

**MINUTES OF THE EXECUTIVE COMMITTEE OF THE
ALABAMA MEDICAID ADVISORY COMMISSION
DECEMBER 12, 2012
MONTGOMERY CITY HALL AUDITORIUM**

Members Present

Donald E. Williamson, M.D., Chair
Mr. Frank Brown
Mr. Jim Carnes
Mr. Danny Cottrell
Dr. Marquita F. Davis

Mr. Stan Hammack
Senator Greg Reed
George "Buddy" Smith, Jr., M.D.
Mr. Mike Warren
Representative Greg Wren

Welcome by Mayor Todd Strange

Mayor Todd Strange welcomed the Executive Committee to the newly renovated City Hall.

Consideration of Meeting Minutes

Approval of the minutes of the meetings of November 28, December 6, and December 7, 2012, was deferred to the next meeting of the Executive Committee.

Discussion

The following information was provided to the Executive Committee: a document entitled *All Market Medicaid Managed Care Grid* provided by AmeriGroup that listed each state and its relationship to commercial managed care and the one-page summary document with the accompanying detailed document of the work of the Executive Committee regarding other states' managed care experiences.

Dr. Williamson noted that since 2008, Medicaid's inflation rate had averaged less than 1 percent per year while there were major efforts in Medicaid reform in other parts of the country to reduce inflation from 6 percent to 3 or 4 percent. Alabama's baseline inflation rate of less than 1 percent creates a significant problem in terms of saving money going forward. Alabama's Medicaid per member per year (PMPY) cost is the third lowest in the country, behind only California and Georgia. Additionally, enrollment increased from 750,000 in 2008 to 940,000 in 2012. From 2003 to 2008 and before the economic downturn in 2008, enrollment remained at approximately 750,000 members. Finally, the federal medical assistance percentage (FMAP) rate changed dramatically and paralleled the General Fund appropriation. In 2009 and 2010, the state share was 22 percent; in 2011, it was 26 percent; in 2012, it was 32 percent; and in 2014, it will increase by one-half point.

The growth in enrollment, the relatively stable PMPY cost, and the change in FMAP created the financial crisis faced by the Commission.

Dr. Williamson referenced two reports: *Kaiser Commission on Medicaid and the Uninsured: The Cost and Coverage Implications of the ACA Medicaid Expansion: National and State-by-State Analysis* and *Kaiser Commission on Medicaid and the Uninsured: Why Does Medicaid Spending Vary Across States: A Chart Book of Factors Driving State Spending*.

Experience of a Patient Care Network

Dr. Williamson noted that Alabama has a managed care like product in its four regional patient care networks, which are private non-profit care management organizations who have contracted with primary care providers and are in partnership with hospitals, social service agencies, and county health departments. The networks are charged with improving the health outcomes and reducing the care costs of the Patient 1st population.

Ms. Sylvia Brown, Executive Director of MedNet West, Inc., the Tuscaloosa region patient care network, provided information on the networks, described the organization of the networks, and answered questions from the Executive Committee.

Adjournment

There being no further business, the meeting was adjourned.



Donald E. Williamson, M.D.
State Health Officer
Chair, Alabama Medicaid Advisory Commission