



Medicaid Update:

Regional Care Organizations

February 2016

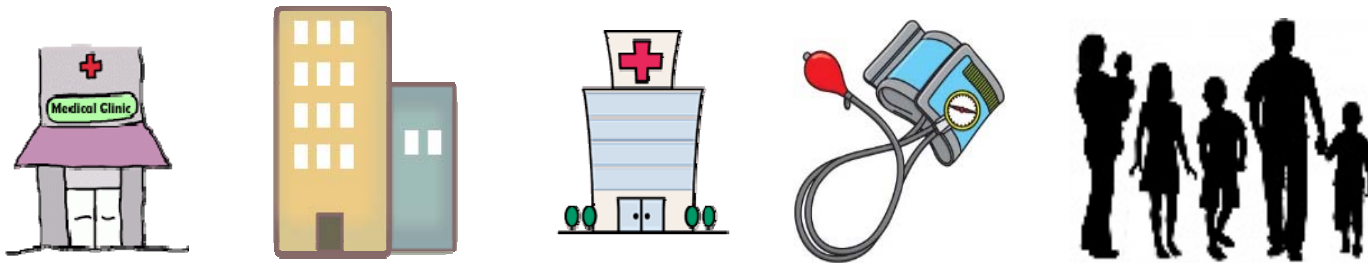
RCO Program Basics



Regional Care Organizations (RCOs)



- RCOs are locally-led managed care organizations that will provide services for Medicaid enrollees at an established cost when the program is implemented in October 2016.



Certified RCOs will assume the risk of managing the full cost of covered Medicaid services and care coordination for most Medicaid recipients

RCOs as a Vehicle for Medicaid Reform

- The strategy is to establish a capitated managed care system through regional care organizations (RCOs)
- An RCO is a non-profit, corporate entity established under state law that is governed by a Board of Directors representing providers, the public and investors
- RCOs modify the delivery of services:
 - Mandatory enrollment in a care management entity
 - Medical/health home model for Medicaid recipients
 - Include most Medicaid recipients
 - Manage physical and behavioral health services

RCO Regions



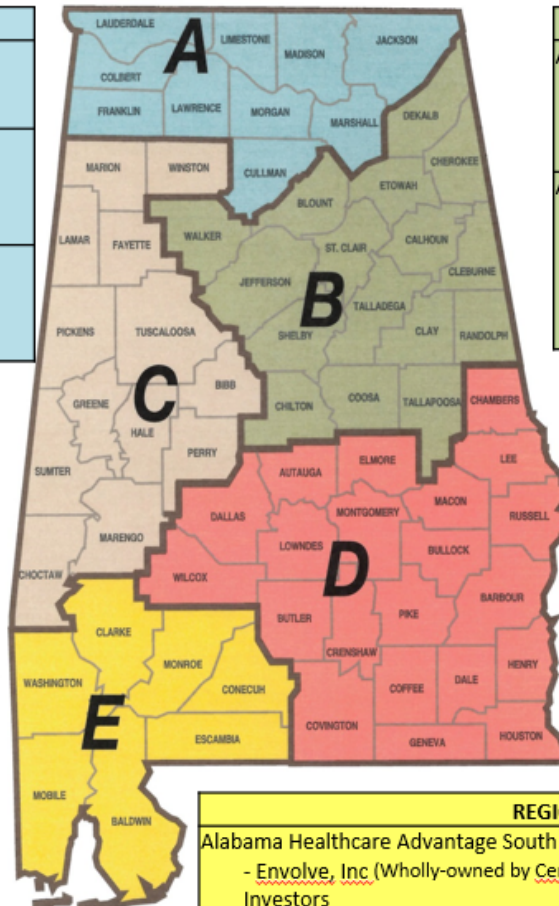
ALABAMA MEDICAID

Probationary Regional Care Organizations and Contributing Entities



| REGION A |
|--------------------------------------|
| Alabama Community Care - Region A |
| - Sentara |
| - Huntsville Hospital System |
| Alabama Healthcare Advantage North |
| - <u>Enville, Inc</u> |
| (Wholly owned by <u>Centene</u>) |
| - Individual Investors |
| My Care Alabama |
| - Healthcare Business Solutions, LLC |
| (Wholly-owned by BCBS) |
| - North Alabama RCO Holding Co, LLC |

| REGION C |
|---------------------------------------|
| Alabama Community Care - Region C |
| - Sentara |
| - Huntsville Hospital System |
| - DCH Health System |
| - Mental Health Retardation Board of |
| Bibb, Pickens and Tuscaloosa Counties |
| Alabama Healthcare Advantage West |
| - <u>Enville, Inc</u> |
| (Wholly-owned by <u>Centene</u>) |
| - <u>WellDyneRX</u> |
| - Individual Investors |



