

**AL ACHN PCCM-e Payment Support –
January 30, 2024**

General – Monthly Administrative Cost and Quality Incentive Payment (QIP)

The Alabama Medicaid Agency (Agency) developed the appropriate amount for fixed administrative expenditures and achievement of QIP goals. The monthly administration and QIP will be paid as a per member per month (PMPM). Table 1 illustrates the statewide annual expenditures for the administrative cost and QIP and the corresponding PMPM based on estimated member months.

Table 1 – Statewide Administration and QIP Components (Statewide)

Description	Administration	QIP	Total
Estimated Annual Member Months			9,903,744
Total Expenditure (in millions)	\$6.19	\$6.50	\$12.69
PMPM	\$0.63	\$0.66	\$1.28

The estimated enrollment used to determine the PMPM will be evaluated periodically throughout the term of the ACHN contract by the Agency and may result in modifications. The actual PMPM by ACHN region will vary from these figures based on member months for the region.

Care Management Activities Unit Cost Modeling Approach

The PCCM-e will be paid on a per service basis for care management service activities outlined in ACHN Request For Proposal’s (2023-ACHN-01) Appendices G, H, and I. The development of the service activity unit costs are based on the following:

1. Assumption for number of recipients who will utilize each care management service activity within the General, Maternity and Medically Complex populations.
2. The annual number of visits for each care management service activity.
3. Frequency of service activity per year (e.g., once per year)
4. Average number of hours per service activity considering the method of delivering the service activity (e.g., face-to-face vs. telephonic).
5. Assumptions for the number of full-time employees (FTEs) needed to provide care management services to the assumed number of individuals.
 - Case management FTEs include:
 - Community health workers (161 FTEs),
 - Social workers, therapists and counselors (master’s level) (98 FTEs),
 - Nurses (registered nurse) (105 FTEs), and
 - Clinical pharmacists (10.5 FTEs).
 - The number of FTEs were derived from inputs #1 through #4 and used 1,680 annual hours of case management per FTE. The derived FTE counts were rounded up to a whole FTE. Fractional FTEs were not utilized with the exception for clinical pharmacists who were rounded up to nearest 0.5 FTE.
6. Assumptions for salary and benefits cost by FTE classification *plus* an allocation of indirect expense for each FTE.

The Unit Cost for each service activity were derived utilizing the FTE costs for delivering the care management service activity divided by the estimated number of services.

The total cost estimates by care management activity were derived based on the service activity unit costs and estimated number of services and aggregated by care management classification.