

1 SB397
2 176806-1
3 By Senator Reed
4 RFD: Health and Human Services
5 First Read: 12-APR-16

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8 SYNOPSIS: Under existing law, the State Medicaid
9 Agency may contract with an alternate care provider
10 only in limited circumstances such as if no
11 regional care organization has been certified in
12 the region or if a regional care organization loses
13 its probationary certification.

14 Under existing law, a regional care
15 organization has until October 1, 2016, to obtain
16 its full certification, and all probationary
17 certifications expire on October 1, 2016.

18 This bill would authorize the State Medicaid
19 Agency to establish a later date for obtaining
20 regional care organization certification and would
21 authorize probationary certification to be extended
22 beyond October 1, 2016.

23
24 A BILL
25 TO BE ENTITLED
26 AN ACT
27

1 Relating to the State Medicaid Agency; to amend
2 Sections 22-6-156, 22-6-159, and 22-6-162, to authorize the
3 agency to provide further for the time frame for an
4 organization to obtain regional care organization
5 certification and to extend the date in which a probationary
6 status expires.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. Sections 22-6-156, 22-6-159, and
9 22-6-162, Code of Alabama 1975, are amended to read as
10 follows:

11 "§22-6-156.

12 "The Medicaid Agency may contract with an alternate
13 care provider in a Medicaid region only under the terms of
14 this section:

15 "(1) If a regional care organization failed to
16 provide adequate service pursuant to its contract, or had its
17 certification terminated, or if the Medicaid Agency could not
18 award a contract to a regional care organization under the
19 terms of Section 22-6-153, or if no organization had been
20 awarded a regional care organization certificate by October 1,
21 2016, or a later date established by the Medicaid Agency if an
22 extension is determined, in the Medicaid Agency's sole
23 discretion, to be in the best interest of the state, then the
24 Medicaid Agency shall first offer a contract, to resume
25 interrupted service or to assume service in the region, under
26 the conditions of Section 22-6-153 to any other regional care

1 organization that Medicaid judged would meet its quality
2 criteria.

3 "(2) If by October 1, 2014, no organization had a
4 probationary regional care organization certification in a
5 region. However, the Medicaid Agency could extend the deadline
6 until January 1, 2015, if it judged an organization was making
7 reasonable progress toward getting probationary certification.
8 If the Medicaid Agency judged that no organization in the
9 region likely would achieve probationary certification by
10 January 1, 2015, then the Medicaid Agency shall let any
11 organization with probationary or full regional care
12 organization certification apply to develop a regional care
13 organization in the region. If at least one organization made
14 such an application, the agency no sooner than October 1,
15 2015, would decide whether any organization could reasonably
16 be expected to become a fully certified regional care
17 organization in the region and its initial region.

18 "(3) If an organization lost its probationary
19 certification before October 1, 2016, or a later date
20 established by the Medicaid Agency if an extension is
21 determined, in the Medicaid Agency's sole discretion, to be in
22 the best interest of the state, Medicaid shall offer any other
23 organization with probationary or full regional care
24 organization certification, which it judged could successfully
25 provide service in the region and its initial region, the
26 opportunity to serve Medicaid beneficiaries in both regions.

1 "(4) The Medicaid Agency may contract with an
2 alternate care provider only if no regional care organization
3 accepted a contract under the terms of subdivision (1), no
4 organization was granted the opportunity to develop a regional
5 care organization in the affected region under the terms of
6 subdivision (2), or no organization was granted the
7 opportunity to serve Medicaid beneficiaries under the terms of
8 subdivision (3).

9 "(5) The Medicaid Agency may contract with an
10 alternate care provider under the terms of subdivision (4)
11 only if, in the judgment of the Medicaid Agency, care of
12 Medicaid enrollees would be better, more efficient, and less
13 costly than under the then existing care delivery system.
14 Medicaid may contract with more than one alternate care
15 provider in a Medicaid region.

16 "§22-6-159.

17 "(a) The following is the timeline for
18 implementation of this article:

19 "(1) Not later than October 1, 2013, the Medicaid
20 Agency shall establish Medicaid regions.

21 "(2) Not later than October 1, 2014, an organization
22 seeking to become a regional care organization shall have
23 established a governing board and structure as approved by the
24 Medicaid Agency. An organization may receive probationary
25 certification as a regional care organization upon submission
26 of an application for, and demonstration of, a governing board
27 acceptable to the Medicaid Agency. Probationary certification

1 shall expire ~~no later than~~ on October 1, 2016, or a later date
2 established by the Medicaid Agency.

3 "(3) Not later than April 1, 2015, an organization
4 with probationary regional care organization certification
5 shall have demonstrated to Medicaid's approval the ability to
6 establish an adequate medical service delivery network.

7 "(4) Not later than October 1, 2015, an organization
8 with probationary regional care organization certification
9 shall have demonstrated to Medicaid's approval that it has met
10 the solvency and financial requirements for a regional care
11 organization as outlined in this article.

12 "(5) ~~Not later than~~ On October 1, 2016, or a later
13 date established by the Medicaid Agency, an organization with
14 probationary regional care organization certification shall
15 demonstrate to Medicaid's approval that it is capable of
16 providing services pursuant to a risk contract.

17 "(b) The timeline and benchmarks in subsection (a)
18 shall not preclude an organization from meeting the timelines
19 and benchmarks at an earlier date.

20 "(c) Failure to meet and maintain any one of the
21 benchmarks in subdivisions (2) to (5), inclusive, shall
22 constitute grounds for termination of a probationary regional
23 care organization certification or full regional care
24 organization certification. The Medicaid Agency shall award
25 full regional care organization certification to an
26 organization with probationary regional care organization
27 certification if the organization timely meets each of those

1 benchmarks. Failure by an organization to timely meet one or
2 more of those benchmarks shall not prevent the Medicaid
3 Agency, at its sole discretion, from granting full regional
4 care organization certification to the organization as long as
5 it has met all of those benchmarks by October 1, 2016, or a
6 later date established by the Medicaid Agency.

7 "§22-6-162.

8 "The Medicaid Agency may contract for
9 case-management services with an organization that has been
10 granted by the Medicaid Agency a probationary regional care
11 organization certification. If the agency has contracted with
12 such an organization, and that organization on or before
13 October 1, 2016, or a later date established by the Medicaid
14 Agency, has failed to gain full regional care organization
15 certification or has had its probationary certification
16 terminated, then that organization shall refund half the
17 payments, made by the Medicaid Agency to the organization for
18 case-management services, paid over the previous 12 months."

19 Section 2. This act shall become effective on the
20 first day of the third month following its passage and
21 approval by the Governor, or its otherwise becoming law.