| REGION B |
|---|
| Alabama Care Plan |
| - UAB Health Systems |
| - St Vincents Health System |
| - Triton Health Systems |
| Alabama Healthcare Advantage East |
| - <u>Enville, Inc</u> (Wholly-owned by <u>Centene</u>) |
| - Ball Health Services |
| - Anniston EMS |
| - Individual Investors |
| - <u>WellDyneRX</u> |

| REGION D |
|---|
| Care Network of Alabama |
| - East Alabama Health Care Authority |
| - East Alabama Medical Center |
| - Triton Health Systems |
| - Health Care Authority for Baptist Health |
| - Houston County Health Care Authority |
| - Univ of Ala Board of Trustees for UAB |
| Alabama Healthcare Advantage |
| - <u>Enville, Inc</u> (Wholly-owned by <u>Centene</u>) |
| - Jackson Hospital - Individual Investors |
| - <u>WellDyneRX</u> |

| REGION E |
|---|
| Alabama Healthcare Advantage South |
| - <u>Enville, Inc</u> (Wholly-owned by <u>Centene</u>), <u>WellDyneRX</u> , Individual Investors |
| Gulf Coast Regional Care Organization |
| - USA HealthCare Management LLC, AltaPoint Health Care Systems |

Revised: Jan 25, 2016

Populations

- **Covered populations – Approximately 2/3rds of Medicaid eligibles**
 - Aged, blind, and disabled recipients
 - Breast and Cervical Cancer Treatment Program participants
 - Recipients of Medicaid for Low Income Families (MLIF)
 - SOBRA children and adults
- **Excluded populations**
 - Medicare/dual eligibles
 - Foster children
 - Hospice patients
 - ICF-MR recipients
 - Nursing home/institutional recipients
 - Plan 1st (family planning only) and unborn recipients
 - Home and Community-Based Services waiver recipients

Covered Services

- **Some of the services to be covered by RCOs:**
 - Hospital inpatient and outpatient care
 - Emergency Room
 - Primary and Specialty Care
 - FQHCs/RHCs
 - Lab / Radiology
 - Mental/Behavioral Health
 - Eye Care
 - Maternity

Covered Services

- Pharmacy is a Medicaid-covered service, but will not be part of RCOs
- Long term care and dental services are excluded now
- Recipients will receive minimum services as determined by Medicaid, the same as other Medicaid recipients; RCO may add services or benefits but will not receive additional capitation payments

Contracting, PAs and Referrals

- Providers must contract with at least one RCO in order to be paid for services; may contract with multiple RCOs.
- “Any Willing Provider” rule applies; providers are eligible to contract with any or all RCOs.
- Medicaid requires payment to providers to be no less than the prevailing FFS fee schedule in place on October 1, 2016, unless mutually agreed upon otherwise.
- The program, PAs and referrals are to be no more restrictive than currently in place on October 1, 2016 unless approved by Medicaid.
- Provider Contracts must be approved by Medicaid.
- NPs may participate via supervising physician

Contracting, PAs and Referrals

- EPSDT requirements must be met per contract
- Referral forms and process may vary from RCO to RCO
- RHCs, FQHCs are eligible to participate as providers; will receive “wrap-around” payments
- RCOs must meet minimum requirements for their service delivery networks, including certain specialty care
- CMHCs included

RCO Program Key Dates



RCO Network

Adequacy Deadline

- Probationary RCOs Must Demonstrate Sufficient Number of PMPs to Medicaid

October 1, 2015

Readiness Review

**Finalization of
Contracts**

Full Certification

April 1, 2015

**Financial Sufficiency
Requirements
Deadline**

Spring/Summer 2016

RCO Care Coordination

| Service Type | Care Coordination | Transitional Care | Medication Management |
|---------------------|--|--|--|
| Provided By | <ul style="list-style-type: none"> Nurses Licensed Social Workers | <ul style="list-style-type: none"> Nurses Licensed Social Workers | <ul style="list-style-type: none"> Pharmacists |
| Services to Include | <ul style="list-style-type: none"> Completion of psychosocial assessments to determine needs of recipients Referral for needed resources including transportation, financial assistance, food, and support services Providing education regarding chronic illness and provided support in managing their care | <ul style="list-style-type: none"> Assist patients transitioning from one level of care to another Partnering with medical facilities to develop discharge plans Medication reconciliation Education and support services in managing chronic conditions | <ul style="list-style-type: none"> Medication reconciliation Education to recipients regarding medication management |

