

Agency heads: Cuts will have consequences

Brian Lyman, Montgomery Advertiser 4:50 p.m. CDT April 8, 2015



(Photo: File)

Cuts to state agencies could play havoc with the state's health and corrections systems and draw the attention of the federal government.

That was the message of agency heads who made their budget presentations to lawmakers on Wednesday, as the state tries to address major shortfalls in the state's General Fund budget.

Officials from the Alabama Medicaid Agency; the Alabama Department of Corrections and the Alabama Department of Mental Health outlined the effects of cuts both large and small. A draft budget distributed by chairs of the Legislature's General Fund committees last week estimated an overall reduction of 11.5 percent in the General Fund if legislators do not approve new revenues.

Even small cuts, said officials, would have serious effects on the services the state delivers and could lead to legal action against the state.

Medicaid

The Alabama Medicaid Agency faced the smallest cut in the proposed General Fund budget, amounting to about three percent. But Dr. Don Williamson, who is overseeing changes to the way Medicaid is delivered in the state, said even that cut would make the program "no longer viable."

- A worst-case three percent scenario would require elimination of optional programs – "optional for Medicaid, not for the patient," Williamson said – including adult eyeglasses, outpatient dialysis, hospice and orthotics. Additional funding for physicians would be dropped, and a pharmacy benefit manager would be imposed.
- Williamson said things would be even worse with a 15 or 30 percent cuts. At those levels, the Legislature would have to alter the state's tax code and win approval from the federal government, which was unlikely to approve plans that limit patient access.

Corrections

The Alabama Department of Corrections would face a cut of roughly five percent under the draft budget. The state's prisons face an overcrowding crisis; current capacity is 185 percent, which has contributed to violence within the system. Corrections Commissioner Jeff Dunn said Wednesday a budget cut would only make things worse.

- With the proposed cut, Dunn said the department would have to close Ventress Correctional Facility in Clayton and Red Eagle Community Work Center in Montgomery. The department would also end the leasing of beds and reduce community corrections investments.
- Those closings, Dunn said, would bring 3,500 inmates into the overcrowded system, pushing capacity to 222 percent. Dunn said that would create "an unacceptable risk to our security staff and our ability to supervise prisons . . . I believe we would see increased incidents of violence."

Mental Health

The Department of Mental Health has shut down hospitals and laid off staff in recent years and moved toward a community-based health care system. Commissioner Jim Reddoch said that the proposed 23 percent cut – about \$35.2 million – would translate to a \$99 million cut due to the loss of federal matching funds.

- The reductions would require cuts to intellectual disability programs and mental health & substance abuse programs.
- With those cuts, Reddoch said there was "no place to send them." "If this budget or anything close to this budget passes, it will dismantle the system of community mental health."

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