

Birmingham hospitals rally for Sept. 18th vote to aid state general fund

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By **Kim Chandler -- Montgomery Bureau**



Alabama Gov. Robert Bentley says that he is supporting a campaign to gain passage of a constitutional amendment allowing diversion of money from the state trust fund. The money would go into the general fund to help shore up Medicaid and other state services. (The Birmingham News file/ Hal Yeager)

MONTGOMERY, Alabama -- At the Benjamin Russell Hospital for Children in Birmingham more than half of admitted patients are on Medicaid.

But potential cuts to Alabama's Medicaid program threaten health care for all children, not just those on Medicaid, said Mike Warren, president and CEO of Children's of Alabama.

Alabama hospitals and other health care providers are helping rally yes votes for a Sept. 18 referendum on whether to divert money from a state savings account to the General Fund. Hospital officials argue that the deep cuts to Medicaid that might happen if the amendment fails will threaten a keystone of the state's entire health care system.

"It's not just about Medicaid. It's not just about Medicaid recipients. Medicaid is a thread throughout the entire health care delivery system that holds the whole fabric together," said Danne Howard, vice president of governmental relations for the Alabama Hospital Association.

Voters go to the polls Sept. 18 on a proposal to give the state's fiscally ailing General Fund budget a boost from a state savings account. The proposal would transfer \$145 million a year for three years from the Alabama Trust Fund, a state savings account fueled by royalties from offshore drilling, to the General Fund.

Lawmakers wrote next year's \$1.6 billion General Fund budget banking on the amendment's passage so General Fund agencies, including Medicaid and the Department of Corrections, could see deep cuts if it fails.

"As CEO of Children's of Alabama one of my big concerns is how we continue to provide pediatric health care to all of the children in this state. . . . Frankly, I don't know if we've ever had a bigger challenge to our continuing ability to do that," Warren said.

Warren said Medicaid is a crucial revenue stream for Children's that benefits all of their patients regardless of what type of insurance they have.

"About a total of 60 percent of our patients and 50 percent of our income comes from Medicaid," Warren said.

Warren said while it's not practical for every hospital to have a pediatric neurosurgeon on staff, Children's of Alabama is able to have four because of their patient volume and because of revenue from Medicaid.

"If we didn't have the contribution from Medicaid, we as a hospital could not provide the kind of subspecialty care that we do now," Warren said.

"The reason (people) care, or ought to care, is if their child falls off a jungle gym at school or has an accident at football practice and has a concussion, they may well need a pediatric surgeon to look at them. Will that surgeon be there?" Warren said.

Alabama's Medicaid program provides health care to about 900,000 poor Alabamians -- mostly children, the disabled and senior citizens in nursing homes.

State Health Officer Don Williamson said last month that the program is facing an "uncontrolled" train wreck if the amendment fails and he is uncertain if

the state can run a federally compliant program without the funds.

The campaign for the Sept. 18 vote has so far been low key, absent of massive advertising campaigns, as hospitals, nursing homes and others use their resources to rally yes votes with posters, communications to employees and other efforts.

"We want to encourage people to allow us the chance to get through this difficult time. We are doing the things that the people of Alabama expect. We are rightsizing government," said Gov. Robert Bentley, who in advance of the vote has been touting efforts to shrink the cost of state government.

Bentley said while he is certainly working for the amendment's passage, others will be taking a lead role in the campaign.

"I think the people who are affected by the loss of revenues are going to be the most active in trying to get their people out to vote for it. I am very strongly for this because we want to get through this difficult time," Bentley said.

The Alabama Nursing Home Association is another group promoting yes votes. The group gave \$125,000 to the Keep Alabama Working PAC formed to promote its passage.

The proposed constitutional amendment would also alter the distribution from Trust Fund. So in addition to the \$145 million, the General Fund would also get an extra \$52 million next fiscal year. Lawmakers wrote next year's \$1.6 billion General Fund budget banking on the amendment's passage.

If it fails, state agencies would have \$197.8 million less than budgeted, which could lead to 11.8 percent across-the-board cuts unless other revenue is found.

Weaken services

"Significant cuts to Medicaid could weaken the health care services the Birmingham region is known for throughout the world," said Brian Hilson, president and CEO of the Birmingham Business Alliance. Howard said Alabama's bare bones Medicaid program does not have many places to cut, and any cuts that are made would have a ripple effect. If the state cuts drug coverage, Howard said the "domino effect is that people get sick because they can't afford their drugs and they show up in their emergency room not in good shape."

"The most important thing is we are putting the lives and welfare of our citizens at risk," Howard said.

Some lawmakers during the last session suggested other means of funding Medicaid such as a cigarette tax. However those efforts fell flat among tax allergic legislators.

"I'm not saying this is a terrific solution. I'm just saying it's the only option we have in front of us. To say no to it, I think is to ignore our responsibilities as citizens and people I hope would care about the health care of kids," Warren said of the Sept. 18 vote.

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