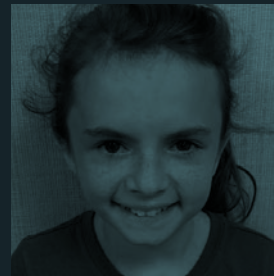
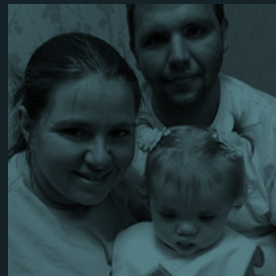


# MEDICAID MATTERS

## *CHARTING THE COURSE TO A HEALTHIER ALABAMA*





**ALABAMA ARISE** is a statewide nonprofit, nonpartisan coalition of congregations, organizations and individuals united in their belief that people in poverty are suffering because of state policy decisions.

Through Arise, groups and individuals join together to promote policies to improve the lives of Alabamians with low incomes. Arise provides a structure in which Alabamians can engage in public debates to promote the common good. To learn more about Arise, visit [alarise.org](http://alarise.org).

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## Editor's note

As we publish this report, Alabama and the world are facing the public health emergency of the COVID-19 pandemic. The duration and fallout of the crisis are impossible to predict, but every level of our health care system will be severely tested in the months ahead. The pandemic is taking a disproportionate toll on African American and Latino communities where people are more likely to live in poverty and without health insurance. And the number of uninsured Alabamians — already shockingly high before the pandemic — will continue to grow as unemployment mounts.

In times like these, state leaders play a crucial role in protecting the public from physical, mental and financial harm. One of the most important tools available to both elected officials and their constituents is accurate information about how state services promote the common good — and how we can make them stronger.

While this report took shape before the COVID-19 crisis erupted, we hope it will help Alabamians understand the available health care solutions and their important economic benefits. Emergencies demand rapid response, and an understanding of the “preexisting conditions” in our state’s health care

system can make those responses more appropriate and more effective.

Through this pandemic and the next one — and the more ordinary times in between — all Alabamians will depend on a health care system with Alabama Medicaid at its core. The stronger Medicaid is, the better the prognosis for all of us will be.

The COVID-19 emergency has brought several temporary changes to the information in this report, including the following:

Page 7 — Silvia Hernandez has suspended services at Go Play Therapy but hopes to reopen after the economy stabilizes.

Page 12 — Congress has increased the federal share of Medicaid funding for all states by 6.2 percentage points for the length of the pandemic. Some lawmakers have proposed further increases.

Page 23 — If someone had Medicaid coverage during March 2020, Alabama will not end that coverage during the pandemic unless the person cancels it or moves out of state. This temporary halt to coverage cuts includes people receiving postpartum coverage that normally ends after 60 days.

# Introduction

**ALABAMA MEDICAID** supports the health care system that serves us all. Whether you have employer health coverage, a private plan, public insurance like Medicaid or Medicare, or no coverage at all, you will likely benefit at some point from facilities and services that Medicaid makes possible.

More than a million Alabamians — mostly children in families with low incomes, seniors in long-term care and people with disabilities — have Medicaid coverage that allows them to get the regular, timely medical care they need. By building on this foundation to make affordable coverage more widely available, we can strengthen our health system, our workforce, our communities and our economy.

This report looks at Alabama Medicaid from four angles: how it works now, how it's improving coverage, who's still left out and how we can make it stronger.

SECTION 1

# HOW DOES MEDICAID WORK IN ALABAMA?

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## MEDICAID BASICS

# What you need to know ...

- ▶ Medicaid is a joint federal/state program providing health coverage for certain categories of people with low incomes and limited resources.
- ▶ More than 1.2 million Alabamians qualify for Medicaid coverage.
- ▶ Medicaid payments support doctors' offices, hospitals, clinics and nursing homes that serve all Alabamians.
- ▶ Children make up more than half of Alabama Medicaid beneficiaries.
- ▶ Medicaid also provides essential coverage for seniors, pregnant women, and people with disabilities.
- ▶ Alabama Medicaid's eligibility limits are among the nation's most restrictive.



**Medicaid pumps \$7 billion in federal and state money into our health care system every year.** Without Medicaid funding, many of the doctors' offices, clinics, hospitals and other medical facilities that all Alabamians depend on would have to cut services or close.

## Medicaid is the backbone of our health care system

More than 1.2 million Alabamians, or 25% of our state's population, qualified for Medicaid coverage in fiscal year 2017. Looking closer, that's:



1 in 4 **Alabamians**



1 in 2 **births**



1 in 2 **children**



1 in 3 **people with disabilities**



2 in 3 **nursing home residents**



1 in 5 **seniors**



| SPOTLIGHT |

## Meet Silvia Hernandez

To get her son the speech therapy he needed a few years ago, Silvia Hernandez of Fort Payne had to drive him two hours each way to the recommended therapist in Birmingham. Her top priority was her son's health care, but Silvia saw firsthand the hurdles of time and resources that some parents in her area would have trouble getting over.

When Silvia encounters a problem, she goes to work — this time literally. Today, she is the owner of Go Play Therapy, a practice she built and opened in response to the provider shortage in her area. Go Play specializes in occupational, physical and speech therapy for children up to age 18. There are two Go Play locations, in Fort Payne and Centre.

Hernandez estimates 90% of her clients have Medicaid.

***“If Medicaid didn't exist, we'd have to shut our doors,”*** Silvia says. She adds that extending Medicaid coverage to adults with low incomes — not just their children — would help even more people gain access to the care they need. As a business owner, she sees another advantage to Medicaid expansion: It would allow her to expand her therapy office and hire additional employees.

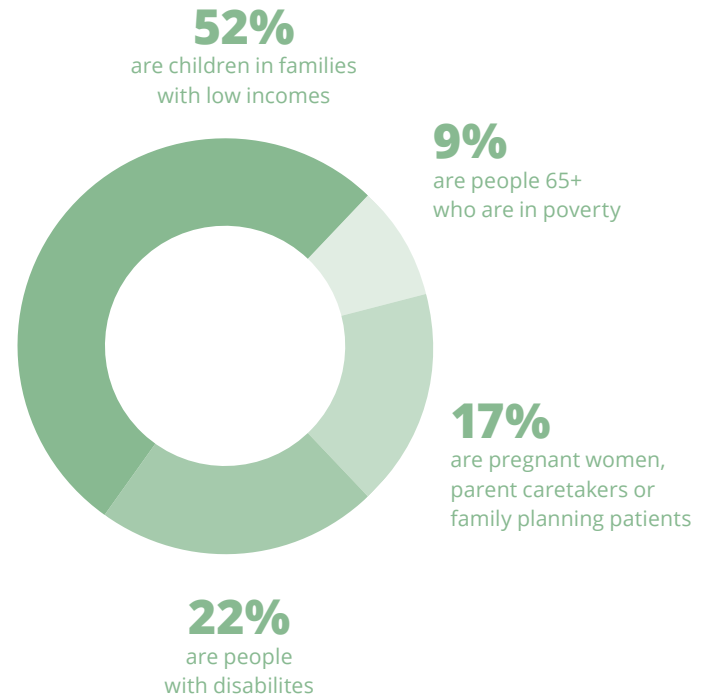


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**Silvia Hernandez** of Fort Payne opened Go Play Therapy after her son's speech challenges revealed a shortage of therapists in her area.



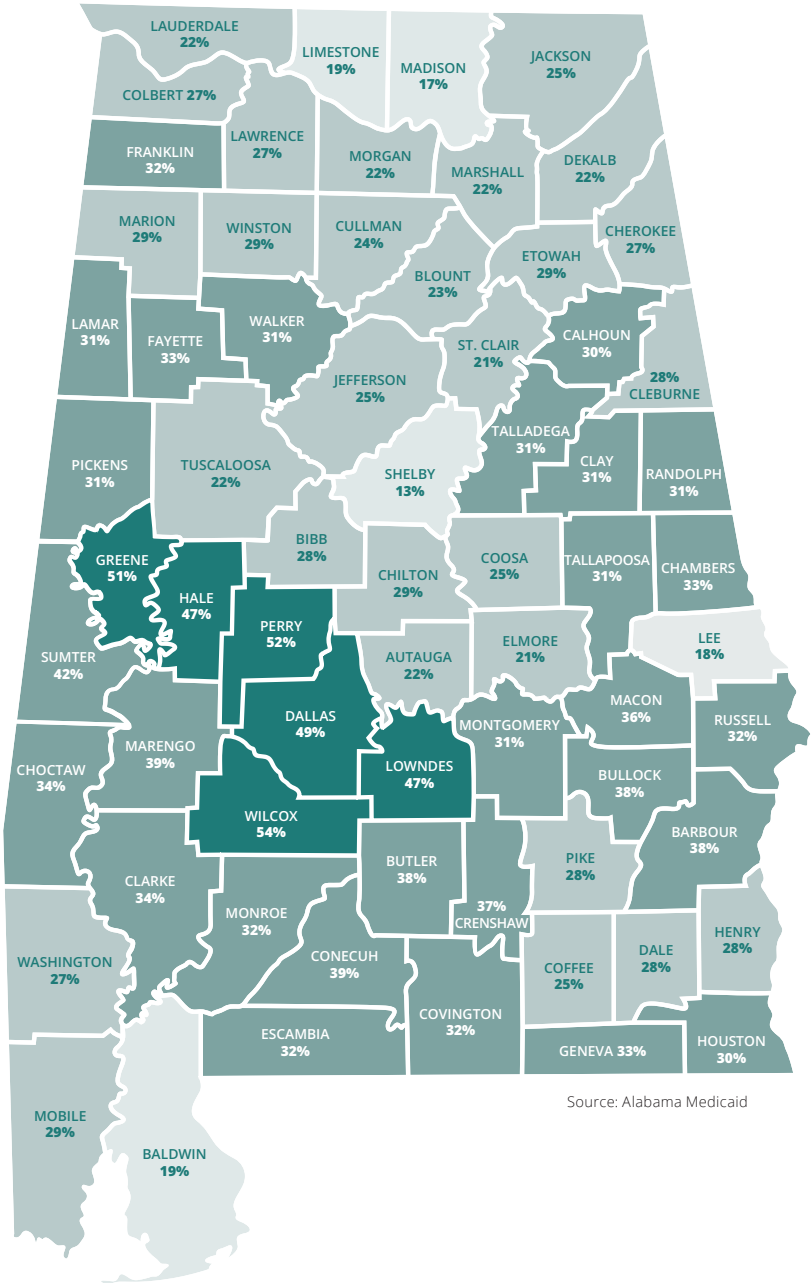
## WHO IS ALABAMA MEDICAID?



