

Medicaid proposal gets cautious reaction

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Medical providers and consumer advocates struck a note of caution Tuesday over a proposed reorganization of the Medicaid program and the way in which providers are paid.

The bill, sponsored by Sen. Greg Reed, R-Jasper, follows recommendations of the Alabama Medicaid Advisory Commission, which was set up by Gov. Robert Bentley to look at changes to the program. The bill would divide the state into eight regions for Medicaid delivery, known as regional care networks. These networks would gradually move compensation for providers from a fee-for-service model to a “capitation” model, which would pay providers based on health outcomes.

“None of us feel like we have a Medicaid system that requires no improvement,” Reed said. “We know we have a system that needs to be improved, and I feel this legislation gives us an opportunity to do this.”

Speakers at the hearing were not critical of the concept, and a number praised it. Some voiced concerns with provisions in the legislation. Representatives of the Alabama Dental Association also commented on moving to a capitation model.

“The way a dental office can make a profit in capitated programs is to not really see their patients,” said Zack Studstill, executive director of the Alabama Dental Association, following the meeting. “If the patient comes in some capitated programs, the fee service is so low that they can’t make a profit on that.”

Under the bill, the regions would be created by Oct. 1. The regions would move to a capitation model by Oct. 1, 2016, the beginning of the 2017 fiscal year.

Bentley backs the legislation. The Business Council of Alabama, Alabama Hospital Association and Alabama Nursing Home Association and Alabama Arise all support the legislation to varying degrees, although a spokesman for the Nursing Home Association expressed neutrality, and Arise wants a greater role for consumer advocates in the development of the networks.

The bill includes language that would require regional care organizations to establish citizens’ advisory councils. The chair of the council would sit on the organization’s governing board. At least 60 percent of the chairs of the board would be reserved for providers.

“Our chief concern is whether one person can adequately represent a variety of consumer needs,” said Kimble Forrister, the executive director of Alabama Arise.

Several speakers told officials and lawmakers charged with drawing up the districts to keep transportation issues for Medicaid recipients in mind.

“Transportation is often unreliable, (and) to expect (Medicaid recipients) to travel 80 or 90 miles for hospital services is not a realistic expectation,” said Russell Pigg, CEO of Eliza Coffee Memorial Hospital in Florence.

Medicaid provides health care coverage to about 940,000 Alabamians and pays for half the child births in the state. Enrollment in the program has shot up in recent years due to the economic downturn, and state costs have risen accordingly.