RCO Enrollment Process & PMP Selection



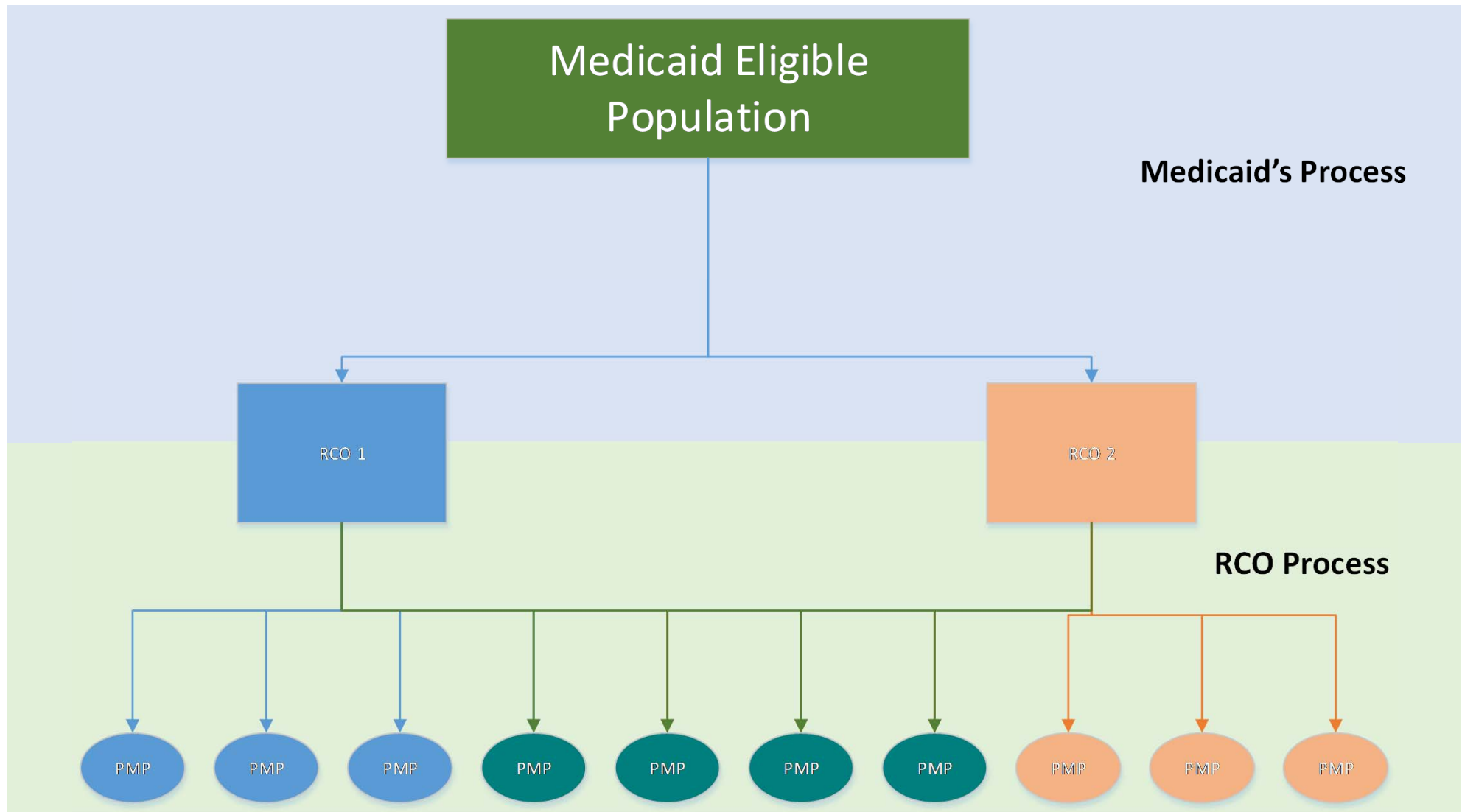
Assignment Process

Two levels:

- Selection of RCO via Enrollment Broker or Assignment of RCO by HP
 - Medicaid will manage auto assignments to the RCO
- Selection of PMP from RCO's Network
 - RCOs will manage all PMP panel assignments

Last Patient 1st assignment will be in August 2016 for September assignments. Patient 1st will end on September 30, 2016.

