

Level funding approved for Alabama Medicaid budget in FY 2016

After two special sessions and much debate, the state of Alabama now has a General Fund Budget for the fiscal year that begins October 1, 2015. Governor Robert Bentley signed the state General Fund budget on September 16 after days of discussions by legislators over how to fund Medicaid and other General Fund agencies.

The Alabama Legislature adjourned after approving a \$1.75 billion General Fund budget which included \$685 million for the Medicaid agency's operations and a conditional appropriation of \$40 million to continue reforms of its payment and delivery systems. Legislation to provide an additional \$16 million in provider taxes for Medicaid was approved as well.



*Gov. Bentley signs state FY 16 General Fund budget.
(Photo credit: Jamie Martin, Governor's Office)*

While many state agencies experienced substantial cuts, Medicaid was level funded, thanks to legislative approval of a 25-cent-per-pack cigarette tax and the transfer of \$80 million from education funds to cover the projected \$200 million shortfall in the General Fund.

“Balancing the budget is a difficult job every year because there are many competing needs,” Medicaid Commissioner Stephanie Azar said. “We deeply appreciate the commitment the Legislature has made to fund essential health care services for more than 1 million Alabama citizens on Medicaid during the next year.” She

also expressed her appreciation to Governor Bentley and to provider and other organizations for their support of the Agency's funding request.

Azar conveyed her confidence that Medicaid will be able to move forward with RCO implementation as planned while maintaining current services during FY 2016 based on the conditional appropriation approved during the special session.

“Governor Bentley supports Medicaid transformation and is working to ensure that Medicaid receives additional funding for FY 2016 so our transformation efforts continue to move forward,” she said.