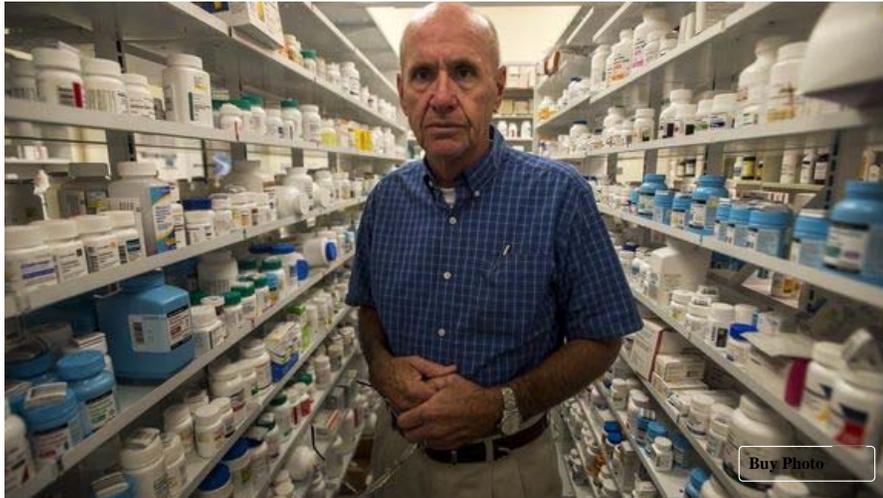


# Health care providers anxiously await Medicaid fix

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To see the potential impact of Medicaid cuts, look at City Drug on Dexter Avenue.



**Hamp Russell poses for a portrait on Thursday, Jun. 30, 2016 at City Drug in Montgomery, Ala. (Photo: Sean Logan/Advertiser)**

Between 20 and 25 percent of the pharmacy's clients are on the program. Many lack transportation, so City Drug delivers prescriptions.

But to make up an \$85 million shortfall, the Alabama Medicaid Agency is considering cuts to many programs, including adult pharmacy. That would affect City's Drug's patients – and its employees.

"It would be drastic for us," said Hamp Russell, City Drug's owner. "We wouldn't have enough revenue to make payroll and things like that."

It wouldn't be pharmacists alone. The program not only provides coverage to low-income Alabamians, most of whom are children, but also plays a key role in keeping many health care providers' doors open. State hospitals, which depend on Medicaid patients coming through their doors, might take a hit if the budget goes into effect Oct. 1. Pediatricians also warn of longer waits and fewer doctors should Medicaid not receive the funding it seeks.

Providers hope for a special session that could find the revenue the program needs. Gov. Robert Bentley says [he is considering one \(/story/news/politics/southunionstreet/2016/05/05/bentley-special-session-bp-medicaid-prisons-possible/83983446/\)](/story/news/politics/southunionstreet/2016/05/05/bentley-special-session-bp-medicaid-prisons-possible/83983446/). Without new revenue, both Bentley and Medicaid Commissioner Stephanie Azar warn that many Medicaid services will see reductions.

Cuts to physicians' reimbursements could create the biggest shock wave. Doctors in Medicaid are getting paid at the higher Medicare level – known as a bump – which increases participation and improves access. Without it, many would be hard-pressed to stay in. According to a survey commissioned this spring by the Alabama Academy of Pediatrics, 42 percent of pediatricians said they would have to turn Medicaid patients away if the bump went away. The number rises if the cuts go beyond the elimination of the bump, which Medicaid has not ruled out.

Linda Lee, executive director of the Alabama Academy of Pediatrics, said further cuts could force some pediatricians to cut staff, which would lead to longer waiting times for the

privately-insured, as well as those receiving Medicaid. The cuts could also force some practices to close.

“We always talk about access to care,” she said. “Well, what does access to care mean? It means being able to make an appointment, to get to a doctor. Those two things will be impacted.”

The shortfall could also affect a long-term plan to move Medicaid into a managed-care type program. Under the proposal, the state would move patients into [regional care organizations \(RCOs\)](#) ([/story/news/politics/southunionstreet/2016/02/09/feds-give-alabama-go-ahead-medicaid-changes/80028350/](#)), with a goal of changing the program’s fee-for-service model to one that compensates providers based on outcomes.

The Centers for Medicare and Medicaid Services (CMS), the federal agency that administers Medicaid, approved a waiver for Medicaid in February earlier this year that could allow the state to bring in \$328 million to set up the program. An additional \$420 million would be available if the state reached certain benchmark health improvements, such as reductions in its infant mortality rate.

