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New Medicaid structure must include quality care, be financially sound, advocates tell Alabama Senate committee

As Alabama develops plans to change the way the state provides health care for Medicaid recipients, it is critically important to provide a governing structure that uses state funds wisely, State Health Officer Don Williamson said Wednesday. Equally important is the need for quality health care for the state's neediest citizens, Williamson said.

"You are trusting the Medicaid Agency to make rational decisions about how to spend \$500 million of state money that goes to flow-through programs each year," Williamson said of the plan to expand a Medicaid-designed care system of local regional care organizations (RCOs) with local providers.

Williamson's comments came during a Senate Health Committee public hearing Wednesday on SB 340, sponsored by Sen. Greg Reed, R-Jasper, who chairs the committee. The proposal incorporates recommendations from the Governor's Medicaid Advisory Commission on how to restructure Medicaid. The plan calls for a shift from a traditional fee-for-service health care model to Medicaid-designed managed care as a way to control costs but maintain local care systems.

Williamson, who chaired Gov. Robert Bentley's commission, said health care stakeholders told him the bill should address the need for a pool of doctors and other providers that does not require patients to travel long distances. Other needs include a structure that focuses on preventive care and providers willing to invest financially in the program and treat Medicaid patients for a set rate, Williamson said.

Alabama Arise communications director Jim Carnes, who represented consumers on Bentley's commission, said the bill does not go far enough to ensure strong protections for consumers at every level. Carnes called for more consumer involvement in planning the new Medicaid structure and delivering health care through it. He also said the bill should specify that all independent evaluations and reports related to RCOs are public documents.

Alabama Appleseed executive director John Pickens recommended that the state RCO governing board should have three consumer representatives. Consumers also should have an opportunity for input at every step of the planning process, Pickens said. Bryant Sadler, representing the managed care provider Centene, said those plans should include commercial managed care, at least for comparison purposes.

The Senate Health Committee could vote on the bill as soon as next week. The House Health Committee is expected to consider similar legislation – HB 454, sponsored by Rep. Jim McClendon, R-Springville – next week.

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