Source: Alabama Medicaid

# Alabamians in every county qualify for Medicaid

About **one in every six** Alabamians lives in poverty. For children, the rate is nearly one in four. Even Alabama's most prosperous counties have significant numbers of households living below or near the poverty level. That means Medicaid is a lifeline for families across the entire state.



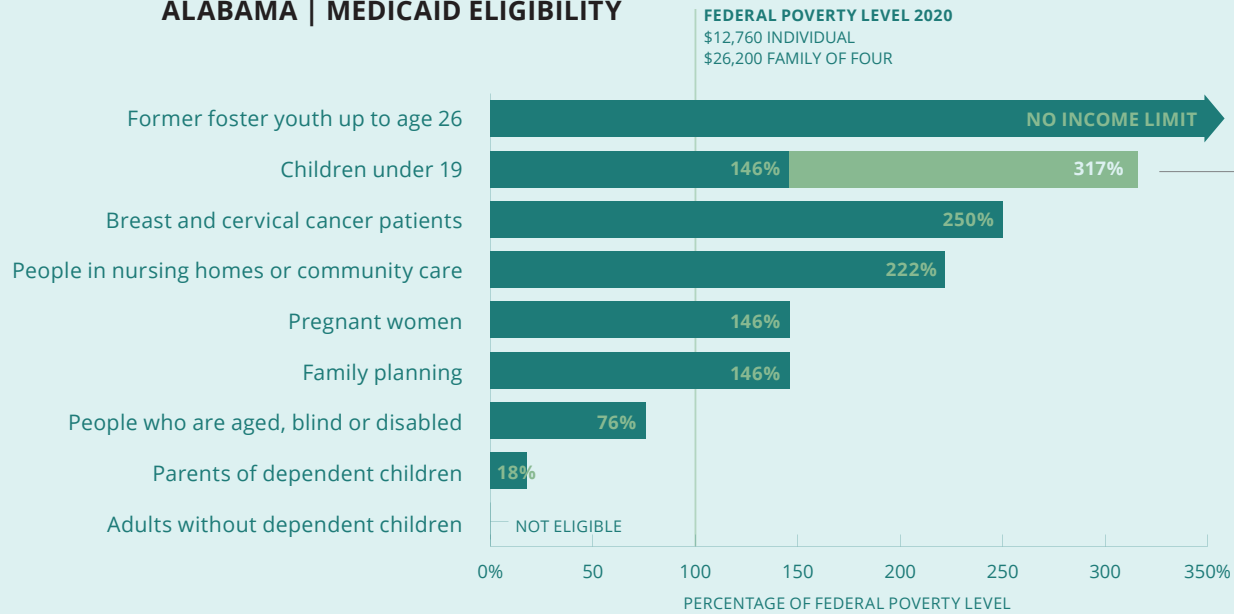
Source: Alabama Medicaid

## Medicaid eligibility

FY 2017 PERCENT OF THE POPULATION BY COUNTY

■ HIGHEST		■ LOWEST	
Wilcox	54%	Shelby	13%
Perry	52%	Madison	17%
Greene	51%	Lee	18%
Dallas	49%	Limestone	19%
Lowndes	47%	Baldwin	19%
Hale	47%		

## ALABAMA | MEDICAID ELIGIBILITY



**NOTE** Children in families earning more than the Medicaid income limit but under 317% of the federal poverty level can get coverage for an income-based premium with ALL Kids, Alabama's state Children's Health Insurance Program (CHIP).

Source: Alabama Medicaid

# How do people qualify for Medicaid coverage in Alabama?

When an individual or family applies for Medicaid, a number of factors determine whether they're eligible and which program would best serve their needs. Age, income, family size and certain health conditions like pregnancy or disability all play a part.

The household income limit for a particular program is expressed as a percentage of the federal poverty level (FPL) — often in shortened form, such as “146% of poverty.” The higher the percentage, the more income an individual or family may have and still qualify for Medicaid.

The income limits for Alabama Medicaid's eligibility groups are shown above. In 2020, the FPL was \$12,760 for an individual and \$26,200 for a family of four.

# How does Alabama’s Medicaid eligibility compare?

Children’s health coverage has long been a point of pride for Alabama. We were the first state to launch a Children’s Health Insurance Program (CHIP) after Congress created that option in 1997. While our family income limit for children in Medicaid is the third lowest in the country at 146% FPL, ALL Kids covers children above the Medicaid limit up to 317% FPL. That puts Alabama among the top 10 states for CHIP eligibility. For working-age adults, however, Alabama Medicaid’s income limits tell another, far more troubling story.

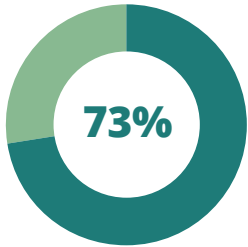


## OUR STATE

### *Limits on adult eligibility*

POPULATION	AL NATIONAL RANKING	AL INCOME LIMIT	US MEDIAN
Pregnant women	45th	146% FPL	200% FPL
Parents & other caretaker relatives	49th	18% FPL	138% FPL
Adults 19-64 with no children	—	No coverage	138% FPL

For adults without children or a disability, **we’re one of 14 states that offer no Medicaid coverage.** And only Texas makes it harder than Alabama for parents of dependent children to get Medicaid coverage.

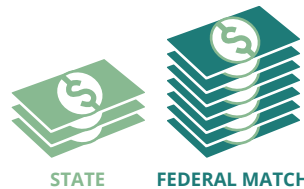


**FEDERAL MATCH FOR ALABAMA  
MEDICAID FUNDING | 2021**  
 ■ STATE 27% ■ FEDERAL

## How does Medicaid funding work?

**The federal government pays at least half of each state’s Medicaid costs.**

The percentage (called the Federal Medical Assistance Percentage, or FMAP) is set annually through a complicated formula based on per capita (or per person) income. The lower the state’s per capita income, the higher the FMAP, up to a maximum 83%. Alabama’s FMAP for FY 2021 will be 72.58%. This means we get roughly \$7 in federal money for every \$3 Alabama pays for Medicaid. Alabama Medicaid’s total annual budget is about \$7 billion.



**State money for Medicaid comes from a number of sources**, including the General Fund (GF), special trust funds, and transfer payments from public hospitals. Because the revenues earmarked for the GF come from minor taxes, fees and interest payments that grow slowly, Medicaid and other GF services remain permanently shortchanged.

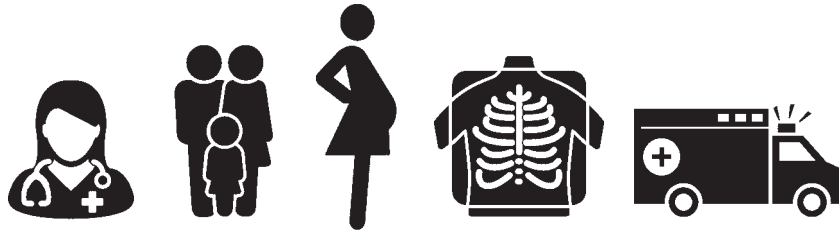
## How does Alabama’s Medicaid investment compare?

One simple way to compare Medicaid programs across states (and the District of Columbia) is to rank their spending per enrollee in major Medicaid eligibility groups. Spending is only one factor in the delivery of care, but it does indicate the investment that the state is willing to make in the health of residents with low incomes. Here’s how Alabama measures up on that count:

### ALABAMA’S INVESTMENT IN HEALTH

Population	National Ranking	AL Amount	US Average
All full-benefit enrollees	49th	\$3,837	\$5,736
Children	44th	\$2,085	\$2,577
Adults	49th	\$2,043	\$3,278
Individuals with disabilities	51st	\$7,249	\$16,859
Seniors	46th	\$7,987	\$13,063

Source: Kaiser Family Foundation, State Health Facts 2014



## What services does Medicaid cover?

To qualify for federal funding, state Medicaid programs must cover:

- ▶ Well-child check-ups, known as EPSDT (Early Periodic Screening, Diagnosis and Treatment, including dental services), for all Medicaid-eligible children under age 21. Because most Medicaid beneficiaries (also known as members) are children, EPSDT is the most wide-reaching Medicaid service.
- ▶ Inpatient and outpatient hospital care.
- ▶ Doctor services.
- ▶ Laboratory and X-ray services.
- ▶ Skilled nursing.
- ▶ Family planning services.
- ▶ Pregnancy-related services.
- ▶ Ambulance services.

Alabama is one of only three states where Medicaid does not cover any dental care for adults.

The federal government also identifies optional Medicaid services that states may offer. Alabama offers only a few of these, including adult prescription drug coverage, adult prosthetics and community-based hospice care. In addition, Alabama has waivers, or special permission, to offer home- and community-based long-term care and regionally based coordinated primary care.



## IN FOCUS

# Children with special health care needs

### A SENSE OF SCALE

105,000 children are more than the capacity of Bryant-Denny Stadium (101,821).

Alabama Medicaid and ALL Kids together cover more than 105,000 children with special health care needs. These children are at increased risk for chronic physical, developmental, behavioral or emotional conditions. They require services tailored to these needs.

The Medicaid portion of this population includes more than 21,000 children who received Supplemental Security Income (SSI) in 2018. A child receiving SSI has a medically determinable physical or mental impairment, including emotional or learning problems, that results in marked and severe functional limitations and has lasted or can be expected to last for a continuous period of at least 12 months.



| SPOTLIGHT |

## ***Meet Mattisa Moorer and Kerstin Sanders***

Like many teenagers, Kerstin Sanders enjoys movies, being out in the crowd, chilling out and sleeping in. Cerebral palsy, Dandy Walker Syndrome, epilepsy, scoliosis and restrictive lung disease are facts of her life, but they aren't her life.

Kerstin is a treasure to anyone who takes the time and effort to know her, says her mother, Mattisa Moorer.

As Kerstin ages, her care becomes more complex. For example, multiple surgeries and procedures have made it necessary to change her feeding tube more frequently. Medicaid pays for most of the medications and supplies that Kerstin needs every month.

"It's been a life-saver," Mattisa says.

The Lowndes County single mom realized she would need to be an advocate for her daughter when Kerstin entered Head Start. At first, the school's special education coordinator listened carefully and designed a plan that allowed Mattisa to be a classroom aide. But a

change of administration caused the plan to unravel.

"I saw that I need to continuously advocate for Kerstin's inclusion and, at middle school, her access," Mattisa says. That calling now has expanded to include working part-time as a parent consultant with Family Voices of Alabama and serving as a consumer representative with her local Alabama Coordinated Health Network (ACHN).

While patient advocacy has come with struggles — waiting lists, paperwork, hard-to-obtain information — Mattisa values her successes. She considers the camaraderie of others in similar situations to be one of her biggest wins.

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**Kerstin Sanders** and her mom, **Mattisa Moorer**, have become champions for special education services in Lowndes County schools.



