

# Alabama Medicaid 1970-2020 50 Years—50 Facts



The Alabama Medicaid program was officially formed by an Executive Order (Number 8) of Governor Lurleen B. Wallace on June 30, 1967.





Dr. Thomas Henry Alphin was appointed by Governor Albert Brewer on June 1, 1968, to establish, organize and administer the Alabama Medicaid program.



Medicaid started in Alabama in 1970 as an operational unit of the Alabama Department of Health program under direct control of State Health Officer Dr. Ira Myers.





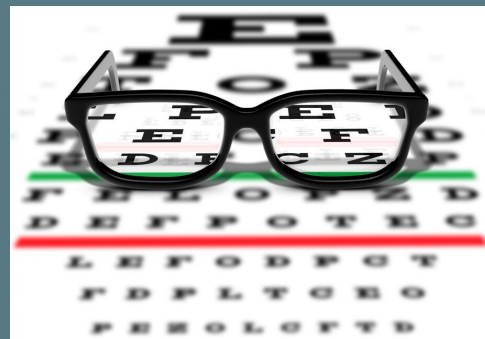
The Agency's 1970 budget was \$106.6 million. By the end of the year an additional \$7.5 million was needed to cover expenses and hospital bills.

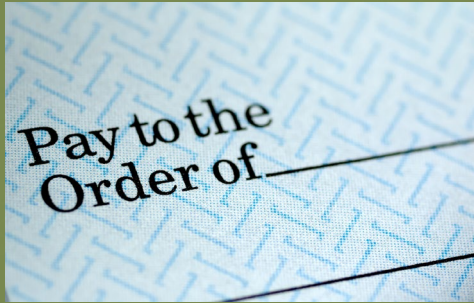


During Alabama Medicaid's first year of 1970 there were 45 total employees in four divisions: Administrative, Operations, Fiscal and Management Systems, and Contracting, housed in the VFW Building at 304 Dexter Avenue, two blocks from the Agency's current Central Office location.



Medicaid's initial package of covered services included unlimited outpatient days, up to 60 inpatient days, medically-necessary lab and x-ray services, pharmaceuticals, eyeglasses and optometric care, family planning, and screening services.





The Alabama Third Party program, launched in conjunction with Alabama Medicaid, was one of the first in the nation to comply with federal regulations ensuring that Medicaid was "payor of last resort."





The Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) of health defects program for Medicaid-eligible children under six years of age was implemented October 1, 1971. This program serves about 437,000 children today.





The Alabama Medicaid Dental program was implemented in October 1972 for all eligible persons under 21 years old.



Section 299E of Public Law 92-603 made family planning a mandatory program under Medicaid. Although the official program began March 1973, most family planning procedures were covered either through regular physician claims or through the Pharmaceutical Program prior to that date.





The Alabama Medicaid Agency became a separate administrative entity in July 1977. It was headed by a Commissioner of Medical Assistance, a newly-created cabinet-level post within the Governor's Office, and filled by Jack E. Worthington.



In FY 1978 Medicaid initiated five new programs designed to cut costs, detect fraud, reduce misuse and improve services:

- 1) Maintenance Management Information System (MMIS)--mechanized claims processing and information retrieval system.
- 2) Medicaid Quality Control (QC) Office made a separate office--ensured that only Medicaid-eligible recipients received Medicaid cards.

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- 3) Recipient Explanation of Medical Benefits (REOMB)--list of medical bills paid were sent to recipients for review.
- 4) Professional Standards Review Organization (PSRO)--independent of Medicaid and Alabama state government, PSRO monitors institutional care to ensure it is only provided when necessary.
- 5) Alabama Medicaid Fraud Control Unit--part of the Attorney General's Office, it became the first unit of its kind to receive certification by the Department of Health, Education and Welfare.



Rebecca Beasley became the first female Alabama Medicaid commissioner in October 1980.





There were 423,031 Alabama Medicaid eligibles in FY 1980 compared to 405,458 in FY 1975.







