



# RCO Laws and Physicians

Presented by Robert Moon, MD

Chief Medical Officer, Deputy Commissioner





# RCO Laws and Physicians

## Brief Overview

- Highlights for assistance to Alabama physicians
- RCO Laws
  - SB340 5/17/13
  - SB459 4/10/14
    - Section 22-6-150 *et seq.* of Alabama Code
    - Chapter 62 of Administrative Code (560-X-62-.01 *et seq.*)



# RCO Laws and Physicians

1. RCO Governing Board of Directors
2. RCO Quality Assurance Committee
3. RCO Provider Standards Committee
4. RCO and Medical Services
5. RCO and Reimbursement Rates
6. Appeals and Grievances
  - a. Contract Dispute Committee





# 1. RCO Governing Board of Directors

- Twelve members represent risk-bearing entities
- Eight members are not risk bearing
  - Five shall be medical professionals who provide care to Medicaid beneficiaries in the region
    - Three shall be primary care physicians
      - One from FQHC jointly appointed by Alabama Primary Health Care Association and Alabama Chapter of National Medical Association
      - Two appointed by Medical Association of State of Alabama (MASA)
    - Other two shall be an optometrist and a pharmacist
  - Providers shall meet licensing requirements, have a valid Medicaid provider number, and shall not be disqualified from participating in Medicaid or Medicare



# RCO Governing Board of Directors (cont)

## Executive Committee of Governing Board

- Shall consist of two or more directors
- Have authority/Take such action as authorized by Governing Board and be consistent with state law
- Shall set policy and direction for RCO
- Shall execute policies established by Governing Board
- All actions of Executive Committee and all other committees shall be reported to Governing Board
- At least one member of Executive Committee and any other committee shall be one of physicians appointed to the board by MASA



## 2. RCO Quality Assurance Committee

- Appointed by Medicaid Commissioner
- At least 60% of members shall be physicians who provide care to Medicaid beneficiaries served by RCO
- Medicaid Commissioner shall seek input from appropriate professional organizations in appointing members
- Shall identify outcome and quality measures for ambulatory care, inpatient care, chemical dependency and mental health treatment, oral health care, and all other health services provided by coordinated care organizations.



# RCO Quality Assurance Committee (cont)

- Quality measures adopted shall be consistent with existing state and national quality measures.
- Medicaid Commissioner shall incorporate these measures into RCO contracts to hold RCOs accountable for performance and customer satisfaction requirements.
- Shall adopt outcome and quality measures annually.
- Shall continuously evaluate the outcome and quality measures.
- Shall utilize available data systems for reporting the measures



# RCO Quality Assurance Committee (cont)

- Medicaid shall publish information collected on the outcome and quality measures at aggregate levels by RCOs.
- Information Medicaid shall publish by RCOs includes:
  - Quality measures
  - Costs
  - Outcomes
  - Other information as specified by the contract between RCO and Medicaid that is necessary for Medicaid to evaluate the value of health services delivered by the RCO.



## 3. RCO Provider Standards Committee

- Each RCO shall create a Provider Standards Committee which shall review and develop performance standards and quality measures required of a provider by RCO.
  - Performance standards and quality measures shall be subject to approval of Medicaid Quality Assurance Committee.
- At least 60% of members of Provider Standards Committee shall be physicians who provide care to Medicaid beneficiaries served by RCO.
- RCO Medical Director shall serve as chairperson of the committee.
- No more than 50% of members shall reside in one county of the region.



## 4. RCO and Medical Services

- Subject to CMS approval, Alabama Medicaid shall enter into a contract in each Medicaid region for at least one fully certified RCO to provide, pursuant to a risk contract under which Medicaid makes capitated payment to RCOs.
- RCOs shall contract with any willing hospital, doctor, or other provider to provide services in a Medicaid region if the provider is willing to accept the payments and terms offered comparable providers.
- Medicaid, through its Enrollment Broker, shall enroll beneficiaries into RCOs. If more than one RCO operates in a Medicaid region, a Medicaid beneficiary may choose the organization to provide their care. If a Medicaid beneficiary does not make a choice, Medicaid shall assign the person to a care organization.



## 5. RCO and Reimbursement Rates

- RCO shall establish an adequate medical service delivery network as determined by Medicaid.
- Medicaid shall by rule establish the minimum reimbursement rate for providers.
- Minimum reimbursement rate shall be the prevailing Medicaid fee-for-service payment schedule, unless otherwise agreed to by a provider and RCO through a contract.
- Minimum provider reimbursement rate shall be incorporated into the actuarially sound rate development methodology for each RCO and resulting rates shall be submitted to CMS for approval.



## 6. RCO Appeals and Grievances

### Appeals

- Medicaid shall establish by rule procedures to safeguard against wrongful denial of claims and addressing grievances of enrollees in the RCO.
- The rules shall include procedures for a fair hearing on all claims or complaints brought by Medicaid enrollees or other providers and shall include:
  - An immediate appeal to the RCO Medical Director, who shall be a primary care physician.
  - If the patient or provider is dissatisfied with the decision of the RCO Medical Director, they may file a notice of appeal to be heard by a Peer Review Committee that will be composed of at least three physicians of the same specialty in the region in which services or matter is at issue.
  - If a patient or provider is dissatisfied with the decision of the Peer Review Committee, the patient or provider may file a written notice of appeal to the Medicaid Agency.
  - If a patient or provider is dissatisfied with the decision of the Medicaid Agency, the patient or provider may file an appeal in circuit court in the county in which the patient resides, or the county in which the provider provides services.



# RCO Appeals and Grievances (cont)

## Grievances

- Medicaid shall establish by rule procedures for grievances of RCOs and the procedure shall include:
  - an opportunity for a fair hearing before an impartial hearing officer in accordance with the Alabama Administrative Procedure Act, Chapter 22 of Title 41.
- Alabama Medicaid Commissioner shall appoint one, or more than one, hearing officer to conduct fair hearings.
- After each hearing, the findings and recommendations of the hearing officer shall be submitted to the Medicaid Commissioner, who shall make a final decision for the Agency.



# RCO Appeals and Grievances (cont)

## Contract Dispute Committee

- Medicaid shall appoint the committee and it will be composed of
  - Two providers from other Medicaid regions selected by the provider's professional or business association.
  - Two representatives of RCOs from other Medicaid regions.
  - Administrative Law Judge selected by Medicaid.
- Medicaid shall develop rules regarding reviews of agreements and contracts by the Committee. Standard of review shall be one of fairness and reasonableness.
- Committee shall issue a written ruling on disputed terms/provisions no more than 20 days after the dispute is submitted to it.



# Thank You

## Questions?

[www.Medicaid.Alabama.gov](http://www.Medicaid.Alabama.gov)

