Alabama Medicaid implemented Patient Care Networks of Alabama (PCNA) in August 2011, creating four community networks that assist primary medical providers to become medical homes, coordinate care, and teach self-management skills. These PCNAs enhance the Agency’s existing Primary Care Case Management program for the Medicaid population, Patient 1st. In June 2013, Alabama’s governor signed into law and approved Regional Care Organizations (RCOs) to build on the four existing PCNA pilots and manage a continuum of health care services for the majority of Medicaid beneficiaries.

**PROGRAM COMPONENTS**

**Patient Care Networks of Alabama (PCNA)**

Under Medicaid’s PCNA, four community networks have been established to support primary medical providers in medical homes. The Alabama Medicaid Agency partnered with the Alabama Chapter of the American Academy of Pediatrics to develop the PCNA through the formation of an 18-month workgroup.

The core staff for a PCNA includes a clinical director, clinical pharmacist, a chronic care needs nurse, and a care manager. Three out of the four PCNA directors are pediatricians. With pediatric patients making up the majority of Medicaid clients in the regions currently served by the PCNAs, pediatricians within a PCNA have access to additional support to improve the quality of care delivered to their patients. Several examples of the impact include social worker management and follow-up for referrals outside of the practice, contracts with local transportation services to provide rides for scheduled office visits, and, access to data from the PCNA to target areas for practice improvement (e.g., EPSDT screening rates).

**Regional Care Organizations (RCOs)**

RCOs are organizations of health care providers that contract with the state Medicaid agency to provide a comprehensive package of Medicaid benefits to beneficiaries within a defined region of the state. They will coordinate care for the majority of the Medicaid population and manage Medicaid benefits.

Alabama is in the early stages of RCO implementation. A representative from the Alabama Chapter of the American Academy of Pediatrics served on the Governor’s Medicaid Commission, which assisted in the development and implementation of the RCOs. Currently, two pediatrician representatives serve on the RCO Quality Assurance Committee.

Beneficiaries will be required to enroll in a RCO or PCNA based on geographic location. By April 2015, RCO provider networks will be in place and by October 2016, RCOs will accept capitation payments from Medicaid. Community-led RCOs would manage and coordinate care for the majority of the non-dually eligible Medicaid population.
PAYMENT MODEL

Patient Care Networks of Alabama (PCNA)

Each PCNA is organized as a 501(c)(3) corporation. At least half of the board of directors for each network must be comprised of primary care physicians, and in addition the board must also include at least one representative from a Federally Qualified Health Center, a hospital, the health department, a Regional Public Mental Health Authority, and a community pharmacist.

Within the network, financing is provided through fee for service with care management payments, and providers are eligible to participate in shared savings. Under the PCNA Care Management program, Medicaid pays PCNAs $3.00 per member per month (PMPM) for each enrolled beneficiary who is not aged, blind, or disabled (ABD), and $5.00 for each ABD enrollee. Primary medical providers are encouraged to maintain engagement with their local networks and receive a PMPM payment between $1.60-$2.10, in addition to a $1.00 Patient 1st care management PMPM payment.

Regional Care Organizations (RCOs)

The RCO initiative will utilize a payment model that includes capitation with care management payments following a transition period initially using fee-for-service payments. The state intends to implement value-based purchasing strategies and proposes to potentially include care coordination fees and quality and efficiency incentive payments to providers.

FAST FACTS:

979,066: The number of children ever enrolled in Medicaid and CHIP in Alabama in FY 2012 (866,094 Medicaid; 112,972 CHIP)

91.1%: The participation rate for those eligible for the Alabama CHIP program

87.2%: The national participation rate for those eligible for the CHIP program