

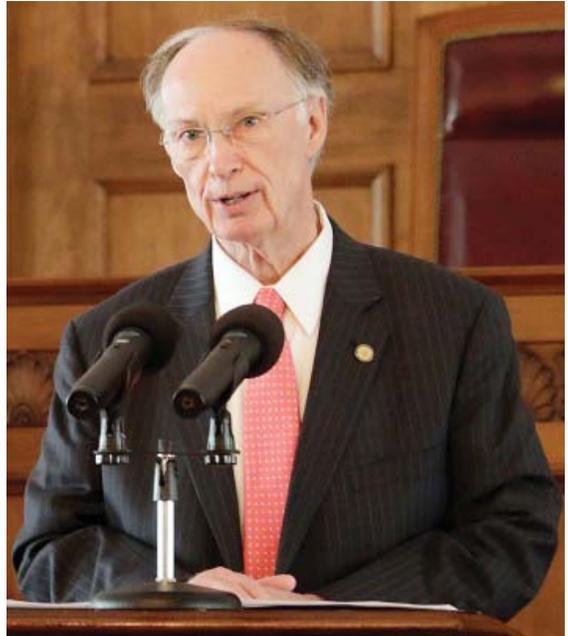
# ***Medicaid Matters***

## **Governor: Medicaid transformation making significant progress**

In the two years since work began to transform the Alabama Medicaid program, the state has made significant progress to create a healthcare delivery system that not only benefits those who depend on Medicaid for healthcare coverage, but is good for taxpayers as well, according to Governor Robert Bentley.

In a December 18 news conference, Governor Bentley announced the approval of the first probationary Regional Care Organizations and praised the collective work of the applicants and Alabama Medicaid in meeting the most recent milestone. Regional Care Organizations are locally led managed care organizations that will provide services for Medicaid enrollees at an established cost when the program is implemented in late 2016.

“Today would not be possible if not for the hard work all of you have put into it and I want you to know that I appreciate it,” he said. He also expressed appreciation to State Senator Greg Reed of Jasper and State Representative Jim McClendon of Springville who co-sponsored legislation to create the new managed care structure for Medicaid.



*Gov. Robert Bentley announces approval of first probationary RCOs. (Picture courtesy of Jamie Martin, photographer, Governor's Office)*

The move to transform Medicaid began in late 2012 with the creation of a commission by Governor Bentley to evaluate the financial structure of the agency and identify ways to increase efficiency while helping ensure the long-term sustainability of the agency.

Governor Bentley emphasized that a transformed Alabama Medicaid program not only benefits those who depend on Medicaid for health care coverage, but it is good for taxpayers as well. He stressed that RCOs represent a holistic approach to caring for the Medicaid population, and will increase the number of enrollees who are seen by their primary care physician – a more efficient and less costly approach -- instead of in an emergency room or hospital setting. [Read more >>](#)

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## **Williamson: Alabama Medicaid is integral to state's healthcare system**

Funding Alabama's Medicaid program is more than covering the costs of health care services for more than one million Alabamians. It is also about ensuring that the state's healthcare infrastructure can meet the needs of all citizens, not just for those on Medicaid, according to Dr. Don Williamson, chair of the Medicaid Transition Task Force.

Speaking December 10 to new legislators attending an orientation session, Williamson explained that without Medicaid, the state's health care system risks losing hospitals, physicians and essential services. [Continued Page 2 >>](#)



**Inside:** • **Williamson: Medicaid is integral to state's healthcare system**  
• **Eleven organizations approved as probationary Alabama RCOs**

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## Williamson: Medicaid is integral to state's healthcare system (cont'd)

"Medicaid is an integral part of our healthcare system," he said. "Without Medicaid, Children's Hospital would close within 90 days because about 60 percent of their patient days are Medicaid.



*Dr. Williamson addresses new legislators regarding Medicaid.*

Rural hospitals would close. Primary care physicians and specialists would leave the state. If that happened, it wouldn't just affect Medicaid patients. It would also impact those who have Blue Cross or other private insurance as well."

The agency "per member" cost has historically been among the nation's lowest which has helped the program make ends meet. However, the Medicaid agency has little control over two of the program's major cost drivers: Enrollment and the economy which impacts the federal matching rate, Williamson said. [Read more >>](#)

## Eleven organizations approved as probationary Alabama RCOs

All 11 organizations which applied to be Alabama's first Regional Care Organizations have received certification as a probationary RCO, the Alabama Medicaid Agency announced December 31.

Probationary certification means that the various groups have met initial requirements established by the state including formation of a governing board and bylaws, formation of a Citizens' Advisory Board, among others. The probationary RCOs will now work toward final approval which will require them to demonstrate that they can provide an adequate provider network and have financial solvency to operate a viable program no later than October 1, 2016. The next major deadline, for network adequacy, will be April 1. The financial solvency deadline will be October 1 of 2015.

The 11 probationary RCOs are:

- **Region A (North Alabama)**  
Alabama Community Care - Region A  
Alabama Healthcare Advantage North  
My Care Alabama Medicaid
- **Region B (Central / East Alabama)**  
Alabama Care Plan  
Alabama Healthcare Advantage East
- **Region C (West Alabama)**  
Alabama Community Care - Region C  
Alabama Healthcare Advantage West
- **Region D (Central / Southeast Alabama)**  
Alabama Healthcare Advantage  
Care Network of Alabama
- **Region E (Southwest Alabama)**  
Alabama Healthcare Advantage South  
Gulf Coast Regional Care Organization



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