

ALABAMA RCO DELIVERY KICK PAYMENT DETAILS

DELIVERY KICK PAYMENT RATE DEVELOPMENT PROCESS

TRANSITION FOR DELIVERIES IN FIRST 7 MOS OF RCO

MEDICAL BASE DATA¹

MATERNITY CARE PROGRAM (MCP) SERVICES

- DISTRICT FINANCIAL EXPERIENCE REPORTS

NON-MCP SERVICES/DELIVERIES

- AL MEDICAID FFS CLAIMS DATA

MEDICAL ADJUSTMENTS

SOBRA BENEFITS ADJUSTMENT

- ACCOUNT FOR INCREASED BENEFITS FOR SOBRA WOMEN

PROSPECTIVE TREND

- ACCOUNT FOR CHANGES IN UNIT COST FROM THE BASE PERIOD TO THE CONTRACT PERIOD

MLIF/SOBRA MIX ADJUSTMENT

- ACCOUNT FOR INCREASING PORTION OF MLIF DELIVERIES (MORE COSTLY) PROJECTED IN THE CONTRACT PERIOD AS COMPARED TO THE BASE PERIOD

REGIONAL FACTORS

- ACCOUNT FOR COST DIFFERENTIALS ACROSS REGION

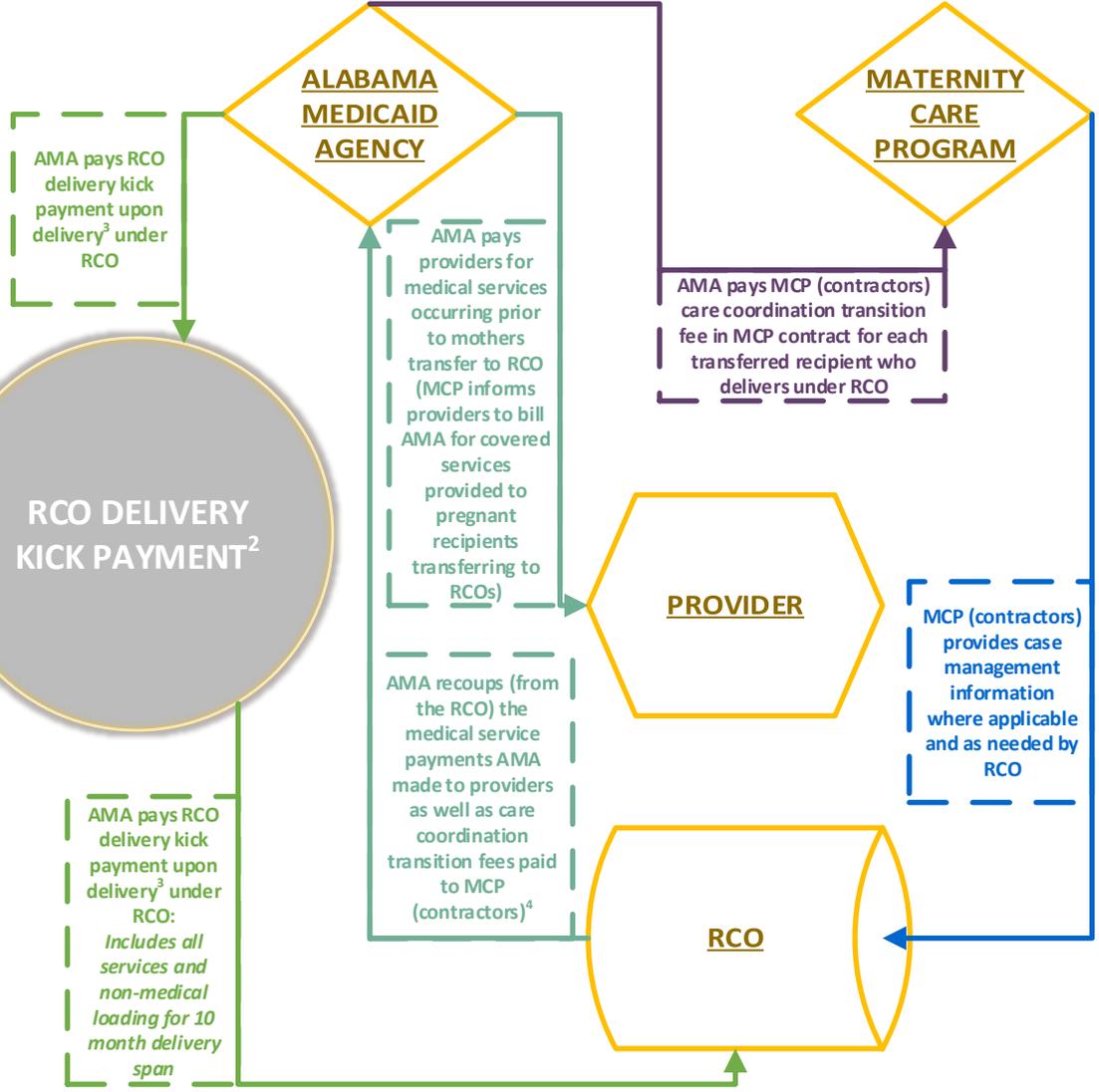
NON-MEDICAL LOADING

ADMINISTRATION & MEDICAL MANAGEMENT

- PER MEMBER PER DELIVERY (PMPD) DEVELOPED BASED ON OTHER STATE MEDICAID PROGRAMS

PROFIT, RISK, & CONTINGENCY MARGIN

- DEVELOPED AS A STATE POLICY CHOSEN PERCENTAGE OF CAPITATION



¹ Includes all services incurred by a delivering mother for a 10 month span: Delivery month, 7 months prior to delivery month, and 2 months following delivery month. All services covered under the RCO contract are included within the kick payment (including non-maternity related services).

² Delivery must occur while individual is enrolled in RCO to trigger a kick payment from AMA to an RCO. Delivery kick payment is the same for all individuals delivering while enrolled in a given RCO.

³ Delivery kick payment per the RCO contract is defined as a payment the Agency makes to a Contractor on behalf of each mother enrolled on the date of birth for each delivery event in the second or third trimester.

⁴ Reconciliation between AMA and RCO occurs three times:

- 4 months after RCO go-live
- 12 months after RCO go-live
- 17 months after RCO go-live