SECTION 2

# HOW IS MEDICAID IMPROVING COVERAGE?

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## MEDICAID IMPROVEMENTS

# What you need to know ...

- ▶ New Medicaid changes seek to improve health and cut costs by rewarding timely and preventive care.
- ▶ The statewide Integrated Care Network (ICN) is coordinating long-term care for about 23,000 Alabamians.
- ▶ Seven regional Alabama Coordinated Health Networks (ACHNs) are coordinating primary and specialty care for about 750,000 Alabamians.
- ▶ The ICN and ACHNs have Consumer Advisory Committees and consumer representatives on their boards.
- ▶ ACHNs have identified infant mortality, obesity and substance use disorders as top priorities for improvement.

## Steps in the right direction

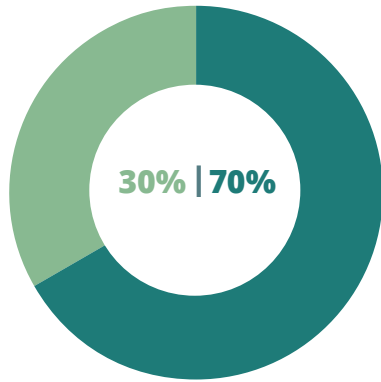
Recent changes in the way Medicaid members get their care are promising moves in the right direction. By rewarding prevention and appropriate, timely care, Medicaid hopes to improve health outcomes, while bringing costs down in the process.

The new plans can be a significant improvement over the old Medicaid system, if they keep the focus on better health. One way to improve the chances for success is to have a strong consumer voice at the policy table. The changes are happening on two tracks:

- 1 Long-term care for people who need assistance with activities of daily living.
- 2 Primary care for children and pregnant mothers.

Public policy is better and more responsive when people have a say in decisions that affect their health and well-being. And Alabama Medicaid reforms are lifting those voices.





**2019**  
Integrated Care  
Network members

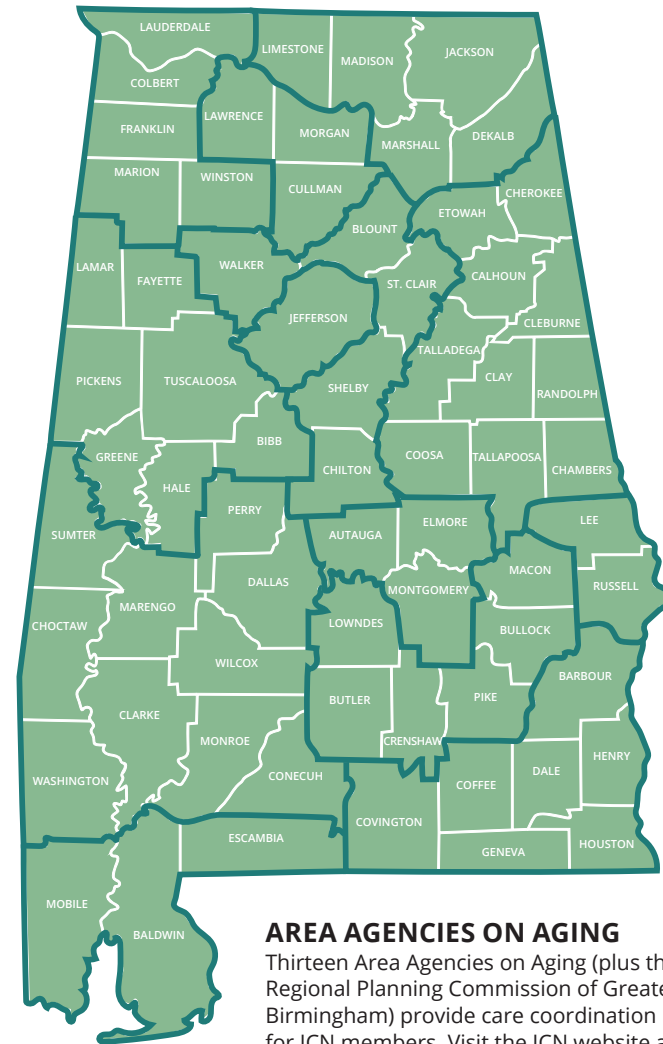
■ LIVE AT HOME ■ LIVE IN NURSING FACILITIES

## Rethinking Medicaid long-term care

For long-term care patients, Medicaid has a new plan called the **Integrated Care Network (ICN)**. The ICN coordinates care for Medicaid members who live in nursing facilities or receive certain home- and community-based waiver services. There are only about 23,000 of these members across Alabama, so one statewide ICN serves all of them.

In 2019, roughly two-thirds of people served by the ICN lived in nursing facilities, and about one-third were living at home. The goal of the program is to help more people get long-term care services in their home and community, if that's what they want. The ICN works with the 13 Area Agencies on Aging across the state to coordinate long-term care for Medicaid members who qualify.

The ICN also has a strong consumer voice at the policy table. Four consumer advocates serve on the governing board. And the Consumer Advisory Committee (CAC) includes eight consumer representatives. The chairperson of the CAC (Dr. Eric Peebles, featured on the next page) receives home-based long-term care services through a Medicaid waiver.



**AREA AGENCIES ON AGING**

Thirteen Area Agencies on Aging (plus the Regional Planning Commission of Greater Birmingham) provide care coordination for ICN members. Visit the ICN website at [alabamaselect.com](http://alabamaselect.com) to learn more about the regional organizations.

| SPOTLIGHT |

## Meet Dr. Eric Peebles

For **Dr. Eric Peebles** of Auburn, the path of advocacy for independent living began in an upstate New York elementary school.



School officials in the New York community where Eric Peebles grew up tried every excuse in the book to prevent him from starting school. “We can’t find him an appropriate classroom aide,” they said. Or “his power wheelchair is a danger to the other students.”

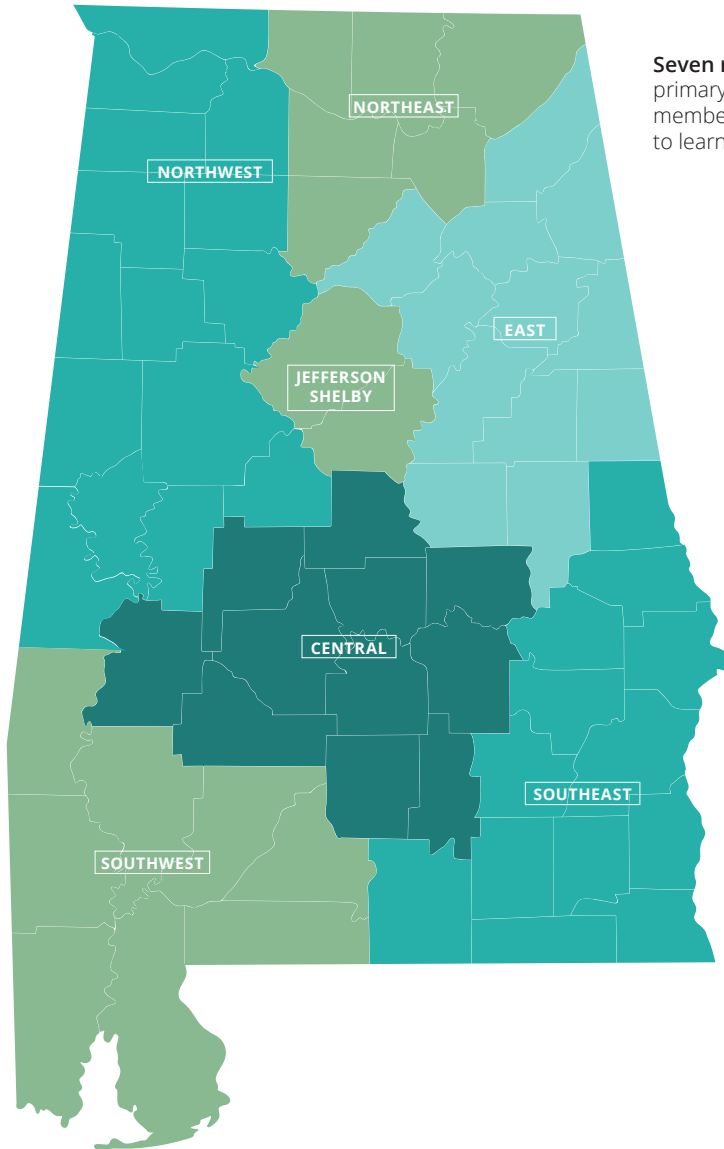
It was the mid-1980s, and federally mandated special education was still a relatively new policy. But those officials didn’t know what they were getting into when they threw roadblocks in the path of Eric and his mom, Pat. Two years, multiple runarounds and a lawsuit later, Eric’s school district found itself under federal supervision, and all district administrators involved in his case lost their jobs. His mother was appointed to the search committee for their replacements.

Thanks to his mom, Eric got an early education in self-advocacy. That groundwork served him well 25 years later when he moved to Alabama to complete his doctorate and join the undergraduate faculty in rehabilitation and disability studies at Auburn University. His personal experience with spastic cerebral palsy (resulting from oxygen deprivation at birth) gives him an insider’s perspective on disability policy and services — and on

stereotypes. One misconception he fights hard to dispel is the assumption that his advocacy is aimed solely at asserting his own rights and opportunities, rather than those of all people with disabilities.

When Eric moved here nearly 10 years ago, Alabama Medicaid’s long-term care services were so sparse that he maintained his residency in another state until the menu of services expanded. Today, he enjoys community self-sufficiency through his participation in the Alabama Community Transition (ACT) waiver. In addition to running his own research and consulting business, Accessible Alabama, Eric serves on the board of the Disabilities Leadership Coalition of Alabama and chairs the Medicaid Integrated Care Network (ICN) Consumer Advisory Committee. In 2019, Gov. Kay Ivey appointed him to the State of Alabama Independent Living Council.

Those long-ago school officials left a mark they couldn’t foresee. Among all his achievements, Eric counts the success of his own former students as a special point of pride. But his advocacy story is still being written, he says. “It feels like these accomplishments are forerunners of greater things to come.”



Seven regional networks provide primary care coordination for ACHN members. Visit [medicaid.alabama.gov](http://medicaid.alabama.gov) to learn more about the ACHNs.

## A regional approach to Medicaid primary care

Under Alabama Medicaid’s new structure, seven regional Alabama Coordinated Health Networks (ACHNs) coordinate primary care for Medicaid children, pregnant mothers and people who receive family planning services. Primary care includes well-child visits; EPSDT (Early Periodic Screening, Diagnosis and Treatment) for children; adult screening, diagnosis and treatment; and preventive care. Each member can choose a primary care doctor to be their “patient-centered medical home.”

