

# **Alabama Medicaid Agency**

*Health Care Consultative Services*

## **Request for Information**

**August 15, 2012**

Contact:

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**Issue Date:** August 15, 2012

**Closing Date:** September 14, 2012

**Synopsis:**

The Alabama Medicaid Agency intends to release a request for proposals in the near future to procure health care consultative services to assist in the evaluation of the existing program and to make recommendations regarding the best options to prepare for the potential influx of several hundreds of thousands of newly eligible individuals. With this RFI the Agency is seeking ideas for the scope of work to be included in the request for proposals. The State's objectives for the work to be performed by the health care consultant are to evaluate the following:

- 1) health care delivery system reform options,
- 2) the economic impact of possible Medicaid expansion options under the amended provisions of ACA,
- 3) the current internal organizational structure for operating the Alabama Medicaid agency and to recommend other organization models which might work well in Alabama with the various delivery system reform options, and
- 4) the current revenue streams and financing model of the Alabama Medicaid Agency and to recommend alternative models. Must have an ability and willingness to work with the state hospital association as one component of this analysis.

Following is a high level overview of the current fee-for-service Alabama Medicaid delivery system.

*1) Primary Care Case Management (PCCM)*

Alabama's Primary Care Case Management Program, called the Patient 1<sup>st</sup> Program, has been operational since January 1, 1997 and is operated under the authority of a 1915(b) waiver. The overarching goal of Patient 1<sup>st</sup> is to provide Alabama Medicaid recipients a medical home. The physician-patient relationship is paramount. With the established medical home, the Agency has affected a change in unnecessary pharmacy utilization and inappropriate emergency room utilization. Within the Patient 1<sup>st</sup> Program, patients are assigned to a primary medical provider (PMP). The PMP is responsible for providing, directly or through referral, necessary medical care. PMPs are paid a varying case management fee depending on how they choose to meet contract requirements. A physician report card, called the Profiler, helps the PMP understand the medical and cost utilization of his or her panel as compared to his or her peers. The Profiler illustrates the performance measures that will enable the PMP to share in program savings.

Beginning in August 2011, Alabama implemented an enhanced PCCM program, building upon the existing infrastructure by establishing regional networks within local systems of care designed to achieve long-term quality, cost, access, and utilization objectives in the management of care for Medicaid recipients. Alabama continues to operate the original PCCM program; however, primary care providers in select areas of the state have the opportunity to become members of a regional network. Each network has an administrative Entity which contracts with the state. Both the networks and the primary care providers are paid a Per Member/Per Month (PM/PM) fee. More information can be found at [http://www.medicaid.alabama.gov/CONTENT/4.0\\_Programs/4.1\\_Care\\_Networks.aspx](http://www.medicaid.alabama.gov/CONTENT/4.0_Programs/4.1_Care_Networks.aspx)

### *2) Prepaid Ambulatory Health Plan (PAHP)*

Alabama's Maternity Care Program began in 1988 under the original 1915(b) waiver authority. The waiver was developed in an effort to address Alabama's high infant mortality rate, the high drop-in delivery rate and the lack of delivering physician participation. The program changed from a PIHP to a PAHP effective January 1, 2010. The State contracts with one administrative entity for each of 14 districts through a competitive bid process. This entity is known as the Primary Contractor. The Primary Contractor, in turn, has the responsibility for establishing a comprehensive network of subcontractors that can provide prenatal, delivery and postpartum care. Medicaid pays for approximate half or 30,000 of all deliveries in the State of Alabama.

Recent program changes include the requirement that Primary Contractor staff be trained as application assisters to assist women in obtaining Medicaid eligibility quicker; a screening for mental health needs; an emphasis on smoking cessation; access to Medicaid covered contraceptives through local pharmacies; utilization of the Agency website to offer education and resources to the care coordinators, and better coordination between the Maternity Care Program care coordinator and the Plan First (family planning) care coordinator. In addition, the Agency has, through the most recent contract, offered Performance Incentive Payments to the Primary Contractors. These payments are intended to promote improved safety and quality outcomes by supporting the use of best practice guidelines. Specific measures have been developed that will be monitored per the Agency web based data collection system and medical record documentation.

### *3) Hospital Reimbursement*

From October 1995 through September 2009, Alabama operated a PIHP for reimbursement of inpatient hospital services for most of the Medicaid population. Hospitals in contiguous geographic areas formed organizations to participate as Prepaid Health Plans (PHPs). The eight

PHPs contracted with the Alabama Medicaid Agency to provide inpatient hospital services to Medicaid eligibles residing in the PHP's geographic area under a capitated arrangement. Effective October 2010, a State Plan Amendment was approved by CMS which supports a new state law governing both inpatient and outpatient hospital reimbursement. The new reimbursement model utilizes a provider tax to generate funding for base payments and access payments to the hospitals. Private facilities are reimbursed up to their Medicare Upper Payment Limit and Public Facilities are reimbursed cost. Certified Public Expenditures are a critical component of the funding model.

### **Data**

Statistical Data about the Alabama Medicaid Program is available at [http://www.medicaid.alabama.gov/CONTENT/2.0\\_newsroom/2.6\\_Statistics.aspx](http://www.medicaid.alabama.gov/CONTENT/2.0_newsroom/2.6_Statistics.aspx).

### **Response:**

Your response should indicate if you would be willing to provide a face-to-face presentation, if requested by the Agency.

Specifically, this RFI seeks the information listed below. Submit one original response and one electronic (word 2007 format) copy of the response on CD or jumpdrive clearly labeled with the Vendor name. Please respond to these topics in numerical order:

1. Briefly describe your company or organization, your products and services, history, and other information you deem relevant.
2. Provide a recent annual report, if available.
3. Describe suggestions for the scope of work necessary for a health care consulting vendor to evaluate the stated objectives, along with workload/pricing estimates:
  - 1) health care delivery system reform options,
  - 2) the economic impact of possible Medicaid expansion options under the amended provisions of ACA,
  - 3) the current internal organizational structure for operating the Alabama Medicaid agency and to recommend other organization models which might work well in Alabama with the various delivery system reform options, and
  - 4) the current revenue streams and financing model of the Alabama Medicaid

Agency and to recommend alternative models. Must have an ability and willingness to work with the state hospital association as one component of this analysis.

Responses should be mailed to:

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501 Dexter Avenue  
P.O. Box 5624  
Montgomery, AL 36103-5624

Questions regarding this solicitation for information should be sent to [kathy.hall@medicaid.alabama.gov](mailto:kathy.hall@medicaid.alabama.gov) until 5:00 pm on September 11, 2012.