



Recession brings record need for Alabama social services

Published: Sunday, November 28, 2010, 10:00 AM



Kim Chandler -- The Birmingham News

MONTGOMERY -- More than one million people in Alabama were enrolled in Medicaid in the 2010 fiscal year, a record number largely driven by children in working poor families.

Alabama enrollment in safety net programs such as Medicaid and food stamps swelled dramatically during the recession, according to state records.

"There is an exploding demand for public services -- Medicaid and ALL Kids in particular," said Chris Sanders, a policy analyst for Alabama Arise, an advocacy group for the poor. ALL Kids is the state's subsidized health insurance plan for working families.

Medicaid, the state and federal health program for the poor, added more than 100,000 people to its rolls over the past three years. And in 2010, for the first time in the program's 40-year history, the total number of individuals who were enrolled in Alabama's Medicaid program over the course of the year, even if it was for a short time, was more than one million.

"We really started to see the recession as early as 2007. Our workers really began to feel the heat in January of 2008," said Lee Rawlinson, deputy Medicaid commissioner for beneficiary services.

Rawlinson said staff had anticipated the rolls would have stabilized by now, but the increases have continued and are expected to skyrocket as health care reform expands Medicaid eligibility in 2014.

"We don't see it slowing down. It's only going to increase," Rawlinson said.

The number of people on Medicaid ebbs and flows as people are added to and drop out of the program. The average monthly enrollment in Medicaid increased from 832,160 in January of this year to 894,496 in October.

The increases over the past three years largely have been driven by a jump in the number of children and pregnant women in the program. Coverage for families with extremely low incomes

also grew. So did the number of foster children and the number of women seeking family planning services.

"The primary care giver has either lost his job, had a decrease in pay or for whatever reason fallen upon hard times," Rawlinson said.

Rawlinson said people frequently have the misperception of Medicaid as a welfare program, but 40 percent of Medicaid child applicants have at least one working parent.

Food assistance •

The rolls for Alabama's Food Assistance Program -- previously known as food stamps -- swelled by 300,000 over the past three years, according to state records. Roughly one in six Alabamians receive food assistance, according to the most recent numbers available from the state Department of Human Resources.

State officials have said the dramatic increase is likely attributed to both the economy and increased efforts to get more eligible people enrolled, including a streamlined application process for senior citizens.

A family of four making up to \$28,668 a year may qualify for food assistance. The amount of a person's monthly benefit depends on his or her income.

Sanders said recession-driven job cuts are leading people who have never needed help before to social services, including people who did everything "right."

"A lot of people who never needed food assistance now do because of the economy," Sanders said.

"A lot of people are finding themselves in these situations through no fault of their own. They've worked hard all their lives. They've done the right things," he said. •

ALL Kids •

A major expansion of ALL Kids, Alabama's program for working families that cannot afford health insurance for their children, has brought a record number of children into the program.

More than 75,000 children were enrolled in the program in October.

Alabama raised its eligibility ceiling last year, from a cutoff at 200 percent of the poverty level to 300 percent, allowing many more families to qualify for the program. The expansion, which was controversial when it was approved by the Alabama Legislature, brought nearly 10,000 more children into the popular health insurance program.

Teela Carmack, ALL Kids program services division director, said applicants often are surprised by the income requirements. A family of three making up to \$54,936-a-year might qualify for the program.

"It's for working parents," Carmack said.

Public health officials say they don't know how much of an impact the recession is having on ALL Kids enrollment, but they've noticed an increase in the number of families being referred to Medicaid because they make too little money to qualify for ALL Kids.

Unemployment •

Alabama's unemployment rate soared during the past three years but recently has begun to tick downward.

"We are very happy and excited about the trend, but we certainly can't be happy with 8.9 percent unemployment," said Tom Surtees, director of the Department of Industrial Relations.

Alabama's October unemployment rate was 8.9 percent, down from a high of more than 11 percent but well above the October 2007 level of 3.7 percent.

"Alabama is part of the overall worldwide recession," Surtees said.

Alabama's unemployment rate for the past nine months has either decreased or stayed the same. Surtees said that is a positive sign for Alabama.

"I've heard a lot of economists say the work force is shrinking but that is not the case. The work force in Alabama is increasing. The number of employed is increasing. The number of unemployed is decreasing," Surtees said. •

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