Each ACHN has a phone line to call when a Medicaid participant has a health problem. The basic idea is that nurses, social workers and care coordinators working with the primary care doctor can **help people get the right care for the right problem without going to the emergency room** whenever they get sick.



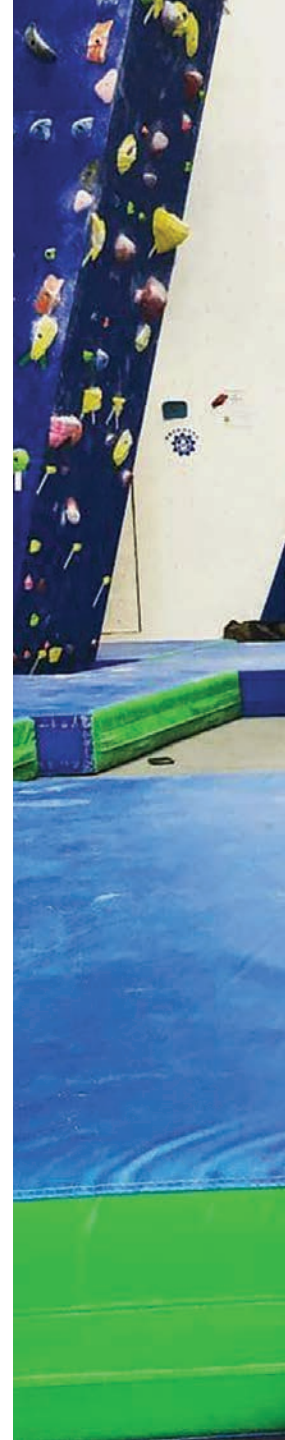
# Medicaid ACHNs bring a new focus on consumer engagement and better health

The regional network plan gives Medicaid new tools for improving health outcomes. The ACHN can help patients identify health goals, create a care plan and connect with community resources that promote better health. The new plan serves about 750,000 Medicaid members across seven regions. Each ACHN has a consumer representative on its board, in addition to a Consumer Advisory Committee (CAC).

Bonus payments for doctors who reach quality benchmarks are another feature aimed at improving care. Each ACHN also is conducting Quality Improvement Projects (QIPs) targeting three health measures for improvement:

- ▶ Infant mortality
- ▶ Obesity
- ▶ Substance use disorders

**Medicaid consumer representatives** in Alabama have teamed up for training and peer support.







## | SPOTLIGHT |

### *Meet Audrey Trippe*

Audrey Trippe, a resident of Attalla in Etowah County, has worked in mental health care since 2013, serving as a peer support specialist, peer supervisor, youth peer and certified addiction counselor. She and her husband are the proud parents of two boys, one of them a newborn.

Audrey considers herself in long-term recovery from major depression and substance use disorder. She has spent most of her young adulthood in the coverage gap, relying on urgent care clinics and the ER. Being heard has been a challenge.

“There have been times I’ve felt like a chart and not a person,” she says. “I’ve felt overmedicated at times because I couldn’t communicate what feelings were from my mental issues and what feelings were normal for substance use recovery.”

For a while, Audrey and her husband had enough income to purchase Marketplace insurance, which covered her first pregnancy.

---

Navigating the complicated system of mental health and substance use services motivated **Audrey Trippe** of Attalla to step up and serve as a Medicaid consumer representative.

But a series of financial setbacks put her back in the gap — and her baby into Medicaid coverage. She qualified for Medicaid herself with her second pregnancy. Now that the baby is born, Audrey’s coverage will expire 60 days after delivery.

Navigating these ins and outs, ups and downs has motivated Audrey to help others find their way. That’s why she said yes when a friend at the Alabama Disabilities Advocacy Program asked her to be a consumer representative for her local Alabama Coordinated Health Network (ACHN). She wants to be an “authentic voice” for consumers.

“I want to educate individuals about the options they have and teach them how to have helpful conversations with their own care providers,” she says.

While Audrey faces returning to the coverage gap when her pregnancy coverage expires, she maintains a positive outlook.

“I believe things are getting better all around, and I have great hope for the future,” she says. “There are still things that need to change, but change — like recovery — takes time.”

## PRIORITY FOR IMPROVEMENT

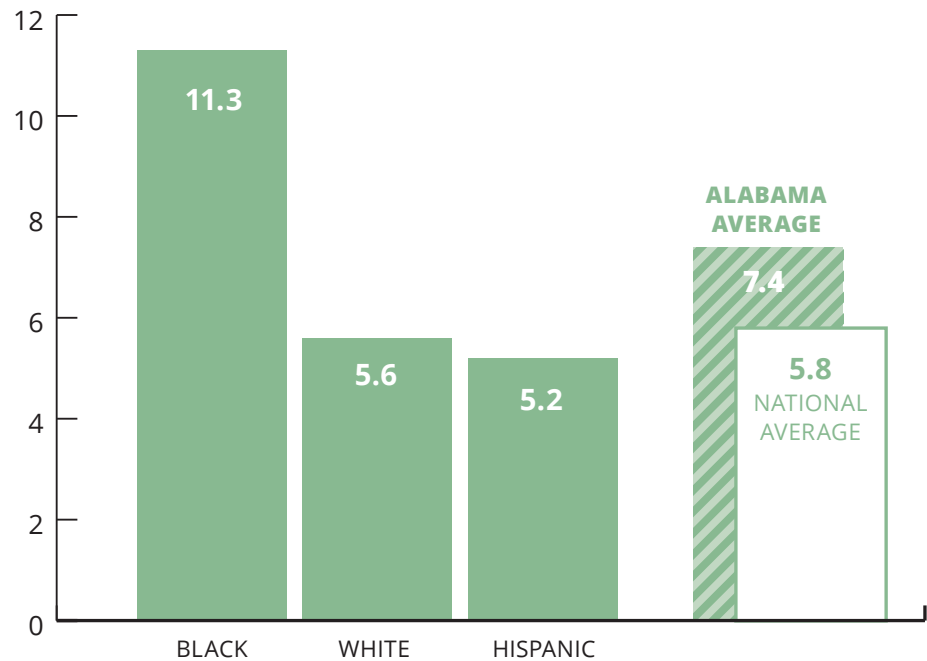
# Infant mortality

Alabama's regional Medicaid networks have identified infant mortality as a key target for improving health outcomes. That's a promising step. Evidence from Medicaid expansion states shows that providing women continuous health coverage — not just during pregnancy — would make a life-saving difference. **Lowering the high rate of African American infant deaths is the key to overall improvement.**

NATIONAL RANKING  
**45<sup>TH</sup>**

ALABAMA'S **INFANT MORTALITY RATE** | 2017

Infant mortality rate = deaths before age 1 per 1,000 live births.



## A HIDDEN CRISIS

# Maternal mortality

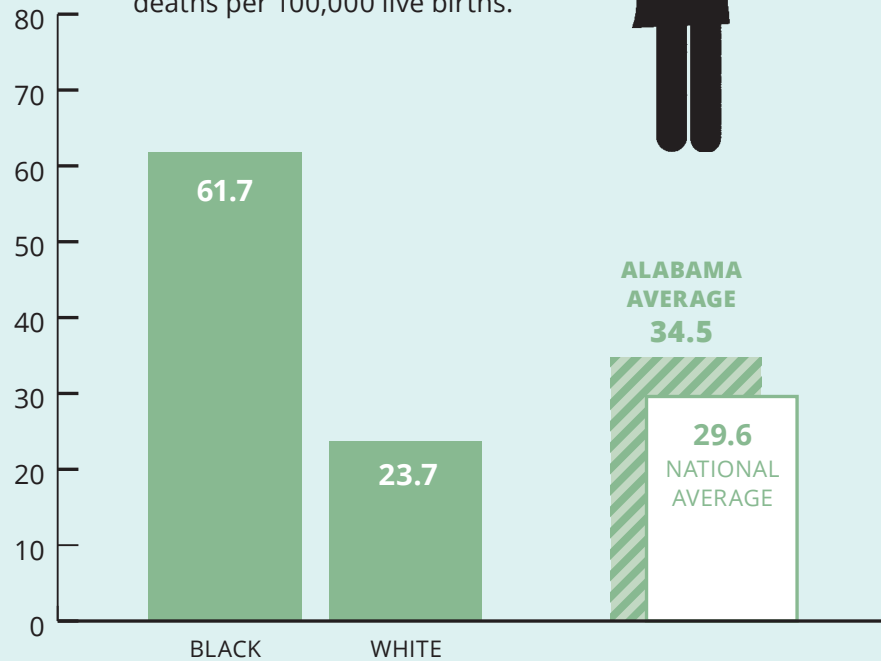
In late 2019, the Alabama Department of Public Health (ADPH) announced the infant mortality rate for 2018 at a record low 7.0 per 1,000 live births. National comparisons are not yet available. Alabama's infant mortality rate is improving but remains one of the highest in the country, and racial disparity in birth outcomes is widening. A particular concern is the continuing increase in the percentage of births with no prenatal care, which rose to 2.4% in 2018, ADPH reports.

The chief medical causes of infant death include congenital abnormalities, low birth weight and preterm births, Sudden Infant Death Syndrome (SIDS) and bacterial sepsis, according to ADPH. Health researchers are discovering how social factors like place of residence, environmental influences and available resources play a role in determining different outcomes for different racial groups.

Maternal deaths in childbirth occur more rarely than infant deaths, but they are a stark indicator of racial disparities in health care. **Black mothers in Alabama die in childbirth at nearly three times the rate of white mothers, and nearly double the overall statewide rate.**

### ALABAMA'S MATERNAL MORTALITY RATE

Maternal mortality rate = deaths per 100,000 live births.



