



## **642,000 Alabamians without health insurance would be able to get coverage under massive health reform bill expected to be signed today**

**By Anna Velasco -- The Birmingham News**

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And **Jeff Hansen -- The Birmingham News**

Close to 642,000 Alabamians without health insurance would be able to get coverage under the massive health reform bill expected to be signed into law today -- a boon especially for those who want insurance but can't get it because of pre-existing health problems.

Of the uninsured in the state, an estimated 400,000 would qualify for coverage under a proposed Medicaid expansion, about a 50 percent increase in Alabama's federal and state medical program for the poor. Others who are uninsured would be able to get insurance starting in 2014 through a state-run insurance exchange, regardless of their health status.

Alabama's congressmen, the state Medical Association and the Business Council of Alabama all oppose the pending health reform, which the U.S. House approved late Sunday night.

Alabama's Medicaid commissioner worries about the implementation and cost of the largest expansion since the state's program started in 1970. Blue Cross and Blue Shield of Alabama predicts premium increases as a result of the pending law.

Dr. Robert Levin, president of the Jefferson County Medical Society, said he likes the concept but is confused about the details.

"Yes, I want access to health care for everyone," the private pediatrician said. "But I'm not sure I understand all the ramifications of the bill."

Will Ferniany, chief executive officer of the UAB Health System, said it's too soon to say whether the reform measure will be good or bad financially for UAB Hospital, or hospitals in general. The biggest impact from the legislation, he said, is its philosophy.

"The most significant aspect is that we've established a principle in America that everyone should have health insurance and that we, as a society, are going to help those who cannot afford it pay for it," Ferniany said.

As a social worker, Shakita Jones has seen the dark side of no health insurance.

"I've seen a lot of people dying because they didn't have health care," said Jones, now an organizer for Alabama Arise, an advocacy group for the low-income. "That's been a heartbreak for me ... One woman's doctor said, 'I can treat you, but you have to pay for the chemotherapy drugs.'"

Unable to pay, Jones said, the woman died last year.

### **This year's reforms**

Certain aspects of the reform would take place this year, while most of the changes would be phased in. Changes this year include eliminating the dollar cap in lifetime insurance benefits paid, banning the denial of insurance coverage to children with pre-existing conditions and allowing parents to keep children on their health plans until the children are 26.

Terry Kellogg, chief operating officer of Blue Cross of Alabama, said the state's largest insurer extended family coverage to young adults last year, and most of the plans offered by Blue Cross no longer have lifetime limits.

Covering extremely sick children might be a little costly, but Kellogg said the biggest drawback to the bill starts in 2014, when insurers will have to cover everyone, regardless of their health problems. Kellogg said that wouldn't be as much of a problem if everyone sought coverage, but he doesn't believe all healthy individuals will do that.

The law requires that people get coverage or face a penalty, but some question how much of a deterrent the penalty will be. The penalty fee would start at \$95 in 2014 or 1 percent of the family income and ultimately rise by 2016 to range from \$695 to \$2,085, or 2.5 percent of the household income.

"The penalties are just too weak," Kellogg said. "They are not enough to offset the cost of premiums."

Blue Cross commissioned an actuarial report that estimates the reform in five years' time will increase family premiums in Alabama by \$3,500 a year for those buying insurance on their own and \$2,800 a year for those getting coverage through small business employers.

The Medical Association of the State of Alabama opposes the legislation, despite the American Medical Association's endorsement, because the group believes it gives the government too much control over medical decisions and the health care system, does not address the "flawed" formula for setting doctors' Medicare reimbursement rates and does not create "meaningful" medical liability reform.

Dr. Mark Wilson, chief of staff at Jefferson County's Cooper Green Mercy Hospital, said he has sympathy for the concerns of doctors in private practice. Even so, every day he sees poor adults locked out of the state's Medicaid program and thinks that should change.

"I think the bill has a lot of flaws, but it's probably about the best that could happen given the politics," Wilson said.

### **Medicaid expansion**

The proposed expansion of Medicaid would be a huge change in the state's program. Under the new guidelines, a family of four with an income of up to \$29,327 -- or up to 133 percent of the federal poverty limit -- would qualify for Medicaid.

In Alabama, the program now mostly covers children and pregnant women. Non-disabled adults between 21 and 64 cannot get coverage in Alabama unless they live in a family with minor children and have a monthly household income of \$194 or less. Because of the large number of children and elderly people in poverty, 20 percent of Alabamians already are insured under Medicaid.

The expansion wouldn't start until 2014, and the federal government would pay for all of the added costs through 2016. By 2020, the state would be responsible for 10 percent of the cost for the

additional patients, estimated to be at least \$61 million, said Carol Steckel, Alabama's Medicaid commissioner.

Another aspect of the bill is phasing out the disproportionate share paid to public hospitals to offset the uncompensated care they provide. In Alabama, that money is used to help make up part of the state's match for Medicaid.

"That is a huge problem," Steckel said of the elimination of those payments. "I don't know how we're going to deal with that."

*Birmingham News staff writer Michael Tomberlin also contributed to this report.*

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