

Alabama Legislature boosts Medicaid budget in special session

Bill requires reinstatement of “bump” payments

The Alabama Medicaid Agency will again move forward with its plans to implement managed care for Medicaid recipients following a special legislative session that increased funding to the agency for current operations and for implementation of Regional Care Organizations. The Agency has been on hold since May 2016 when the legislature appropriated \$700 million from the General Fund, \$85 million less than needed.

A total of \$190 million in additional funding for the Agency over the next two fiscal years was appropriated during a special session that ended September 7, including \$120 million from BP settlement funds. Additionally, legislators were able to free up about \$70 million for the Medicaid program in 2017 in a compromise agreement. The infusion of funds will enable the Agency to move forward with its reform efforts.



After legislators adjourned, Governor Robert Bentley announced that passage of the bill to allocate funds to Medicaid also would make it possible to restore enhanced payments to primary care physicians – popularly known as “the bump” – that were ended August 1 to avoid a budget deficit. The cut would have saved approximately \$15 million for the General Fund. A date to reinstate the payments has not been set.

Medicaid Commissioner Stephanie Azar expressed her appreciation to the governor and legislature for their support of Medicaid and its recipients. “I appreciate all of the hard work that has gone into these very difficult decisions.

Governor Bentley and the Legislature have made it possible for the Agency to continue its efforts to improve the quality of care provided to our recipients while implementing cost efficiencies for the state.”