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Alabama faces decision on expanding Medicaid coverage

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Published: Friday, June 29, 2012 at 3:30 a.m.

MONTGOMERY | State Health Officer Don Williamson said Thursday that the U.S. Supreme Court ruling on the federal health care law means the state will now have to determine whether to expand its Medicaid coverage.

While the Supreme Court ruling upheld the individual mandate portion of the Patient Protection and Affordable Care Act, it found unconstitutional a provision that would have financially penalized states that did not expand Medicaid coverage. Part of the health care law expands Medicaid coverage to those earning less than 133 percent of the federal poverty level.

Williamson is chairman of Gov. Robert Bentley's Medicaid legislation task force and answered questions about how the court ruling will affect Alabama's nearly bare-bones Medicaid program.

Williamson said it will be up to the governor and Legislature to decide whether to expand Medicaid coverage and add thousands of new recipients at an estimated cost of hundreds of millions of dollars this decade.

The federal government reimburses states for Medicaid at a rate of 68 percent. Under the health care law, expansion of Medicaid would be reimbursed by the federal government at 90 percent for the new enrollees.

At a news conference hours after the Supreme Court ruling was announced, Williamson said it would be months before all the details in the law are understood and new regulations are developed.

"I don't think you can make a decision to expand without understanding how it fits into the health care picture," he said. "There are many unanswered questions."

For example, if the estimated numbers of between 400,000 and 589,000 new people are enrolled in Medicaid, that would mean up to 1,000 new doctors might be required.

Bentley's press secretary attended the news conference and was asked whether the governor will seek to expand Medicaid.

"It puts it in the hands of the elected leaders to make a decision," Jennifer Ardis said.

Bentley earlier had said the health care law should be repealed.

"The health care law is an overreach by the federal government that creates more regulation, bureaucracy, and a dramatic increase in costs to taxpayers," he said. "Market-based solutions are the best solutions to giving the public the most affordable options."



The Associated Press
Supporters of President Barack Obama's health care law celebrate outside the Supreme Court in Washington on Thursday after the court's ruling was announced.

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Alabama could opt to expand Medicaid coverage to those between 19 and 64 who are within 133 percent of the federal poverty rate. Children's health insurance picks up costs before 19 and Medicare after age 64.

Under the law, Alabama could provide subsidies to adults earning between 133 percent and 400 percent of the federal poverty level.

"We are struggling to fund Medicaid for 900,000 recipients we've got now," Williamson said. "If we're going to 1.3 million or 1.4 million or 1.2 million, it has an additional cost."

He said even if a Sept. 18 constitutional amendment passes that would help fund the state's General Fund and Medicaid by about \$200 million, he would still have to find \$20 million to \$40 million in savings in the 2013 Medicaid budget year that begins Oct. 1.

"The fundamental problem is if the Sept. 18 amendment doesn't pass, we will have a serious crisis in Medicaid," he said.

Williamson said he believes access to health insurance means better health care and a healthier and more productive citizenry.

"I want all Alabamians to have access to medical coverage as a physician," he said. "But (expanding Medicaid is) a political decision for the Legislature and the governor."