

Alabama

Proposed budget launches debate on Medicaid funding



Senate budget chairman Trip Pittman talks to reporters after the General Fund committee approved a budget plan that Pittman said should launch a debate about funding for Medicaid. (Mike Cason/mcason@al.com) ()



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The Alabama Senate's General Fund committee today unanimously approved a budget that would level-fund the Alabama Medicaid Agency, which had sought an increase of at least \$100 million.

Chairman Trip Pittman, R-Montrose, said the bill is mainly to launch a debate about the question of how to pay for Medicaid while also tending to other critical services, such as prisons, Mental Health, DHR and courts .

Medicaid provides services to about 1 million Alabamians and is by far the biggest spender of General Fund dollars.

Also, the state has spent several years planning to transform Medicaid to a system of regional, managed care organizations, an innovative plan recently approved by the federal Centers for Medicare and Medicaid Services.

But the transformation could come to a halt under a level funded budget.

Medicaid Commissioner Stephanie Azar told the committee that level funding the agency next year would force cuts in services, which she said would cause the Centers for Medicare and Medicaid Services to stop plans to provide the state with up to more than \$700 million to help pay for the transformation to managed care.

Azar said one of the conditions of approval of the federal waiver was that the state at least maintain its current Medicaid program, which she describes as bare bones.

Pittman said the budget is expected to be debated on the Senate floor on Thursday.

Overall, the budget would boost spending from the General Fund by \$65 million, 3.7 percent over this year, to \$1.8 billion.

More than one-third of that, \$685 million, would go to Medicaid.

Pittman said by keeping Medicaid funding level, most other agencies were able to receive slight increases, level funding, or slight cuts.

He said other agencies would have generally faced 10 percent cuts if Medicaid received the full amount it requested.

Gov. Robert Bentley proposed moving \$181 million in recurring tax revenues from the Education Trust Fund to the General Fund. The governor's budget called for a \$100 million increase for Medicaid.

Bentley proposed offsetting that cut to education by taking \$181 million from a savings account next year. He did not propose how to offset the loss in future years.

The budget approved by the committee today did not include the education transfer.



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