

# Medicaid Matters

## Legislature allocates \$685 million from General Fund to Medicaid

A General Fund appropriation of \$685 million will make it possible for the Alabama Medicaid Agency to continue its current operations into Fiscal Year 2015, according to State Health Officer Dr. Don Williamson, who is overseeing the agency's transition efforts. The 2015 Fiscal Year begins in October 2014.



The Alabama Legislature adjourned its 2014 session after approving a \$1.8 billion General Fund budget which included funding for the Medicaid agency. The budget reflected the recommendation made earlier in the year by Governor Robert Bentley to increase Medicaid funding by \$70 million over the previous year's appropriation of \$615 million. Governor Bentley signed the funding bill into law on April 4.

"The legislature had the very difficult job this year of balancing the needs of all the agencies which depend on the General Fund," Dr. Williamson said. "We appreciate the support provided by the Governor and the legislature to Medicaid as we continue our efforts to implement key payment and delivery system reforms."

## RCO legislation revises 2013 law as agency moves forward on reform

A new law signed April 4 by Governor Robert Bentley now sets the stage for publication of rules and other activities to transform the Agency's fee-for-service system to a capitated, coordinated care model.

Senate Bill 459 was introduced on March 11 to amend the Regional Care Organization (RCO) law passed during the 2013 legislative session, according to Dr. Donald Williamson, State Health Officer and Chair of the Medicaid Transition Task Force.

"The new law is based on considerable input and discussion by physicians, hospitals and other healthcare providers and is designed to support and strengthen Regional Care Organizations as they prepare for this transition," he said.

The legislation amends current law to revise the membership of and eligibility requirements for an RCO's governing board, to allow the appointment of an executive committee, to require the creation of a provider standards committee by each RCO, and for the state Medicaid agency to establish minimum reimbursement rates, and to review all RCO contracts and agreements, among other stipulations. [More >>](#)



*Dr. Robert Moon (right), Medicaid Medical Director & Deputy Commissioner, Health Systems, speaks with Dr. Leon Campbell, Tuscaloosa, following the Birmingham RCO meeting.*



**Inside:** • QA Committee considers quality measures for RCOs  
• RCO meetings rescheduled for May; Online meeting on May 6

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## QA Committee considers quality measures for RCOs

Moving Alabama Medicaid from a fee-for-service system that is based on visits and volume to one that focuses on value, quality and outcomes will require new ways of evaluating healthcare services offered by Regional Care Organizations, according to Dr. Robert Moon, Medicaid Medical Director and Deputy Commissioner, Health Systems.

To facilitate that change, a Quality Assurance Committee comprised of 23 physicians, pharmacists and other healthcare professionals has been meeting since October 2013 to determine the metrics by which the new RCO organizations will be measured. The QA committee was created under a 2013 law establishing Regional Care Organizations and is comprised of healthcare professionals of which 60 percent or more must be physicians. [Click here](#) to see a list of committee members.

On April 17, the committee voted on a set of nationally recognized metrics. The committee recommended that five to 10 of these metrics be used in an incentive program for the RCOs, but that the other metrics in the set be used for monitoring RCO performance. At the committee meeting in May other metrics will be considered for monitoring.



*Dr. Chelley Alexander, Tuscaloosa, discusses quality metrics during a RCO QA Committee meeting.*

“The amount of engagement and dedication to the work of the Committee by its members has been impressive,” Dr. Moon said. “While we were unsure of the participation we would receive when the process began, we have averaged over 90 percent attendance at all of the meetings, and have seen members put in considerable work and study between meetings.” [More >>](#)

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## RCO meetings rescheduled for May; Online meeting on May 6

Planned RCO meetings in Montgomery and Tuscaloosa are being rescheduled after severe weather and scheduling issues required the Alabama Medicaid Agency to reschedule meetings for participants who want to know more about Alabama Medicaid’s plans to implement Regional Care Organizations.

The RCO meeting previously scheduled for Monday, May 5, has been rescheduled for 5:30 p.m. Monday, May 12. The April 29th session in Tuscaloosa, cancelled due to bad weather, will be rescheduled as soon as possible.

The online session set for May 6 will be held as planned (see link below for call-in instructions).

The one-hour sessions will update participants on the progress the Agency has made in complying with legislation enacted in May 2013 and updated in 2014 to better control costs while improving patient care. A brief overview of the RCO implementation effort to date will be given although most of the time will be allocated to participants’ questions and comments. [More >>](#)

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