

# Lawmakers to hold hearings on Medicaid impasse

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Lawmakers will go over the Alabama Medicaid Agency's spending from top to bottom in a series of hearings beginning next month, the Senate budget chairman said Tuesday.

The move comes as legislators prepare to stiff-arm Medicaid on their way to the next fiscal year. Officials at the agency say they need \$785 million to keep the agency running next year without potentially dire changes. Lawmakers have questioned the agency's numbers, and both houses have already approved a budget that gives the agency \$85 million less than it requested.

"Even if we find the money, there are questions about this program that need to be answered," said Sen. Trip Pittman, R-Daphne, chairman of the Senate Finance and Taxation Committee.

Medicaid, the state-and-federal health insurance program for the state's poorest residents, has deviled state budget writers in recent years. Medicaid rolls swelled to more than 1 million clients in the wake of the 2008 recession, and the state's cost to run the program has nearly doubled in the past 10 years.

Lawmakers thought they were getting a handle on the problem after passing a sweeping 2013 reform bill that would place Medicaid's patients under "regional care organizations," or RCOs, that function like managed care plans. Advocates for the plan said it would "bend the cost curve," slowing the growth in Medicaid spending.

The RCOs don't start operating until Oct. 1. Medicaid officials earlier this year said they needed a \$100 million increase to their \$685 million 2016 budget just to continue offering the same services and paying doctors the same prices for them.

Medicaid officials also claim the federal government could pull out of the state's reform plan — taking with them more than \$700 million in federal aid — if the money isn't there. Multiple attempts to reach officials with the Center for Medicaid Services for comment on whether the federal government would indeed pull out, have been unsuccessful.

Some in the Senate say it's not entirely clear why the price tag for the program keeps going up. Medicaid officials have cited a variety of reasons, from medical inflation to increased demands on



The State House

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state money after federal stimulus dollars ended.

Pittman, who voted against the 2013 Medicaid reform plan, said the reform plan itself could be a factor, because RCOs would have to be paid from a stable source of money. Lawmakers have often relied on one-time windfalls to patch holes in past budgets.

“I think everybody needs to understand just how this system is cobbled together,” Pittman said.

Pittman said he and House budget chairman Rep. Steve Clouse, R-Ozark, plan to convene a series of joint hearings in which Medicaid officials lay out all the spending by Medicaid — about \$6 billion per year in state and federal money — and look for ways to cut costs.

As committee chairmen, Pittman and Clouse can convene subcommittees with little outside input. Medicaid spokeswoman Robin Rawls and Jennifer Ardis, spokeswoman for Gov. Robert Bentley, said Tuesday that they hadn’t heard about the hearings.

One of the architects of the 2013 Medicaid reform plan, Sen. Greg Reed, R-Jasper, said he welcomes the hearings.

“If other folks would dive into this the way I’ve been doing for the past four years, that could only help,” he said.

Reed said he’s heard lawmakers talk of “pulling the plug” on Medicaid because of its increased demand on the budget.

“I ask them, what’s the definition of ‘pulling the plug?’” he said. “What does that mean? What are we going to do?”

Reed and other Medicaid advocates have said the program forms the backbone of the state’s medical economy, for people both on and off the Medicaid rolls.

Advocates for more spending have also occasionally used plug-pulling imagery, citing the possibility that Alabama would fall below federal minimums for the program and lose federal Medicaid funding.

Rawls, the Medicaid spokeswoman, said letting the program lapse altogether is possible in theory.

“Medicaid is a voluntary program, so theoretically a state could decide not to participate,” she said. “But we’d have a \$6 billion hole.”

Gov. Bentley has been one of the chief advocates for increasing Medicaid’s spending this year. Bentley has said he’ll veto the already-passed budget and call lawmakers back for a special session, if need be, to find money for the Medicaid.

But Bentley has been weakened by an ongoing scandal. Recently fired former state law enforcement director Spencer Collier accused Bentley last week of engaging in an extramarital affair with top aide Rebekah Mason. Bentley and Mason have both denied having a sexual relationship, but the governor

did admit to and apologize for sexually-charged comments to Mason, which were caught on a recording and leaked to the press.

“We can’t discuss Medicaid,” said Rep. Craig Ford, D-Gadsden, leader of House Democrats. “We can’t discuss anything until he resigns.”

The Legislature reconvenes Tuesday. They can overturn Bentley’s veto of the budget by a simple majority vote.