

# Managed Care in Alabama

This profile reflects state managed care program information as of August 2014, and only includes information on active federal operating authorities, and as such, the program start date may not reflect the earliest date that a program enrolled beneficiaries and provided services. Some states report populations and services available to program participants under the federal authority (e.g. Section 1115 waiver), so these features cannot be easily distinguished for each program.

## Overview of Current Managed Care Programs

In July 2011, almost two thirds of Alabama Medicaid beneficiaries were enrolled in one of two statewide mandatory managed care programs. Alabama's **Maternity Care Program**, which began in 1988, provides maternity care for most pregnant women in Alabama Medicaid. The state administers the program through ten contractors, which are paid a capitated rate to cover all pregnancy-related care, except for those provided by a teaching hospital. Alabama operates a statewide PCCM program called Patient 1<sup>st</sup>. The patient first program began in 1997 operating under 1915(b) authority; however in 2013 the program transitioned out of the 1915(b) waiver and is currently operating under 1932(a) authority. The Patient 1<sup>st</sup> program serves children, low-income families, and individuals who are aged, blind or disabled. Patient 1<sup>st</sup> members are assigned to contracting primary care providers who are paid a small case management fee to cover the cost of coordinating care and referrals to specialty care.

In August 2011, Alabama added an enhanced PCCM program to its Patient 1<sup>st</sup> program, called the **Patient Care Network of Alabama (PCNA)**, in which primary medical providers (PMPs) in four geographic regions are given the option to contract with a primary care network (PCN) and serve as a medical homes for high-risk individuals. Similar to North Carolina's Community Care Networks, Alabama's PCNs support the PMPs by providing intensive case management, reviewing service utilization data, monitoring capacity and referrals, facilitating quality improvement and the use of evidence-based care, and conducting education and outreach. In 2012, Alabama began operating a Health Home program which serves people with two chronic conditions, or one chronic condition and the risk of developing another. In 2013, Alabama passed legislation to develop **Regional Care Organizations (RCOs)** that build on the existing PCNAs to create risk-based managed care entities that will be paid a capitated rate to cover a variety services for almost all Medicaid members in Alabama. The RCOs are scheduled to begin operations in 2016.

In September 2013, Alabama implemented the Synagis® (palivizumab) Management Program for children, blind and disabled children and children in the foster care system for the treatment of Respiratory Syncytial Virus (RSV).

## Participating Plans, Plan Selection, and Rate Setting

For Patient 1st, Alabama contracts directly with primary care providers and pays them a per member per month care management fee, part of which is based on the risk level of a provider's patient panel. All medical care is reimbursed on a fee-for-service basis, but providers who participate in the PCNA program receive an additional case management monthly fee of \$8.50 for health home-eligible enrollees. Alabama also contracts with four not-for-profit Patient Care Networks, and pays the networks a monthly care management fee for each eligible member in its network (\$3.00 for non-aged, blind, or disabled (ABD), \$5.00 for ABD enrollees, and \$9.50 for health home enrollees). PCNs were selected through a competitive procurement.

Alabama's Maternity Care Program contracts with ten not-for-profit primary contractors, one in each of fourteen districts of the state. The state pays primary contractors a global capitated fee for maternity care, and the contractors in turn pay for services provided by their subcontracted health care providers. Primary contractors were selected through a competitive procurement.

There is also one Program of All-Inclusive Care for the Elderly (PACE) in the State, Mercy LIFE of Alabama- Mobile.

## **Quality and Performance Incentives**

Primary care providers participating in Patient 1st receive performance profiling reports, including peer comparisons, on a variety of HEDIS and other claims-based measures (such as preventive and chronic condition care, hospital utilization, and costs). Providers are also eligible for additional payments if they meet savings and performance targets. In the past, these payments have been based on measures such as generic dispensing rate and non-certified emergency room visits. PCNs also support quality monitoring and improvement among providers and enrollees in their network. In the Maternity Care Program, primary contractors are eligible to receive performance improvement payments in order to promote improved safety and quality outcomes. Primary contractors also conduct Performance Improvement Projects, which have focused on topics such as low birth weight and smoking cessation.

