

APA-1

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control No: 560 Department or Agency: Alabama Medicaid Agency

Rule No: 560-X-62-.22

Rule Title: Readiness Assessment Requirements

X New Rule; _____ Amend; _____ Repeal; _____ Adoption by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? _____ no

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? _____ yes

Is there another, less restrictive method of regulation available that could adequately protect the public? _____ no

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? _____ no

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? _____ no

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? _____ yes

Does the proposed rule have any economic impact? _____ no

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer: Stephanie Lindsay

Date: 1/22/2015

FOR APD USE ONLY

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ALABAMA MEDICAID AGENCY

NOTICE OF INTENDED ACTION

RULE NO. & TITLE: 560-X-62-.22 Readiness Assessment Requirements

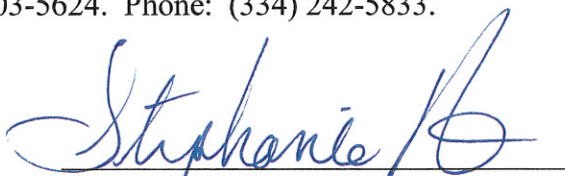
INTENDED ACTION: Add New Rule 560-X-62-.22

SUBSTANCE OF PROPOSED ACTION: The above referenced rule is being created to set forth the requirement that each organization who intends to enter into a risk contract with the Medicaid Agency shall be subject to a readiness assessment period and further sets forth the requirements which must be satisfied by the organization during this readiness assessment period.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Written or oral comments may be submitted to the Alabama Medicaid Agency, 501 Dexter Avenue, Post Office Box 5624, Montgomery, Alabama 36103-5624. Agency business hours are 8:00 a.m. to 5:00 p.m. Monday through Friday.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: Written/Oral comments concerning this change must be received by the Alabama Medicaid Agency no later than March 9, 2015.

CONTACT PERSON AT AGENCY: Stephanie Lindsay, Administrative Secretary, Alabama Medicaid Agency, 501 Dexter Avenue, Post Office Box 5624, Montgomery, Alabama 36103-5624. Phone: (334) 242-5833.

A handwritten signature in blue ink that reads "Stephanie McGee Azar". The signature is written in a cursive style and is positioned above a horizontal line.

Stephanie McGee Azar
Acting Commissioner

Rule No. 560-X-62-.22 Readiness Assessment Requirements – NEW RULE

(1) Each organization that intends to enter into a risk contract with the Medicaid Agency shall be subject to a readiness assessment period. The readiness assessment period shall commence on January 1, 2015 and shall conclude with the Medicaid Agency's award or denial of full regional care organization certification to the organization.

(2) The Medicaid Agency will provide draft(s) of a risk contract to any organization seeking full regional care organization certification. Upon the Medicaid Agency's request, the organization will have forty-five (45) days to submit a written plan and other necessary documentation describing the organization's readiness to satisfy requirements of the Medicaid Agency in the areas set forth below and as may otherwise be required by Section 22-6-150, *et seq.* and rules promulgated thereunder:

- (a) April 1, 2015 – Demonstrate the ability to establish an adequate medical service delivery network.
- (b) October 1, 2015 – Demonstrate compliance with the solvency and financial requirements for a regional care organization
- (c) May 1, 2016 – Demonstrate ability to provide services pursuant to a risk contract to be effective October 1, 2016 including development and readiness to operate:
 - (i) Key Staffing
 - (ii) Governance
 - (iii) Provider Services and Materials
 - (iv) Network Adequacy
 - (v) Claims Processing and Payment
 - (vi) Solvency and Audit
 - (vii) Financial
 - (viii) Care Coordination
 - (ix) Quality Management
 - (x) Grievance and Appeals
 - (xi) Requirements Related to Enrollees
 - (A) Enrollment
 - i. Disenrollment
 - ii. Enrollee Services
 - iii. Information Requirements
 - (B) Marketing, Outreach and Member Materials
 - (xii) Administrative Support
 - (xiii) Technical Infrastructure
 - (A) Management Information Systems (MIS)
 - (xiv) Utilization Management
 - (xv) Compliance and Oversight
 - (xvi) Other Requirements as requested by the Medicaid Agency pursuant to final RCO Contract

(3) Upon the Medicaid Agency's approval of the organization's written plan, the Medicaid Agency will provide a readiness assessment tool detailing the requirements necessary to

demonstrate the organization's readiness to fulfill the obligations of a risk contract. The Medicaid Agency will conduct a readiness review which will include desk and onsite reviews of information submitted by the organization.

(4) All requested documentation, information and/or demonstrations must be submitted or conducted as specified by the Medicaid Agency. The Medicaid Agency may require additional documentation or updates to submissions throughout the readiness assessment period.

(5) The organization shall produce or provide timely, convenient, and free access at reasonable business hours at the offices of the organization to all books, records, accounts, papers, documents, and electronic and other recordings in its possession or control relating to the matter related to the readiness assessment, including as applicable the property, assets, business and affairs of the organization.

(6) The organization shall make private office space available to the Medicaid Agency and its contractors for the duration of any onsite review without cost to the Medicaid Agency or its contractors.

(7) The organization's final submission of the readiness assessment tool and all required documents will serve as the organization's submission of the report required by Rule No. 560-X-62-.06(5)(c).

Author: Sharon Weaver, Administrator, Administrative Procedures Office.

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

History: New Rule: Filed January 22, 2015.