Service?	This is yet to be determined. However, we do anticipate maternity services being incorporated into the RCO delivery model.
15	Will OB-Gyns be considered Primary Care for the purposes of Senate Bill 340 (Medicaid Reform Legislation)?	The definition of primary care, for purposes of this act, is under review. Primary care will have to be defined through the rule making process.

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16	What is the reasoning behind having Medicaid beneficiaries as members of the Advisory Committee?	Improving health outcomes for nearly 1 million Alabama Medicaid recipients is one of the most important reasons for the development of RCOs. Ensuring that patients have access to medical care, and that the system supports providers and recipients is the cornerstone for a successful program.
17	Will providers have to go through a new credentialing process, or as a current Medicaid provider, will we automatically be accepted?	This is yet to be determined.
18	On Page 10 of the Bill, Section 4 (d) (1) it states "The Rules of Evidence shall not apply." Please explain what that means in the context of an appeal to the RCO's medical director.	In the context of an appeal to the medical director of the RCO this means that the medical director must consider the written documentation and oral arguments presented during the appeal even if such documentation would not be allowed in an appeal under the rules of evidence.
19	On Page 18 of the Bill, Section 8 (b) regarding termination of a RCO's certification. Isn't it a conflict of interest for the hearing officer to be appointed by the Medicaid Agency?	No, the hearing officer by law will be an impartial third party.
20	Will the capitated fee for each Medicaid recipient/enrollee be the same statewide, i.e., enrollees in Region B be the same as enrollees in Region E?	No.
21	In the statistics showing eligible Medicaid recipients in the counties, what does the ABD Dual category refer to?	The ABD groups include living at home individuals who are blind, disabled or age 65 or older and certified by the Social Security Administration for cash assistance through the Supplemental Security Income (SSI) program or certified by Medicaid or the Department of Human Resources. Individuals eligible for SSI are automatically eligible for Medicaid. That means that we accept Social Security Administration's eligibility determination for this group. The ABD Dual population would include those individuals who are also eligible for Medicare. The ABD Nondual population would include children and those adults, under age 65, in a waiting period for Medicare, who also meet the disability criteria of the Social Security Administration. Note that those who are ABD but reside in a health care institution or participate in a Home and Community Based Waiver Program are not included within the RCO program or the numbers provided.
22	I noticed the number of eligible Medicaid recipients is shown to grow over the first few years the RCOs are active. How are those increases in Medicaid patients determined? Is that just the estimated normal growth in Medicaid patients expected for each county or is there something I'm missing?	The increase shown between years 1-2 and years 3-5 is the addition of the ABD Dual members into the RCO programs. In the early planning stages of the RCO structures, discussions have landed on leaving the dual-eligible members out of RCO programs until year 3. The membership numbers provided are based on membership as of October 2012. Actual estimates of enrollment for when RCOs launch and throughout the waiver time period will indeed contain increases from these levels due to normal growth in Medicaid

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		recipients.
23	Is it possible for a County to be moved to an adjoining Region if requested by a majority of the Providers in that County? In the preliminary map, Covington County is in Region D. Could it be moved to Region E?	For the rule filed on June 28, 2013 Covington County is in Region E. Once the rule is adopted, counties may only be moved via the administrative rules process.
24	<p>Please accept the following comments from the Alabama Pharmacy Association regarding the Regional Care Organization (RCO) proposal presented on Monday.</p> <p>Pharmacy services are a transient service for patients and many utilize pharmacies depending on a convenience factor. The pharmacy a patient chooses to use may vary if they are passing by one and need a prescription filled. This is unique to pharmacy services...I can't imagine a patient stopping in a for a surgical procedure simply because they pass by a doctor's office or hospital. However, they may choose to stop at the nearest Walgreen's if it is convenient that day. Sometimes, these may be in their RCO region but not always.</p> <p>We also will face the issue of patients that work in one region but live in another and choose to visit the pharmacy during their work day. For example, a patient works in Birmingham or Alabaster and therefore, fill prescriptions there, but they actually live in Chilton county.</p> <p>Thirdly, there will be instances in which specialty services are only provided by a pharmacy located outside of a patient's RCO.</p> <p>Each of these scenarios would represent an "out of region" payment for the pharmacy provider. With a financial incentive for "in-region" care being a real possibility, the pharmacy providers may be penalized with</p>	The Pharmacy Study Commission is to report its findings to the Governor no later than December 1, 2013 and the results will be considered in developing the RCO structure.

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<p>reimbursement simply because their patient lives in another region. While this is true for all providers under the proposed RCO program, I believe it will impact pharmacy providers far more than others because of the nature of the service we provide.</p> <p>Additionally, the Governor’s pharmacy commission will soon begin reviewing options for restructuring of the Pharmacy reimbursement methodology if deemed needed and beneficial to the State and Medicaid patients. Their report is due to be provided no later than December 2014. The timeline presented reflects that RCO governing boards will be approved by Medicaid no later than 10/1/2014. So the findings and recommendations of the Governor’s commission will not even be completed before the RCO’s are determined and soon to be in place.</p> <p>Due to these reasons and a firm belief that the RCO system will be extremely detrimental to pharmacy providers depending on which region in which their patients reside, we are asking that strong consideration be given to carving out pharmacy from the proposed system and utilizing the Governor’s commission to determine the best structure for the pharmacy services of Medicaid in Alabama.</p>	
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