

**Alabama Medicaid Agency: Integrated Care Networks (ICN)  
Proposed Initial Design – Key Concepts – September 19, 2016**

The Alabama Medicaid Agency (Agency) is mandated by Act 2015-322 to implement the ICN program by October 1, 2018. In accordance with this schedule, the Agency must also make critical decisions to support rule making (due April 1, 2017) and competitive procurement (required by spring 2018). Below are the *proposed* key decisions of the Agency. This document represents the Agency’s current thinking on these outlined issues and should not be construed as a final determination. The Agency will use stakeholder feedback in finalizing the structure of the ICN program.

Key Design Decisions	
ICN Governance and Finance	
1.	<p><b>Issue:</b> What are the Agency requirements for the composition of an ICN’s governing board?</p> <p><b>Proposed Governing Board Decision:</b> See attached “Board of Directors” draft rule.</p> <p>Key features include:</p> <p>The ICN statute requires the governing board of each ICN be comprised of 20 members – 12 risk bearing members and 8 non-risk bearing members. The Agency may require that at least 6 of the 12 risk-bearing members and at least 4 of the 8 non-risk bearing members are or represent long-term care services or medical care providers that serve or intend to serve the enrolled ICN beneficiaries (a total of 10 provider members).</p> <p>The Agency may require the 6 at-risk provider members to collectively contribute at least 50% of the ICN’s capital and surplus (see issue 3 for additional information).</p>
2.	<p><b>Issue:</b> Will the Agency require an ICN to be a non-profit entity?</p> <p><b>Proposed Entity Structure Decision:</b> The Agency may require ICNs to be non-profit entities.</p> <p>If an ICN is a for profit entity, certain portions of its covered services would be subject to the Affordable Care Act’s (ACA) health insurance providers fee. This fee must be built into the ICNs’ capitated payment, according to CMS managed care regulations. Therefore, the burden of paying this fee falls on the State. Unless the Agency can assure beneficiary care is less costly than under the currently existing healthcare delivery system if ICNs operate as for-profit entities, the Agency may require ICNs to operate as non-profit entities.</p>
3.	<p><b>Issue:</b> What are the solvency and capital investment requirements for ICNs?</p>

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	<p><b><u>Proposed Solvency and Investment Decision:</u></b></p> <p>The Agency anticipates the total solvency and capital investment requirement will be \$26,000,000.</p> <ul style="list-style-type: none"> <li>- Capital and Surplus: \$5,000,000.               <ul style="list-style-type: none"> <li>o This amount may be met with cash, capital, or other assets.</li> </ul> </li> <li>- Reserves: Twenty-five percent (25%) of the ICN’s total monthly capitated payment from the Agency. The Agency projects this reserve amount to be \$21,000,000.               <ul style="list-style-type: none"> <li>o This amount may be met with cash, capital, other assets, letter of credit, performance bond, or any combination thereof that complies with Agency and statutory requirements.</li> </ul> </li> </ul>
ICN Structure and Coverage	
4.	<p><b><u>Issue:</u></b> Do the ICNs have to operate statewide?</p> <p><b><u>Proposed Statewide Status Decision:</u></b> The statute defines ICNs as statewide organizations.</p>
5.	<p><b><u>Issue:</u></b> How many ICNs will there be?</p> <p><b><u>Proposed Number of ICNs Decision:</u></b> The number of ICNs will be based on actuarial soundness as determined by the Agency. If supported by actuarial soundness, the Agency anticipates awarding at least two but no more than three qualified ICNs, in order to meet CMS choice requirements.</p>
Dual Eligible Individuals and Dual Eligible Special Needs Program (D-SNP)	
6.	<p><b><u>Issue:</u></b> Are dual eligible populations included in the ICN program?</p> <p><b><u>Proposed Dual Eligible Population Decision:</u></b> The Agency is considering including dual eligible individuals who meet the nursing facility level of care in the ICN program but only to the extent currently covered by Medicaid – not Medicare.</p>
7.	<p><b><u>Issue:</u></b> What is the role of D-SNPs in the ICN program?</p> <p><b><u>Proposed D-SNP Role Decision:</u></b> A D-SNP may contract with an ICN subject to Agency approval.</p>

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8.	<p><b>Issue:</b> Will the Agency need to amend the current D-SNP contracts?</p> <p><b>Proposed D-SNP Contract Decision:</b> The Agency may amend D-SNP contracts to require the organizations submit encounter data on all Medicare claims to the Agency.</p>
Covered Populations and Services	
9.	<p><b>Issue:</b> How will beneficiaries be enrolled into an ICN?</p> <p><b>Proposed Member Enrollment Decision:</b> Enrollment in an ICN will be mandatory only if there is more than one certified ICNs serving beneficiaries. Otherwise, eligible beneficiaries will be passively enrolled in an ICN. Once a beneficiary enrolls or is enrolled in an ICN, the Agency anticipates locking that beneficiary into an ICN for one year.</p>
10.	<p><b>Issue:</b> Which Long Term Services and Supports (LTSS) groups will be covered by the ICN in relation to current operational LTSS programs?</p> <p><b>Proposed Covered Population Decision:</b> The Agency proposes including in the ICN program all beneficiaries who meet the nursing facility level of care requirements and who are deemed to be in need of and are receiving such services for more than 90 days, including: nursing facilities, Elderly and Disabled Waiver, State of Alabama Independent Living (SAIL) Waiver, Technology Assisted Waiver for Adults, HIV/AIDS Waiver, and the Alabama Community Transition (ACT) Waiver.</p>
11.	<p><b>Issue:</b> What services will be covered by the ICN?</p> <p><b>Proposed Covered Services Decision:</b> See proposed covered services matrix for list of covered services.</p>
CMS Waiver	
12.	<p><b>Issue:</b> Which waiver authority will the Agency pursue with CMS?</p> <p><b>Proposed Waiver Authority Decision:</b> The Agency intends to pursue a combined 1915(b) and (c) waiver to authorize the ICN program.</p>
13.	<p><b>Issue:</b> How will the current 1915(c) waivers be integrated when applying for an ICN waiver?</p> <p><b>Proposed Waiver Integration Decision:</b> The Elderly and Disabled Waiver, State of Alabama Independent Living (SAIL) Waiver, Technology Assisted Waiver for Adults, HIV/AIDS Waiver, and the Alabama Community Transition (ACT) Waiver may be rolled into the ICN program along with the designated waiver slots and associated funding.</p>

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14.	<p><b>Issue:</b> How will the ICN program impact services provided by other state agencies (e.g. Alabama Department of Senior Services (ADSS) and Alabama Department of Rehabilitation Services (ADRS)), including effects on matching funds for services and collaborative relationships?</p> <p><b>Proposed Sister Agency Roles Decision:</b> The ICN statute mandates that the Governor approve coverage decisions that would affect Medicaid beneficiaries who are directly served by another state agency. The Agency will meet with other state agencies to discuss anticipated changes in waiver programs and roles of these agencies as the ICN program is implemented.</p>
Procurement and Readiness	
15.	<p><b>Issue:</b> What will the procurement process look like?</p> <p><b>Proposed Procurement Process Decision:</b> The Agency anticipates the procurement process will be a multi-stage approach with specified milestones - including, but not limited to, required infrastructure development and attendance of mandatory meetings for bidders – and deadlines for each milestone.</p>
16.	<p><b>Issue:</b> What will be the timing of readiness review in relation to the procurement process?</p> <p><b>Proposed Readiness Review Decision:</b> The Agency anticipates readiness reviews will be conducted as part of the procurement process and after contract award.</p>