**Table: Managed Care Program Features, as of August 2014**

| Program Name   | Maternity Care Program   | Patient 1st  | PACE   |
|--|--|--|--|
| <b>Program Type</b>  | Medical-only PAHP  | PCCM   | PACE   |
| <b>Program Start Date</b>  | September 2005   | December 2004  | January 2012   |
| <b>Statutory Authorities</b>   | 1915(b)  | 1932(a)  | PACE   |
| <b>Geographic Reach of Program</b>   | Statewide  | Statewide  | Select Regions   |
| <b>Populations Enrolled</b> ( <i>Exceptions may apply for certain individuals in each group</i> )  |  |  |  |
| <i>Aged</i>  |  | X  | X  |
| <i>Disabled Children &amp; Adults</i>  |  | X  | X (age 55+)  |
| <i>Children</i>  | X (pregnant teens)   | X  |  |
| <i>Low-Income Adults</i>   | X (pregnant women)   | X  |  |
| <i>Medicare-Medicaid Eligibles</i>   |  |  | X (age 55+)  |
| <i>Foster Care Children</i>  |  |  |  |
| <i>American Indians/ Alaska Natives</i>  | X  |  |  |
| Mandatory or Voluntary enrollment?   | Mandatory  | Mandatory  | Voluntary  |
| <b>Medicaid Services Covered in Capitation</b><br>( <i>Specialized services other than those listed may be covered. Services not marked with an X are excluded or "carved out" of the benefit package.</i> ) |  |  |  |
| <i>Inpatient hospital</i>  |  |  | X  |
| <i>Primary Care and Outpatient services</i>  | X  | X (case management only)   | X  |
| <i>Pharmacy</i>  |  |  | X  |
| <i>Institutional LTC</i>   |  |  | X  |
| <i>Personal Care/ HCBS</i>   | X (home visits only)   |  | X  |
| <i>Inpatient Behavioral Health Services</i>  |  |  | X  |
| <i>Outpatient Behavioral Health Services</i>   |  |  | X  |
| <i>Dental</i>  |  |  | X  |
| <i>Transportation</i>  |  |  | X  |
| <b>Participating Plans or Organizations</b>  | <ol style="list-style-type: none"> <li>1. Health Group of Alabama*</li> <li>2. Quality of Life*</li> <li>3. Greater Alabama Health Network*</li> </ol> | <ol style="list-style-type: none"> <li>1. Patient 1<sup>st</sup> – participating primary care providers</li> </ol> | <ol style="list-style-type: none"> <li>1. Mercy LIFE of Alabama- Mobile</li> </ol> |

| Program Name  | Maternity Care Program  | Patient 1st | PACE |
|---|---|-------------|------|
|   | 4. Alabama Maternity, Inc.*<br>5. Gift of Life Foundation*<br>6. Tombigbee Healthcare Authority*<br>7. Maternity Services of District 11*<br>8. Southwest Alabama Maternity Care, LLC*<br>9. Southeast Alabama Maternity Care*<br>10. University of South Alabama Maternity Care* |             |      |
| Uses HEDIS Measures or Similar                            |   | X           | NA   |
| Uses CAHPS Measures or Similar                            |   |             | NA   |
| State requires MCOs to submit HEDIS or CAHPS data to NCQA | NA  | NA          | NA   |
| State Requires MCO Accreditation                          | NA  | NA          | NA   |
| External Quality Review Organization                      | NA  |             |      |
| State Publicly Releases Quality Reports                   | No  |             |      |

Sources: Centers for Medicare and Medicaid Services (CMS), National Summary of State Medicaid Managed Care Programs as of July 1, 2011.

Kaiser Commission on Medicaid and the Uninsured. Profile of Medicaid Managed Care Programs in 2010. September 2011.

National Committee on Quality Assurance. NCQA Medicaid Managed Care Toolkit 2012 Health Plan Accreditation Standards. State Use of Accreditation as of February 2012.

Notes: Managed Care Organization (MCO); Prepaid Inpatient Health Plans (PIHP); Prepaid Ambulatory Health Plan (PAHP); Mental Health/Substance Use Disorder (MH/SUD); Healthcare Effectiveness Data and Information Set (HEDIS); Consumer Assessment of Healthcare Providers and Systems (CAHPS).

Primary Care and Outpatient Services include physician services, hospice, laboratory, imaging, FQHC, and other specialty services delivered in outpatient offices and clinics. Institutional Long Term Care (LTC) includes Skilled Nursing Facilities (SNF) and/or Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IDD).

External Quality Review Organization activities are only required for MCOs, PIHPs, PAHPs, and other applicable entities with comprehensive risk contracts.

\* According to the state, there are 10 primary contractors providing for all pregnancy-related care. See

[http://medicaid.alabama.gov/documents/4.0\\_Programs/4.4\\_Medical\\_Services/4.4.7\\_Maternity\\_Care/4.4.7\\_MaternityCareFlyer\\_11-09.pdf](http://medicaid.alabama.gov/documents/4.0_Programs/4.4_Medical_Services/4.4.7_Maternity_Care/4.4.7_MaternityCareFlyer_11-09.pdf).