Alabama Medicaid created the Admissions/Utilization Review Unit (AUR) under the Long Term Care Division in October 1982. AUR determines the medical need of Medicaid nursing home care applicants.



In a major administrative reorganization effective October 1, 1983, a second deputy commissioner position was created in the Agency. Harriette Worthington was named Deputy Commissioner in charge of Programs. Henry Vaughn had already been serving as Deputy Commissioner in charge of Administration.



Alabama Medicaid extended coverage to State Department of Youth Services foster children in September 1985.





Alabama Medicaid's Waiver for the Elderly and Disabled was launched in 1985, providing services to persons who might otherwise have to enter nursing homes.



The Maternity Waiver Program, launched in 1988, was aimed at addressing high infant mortality rates. Low-income pregnant women received comprehensive, coordinated and case-managed medical care through one primary care provider network.





Carol Hermann Steckel is the longest serving Alabama Medicaid commissioner with two separate stints, November 1988 to July 1992 and November 2003 to January 2011.



There were 418,663 Alabama Medicaid eligibles in FY 1990 compared to 380,513 in FY 1985.



## OBRA89

In FY 1991, Alabama became the first state in the nation to fully implement the Omnibus Budget Reconciliation Act of 1989. "OBRA89" mandated an expansion of Medicaid programs nationwide to provide more medically-necessary services to all eligible children under 21 years of age.





Alabama Medicaid was the first in the nation to implement the CHIP (Children's Health Insurance Program) on February 1, 1998. The Medicaid expansion ensured health care access for teenagers ages 14-18.

**CHIP**





The Plan 1st program was implemented October 1, 2000, extending family planning and birth control services to an expanded eligibility group who, if pregnant, would qualify for prenatal care through Medicaid's SOBRA program.



There were 676,938 Alabama Medicaid eligibles in FY 2000 compared to 631,916 in FY 1995.



The HIV/AIDS Waiver, which addressed the needs of individuals with diagnoses of HIV, AIDS and related illnesses, was approved on May 1, 2003. It required individuals to meet the nursing facility level of care criteria as determined by Alabama Medicaid.





The Agency's Preferred Drug List was launched in 2003 to keep health care costs down by encouraging use of preferred generic and over-the-counter drugs.



The <https://insurealabama.adph.state.al.us/> online Medicaid application system began in September 2004.





An electronic drug prior authorization (PA) system was implemented December 1, 2004, in an effort to simplify the PA process for physicians and pharmacists.



About \$169 million in federal stimulus funding arrived in February 2009, the first installment of funding to help Medicaid agencies maintain “safety net” services during the economic downturn. The funds were part of the approximately \$3 billion the state received from the American Reinvestment and Recovery Act of 2009 (ARRA).







The 1st Look Program was developed by the Agency in partnership with pediatric dentists and pediatricians in January 2009. It encouraged primary care physicians to perform dental risk assessments, provide anticipatory guidance, apply fluoride varnish when indicated, and refer children to a dental home by age one.



Alabama Medicaid's Radiology Management program began in March 2009, requiring prior review and approval of expensive elective outpatient radiology procedures such as MRIs, CT scans and PET scans



Fiscal Year 2010 marked the end of Alabama Medicaid's fourth decade. Paralleling the state's growth, Agency rolls and budget grew as federally-mandated expansions increased the number of eligible citizens. The eligible Medicaid population nearly quadrupled from 253,991 in 1970 (7.37 percent of the state's 1970 population) to 1,026,429 in 2010 (21.5 percent of the state's 2010 population).

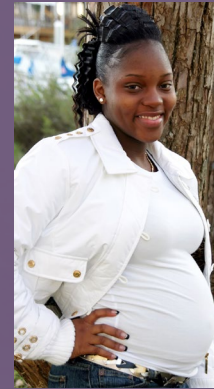


**ELE**

During FY 2010, Alabama Medicaid began modernizing its enrollment process through a data-sharing initiative called Express Lane Eligibility (ELE). It streamlined and sped up the renewal process for Medicaid-eligible children using income eligibility determinations from other assistance programs.



