Rule No. 560-X-62-.03 Governing Board of Directors – NEW RULE

(1) A regional care organization and an organization with probationary regional care organization certification shall have a governing board of directors composed of the following members:

(a) Twelve members shall be persons representing risk-bearing participants in the regional care organization or organization with probationary certification. A participant bears risk by contributing cash, capital, or other assets to the regional care organization. A participant also bears risk by contracting with the regional care organization to treat Medicaid beneficiaries at a capitated rate per beneficiary or to treat Medicaid beneficiaries even if the regional care organization does not reimburse the participant.

(b) Eight members shall be persons who do not represent a risk-bearing participant in the regional care organization.

(i) Five members shall be medical professionals who provide care to Medicaid beneficiaries in the region.

Three of these members shall be primary care physicians, one an optometrist, and one a pharmacist. One primary care physician shall be from a Federally Qualified Health Center appointed jointly by the Alabama Primary Health Care Association and the Alabama Chapter of the National Medical Association and the other two primary care physicians shall be appointed by the Medical Association of the State of Alabama, or its successor organization. The optometrist shall be appointed by the Alabama Optometric Association, or its successor organization. The pharmacist shall be appointed by the Alabama Pharmacy Association, or its successor organization. All five medical professionals shall work in the region served by the regional care organization. None of these members shall be a risk-bearing participant in the regional care organization or be an employee of a risk-bearing participant, but these members may contract with the regional care organization on a fee-for-service basis.

(ii) Three of the eight members shall be community representatives and may not be risk-bearing participants in the regional care organization or employees of a risk-bearing participant. They are comprised as follows:

(A) The chair of the citizen's advisory committee established pursuant to the Medicaid Administrative Code.

(B) A citizen's advisory committee member, elected by the committee, who is a representative of an organization that is part of the Disabilities Leadership Coalition of Alabama or Alabama Arise, or their successor organizations.

(C) A business executive, nominated by a chamber of commerce in the region, who works in the region.

(2) A majority of the members of the board may not represent a single provider; however, this shall not apply to a regional care organization if only one entity offers to be a risk-bearing participant as defined in Section 22-6-151 (c)(1)(a) of the Alabama Code. Any provider shall meet licensing requirements set by law, shall have a valid Medicaid provider number, and shall not be otherwise disqualified from participating in Medicare or Medicaid.

(3) Medicaid shall have the power to approve the members of the governing board and the board's structure, powers, bylaws, or other rules of procedure. No organization shall be granted probationary regional care organization certification or full regional care organization certification without approval.

(4) Any vacancy on the governing board of directors in connection with members appointed as described in Section 22–6–151 (c) (1) (b) or Section 22-6-151 (c) (1) (c) shall be filled by the appropriate authority as designated in that subsection. A vacancy in a board of directors' seat held by a representative of a risk–bearing participant as defined in Section 22–6–151 (c) (1) (a) shall be filled by the regional care organization. The Medicaid Commissioner shall appoint a replacement board member if a board seat is left vacant for at least three months.

(5) The governing board may, by resolution adopted by a majority of the directors, appoint an executive committee, which shall consist of two or more directors, who may have such authority and take such action as authorized by the governing board and consistent with state law; provided, however, any at–risk provider type shall be represented on the executive committee. For purposes of this subsection, a legal entity shall be considered the same provider type of the majority owner(s), principal(s) or member(s) of that entity. The governing board shall set policy and direction for the regional care organization and the executive committee shall execute the policies established by the governing board. The governing board may also appoint such other committees as are consistent with Alabama law. All actions of the executive committee and all other committees shall be reported to the governing board. At least one member of an executive committee and any other committee shall be one of the physicians appointed to the board by the Medical Association of the State of Alabama pursuant to Section 22-6-151 (c) (1) (b).

(6) All appointing authorities for the governing board and the executive committee shall coordinate their appointments so that diversity of gender, race, and geographical areas is reflective of the makeup of the Medicaid region. All non-risk bearing members of the governing board must reside in the region during his or her tenure as a board member.

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Statutory Authority: Code of Alabama, 1975 Section 22-6-150 *et seq.*
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