



March 21, 2013

**Authors Give Week  
to Absorb Medicaid Regional Care Plan**

**Send Suggestions to  
State Health Officer over Spring Break**

The authors of a plan to alter Medicaid 's structure and delivery in Alabama listened Tuesday to initial comments and asked that further suggestions or comments be sent to State Health Officer Don Williamson next week while the Alabama Legislature is in its spring break recess.

"We will massage the legislation to arrive at the best Medicaid product Alabama can produce," Sen. Greg Reed (pictured), R-Jasper, sponsor of [SB 340](#), told those who packed the House chamber and balcony for an almost two-hour public hearing. Reed and Rep. Rep. Jim McClendon, R-Springville, the chairmen of the Health committees in their respective chambers, presided over the hearing, which occurred outside the normal committee structure. The Senate Health Committee has set a noon, Wednesday, April 3, public hearing in the Joint Briefing Room on the Senate bill. The House companion,



[HB 454](#) by McClendon, has been assigned to the House Ways and Means General Fund Committee, which could hold its own hearing on the legislation.

The legislation authorizes the Alabama Medicaid Agency to divide the state into up to eight regions, which have to be capable of supporting at least two regional care organizations that will provide healthcare to Medicaid patients. Hospitals, doctors and other health-care providers would be among those likely to establish the regional care organizations, which would serve only Medicaid beneficiaries. Although risk-bearing, the regional organizations are not to be considered insurance companies. Actuaries will draw the regions to assure that there are enough Medicaid recipients in the region to make the regional care organization actuarially sound, Williamson said during the hearing.

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**BILLS**

**House**

- [HB 316](#)
- [HB 426](#)
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- [HB 474](#)
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- [HB 486](#)

**Senate**

- [SB 41](#)
- [SB 270](#)
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**Federal**

- [S. 336](#)



Under the regional care model, payments to the organizations would be made on a per-participant, or capitated, basis, rather than the current fee-for-service payment method. If a regional care organization "could provide care that met Medicaid's quality standards for less money than it received from Medicaid, it would make money. If it couldn't, it would lose

money," a summary of the bill states. Williamson estimates such a system based on outcomes rather than visits will save Medicaid between \$50 million and \$75 million annually.

The Alabama Legislature would not be the last word before such a system could be implemented. The whole process would be subject to federal approval. "Everything is subject to the Centers for Medicare and Medicaid Services," Williamson (pictured) said. The process set up in the legislation is based on a system the state of Oregon put in place slightly more than a year ago.

Under the timeline laid out in the legislation, Medicaid would have to establish the regions by Oct. 1. The regional care organizations must have their governing boards in place by Oct. 1, 2014; delivery networks in place by April 1, 2015; and meet financial solvency requirements by Oct. 1, 2015. The regions would move to a capitation model by Oct. 1, 2016, the beginning of the 2017 budget year.

"The timeline is aggressive," Williamson said.

[>> Detailed Summary of SB 340 / HB 454](#)

If you have comments or suggested changes on the legislation, send them to:

Dr. Don Williamson  
State Health Officer  
P.O. Box 303017  
Montgomery, AL 36130-3017  
[Or e-mail Dr. Williamson](#)

## LABOR AND EMPLOYMENT

### House Panel OKs Senate Right-to-Work Constitutional Amendment

The House Commerce and Small Business Committee gave its approval Wednesday to [SB 41](#) by Sen. Gerald Dial (pictured), R-Lineville, which would allow voters to decide if Alabama's "right to work" policy should be part of the Alabama Constitution. The bill now goes to the full House for final approval.



Should the bill become law, Alabama voters would decide in the next statewide general election whether to put the weight of the state constitution behind current policy that Alabamians have the right to work without their membership or lack of membership in a labor union being a condition of employment.