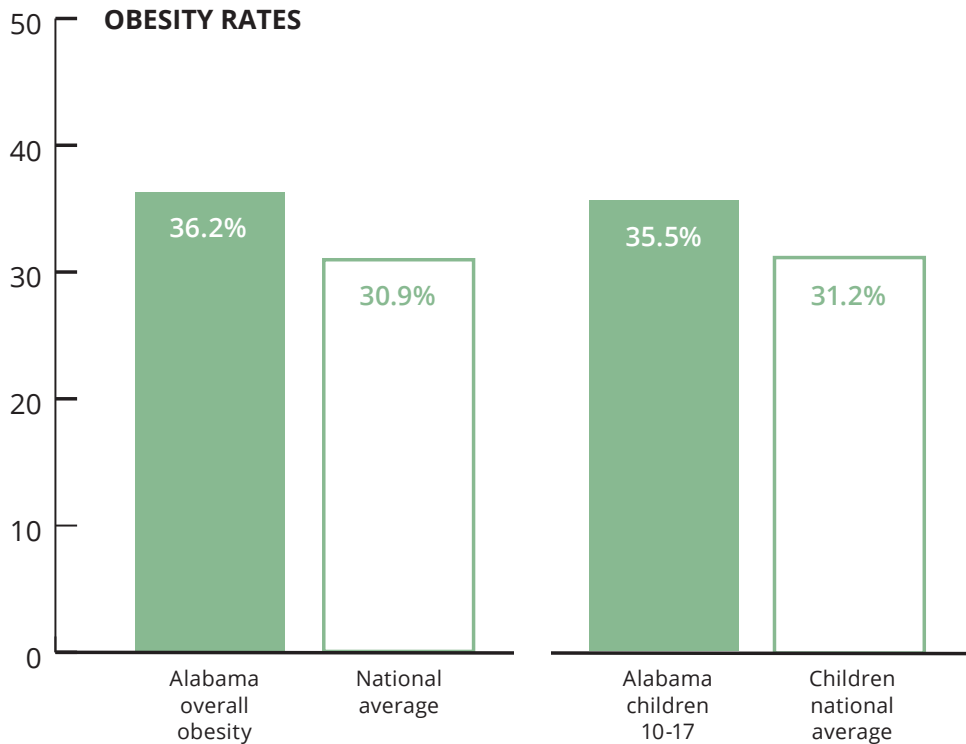
Source: America's Health Rankings, 2019 Health of Women and Children Report



## PRIORITY FOR IMPROVEMENT

# Obesity

Alabama’s regional Medicaid networks are working to reduce the state’s obesity rate. Extending Medicaid coverage to adults with low incomes would allow thousands more Alabamians to benefit. That would mean healthier families and a healthier workforce.



A leading cause of obesity is food insecurity, or the inability to provide adequate food for one or more household members because of lack of resources. Families experiencing food insecurity may rely on low-cost, high-energy foods and beverages, which can lead to overconsumption of calories and result in obesity.

**16.3% of Alabama households experienced food insecurity** in 2019, for a national ranking of 46th. The national average was 12.3%.

Healthy foods, such as fresh fruits and vegetables, are more expensive and less available in some communities than in others. A CDC study found that only 6.1% of Alabama adults meet the daily vegetable intake recommendation. And only 8.8% of Alabama adults meet the daily fruit intake recommendation. Medicaid programs in other states are exploring ways to make healthy foods more accessible and affordable where people live, work, learn and play.

## PRIORITY FOR IMPROVEMENT

# Substance use disorders

Alabama's regional Medicaid networks seek to boost the availability of treatment for substance use disorders. In the past five years, **drug deaths in Alabama increased 37%**, from 11.7 to 16.1 deaths per 100,000 people. Despite the increase, Alabama's drug death rate remained below the national average of 19.2 deaths per 100,000.

Source: America's Health Rankings, 2019 Annual Report



### ALABAMA RANKED #1 IN PER CAPITA OPIOID PRESCRIPTIONS

Equivalent to 1.1 prescriptions for every person in the state in 2017.

#### GEOGRAPHICAL DISPARITY

- ▶ **Lowndes County:** 0.004 prescriptions per person (lowest in the state)
- ▶ **Walker County:** 2.2 prescriptions per person (highest in the state)

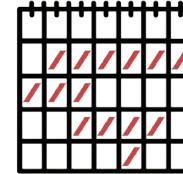
Source: Centers for Disease Control and Prevention



### OVERALL MENTAL HEALTH

When addressing substance use disorders, it can be helpful to consider the broader context of mental health. Alabama's national ranking for overall mental health is 40th. Alabama's ranking for access to mental health care is even worse — 46th.

Source: The State of Mental Health in America 2020, Mental Health America



### MENTAL DISTRESS

On the measure of frequent mental distress, Alabama's ranking of 45th is among the nation's worst. 15.6% of Alabama adults surveyed reported their mental health was not good on 14 or more days in the past 30 days.

#### RACIAL DISPARITY

American Indian 30.9%  
Black: 15.4%  
Multiracial: 21.5%  
White: 15.7%

Source: America's Health Rankings, 2019 Annual Report

SECTION 3

**WHO'S STILL  
LEFT OUT  
OF HEALTH  
COVERAGE?**



## MEDICAID COVERAGE GAP

# What you need to know ...

- ▶ More than 220,000 Alabamians are caught in the state's health coverage gap, earning too much to qualify for Medicaid and too little to afford private insurance.
- ▶ Another 120,000 Alabamians are stretching to pay for coverage they can't afford.
- ▶ Tens of thousands of Alabamians in the coverage gap are between jobs or are working in essential, low-paying fields like child care, construction and food service.
- ▶ 13,000 Alabama veterans and adult family members have no military insurance and can't afford private plans.
- ▶ Nearly 65,000 rural Alabamians are caught in the coverage gap.
- ▶ Eight rural Alabama hospitals have closed since 2011.
- ▶ 88% of the state's rural hospitals operate at a loss.

# Alabama's 'bare bones' Medicaid leaves out more than 340,000 people

As we've seen, Alabama Medicaid serves mostly children and people with special health care needs. Only Texas makes it harder for working-age adults without a disability to get Medicaid. First, you have to be a parent of a dependent child. Second, you can't earn more than 18% of the federal poverty level.



Because of our state's stringent limits, about 223,000 Alabamians are caught in the coverage gap. Working low-wage jobs that often don't offer health insurance, they earn too much to qualify for Medicaid and too little to afford private insurance. Some are caught because they're family caregivers, students, waiting for a disability determination, or working part-time. About 120,000 more are stretching to pay for coverage they can't afford.

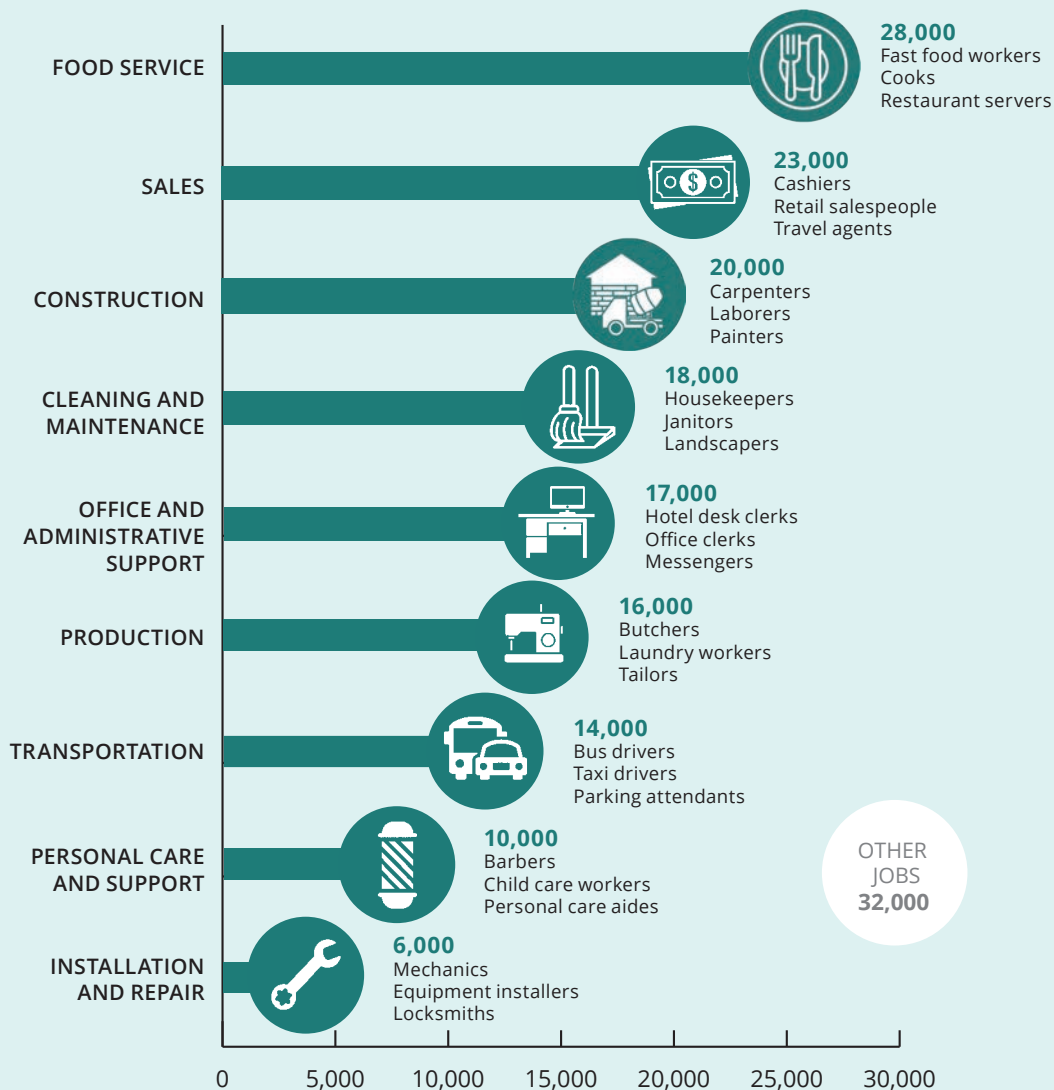
A family of three with countable income of just **\$3,841 a year earns too much** for the parents to get Medicaid coverage.



# Alabama's working families need health security

They're the folks who keep things going — the people who serve our food at restaurants, bag our groceries, patch our roofs and repair our cars. They work hard at economically essential jobs that pay low wages. Yet many of these Alabamians have no affordable health coverage option. As a result, they often struggle to work while dealing with health problems that sap their productivity, add stress to their households and worsen without timely care.

