

Medicaid Matters

Medicaid Pharmacy Commission submits final report to Governor

A report issued by a state panel charged with studying ways to reduce Alabama Medicaid pharmacy costs notes that while the Agency's pharmacy spending and rate of growth are reasonable and among the lowest in the country, there are changes that could be implemented to improve program effectiveness.

The **Alabama Medicaid Pharmacy Study Commission** submitted the report to Governor Robert Bentley December 31. The governor appointed the commission in June 2013 to explore initiatives that could potentially save money for the state, but to report its findings without making any specific recommendations.

During the fall, Commission members studied drug cost information from other states and also considered the impact on local communities of making changes to Medicaid's pharmacy program. One proposal called for use of a private pharmacy benefit management program while another proposed solution would use the Alabama-based American Pharmacy Cooperative to manage the program. A third proposal would allow Wal-Mart to serve as a preferred provider in exchange for lower costs to Medicaid.



To know the actual savings that could be achieved from any delivery system changes, the Agency would need to go through a Request for Proposal process to know true savings and to understand full program design and capabilities, the report said.

For more than a decade, Alabama's Pharmacy Program has implemented a variety of measures to control costs without reducing access. [Read more >>](#)

New rules proposed to support move to RCOs, comply with state law



Five new rules to regulate the operation of Regional Care Organizations were filed December 17 by the Alabama Medicaid Agency, outlining proposed state requirements that will be used to support the Agency's move to Regional Care Organizations and to comply with state law.

The proposed rules include requirements for RCO Governing Boards; for RCO Citizens' Advisory Committees; for receiving probationary certification as a RCO; for contracting for specific case management services with probationary RCOs, and for active supervision of probationarily certified RCOs.

Written or oral comments on any of the five rules may be submitted no later than February 4, 2014, to: Agency Administrative Secretary, 501 Dexter Ave., P.O. Box 5624, Montgomery, AL 36103-5624.

[Click here](#) to read the full text of the proposed rules.



Inside: • Agency contracts with vendor for RCO implementation support
• East Alabama pilot project to test HIE value for physicians, patients

Alabama Medicaid Agency P.O. Box 5624 Montgomery, AL 36103-5624

Agency contracts with vendor for RCO implementation support

A new agreement with a national consulting firm will provide needed expertise and support to the Alabama Medicaid Agency as it implements the various provisions of a new law to change the way Medicaid recipients in Alabama receive healthcare.



The \$12.1 million, two-year contract with Chicago-based Navigant Consulting Inc., was approved by the Legislative Contract Review Committee on December 5 and signed by Governor Robert Bentley on December 11. The contract will supply technical assistance and support to help with program planning and design, preparation of federal waiver and State Plan amendment documents, procurement of services needed to operate in the new environment, staff training, data management, contract monitoring, quality management analysis and other needs.

“Our goal is to successfully implement a new healthcare delivery system by 2016,” said RCO Implementation Project Manager Paul Brannan. “In order to move from a fee-for-service organization to this new system of care, we must be innovative in structuring our staff and programs. Navigant has the experience and resources to support us as we make this transition.”

East Alabama pilot project to test HIE value for physicians, patients

Pending final approval of grant funding, a new pilot project in east Alabama will help state leaders to better understand how doctors, hospitals and patients can benefit from the electronic exchange of health information using **Alabama’s One Health Record®** system. The effort will include East Alabama Medical Center in Opelika, Lanier Memorial Hospital in Valley, four referring clinics in the area and approximately 15 local physicians.

The pilot project was approved December 19 by the Alabama Health Information Exchange Commission to assess the benefits and function of the system when providers are able to connect to the state system and fully exchange patient data. The commission was established in 2010 to advance the adoption and meaningful use of electronic health records to improve the quality, safety and efficiency of health care delivered in the state.

One Health Record®, Alabama’s health information exchange (HIE), now makes it possible for disparate electronic health record systems to securely exchange information among providers. However, for providers to benefit from the system’s full range of capabilities, the various EHR systems need to connect to the state exchange, and most are not yet able to do this, according to HIE Operations Consultant Bill Mixon.



The pilot project will involve the installation of an interface for each electronic record system to connect to and use the state HIE system for data exchange during the next four to six months, Mixon said. He noted that five different local EHR systems will be involved in the evaluation. After installation, state officials will focus on the impact of information exchange on physician and hospital workflow and also on physician-hospital communications. [Read more >>](#)

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