- [H.R.684](#)

## IN THE NEWS

[Medicaid proposal gets cautious reaction](#)

[Legislators hear comments on proposed Medicaid overhaul](#)

[Lawmakers: Expand Medicaid in state only after changes](#)

[Wetumpka City Council requests referendums on draft beer, Sunday alcohol sales](#)

[Brick-and-mortars push Senate against EBay-led tax exemptions](#)

[Are there 60 votes in the Senate for online sales taxes?](#)

[Online sales tax to be attached to Senate budget](#)

[Conservative opposition to the Marketplace Fairness Act is misguided](#)

[EBay goes after Amazon with fee changes for sellers](#)

[Senator's bill would eliminate state tax on food](#)

[Governor signs government efficiency measures](#)

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Dial told the committee that government changes and business and industries considering locating in Alabama want assurances that the state's right-to-work status won't change based on the whim of the Legislature. "*We need to preserve our right-to-work status, and let the people vote on it,*" said Rep. DuWayne Bridges, R-Valley, who will handle the legislation in the House.

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## UNEMPLOYMENT COMPENSATION

### Panel OKs Change in Definition of Employing Unit

Wednesday, the House Commerce and Small Business approved [HB 426](#) by Rep. Wes Long, R-Guntersville, which clarifies that an employing unit for unemployment compensation purposes can be an employer who acquires at least 65 percent of another employing unit in Alabama. Currently, an employer must acquire all of the assets of another employing unit to be considered an employing unit.

Unemployment compensation taxes are individual to each business based on a formula that takes into account wages paid; the amount of unemployment among current and former employees; the average duration and cost of unemployment benefits paid to all claimants over a three-year period; as well as shared costs. Consequently, the rate paid is individual to each employer.

Rep. Barry Moore, R-Enterprise, who presented the bill to the committee for Long, said this legislation makes it clear that if one business buys another, the unemployment compensation experience taxing rate of the purchaser is applied if the company owns 65 percent of more of the acquired company. The bill now goes to the full House for consideration.

The Senate Business and Labor Committee on Thursday, March 7, approved the Senate companion, [SB 270](#) by Sen. Clay Scofield, R-Arab. That bill is ready for consideration by the full Senate.

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## PRODUCT WARRANTIES

### Panel Carries Over Assistive Device 'Lemon Law'

The House Commerce and Small Business had lots of questions for Rep. Patricia Todd, D-Birmingham, about her bill that spells out duties for a manufacturers' warranty on assistive devices, including wheelchairs, scooters, hearing aids, voice synthesizers and Braille printers. She refers to her legislation as a "*lemon law for defective assistive devices.*" Since no one from the Governor's Office on Disabilities, which requested Todd present the bill, was present to answer questions, the bill was carried over at the call of Chairman Jack Williams, R-Birmingham.

If a manufacturer, dealer or leasing agent can't fix a defect in a device, [HB 316](#) calls for a full manufacturer refund plus finance charges and sales taxes or a replacement device within 30 days of the consumer returning the defective device. The bill's provisions only apply during the warranty period. The bill applies to individuals as well as governmental entities purchasing such a device for an individual. The bill also opens a new cause of action if the consumer doesn't get a refund or new device within a year of the violation.

[Brett Johnson](#)

Member Relations Mgr.

## LEGISLATIVE CONTACTS

To contact members

of the Alabama Legislature:

### WRITE:

Alabama State House

11 South Union Street

Montgomery, AL 36130

### CALL:

HOUSE: (334) 242-7600

SENATE: (334) 242-7800

### E-MAIL:

Most representatives can be reached through the House e-mail system by using the following format:

[firstname.lastname@alhouse.org](mailto:firstname.lastname@alhouse.org).

Those without e-mail addresses can be reached through the general e-mail address:

[house3@alhouse.org](mailto:house3@alhouse.org)

There is no general e-mail address for senators. [Click here](#) for a roster of the state senators with their complete contact information.

### CONTACT INFO:

Find a list of members of the Alabama House [here](#). A complete list of senators is available [here](#).

You can find out whose legislative district you live or work in under [Find Your Lawmaker](#) in the [Political Affairs](#) section of [alabamaretail.org](http://alabamaretail.org).

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## ALCOHOL

### Bills Would Allow Wetumpka to Vote on Draft Beer and Sunday Alcohol Sales

Rep. Barry Mask, R-Wetumpka, at the request of the Wetumpka City Council, introduced bills this week calling for referendums on the sale of draft beer and whether restaurants and similar businesses should be allowed to sell alcohol on Sundays.