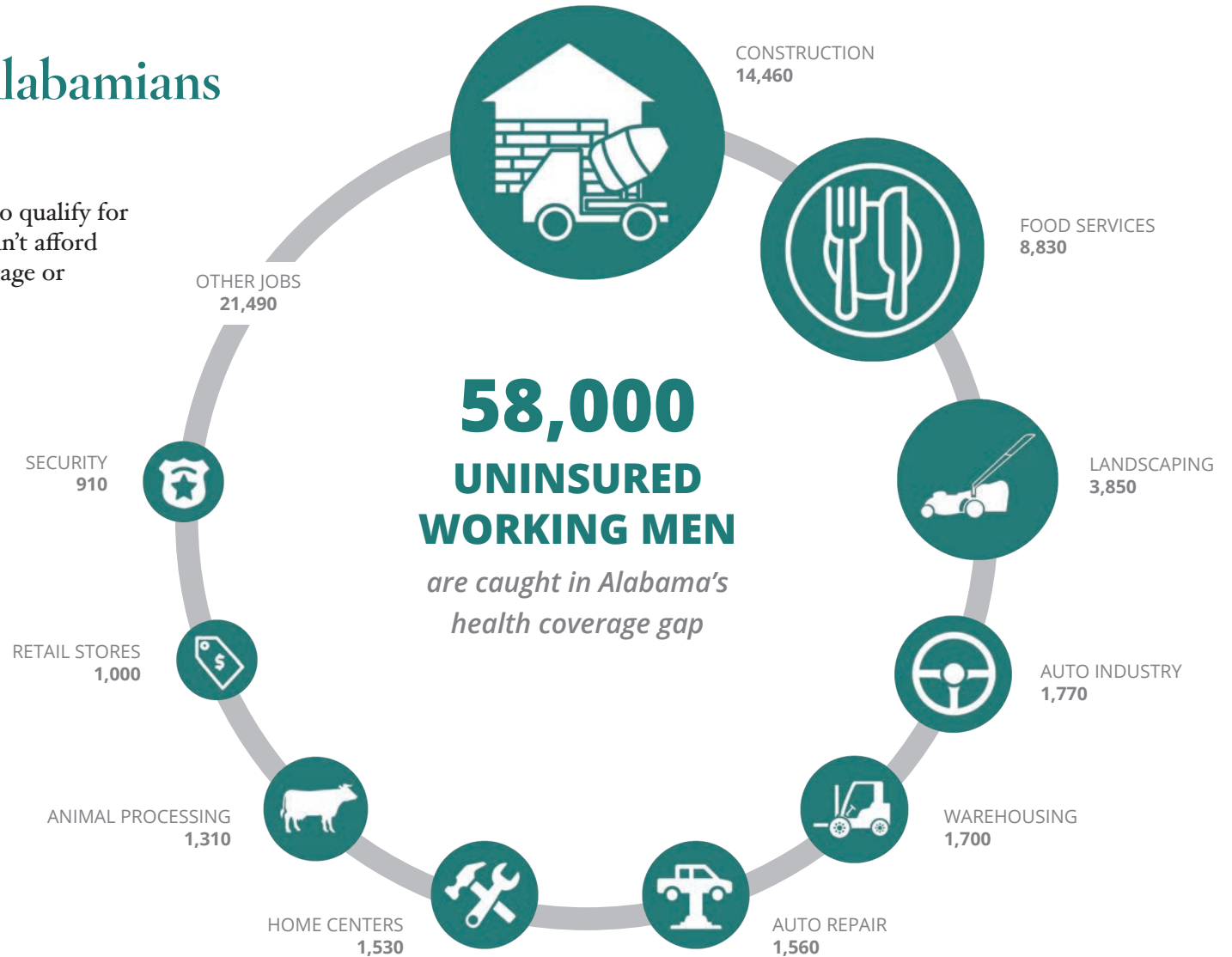
## TOP 9 OCCUPATIONS THAT WOULD BENEFIT FROM EXPANDING MEDICAID IN ALABAMA

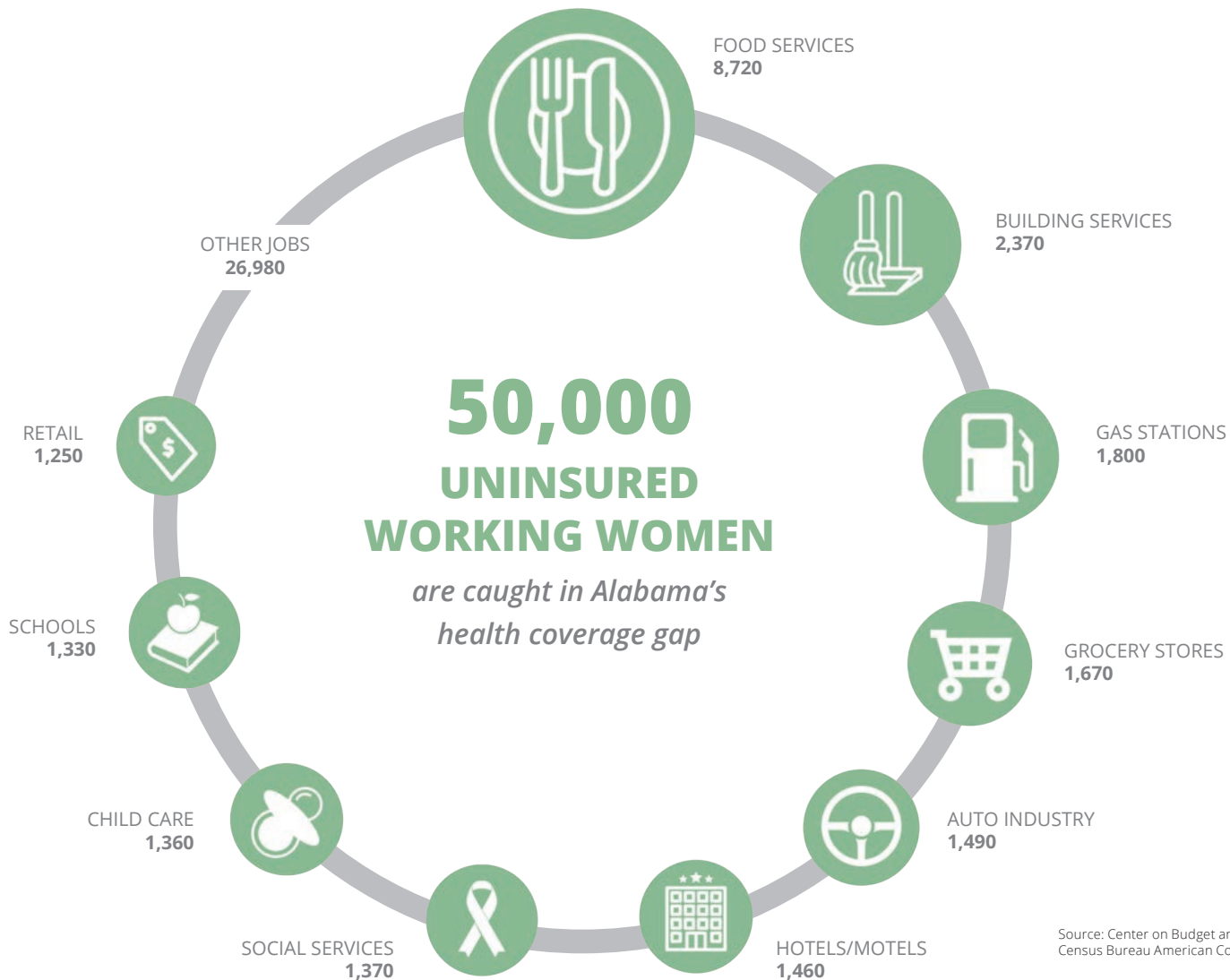


**IN FOCUS**

# Working Alabamians in the gap

They earn too much to qualify for Medicaid, and they can't afford employer-based coverage or private insurance.





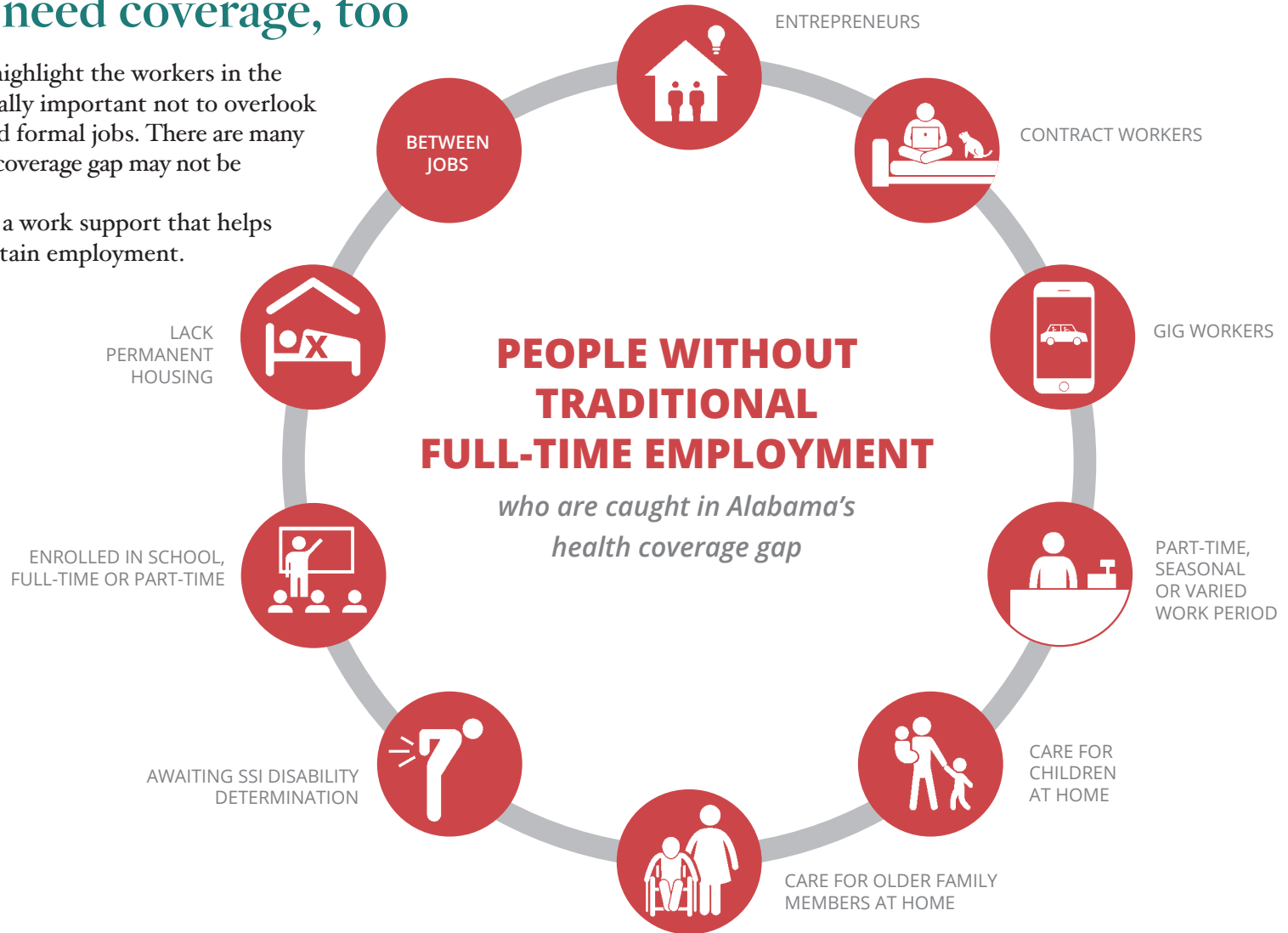
**Medicaid expansion** would make life better for Alabama's low-wage workers and strengthen our state's workforce.

