

# Medicaid Matters

## Medicaid reform legislation passes, now goes to Governor Bentley

Medicaid reform legislation that would ultimately restructure the state's health care delivery system for low-income citizens won approval in the Alabama Senate on April 25 and in the House on May 7 and now goes to the Governor for his signature. Senate Bill 340, sponsored by state Sen. Greg Reed, R-Jasper, was approved by the Senate 27-3. State Rep. Jim McClendon, R-Springville, sponsored similar legislation in the House.



*The Alabama House overwhelmingly passed Medicaid reform legislation by a vote of 98-0.*

The approved bill is based largely on the earlier recommendations of the Alabama Medicaid Advisory Commission which was appointed by Governor Robert Bentley to improve Medicaid's financial stability while also providing high-quality patient care. The commission recommended in January that Alabama be divided into regions, and that a community-led network coordinate the health care of Medicaid patients in each region, with networks ultimately bearing the risks of contracting with Alabama to provide that care.

In its current form, the bill would open the door to locally controlled managed care, according to State Health Officer Dr. Don Williamson, who chaired the Medicaid Advisory Commission and is leading the Medicaid transformation effort. The Medicaid agency would have to draw regions by October 1, 2013, and regional care organizations would have to be ready to sign contracts no later than October 1, 2016. [Read more >](#)

## CMS approves "Health Homes" for Alabama Medicaid networks

Care coordination for patients with high cost, chronic health conditions has been the foundation for the early success of Alabama Medicaid's four pilot Patient Care Networks (PCNs). Now, federal approval of a new "health home" program will provide extra funding and support needed to improve patients' health outcomes while reducing overall expenditures to the state.

The Centers for Medicare and Medicaid Services (CMS) notified the Agency on April 9 that it had approved the Agency's request to implement comprehensive care management in the four networks, also known as health homes. Federal approval will allow the state to draw down 90 percent federal matching funds for a two-year period between July 1, 2012, and June 30, 2014.

"We know that a relatively small number of our patients account for a significant percentage of the cost," said Medicaid Managed Care Division Director Nancy Headley. "This is in part because a disproportionate share of the Alabama population is more likely to have chronic health conditions such as diabetes or heart disease. With the health homes program, we will be able to focus on the patients with these health conditions and work intensively with them to improve the quality of care they receive." [Read more >](#)



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## Collaboration results in more accurate data, streamlined process

When studies confirmed that the Alabama Medicaid Agency and the Alabama Department of Human Resources shared many of the same clients, the two agencies joined forces to examine ways to save money and remove barriers to care by streamlining and simplifying Medicaid enrollment and renewals.

The resulting effort between the two state agencies now makes it possible for Medicaid to determine eligibility by using verified data supplied by DHR, according to Gretel Felton, Director of Technical Support for Medicaid's Beneficiary Services Division. Felton shared the state's success in a webinar sponsored April 23 by the National Academy for State Health Policy (NASHP).



Dubbed "Express Lane Eligibility" or ELE, the process now has resulted in determining eligibility for more than 350,000 Alabamians while maximizing the skills and time of eligibility workers.

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"This change has had a huge administrative impact," Felton said. "This means that we can dedicate more resources to work on

other renewals and help with more complex cases that are not eligible for ELE." Presently, children and women on Medicaid's Plan First family planning program are eligible to be renewed using the streamlined process, Felton said. States are currently authorized by the federal government to continue ELE through October 2014.

Moving away from a manual eligibility process to one that removes barriers for qualifying applicants and saves money for the state wasn't easy or quick, but the result has been a win-win for all involved. [Read more >](#)

## One-time grants to accelerate One Health Record adoption and use

A new grant program for small rural hospitals and qualifying health care providers will soon be available to help accelerate adoption and use of One Health Record®, Alabama's health information exchange.

The one-time grants are designed to help qualifying provider entities purchase federally-certified products from "preferred" electronic health record (EHR) vendors. Participating vendors must agree to a fair and fixed price and will be asked to match 25 percent of the system's cost in in-kind services, according to Health IT Program Director Gary Parker. The remaining cost will be covered by federal grant funds.

"Many of these providers are interested in participating in a robust, interoperable health information exchange," Parker said. "However, acquiring the necessary technology is a financial and logistical challenge for these organizations."



To qualify for these grants, the hospitals must have 60 or fewer beds and all applicants need to be located in rural areas where larger hospitals are already connected or expect to be connected within six months. Grant application dates, details and forms will be available in early May on the project's website at [www.onehealthrecord.alabama.gov](http://www.onehealthrecord.alabama.gov). [Read more >](#)

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