**HB 474** authorizes the council to ask Wetumpka voters at the next city or referendum election if they favor draft beer sales.

**HB 475** would give the council 30 days to schedule a referendum to let voters decide if alcohol sales would be permitted between noon and 10 p.m. on Sundays at restaurants, hotels and nightclubs in the city.

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### Rogers Introduces Beer Alcohol Content Labeling Bill

Rep. John Rogers Jr., D-Birmingham, this week introduced legislation to require restaurants and bars serving beer in something other than the original container to inform customers of the alcohol content. **HB 486** leaves it up to the Alabama Alcoholic Beverage Control Board to decide the particulars of how to do that.

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## NEXT LEGISLATIVE DAY

**The Alabama House will convene at 1 p.m. Tuesday, April 2, for the 16th legislative day of the 2013 regular session of the Alabama Legislature. The Senate will meet at 1:30 p.m. The Alabama Legislature has completed half of this year's regular session and will take next week off for its spring break recess. The next issue of the Capitol Retail Report will be Friday, April 5.**

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## FEDERAL

### E-Fairness Test Vote as Early as Today; Sessions Shows Signs of Support

Appeals from Alabama retailers, including personal visits from Alabama Retail Association's chairman and vice chairman, appear to have won over at least one of Alabama's senators to the idea of requiring all retailers to collect sales taxes. Thanks to all who called or e-mailed Alabama's U.S. senators over the past two weeks and asked them to support the Marketplace Fairness Act.

Sen. Jeff Sessions, R-Mobile, told *Bloomberg News* on Tuesday, "I think the time may be here for that fix."



For committee assignments and clerk contacts for the Alabama Legislature, see [ARA's 2013 Legislative Roster](#).

BENEFIT FROM THE VALUE

### Nominate a Retailer of Year



Each year, ARA, in conjunction with the [University of Alabama at Birmingham School of Business](#), sponsors the Retailer of the Year program. Help us recognize the top retailers in Alabama and their accomplishments in the retail industry.

### DEADLINE FOR NOMINATIONS

**Friday, May 24**

Nominees will be asked to complete entry forms, which must be received by Friday, June 24. Winners will

Alabama Retail Chairman Dianne Wammack, who with her husband owns [Cameras Brookwood](#) in Vestavia Hills, and Vice Chairman George Wilder, owner of [The Locker Room](#) in Montgomery and Auburn, traveled to Washington, D.C., on Tuesday and met with both Sessions and Sen. Richard Shelby, R-Tuscaloosa, to urge them to help end the madness of the U.S. government giving Internet and other remote sellers an unfair price advantage over Main Street retailers by not requiring remote sellers to collect sales taxes.



A test vote on e-fairness could come as early this evening. If 60 senators vote for a non-binding amendment to the Senate budget resolution calling for all retailers to collect sales taxes, it could signal the Senate is ready to move ahead with [S. 336](#), the Marketplace Fairness Act. The Senate bill already has 26 co-sponsors.

The House companion, [H.R. 684](#), has 47 co-sponsors, including U.S. Rep. Spencer Bachus, R-Birmingham, chairman of the House Judiciary subcommittee, which will be the first to consider the House bill.

**The Alabama Retail Association thanks Sessions and Bachus for their support for this legislation** that would allow states to require online businesses to collect sales taxes. The proposed legislation would exempt sellers with less than \$1 million in annual online sales.

be notified before Aug. 1.

## HOW TO NOMINATE?

Just complete the [online nomination form](#)

[Learn more](#)

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## KNOW A RETAILER IN BUSINESS FOR 100 YEARS OR MORE?

Retail businesses that began operating in Alabama in 1913 or earlier are eligible to be recognized as an [Alabama Centennial Retailer](#)

## Nominations are due Monday, June 3

Businesses can only be recognized once as a Centennial Retailer. Before making a nomination, check first to see if the business has already been honored. [View those previously honored as Centennial Retailers](#)

[Nominate a  
Centennial Retailer  
Now !](#)

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