Source: Center on Budget and Policy Priorities analysis of U.S. Census Bureau American Community Surveys, 2013-17

# Alabamians who aren't formally employed need coverage, too

While it's helpful to highlight the workers in the coverage gap, it's equally important not to overlook people who don't hold formal jobs. There are many reasons people in the coverage gap may not be working a regular job.

Health coverage is a work support that helps people gain and maintain employment.



| SPOTLIGHT |

## Meet Kenneth Tyrone King

Kenneth Tyrone King is an “under-employed” resident of Birmingham, where he lives with his wife and daughter. He chooses the term “underemployed” carefully, as a testament to the difficulty of finding and keeping work in the face of chronic health challenges, including an irregular heartbeat. Volunteer work and community advocacy, including service on the Alabama Arise board, give him a sense of connection and purpose, but they don’t pay the bills.

“Most of the jobs I have are temporary,” he says. “And if they do sustain longer-term, they sometimes just end.”

Kenneth isn’t able to obtain health insurance because the work he can get doesn’t provide it. And he can’t afford coverage through the Marketplace.

***“I’m thinking about longevity in life and being here for my daughter and my wife,”*** Kenneth says. “Hopefully, if I can get employment that would have health benefits, that would offset my concerns about my health overall.”

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Like thousands of his fellow Alabamians, **Kenneth Tyrone King** of Birmingham works without health insurance, doing his best to keep chronic health problems under control.



## IN FOCUS

# Veterans in the health coverage gap

It's a common misconception that people who serve in the U.S. military automatically receive lifetime eligibility for health coverage and other benefits. In reality, veterans' health benefits depend on their length of service, military classification, type of discharge and other factors. Treatment for service-connected conditions has no time-of-service requirement, but other health benefits do.

Active-duty service members and their families receive health coverage through the Department of Veterans Affairs (VA). Most also receive "bridge" health insurance coverage in the 180 days before and after their active-duty service. But many Alabama veterans — including many National Guard and Reserve members — return home without military health care for the long term. For the 13,000 Alabama veterans and adult family members who have no military health insurance and can't afford private plans, the consequences can be dire.

Returning to civilian life can be challenging enough without the added burden of being uninsured. Alabama can show its respect for veterans by giving them the health security they need.

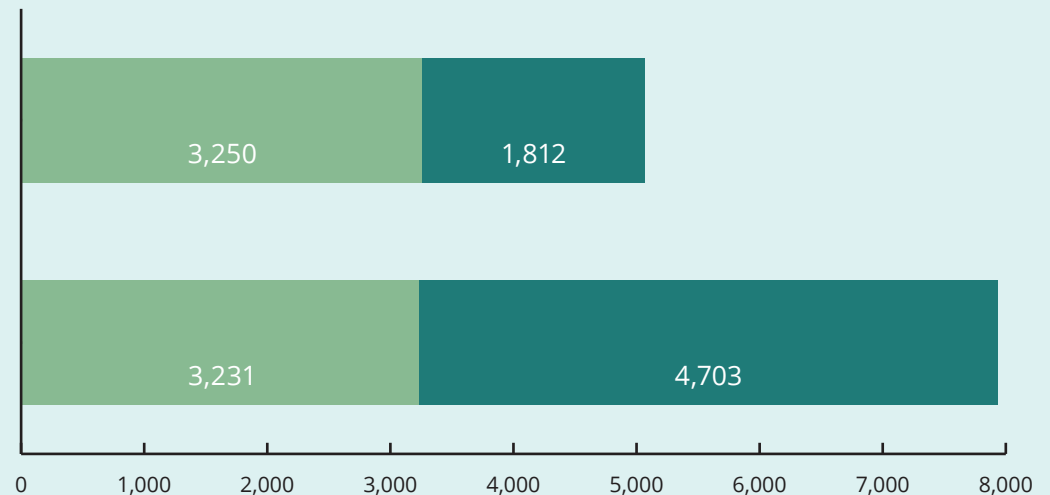
### ALABAMA VETERANS WITHOUT HEALTH COVERAGE

■ MEN ■ WOMEN



**5,062**  
Veterans with low incomes lack coverage

**7,934**  
Low-income adults who live with veterans lack coverage



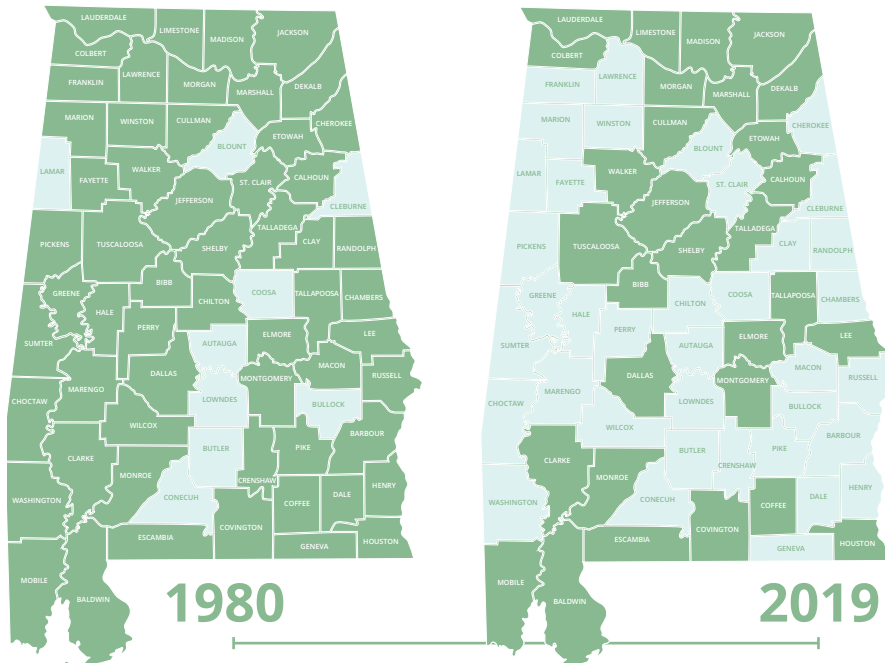
## IN FOCUS

# Rural Alabamians in the health coverage gap

Almost 65,000 rural Alabamians are caught in the health coverage gap, including nearly 4,000 farmers and farm workers. Inadequate health care funding is fraying Alabama's rural hospital network.

### LOSS OF RURAL OBSTETRICAL SERVICES IN ALABAMA

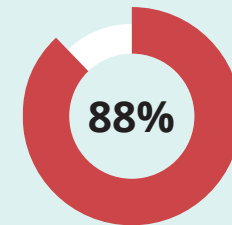
Counties with hospitals providing obstetrics are represented in green.



Source: Alabama Department of Public Health, 2019



8 rural Alabama **hospitals** have closed since 2011.



88% of Alabama's rural hospitals **operate in the red.**

**"Rural hospitals in states that increased Medicaid eligibility and enrollment experienced fewer closures,"** a 2018 report by the U.S. Government Accountability Office found. Alabama has lost obstetrical services in 29 counties since 1980. Expanding health coverage would protect Alabama's rural families, hospitals and communities.



**Only 16 of Alabama's 54** rural counties have obstetrical services.

**SECTION 4**

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**HOW CAN WE  
MAKE ALABAMA  
HEALTHIER?**

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## MEDICAID EXPANSION

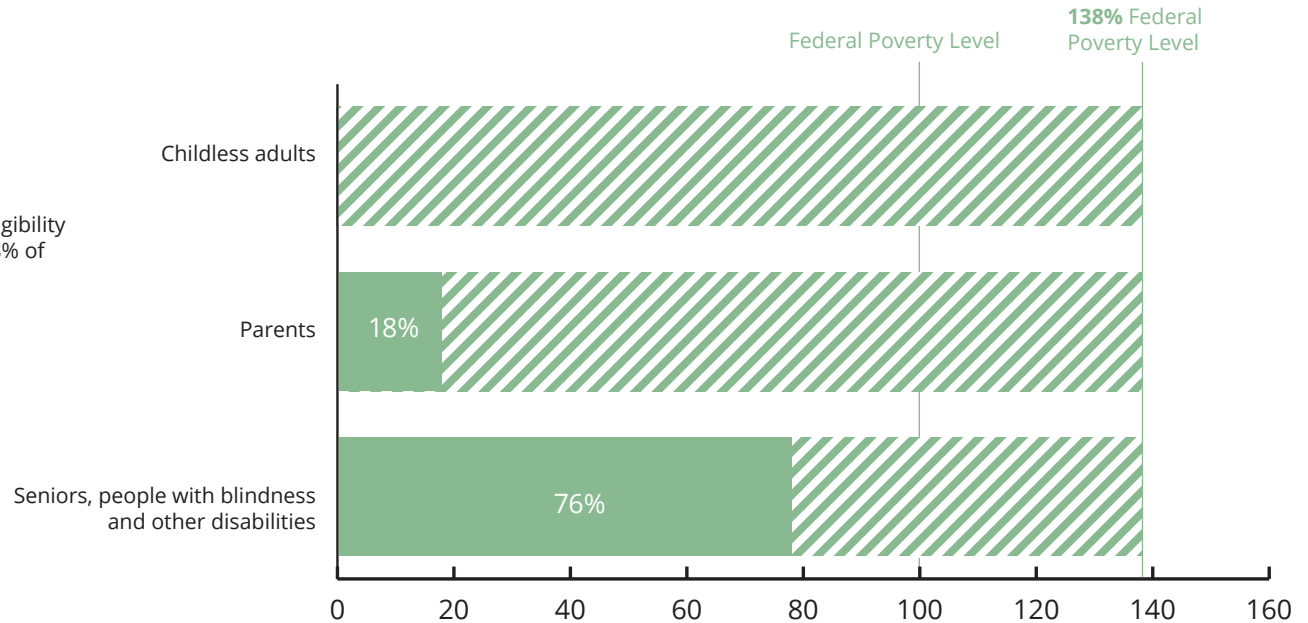
# What you need to know ...

- ▶ Medicaid expansion would help hundreds of thousands of Alabamians get the health care they need.
- ▶ States that have expanded Medicaid have seen improvements in infant and maternal mortality and greater access to treatment for mental illness and substance use disorders.
- ▶ Extending coverage would reduce Alabama's racial health disparities.
- ▶ Medicaid expansion would generate billions of dollars in economic activity and hundreds of millions of dollars in new tax revenues.
- ▶ Expanding health coverage would boost efforts to make Alabama's prison system more humane, restorative and cost-effective.
- ▶ Medicaid expansion could save hundreds of lives in Alabama every year.

## MEDICAID ELIGIBILITY CURRENT AND EXPANDED

Medicaid expansion would bring the eligibility limit for all adults in Alabama up to 138% of the federal poverty level.

