

# 90 percent of commenters oppose Alabama Medicaid work plan

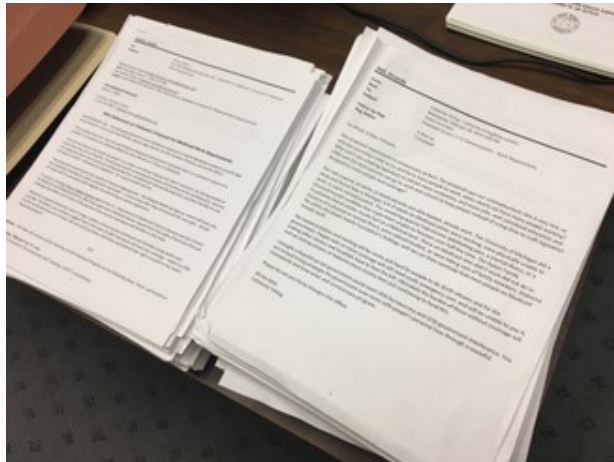
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By **Mike Cason**, [mcason@al.com](mailto:mcason@al.com)



The Alabama Medicaid Agency received 800 public comments on its proposal for work requirements for some able-bodied parents. (Mike Cason)



Gov. Kay Ivey's proposal for new work requirements for a small segment of Alabama Medicaid recipients, a policy encouraged by the Trump administration, drew opposition from more than 90 percent of those who sent comments to the state agency.

Ivey issued a statement Wednesday morning reiterating her support for the idea.

A report issued today by the Center on Budget and Policy Priorities found fault with the Alabama plan. The report said the proposal, as well as similar ones by other states, creates a "catch 22" for the low-income families who would be affected.

The report says many parents who follow the new rules and get jobs will still lose their Medicaid coverage because their incomes will rise above the Medicaid eligibility level.

"If they work they lose coverage and if they don't work they still lose coverage," Judith Solomon, senior fellow for the Center on Budget and Policy Priorities, said on a conference call with reporters today.

#### The Center on Budget and Policy Priorities report.

The center's report says Alabama's proposal for six months of transitional coverage for those who lose eligibility would be inadequate.

Many of those who lose Medicaid will be unlikely to obtain coverage through their employers because low-wage and part-time jobs often don't come with that benefit, the

report says.

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They would also face an obstacle to buying insurance on the marketplace created by the Affordable Care Act. Subsidies are available to help pay those premiums but only for those who earn at least the federal poverty level, which is \$16,460 for a family of two. Many Medicaid recipients who take jobs to meet the new work requirements would fall short of that, the report says.

Those recipients would fall into the "coverage gap," which means they make too much for Medicaid but not enough for the Affordable Care Act subsidies.

"Work requirements will almost certainly result in large coverage losses among these parents, with harmful consequences for their children's health and well-being as well," the Center on Budget and Policy Priorities report says.

In a statement released Wednesday morning, Ivey said: "Implementing work requirements for the able-bodied Parent or Caretaker Relative eligibility group will save

taxpayer dollars and will reserve Medicaid services for those that are truly in need of assistance.

"The Alabama Medicaid Agency is working hard to be good stewards of limited resources while also keeping to the original Medicaid program design. Seeking to implement work requirements is a sensible approach to right-sizing government and is a continuation of my effort to ensure state government is effective, efficient and managed in accord with our conservative principles."

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The concerns in the Center on Budget and Policy Priorities report are also expressed in many of the 800 public comments received by the Alabama Medicaid Agency on the work requirement proposal, announced earlier this year. There were 749 comments against and plan and 51 for it.

The "catch 22" issue and other concerns were also raised at public hearings held by Alabama Medicaid in March.

The state agency announced earlier this year it would seek federal approval for the new work requirements. They would apply to able-bodied recipients in a Medicaid

category called Parents or Caretaker Relatives, a group that includes those with a child or close relative at home and an income of no more than 18 percent of the federal poverty level, \$2,963 a year for a family of two. Alabama's eligibility threshold is the nation's lowest.

Medicaid estimates about 17,000 people would be subject to the new requirements. That's out of a total of about 74,000 in the Parents or Caretaker Relatives group. Work requirements would not apply to those who are disabled, pregnant, 60 or older or taking care of a disabled child or adult. Also exempted are those in a medical treatment program for addiction, single custodial parents with a child 12 months or younger and single custodial parents with a child under 6 for whom child care is not available.

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Medicaid said the goal of the plan would be to identify Medicaid recipients who are able to work and assist them in finding work, training or other work-related activities, and to improve the health and economic security of those families.



Medicaid says the plan will be similar to work requirements for Temporary Assistance for Needy Families, the cash welfare program, which serves far fewer people in Alabama than Medicaid. It generally requires 35 hours a week of employment related activities, or 20 hours a week for those with children younger than 6.

Under the Medicaid proposal, acceptable activities would include a job, job training, job search and readiness activities, school, GED classes, college or vocational school. Volunteer work also would qualify.

Medicaid projected the proposal would save about \$78 million in state and federal tax dollars by 2023 by reducing Alabama's Medicaid rolls by 17,000.

The Alabama Medicaid Agency is the biggest consumer of taxpayer dollars from the state's General Fund, even though federal funds pay most of the cost. Medicaid's General Fund appropriation for next year is \$755 million, more than one third of the \$2 billion fund.

Close to one million Alabamians receive some level of Medicaid service, mostly children, the disabled and the elderly.

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The new work requirement plan would require approval by the federal Centers for Medicare and Medicaid Services (CMS). The Alabama Medicaid Agency has not yet submitted the proposal to CMS.

The agency accepted public comments through April 2 and will incorporate a summary of those in its proposal to CMS, Medicaid spokeswoman Robin Rawls said.

Many of the responses from individuals came through online surveys set up by the Southern Poverty Law Center and Alabama Arise, which oppose the plan. Most of those individual responses were in opposition to the plan.

Among the organizations that sent in comments opposing the plan were the Alabama Hospital Association, the Medical Association of the State of Alabama, the Alabama Diabetes Association, the Leukemia and Lymphoma Society, the Epilepsy Foundation of Alabama, the Arthritis Foundation, the American Lung Association in Alabama, the ARC of Alabama and the Alabama Disabilities Advocacy Program.

Dr. Don Williamson, president of the Alabama Hospital Association, wrote that the plan would effectively penalize work, would be costly to implement and would require hospitals and doctors to provide more uncompensated care as people lose their Medicaid coverage.

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The Alabama Policy Institute wrote in support of the plan, saying work requirements are critical to the sustainability of Medicaid and to preserve resources for those truly in need.

Some of the individual commenters were also supportive.

"I am seventy years old, I raised my son by myself, I only had a GED. I never got any help from anyone. I paid the rent, utilities, bought food, clothes, paid doctor bills. I never received food stamps or anything! If you want to you can do it by yourself."

But another wrote:

"This proposal is wrong and mean. As I understand it, a family would not qualify for Medicaid unless the parent(s) work. But if they only earn minimum wage at a part-time job they also would not qualify. Alabama can do better than this for our poorest citizens."

*This story was updated at 9:06 a.m on June 13 to add statement from Gov. Kay Ivey.*

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