

# Medicaid Long Term Care Legislation

## Overview

Elected and appointed officials in Montgomery are working to reform Alabama Medicaid to provide more certainty and predictability in funding and improved outcomes for beneficiaries. The first step in the process was passing legislation in 2013 to set up at-risk, provider driven regional care organizations (RCO). RCOs will manage care and payments for designated Medicaid recipients and shift the financial risk from taxpayers to private investors. While the legislation excluded long-term care, it called for a study group to evaluate that segment of the Medicaid population and report its findings to the Governor and Legislature.

The study group's work led Medicaid to recommend legislation that will establish a competitively bid, integrated network to govern Alabama's long-term care services. Patterned after the RCO legislation, the long-term care bill will shift the financial risk from taxpayers to private investors. It provides seats on the governing and advisory boards for interested stakeholders and beneficiary representatives. The legislation gives Medicaid the authority and flexibility it needs to set standards and oversee implementation.

## Key points of the legislation:

1. Creates a provider organized, at-risk, Integrated Care Network (ICN) system that would begin no later than October 1, 2018.
2. Allows Medicaid to determine the number of ICNs and solvency requirements based on actuarial soundness, and choose from applicants in a competitive bid or procurement process.
3. Permits Medicaid to choose the class of beneficiaries to be served by the ICN from those eligible for long-term care in a nursing home or a home and community based services setting, and among those that also have Medicare benefits. These beneficiary groups aren't covered under the RCO system.
4. Medicaid beneficiaries can't be in both the RCO and ICN.
5. An ICN will be at-risk because it will receive a capitated payment and be responsible for managing and paying for all care rendered to its beneficiaries.
6. An ICN must contract with any willing Medicaid certified service provider and must reimburse providers not less than the rates for that provider under Medicaid's rate setting system.
7. Medicaid will oversee all of the ICN's activities; approve its board composition, charter and bylaws; and conduct quality assurance reviews.
8. An ICN board will be similar to RCOs, with 12 members representing at-risk participants and 8 members representing non-at-risk participants.
9. An ICN must have an advisory board with members representing the community, advocacy groups, Medicaid beneficiaries or their sponsors and non-at-risk providers.
10. ICN governing and advisory boards must meet diversity guidelines.
11. Similar to the RCOs, the ICN system will not be regulated by the Alabama Dept. of Insurance and its collaborators will be afforded state anti-trust immunity.