

Alabama Medicaid budget cuts likely without additional funding

Medicaid program cuts became more likely after the Alabama Legislature adjourned its annual session May 4 without providing the additional funds needed by the Alabama Medicaid Agency to maintain its current operations and reform its existing fee-for-service system.

Alabama Medicaid Commissioner Stephanie Azar emphasized that without additional funding, the Alabama Medicaid program will have to make significant changes.

"I think it's important for Medicaid providers and recipients to prepare for the impact of these cuts, because this is the budget for Medicaid at this point in time," she added.

Governor Robert Bentley had asked for \$785 million from the General Fund to continue the existing Medicaid program without payment reductions to primary care physicians and other cuts and to move forward with the Agency's transformation initiative. The Legislature appropriated \$700 million to the Agency from the General Fund and later overrode the governor's veto of the \$1.8 billion budget.



At an April news conference, Governor Bentley and Commissioner Azar warned that the \$700 million Medicaid appropriation from the General Fund budget will require the Agency to cut services and provider payments to balance its budget in the fiscal year that begins October 1, 2016. No decision has been made regarding what cuts will be made or the timetable for the cuts to be made, Commissioner Azar said.

In making cuts, the Agency is limited to programs and services that are considered "optional" by the federal government. To make up the shortfall, Medicaid can cut benefits for adult eyeglasses, hospice, outpatient dialysis, prosthetics and orthotics, and medications for adults.