But Medicaid officials say CMS will have second thoughts about the waiver if the state does not provide enough funding to maintain current services.

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## The ongoing discussion

Azar met with health providers this week. But decisions on cuts or a special session remain possibilities. Yasamie August, a spokeswoman for Bentley, said the governor is “trying to find enough revenue for the RCOs to survive.”

Robin Rawls, a spokeswoman for the Alabama Medicaid Agency, said the agency was weighing its options.

“It’s all still under discussion because clearly CMS is involved (and) the governor’s involved,” she said.

The kind of revenue that might save the program remains an issue. Legislators are unwilling or unable to create new revenue that could help the program. Under a BP settlement bill considered by legislators last spring, Medicaid would have received \$70 million of the \$85 million it needs. The legislation died amid a fight between north and coastal Alabama legislators [over the distribution of road money](#) ([/story/news/politics/southunionstreet/2016/05/03/bp-medicaid-bill-imperiled-over-road-funding-fight/83846068/](#)).

The fight led legislative leaders at the end of the session to say Medicaid [would have to](#)



Alabama Medicaid Commissioner Stephanie Azar and Governor Robert Bentley discuss the budget impact to Alabama Medicaid Agency at the State Capitol Building in Montgomery, Ala. on Wednesday April 6, 2016.

*(Photo: Mickey Welsh / Advertiser)*

[accept the budget it had \(/story/news/politics/southunionstreet/2016/05/06/alabama-legislature-2016-things-undone/83991484/\)](#). Leadership did convene a series of joint hearings [\(/story/news/politics/southunionstreet/2016/04/20/alabama-medicaid-begins-making-its-case-legislators/83315744/\)](#) to allow Medicaid to make its case to legislators skeptical of their spending. The last meeting took place late last month.

"I think it helped explain their position, and how I think the membership by and large thinks Medicaid is justified in what they're asking for," said House Ways and Means General Fund Chairman Steve Clouse, R-Ozark. "But I don't see where the funds are coming from."

Senate President Pro Tem Del Marsh, R-Anniston, said that while there was “no appetite” in his chamber for revenue to address the ongoing General Fund woes, the discussions about BP money would continue.

“Obviously, south Alabama would like to see something resolved,” he said. “They feel their share of that money should be coming to south Alabama.”

The tumult in the Alabama House of Representatives adds another loop to the knot. With former House Speaker Mike Hubbard’s removal from office last month after [his conviction \(/story/news/politics/southunionstreet/2016/06/10/hubbard-closing-statements-conclude-jury-deliberate/85688936/\)](#) on 12 felony ethics charges, the chamber is looking for a permanent leader. Five candidates, [including Clouse \(/story/news/politics/southunionstreet/2016/06/22/clouse-gaston-out-alabama-house-speaker-race/86255782/\)](#), have stepped forward. But Clouse does not expect a vote on a speaker until later this month, at the earliest. Even if a speaker is in place by then, a special session will depend on a plan with a chance of passage.

“If there’s no solution talked about, I don’t think it’s worthwhile to call one before we have a particular proposal,” he said.

### **Hold and wait**

Providers are trying to dig in. Cuts to Medicaid would hit rural areas – with high levels of poverty and a lack of health care professionals – especially hard. Their closings could affect large numbers of people.

“For the pharmacies with a high percentage of Medicaid, they end up closing,” said Louise Jones, executive director of the Alabama Pharmacy Association. “That then means all their patients that aren’t Medicaid, cash-based or covered by Blue Cross, they’re not going to have anywhere to go.”

Danne Hose, executive vice president and chief policy officer of the Alabama Hospital Association, said rural hospitals “are in a more fragile position than ever.”

“I think everybody’s in a hold and wait pattern to see what’s going to happen,” she said. “We are very hopeful that there will be a special session. We want to bring long-term sustainable funding options when we get to the session.”

On Dexter Avenue, Russell says cutting Medicaid will, in the long run, cost more than it saves.

“They’re going to end up in emergency rooms and things like that,” he said. “Their appropriate drug therapy is saving money. They would be seeking treatment, whereas now they’re being controlled by taking blood pressure medicine.”



Hamp Russell fills a prescription on Thursday, Jun. 30, 2016 at City Drug in Montgomery, Ala. (Photo: Sean Logan/Advertiser)

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