

## Medicaid crisis if Sept. 18 vote fails, state's chief medical officer says

Alabama's chief public health official said Medicaid will be in deep trouble if voters do not approve a Sept. 18 referendum to take more than \$437 million from a state trust fund and use it to prevent huge cuts in spending on state programs for three years.

The constitutional amendment, if approved by voters, would take \$145.8 million a year for three years out of the Alabama Trust Fund to help balance the budget during a time when tax collections are expected to see little growth.

Some critics say the Alabama Trust Fund was initially set up more than 30 years ago to prevent state officials from raiding oil and gas revenue every time the state has a funding crisis.

State Health Officer Don Williamson, who is temporarily overseeing funding for Alabama's health care program for the poor, said without receiving money from the trust fund the Medicaid program would be \$100 million in the red.

He said this could jeopardize programs that provide medicine for poor patients, reduce payments for doctors who treat

Medicaid patients, send more poor patients to emergency rooms and eliminate optional Medicaid programs such as providing life-saving dialysis treatment.

"These are life-threatening choices," Williamson said.

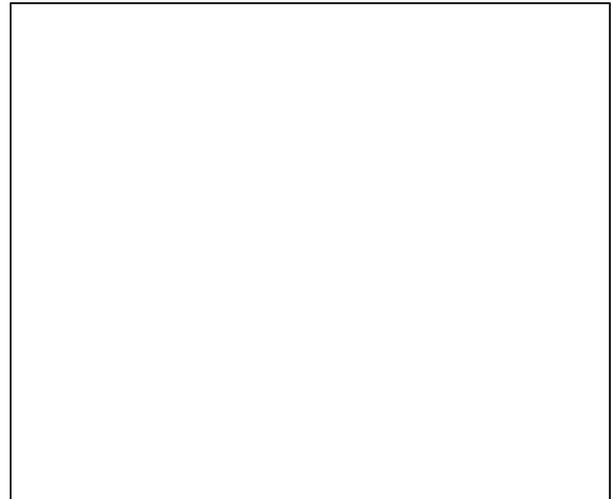
Williamson told The Associated Press that the funding crisis is real and could have a profound effect on health care for Alabama residents, particularly children and the poor.

He said failing to fund Medicaid at an appropriate level would affect more than just Medicaid patients. He said some hospitals would face shutting down because they depend on Medicaid money.

"Further cuts would endanger our ability to protect the health of Alabama residents," Williamson said.

Gov. Robert Bentley, a Republican, said he's optimistic the referendum will pass "despite all of the doom and gloom talk."

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He said the Medicaid funding problem is just another part of difficult financial time for state government.”

“It’s the most difficult time since the Great Depression,” the governor said. “I’m going to trust that it will pass, but if it doesn’t pass, we’ll get through this.”

Bentley said he’s asked his department heads to look for ways to find additional revenue.

Opponents said the crisis can be solved without raiding the state’s savings.

“We’re going to offer a solution. We’re going to come up with it,” House Minority Leader Craig Ford of Gadsden said.

He said Democrats still were crafting a solution and would announce it several days after the Sept. 18 vote if the referendum is defeated.

Ford voted for the proposed constitutional amendment in the House in May because he said he always supports letting the people vote on issues. But he said he feels it’s a temporary fix to get the Republican majority past the next legislative elections in 2014.

“Instead of doing the job they were elected to do, the Republicans in the Alabama Legislature passed the buck to the voters with this constitutional amendment,” he said.

Williamson said part of the problem is that

Medicaid is a contract with the federal government, and if the state doesn’t provide the services it has agreed to provide, it risks losing its federal funding.

He said benefits in Alabama already have been stripped down as far as possible without violating the state’s contract with the federal government.

He said it’s not just rural hospitals or charity hospitals that would be harmed by a loss of Medicaid funding.

“Sixty-four percent of the funding for Children’s Hospital comes from Medicaid,” Williamson said, referring to the highly respected Birmingham hospital that has treated youngsters from around the world.

An opponent of the referendum, Greenville businessman and former Republican candidate for governor Tim James, said the fund was set up by his father, former Gov. Fob James, to give the state a permanent savings account,

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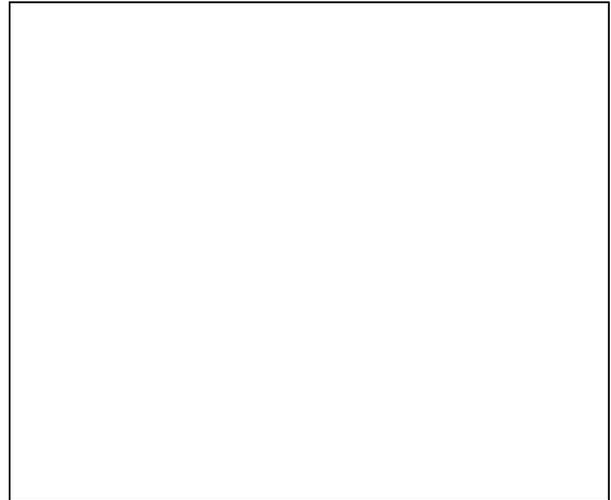
“Every time we get into a tight place we go into that cookie jar. If we do that every time, we aren’t going to have any cookies left,” James said.

James said if the vote passes he expects another Medicaid funding crisis in a year or two.

He said there have been other Medicaid funding crises and they are always solved by one-time money or what James called “BandAids.”

He said state government eventually will be forced to find a permanent solution.

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