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FEATURED

## Group pulls out of RCOs, some lawmakers skeptical about future

By Mary Sell Montgomery Bureau Mar 2, 2017 Updated Mar 2, 2017



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MONTGOMERY — A large participant in the state's plan to manage Medicaid patients has backed out, leaving some state leaders continuing to question the future of the regional care organizations.

"It doesn't bode well for the viability of program, the organizational structure," said Sen. Arthur Orr, R-Decatur.

The exit of Centene Corp., a St. Louis-based company, leaves two groups to manage Medicaid patients. Both are partnerships with north Alabama hospitals and originally had planned to manage patients in the north Alabama region, but are now willing to expand to other areas.

Lawmakers approved the transition from a fee-for-service model to managed care for the state's roughly 1 million Medicaid patients in 2013.

Regional care organizations are supposed to take effect in October after a one-year delay. Under the proposal, the state is divided into five parts. Centene had proposed it would operate in each region. It would have been the only RCO in three of the regions.

The two remaining probationary organizations are: Alabama Community Care, a partnership between Huntsville Hospital Health System (parent of Decatur Morgan Hospital) and Virginia-based Sentara Health Plans; and My Care Alabama, a partnership between Healthcare Business Solutions in Birmingham and Eliza Coffee Memorial Hospital and Shoals Hospital.

Both organizations have expressed interest in serving the three regions vacated by Centene, according to Medicaid.

Huntsville Hospital also plans to manage a second RCO in the Tuscaloosa-west Alabama region.

Kyle Buchanan, executive director of Alabama Community Care, said Wednesday that his organization had been discussing possible expansion into other regions for more than a year.

“We think the (Centene) news could create opportunity for us or any other RCO that looks into those regions,” Buchanan said.

Several other proposed RCOs backed out last year, concerned about long-term funding for Medicaid. Lawmakers in recent months have questioned the wisdom of making a financial commitment to the RCOs.

Calls to My Care Alabama were not returned Wednesday.

The goal of the regional care organizations was to “bend the cost curve” on Medicaid’s expenses. The third-party regional care organizations would oversee patients’ care and be paid a set amount per patient.

Sen. Greg Reed, R-Jasper, who sponsored the legislation in 2013, couldn’t be reached for comment Wednesday.

Gov. Robert Bentley this week said the RCO model was going to proceed.

“Whatever happens to Medicaid (funding from the federal government), we have to deliver the best care at the best price,” he said.

Buchanan and Medicaid on Wednesday said that if there is only

one RCO operating in a region, as would be the case in the west Alabama region, Medicaid recipients can choose to stay with their current fee-for-service model of care.

“We feel that most members will want to join the program because it adds so much value to their care experience,” Buchanan said.

Medicaid spokeswoman Robin Rawls said it is the agency’s intent that recipients would be assigned to an RCO.

“The agency will work with the (federal) Centers for Medicare and Medicaid Services to determine the conditions under which the recipients could opt out in each region,” Rawls said.

The impact on potential cost savings if Medicaid recipients opt out isn’t known, Rawls said.

“Our position is that we’re just as excited today about Medicaid transformation as we were three years ago,” Buchanan said. “At the end of day, our model still works. In fact, in some communities it may work better.”

Calls to My Care Alabama were not returned Wednesday.

Sen. Tim Melson, R-Florence, said he’s considered suggesting using the RCO model in north Alabama as a trial before expanding it to the rest of the state.

“If it’s such a great idea, I’m just surprised we haven’t gotten it off the ground,” Melson said Wednesday. “I understand there is a funding issue just like everything else, but (the RCO concept) could be going the way of the dodo, couldn’t it?”

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