

WINDOM GALLIHER

MONTGOMERY UPDATE

FEBRUARY 12, 2016

Feds provide Medicaid a lifeline for RCOs

'Clean' lottery bill passes House Tourism Committee on a close voice vote

Governor Robert Bentley undoubtedly breathed a sigh of relief this week when he officially received the word from the federal government regarding a Medicaid waiver that would allow the state to proceed with this cornerstone of its reform efforts – the Regional Care Organizations (RCOs).

On Tuesday, joined by Speaker of the House Mike Hubbard (R-Auburn) and Senate Pro Tem Del Marsh (R-Anniston), Gov. Bentley made the announcement that the waiver had been approved, which would provide nearly \$750 million from the feds for Medicaid.

Over the next three years, Medicaid will receive \$328 million to provide the foundation for the RCOs, which are mandated to bear the risk of financial success or failure. Additional federal funds of about \$428 million could be drawn down over five years, but certain benchmarks must be met.

"Medicaid's leadership and staff have been collaborating with our stakeholders, the Centers for Medicare and Medicaid Services, the National Governors Association and others to develop a system that blends fiscal accountability with the opportunity to create an innovative healthcare system for Alabama," Gov. Bentley said at the news conference announcing the approval.

The state has created five geographic regions where a total of 11 RCOs are attempting to launch, effective Oct. 1, 2016. The goal of the plan is to transform Medicaid from a "fee for service" program to an outcome-based program.

Without the waiver approval, Alabama's reform effort would have been a non-



GOVERNOR ROBERT BENTLEY ANNOUNCES THE GOOD NEWS THAT THE FEDS WILL HELP PROVIDE SEED MONEY FOR MEDICAID REFORM EFFORT

starter. While the money certainly helps, Medicaid's needs from the FY2017 General Fund budget are still real. Commissioner Stephanie Azar will have a better story to tell budget writers when she appears before them the next time. Waiting behind the hospitals and doctors is the state's long-term care industry, which is ready to move on its version of RCOs called Integrated Care Networks (ICNs).

That was Tuesday's good news. The session day didn't go near as smoothly. The Senate took up an anti-child abuse bill that many thought would cruise through without much debate, but veteran Sen. Hank Sanders (D-Selma) had issues with some facets of the bill and helped bring the Senate to a crawl. After a long debate, Sen. Clyde Chambliss (R-Prattville) was able to navigate the filibuster and calm the waters. Ultimately, the bill

passed unanimously, but it was a much longer day than expected.

In the lower chamber, the House kicked off with one of its top agenda bills – creating an independent Taxpayer Advocate in the Department of Revenue. Rep. Mark Tuggle (R-Alexander City) handled an afternoon-long filibuster from Democrats, and ultimately passed the bill along party lines. The second bill, a tax credit bill for small businesses sponsored by Rep. Kyle South (R-Fayette), had a much easier time. It passed by a similar margin, and didn't take nearly as long.

Several big items were aired in committees Wednesday. Perhaps the most significant were a "clean" lottery bill by Rep. Alan Harper (R-Northport), which cleared

(Please see LOTTERY, Page 2)

Lottery

(from Page 1)

the House Economic Development and Tourism Committee on a voice vote, and a bill by Rep. Donnie Chesteen (R-Geneva) to boost broadband services at the state's K-12 schools. One major bill that faced a public hearing but no vote was a bill to create a longitudinal database to globally track student achievements and workforce needs. Rep. Terri Collins (R-Decatur) is carrying the bill and the hearing was in the House Education Policy Committee, which she chairs. A vote is expected next week. The Senate version of Rep. Harper's lottery bill – sponsored by Sen. Jim McClendon (R-Springville) – had a public hearing as

well without a vote.

On Thursday, the House took up another of its agenda bills – legislation to place the state Right to Work law into the constitution. Rep. Arnold Mooney (R-Birmingham) handled the bill, and dealt with another filibuster. As lunchtime neared, the vote was taken, but it fell three votes shy of the necessary 63 to pass the House.

Speaker Hubbard said the House would try again Tuesday when several absent members would return. It will likely pass then. The House also plans to deal with a bill by Rep. David Faulkner (R-Homewood) that would prohibit municipalities from setting a minimum wage rate other than what the state has in place.

The Senate began to plow through “Sunset bills” – legislation that reauthorized specific state boards and agencies. After handling about a half dozen bills, the Senate turned its work to confirming several appointees to the boards of trustees of the University of North Alabama and Jacksonville State University. Also confirmed were two new members to the State Ethics Commission – former Sen. Butch Ellis of Columbiana and former Montgomery Circuit Judge Charles Price. Following the confirmations, the Senate attempted to handle a few pieces of general legislation, but that slowed the process down quickly. Shortly thereafter, the Senate adjourned.

Next week, the Legislature will tackle a three-day workweek, which would put it on the verge of completing one-quarter of the session.

Note: The Windom Galliher Montgomery Update publishes weekly during the legislative session, monthly in the off-season, and as events warrant otherwise.