Division of Assignment Processes

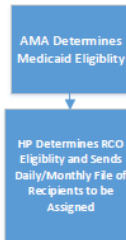


RCO Enrollment and Assignment

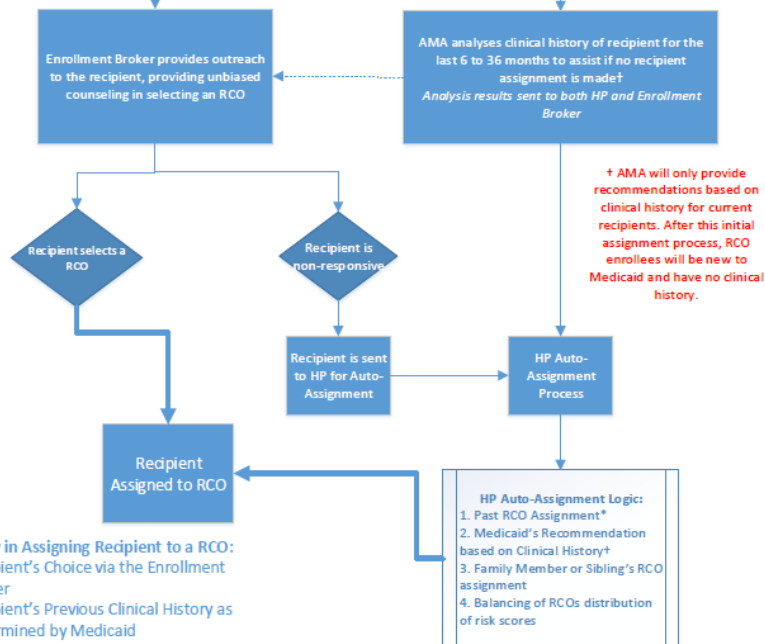
Alabama Medicaid RCO Auto-Assignment Logic

Enrollment Broker Counsels Recipient
Using:

- List of providers contracted with each RCO
- Each RCO's summary of benefits
- Recipient's current/past provider assignment (provided to EB from Medicaid)
- Recipient's clinical history (provided to EB from Medicaid)†



- Assignment Guiding Principles:
- Ensure Recipient's choice is the priority
 - Maintain a recipient's continuity of care, esp. for children with complex health needs, when forced to auto-assign to a RCO
 - Ensure families are not divided amongst RCOs, unless due to a direct choice by a recipient via the EB



Priority in Assigning Recipient to a RCO:

- Recipient's Choice via the Enrollment Broker
- Recipient's Previous Clinical History as determined by Medicaid
- Auto-assignment based on:
 - Previous RCO assignment
 - Family member or sibling's assignment
 - Balancing of risk scores between RCOs

*The above logic is for the initial assignments as no recipient will have a previous RCO assignment from history.

Assignment Process

- Initial enrollment process will begin July 2016 and go through late August
- Enrollment Broker to assist recipients in choosing RCO
 - Will have a list of each RCO's contracted PMPs
 - PMPs identified by name and practice group
- Recipients who do not select an RCO will be auto assigned
- Recipients may change their choice of RCO by 12/31/16; after that time, may change during annual open enrollment period

RCOs and Quality



The Quality Issue



Measurement is the first step that leads to control and eventually to improvement. If you can't measure something, you can't understand it. If you can't understand it, you can't control it. If you can't control it, you can't improve it."

- H. James Harrington

- Emphasis on quality is central to Medicaid's transformation
- Philosophical change from a system that is based on "visits and volume" to one that focuses on outcomes and quality
- Measurement and analysis will be at the forefront of the Agency's quality effort

The Quality Issue



- 42 measures selected; 10 to be incentivized for RCOs
 - Comprehensive Diabetes Care: HbA1c Testing
 - Medication Management for People with Asthma: The percentage of members who remained on an asthma controller medication for at least 75% of the treatment period
 - Cervical Cancer Screening
 - Prenatal and Postpartum Care: 1) Timeliness of Prenatal Care; 2) Postpartum Care
 - Percentage of Live Births Weighing Less Than 2,500 Grams
 - Follow-Up After Hospitalization (within 30 days) (BH-related primary diagnosis)
 - Antidepressant Medication Management:
 - 1) Effective Acute Phase Treatment (12 weeks);
 - 2) Effective Continuation Phase Treatment (6 months)
 - Well-Child Visits in the Third, Fourth, Fifth and Sixth Years of Life
 - Well-Child Visits: Adolescent Well-Care Visits
 - Ambulatory Care-Sensitive Condition Admissions

Questions?



Resources/Questions:

RCOPortal@Medicaid.Alabama.gov

www.Medicaid.Alabama.gov > Newsroom>Regional Care Organizations