■ CURRENT ELIGIBILITY    ▨ EXPANDED ELIGIBILITY



## Closing the coverage gap would improve lives

Hundreds of thousands of Alabamians could get the health care they need to survive and thrive if Alabama raised the income limit for Medicaid and allowed coverage for adults who aren't parents. Medicaid expansion improves lives across a range of health measures, a growing body of research shows. Those areas include better birth outcomes and maternal health, lower overdose rates and improved mental health. Expansion also would increase household financial security and reduce racial health disparities.

# Extending coverage would keep Alabamians healthier

- ▶ Evidence from Medicaid expansion states shows that providing women continuous health coverage before, during and after pregnancy would make a life-saving difference for mothers and babies.
- ▶ Extending Medicaid coverage to adults with low incomes would extend the benefits of ongoing Medicaid reforms to hundreds of thousands more Alabamians. This improvement would give us the tools we need to address the state's chronic health challenges, making families and our workforce healthier in the process.
- ▶ Research shows that Medicaid expansion increases access to treatment for substance use disorders and significantly strengthens responses to the opioid epidemic.

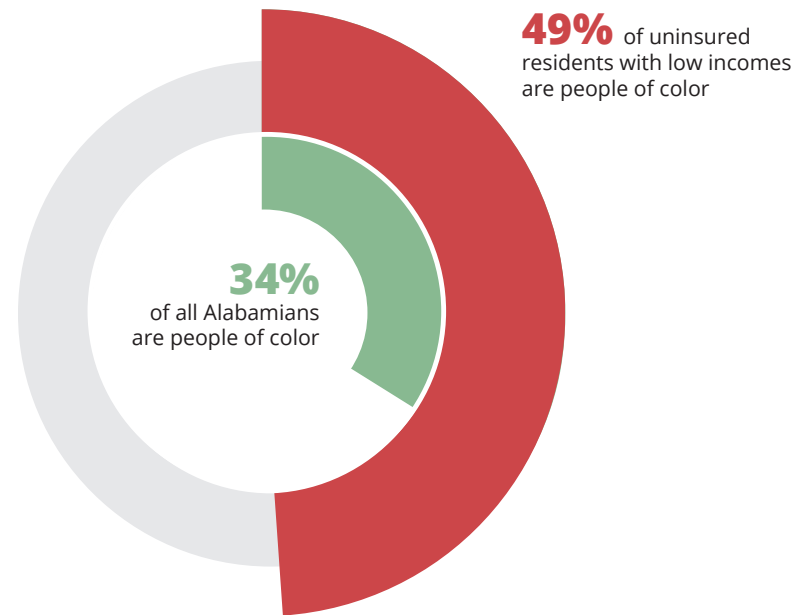


# Medicaid expansion would promote racial equity

Alabama's shameful legacy of segregation and racial discrimination has driven racial health disparities that continue today. Nearly half of uninsured Alabamians with low incomes are people of color, even though people of color make up just one-third of the state's population. Medicaid expansion would reduce that coverage disparity and increase economic and health security for Alabamians of all racial and ethnic backgrounds.

## THE RACIAL/ETHNIC HEALTH COVERAGE GAP

■ % OF GENERAL POPULATION ■ % OF UNINSURED

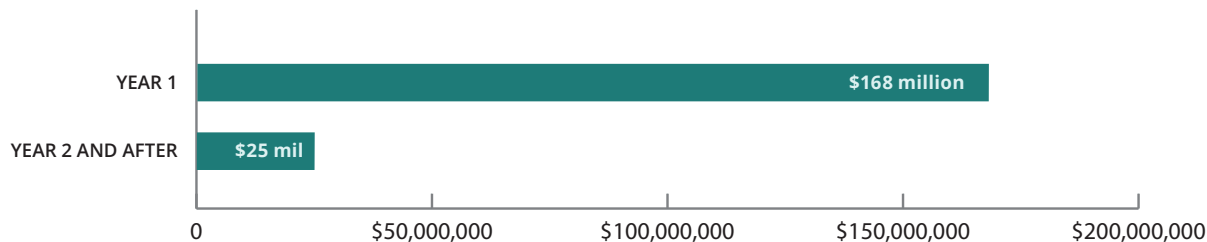


# Medicaid expansion would boost Alabama's economy and budgets

In the first four years of Alabama's Medicaid expansion, the federal government would spend **\$6.7 billion** for new health coverage in our state. This direct investment would yield:



With all these gains, the net cost to the state would be:



Covering adults with low-incomes **would save \$316 million** in current state health program costs.

## IN FOCUS

# Medicaid expansion would support prison reform in Alabama

In 2019, the U.S. Department of Justice put Alabama on notice that prison violence and overcrowding will trigger federal intervention if we don't get the problems under control. Medicaid expansion would make our corrections system more humane, restorative and cost-effective in three ways:

- 1 Untreated mental illnesses and substance use disorders are major contributors to over-incarceration in Alabama. By strengthening support for these services, Medicaid expansion would reduce recidivism and help more people stay out of the criminal justice system in the first place.
- 2 When a person leaves prison, it's hard to get a job that offers health coverage. But to get and keep a job, you need to be healthy. Medicaid expansion would provide former inmates the health security they need to join and remain in the workforce.
- 3 Federal funding would cover 90% of the cost of expansion. That would slash state costs for hospitalizing prisoners and free up funds for other needed investments in the corrections system.



# Medicaid expansion's biggest win: saving lives

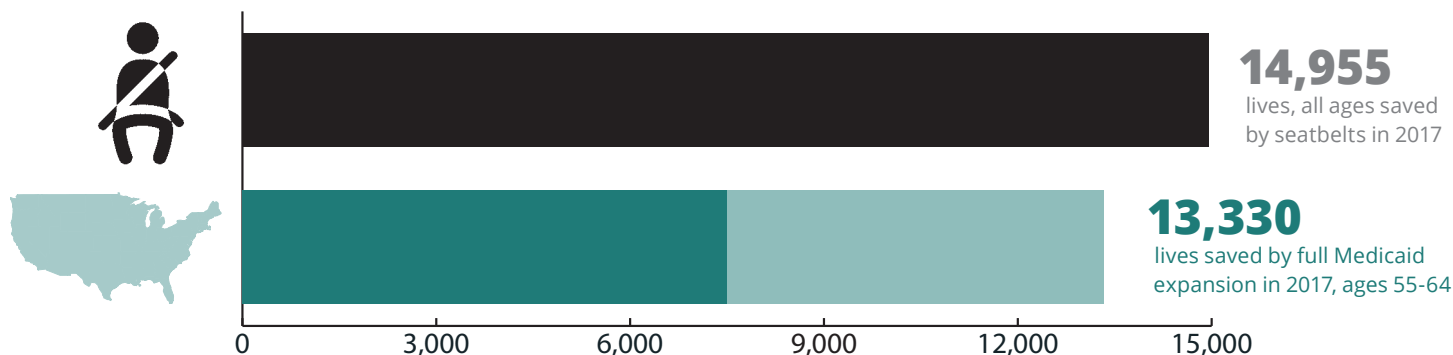
Across the country, Medicaid expansion saved the lives of at least 19,200 Americans aged 55 to 64 over the four-year period from 2014 to 2017. During the same period, **768 older Alabamians with low incomes lost their lives because they lacked health insurance.**

Source: National Bureau of Economic Research, 2019

**If all states expanded Medicaid**, the lives saved each year among older adults would nearly equal those of all ages saved by seatbelts.

## MEDICAID EXPANSION COULD SAVE NEARLY AS MANY LIVES AS SEATBELTS

■ 7,500 lives saved in expansion states ■ 5,830 lives would have been saved in non-expansion states



Source: National Highway and Transportation Safety Administration and Miller et al., "Medicaid and Mortality," 2019

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**Formeeca Tripp**  
of Auburn knows firsthand the tough decisions that come with living and working in the coverage gap.



## | SPOTLIGHT |

### **Meet Formeeca Tripp**

Formeeca Tripp watched her parents struggle with diabetes and heart disease. She has made efforts to follow a new path. But it hasn't been easy.

"I have been conditioned to put my health on pause to make sure my children are up to date with all of their health care and mental health needs," she says.

Formeeca lives in Auburn and is the mother of two children, one of whom was diagnosed with autism. She works full-time as a behavior specialist and part-time as an Uber driver to provide them both with medication they need, sometimes at a great cost to herself. For a long stretch, she fell into the coverage gap. With all her "extra" money spent on her children's health care needs, Formeeca found herself reporting to work with ailments such as tooth infections and pink eye.

Recently, she gained coverage through her employer's plan, but many people she knows are not so fortunate. Speaking from her own experience, Formeeca says Alabamians who can't afford health insurance often work in public-facing jobs.

"It's the people who are working with the sick and elderly, working with your babies," she said. ***"It's us, out here, hands on, making food, cleaning houses — it's that gap of people, very important people. People who come into contact with thousands of other people. And you don't want them to be healthy?"***



# Conclusion

**All Alabamians deserve the opportunity** to get the health care they need to survive and thrive. Medicaid is a lifeline for one in four Alabamians and an economic engine for communities across our state. Extending Medicaid coverage to adults with low incomes would make life better for Alabamians of all races, genders, hometowns and incomes — and it would only cost the state a dime on the dollar. Here’s why Medicaid expansion is a bargain Alabama can’t afford to pass up:

## **Medicaid expansion would ensure health coverage for:**

- ▶ People who work low-wage jobs and can’t afford private coverage
- ▶ Workers who are between jobs
- ▶ Adults caring for children or other family members at home
- ▶ People who have disabilities and are awaiting SSI determinations
- ▶ College students
- ▶ Uninsured veterans
- ▶ People harmed by racial and ethnic health disparities

## **Medicaid expansion would help more Alabamians have:**

- ▶ Regular primary care and preventive checkups
- ▶ Earlier detection and treatment of serious health problems
- ▶ Regular OB/GYN visits without referral
- ▶ Less dependence on costly emergency care
- ▶ Better health and greater financial peace of mind

## **Medicaid expansion would bring our federal tax dollars home to support:**

- ▶ Better outcomes on critical health challenges like infant mortality, obesity and substance use disorders
- ▶ Stronger rural hospitals and clinics
- ▶ A stronger network of community mental health and substance use disorder services
- ▶ A needed boost in jobs and revenue for state and local economies

## Acknowledgments

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Arise policy director Jim Carnes was the primary author of this report, and Valerie Downes of Montgomery designed it. Arise communications associate Matt Okarmus interviewed many of the individuals profiled in this report. Other report editors and contributors included Arise executive director Robyn Hyden; communications director Chris Sanders; policy analyst Carol Gundlach; organizing director Presdelane Harris; organizers Stan Johnson, Mike Nicholson and Debbie Smith; and intern Kayla Thompson.

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