Healthier pregnancies for Alabama mothers and a better start in life for their infants was the basis of a new, redesigned Medicaid maternity care program during FY 2010. The innovative approach was the culmination of a cooperative, year-long endeavor to revamp the program to improve birth outcomes while remaining cost effective.



Alabama Medicaid's success in enrolling low-income children in Medicaid earned the Agency a \$55 million bonus from the U.S. Department of Health and Human Services in December 2010. The bonus was among 15 awarded nationally, recognizing states that implemented at least five of eight program features known to promote enrollment and retention in children's health insurance coverage and increasing state Medicaid enrollment above a target set by federal law.



During FY 2011, the Agency implemented a new incentive payment program under the American Recovery and Reinvestment Act (ARRA) to help eligible professionals and hospitals build a foundation for improved patient care by acquiring and using electronic health records. The Agency was responsible for setting up a system to register and monitor providers and to make incentive payments to those qualifying for the federally-funded Meaningful Use program.





"My Medicaid," a user-friendly website for applicants and recipients, was initiated in February 2012. Among many other uses, it expedited the process of tracking the status of a pending application. "My Medicaid" was a milestone in the Agency's strategic plan to reduce costs and increase efficiency through innovation and technology.





In April 2012, Alabama Medicaid became the first in the nation to add smoking cessation to its Plan First Family Planning program. This was an effort to address one of the most preventable causes of infant mortality and improve the overall health of mothers and babies.





Alabama Medicaid received a \$2 million, two-year federal Adult Health Quality Measures Grant in FY 2013 that was used to obtain new technology and resources to improve health outcomes. The grant allowed the Agency to increase its capacity for standardized data collection and reporting of the data on quality of health care provided to Medicaid-eligible adults.



The Agency was notified by the Centers for Medicare and Medicaid Services (CMS) of approval of its request to implement comprehensive care management in four Patient Care Networks known as "health homes" on April 9, 2013. This provided enhanced services for patients with high cost, chronic health conditions while reducing overall expenditures to the state.



# CARES

CARES (Centralized Alabama Recipient Eligibility System), implemented in October 2013, was a joint effort of the Agency and ALL Kids, developed in partnership with the Alabama Department of Public Health. It provided an online portal for ALL Kids and Medicaid applicants to create accounts and submit their applications.



Alabama Medicaid's monthly enrollment topped 1,000,000 for the first time in February 2014, due in large part from a federally-required transfer of children from the All Kids program and changes in Medicaid eligibility determinations. The milestone also reflected the first enrollment of applicants in the federal "marketplace" under the Affordable Care Act.



## ICD-10

Alabama Medicaid providers implemented an updated standardized medical code set for medical diagnoses and inpatient hospital procedures on October 1, 2015, to comply with requirements of the Health Insurance Portability Accountability Act (HIPAA). The nationwide implementation of the new ICD-10 codes replaced the ICD-9 codes in use for over 35 years.



In October 2015, Alabama was one of five states to receive "No Wrong Door" grant funding to make it easier for people to learn about and access needed long term care services and supports. The Agency was awarded \$2.36 million over three years to streamline access to long-term care services.





By FY 2017, Alabama Medicaid was covering 25 percent of all Alabama citizens at some point during the year, including 52 percent of all Alabama children. More than one-half of all deliveries to Alabama residents were funded by Medicaid along with the cost of care for approximately two-thirds of all nursing home residents.





On October 1, 2019, Alabama Medicaid Commissioner Stephanie McGee Azar announced implementation of the Alabama Coordinated Health Network (ACHN), a statewide program to provide comprehensive care coordination while ensuring appropriate utilization of services for approximately 750,000 Medicaid recipients.





Photo Credits:

Governor Lurleen B. Wallace, courtesy of Alabama Department of Archives & History

Dr. Ira Myers, courtesy of Alabama Department of Public Health

