



**Weathering the Storm: The Impact of the Great
Recession on Long-Term Services and Supports**
State Profile: ALABAMA

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INTRODUCTION

Weathering the Storm: The Impact of the Great Recession on Long-Term Services and Supports is the most comprehensive analysis to date on the budget cuts to both Medicaid and non-Medicaid funded long-term services and supports (LTSS) in each state. It also illustrates state-by-state how LTSS are financed. In addition, this study provides a very early snapshot of the likelihood of states pursuing some of the LTSS provisions within the Affordable Care Act (ACA).

Weathering the Storm contains several components:

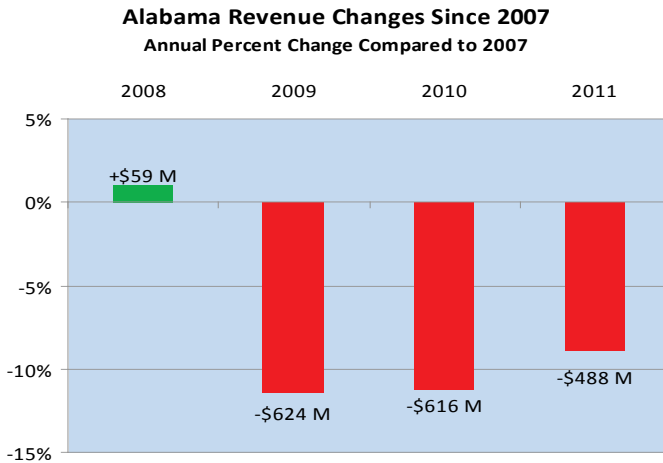
- The full report with an overview of findings and state-by-state tables;
- State profiles, which are 4 to 5 pages in length, for each state that participated in the study;
- An In Brief, which is a short synopsis; and
- A videotaped interview about the key findings.

Hard copies of *Weathering the Storm* are available free of charge. To order, please call the AARP Public Policy Institute at (202) 434-3890 or email jgasaway@aarp.org.

All of the components of *Weathering the Storm* are also available on the web and can be found at www.aarp.org/ppi, www.nasuad.org, and www.healthmanagement.com.

ALABAMA

TAX COLLECTIONS



Source: HMA analysis of state tax collection data from the National Association of State Budget Officers (NASBO), Spring Fiscal Survey of States, 2008 (for baseline 2007 data); Spring Fiscal Survey of States, 2009 (for 2008 data) and Spring Fiscal Survey of States, 2010 (for 2009 actual, 2010 estimated, and 2011 projected). Revenue represents the following taxes if collected by the state: **Personal Income, Corporate, and Sales.** Percent change and change in amount collected (in millions) represents the divergence between the state fiscal year noted and baseline SFY 2007.

ARRA FUNDING

IMPACT OF ARRA ENHANCED MEDICAID FMAP EXPIRATION

- State officials note that without the ARRA extension, an additional \$1.5 million in state match would have been needed, and the number of clients served would have been reduced.
- With enhanced FMAP expiration, Alabama will have to fund services through existing revenues or cut services.

PREDICTED IMPACT OF THE EXPIRATION OF THE ARRA NUTRITION FUNDING

- Waiting lists will increase.

STATE UNIT ON AGING AND DISABILITY (NON-MEDICAID) SERVICES

STATE UNIT ON AGING NUMBER SERVED (UNDUPLICATED)

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (projected)	% Change SFY 2009–2011
84,415	88,877	90,000	7%

STATE UNIT ON AGING TOTAL EXPENDITURE REDUCTIONS – ACTION TAKEN

SFY 2009–2010	SFY 2010–2011
11%–15%	Don't Know

STATE UNIT ON AGING SERVICE DEMAND AND EXPENDITURE CHANGES

Program	Change in Expenditures		Change in Service Requests
	SFY 2009–2010	SFY 2010–2011	SFY 2009–2010
Adult Foster Care	NA	NA	+
Adult Day Care	NA	NA	+
Adult Protective Services	NA	NA	+
Assisted Living	NA	NA	+
Behavioral Supports	NA	NA	+
Case Management	0	0	+
Chore	0	0	+
Community Transition	NA	NA	+
Congregate Meals	+	+	0
Day Habilitation	NA	NA	DK
Disease Prevention/Health Promotion	0	+	+
Elder Abuse Prevention	0	0	+
Environmental Modifications	NA	NA	+
Equipment and Supplies	NA	NA	+
Family Caregiver Support	0	+	+
Food Stamps/Supplemental Nutrition Assistance Program			+
Foreclosure Counseling	NA	NA	+
Homemaker	0	0	+
Home-Delivered Meals	+	+	+
Housing Assistance	NA	NA	+
Information and Referral	NA	NA	+
Legal Assistance Development	0	0	0
LIHEAP			+
Long-Term Care Ombudsman*	0	0	+
Nutritional Supplements	0	0	0
Occupational Therapy	NA	NA	+
Personal Care/Assistance	NA	NA	+
Physical Therapy	NA	NA	+
Recreational Therapy	NA	NA	DK
Residential Habilitation	NA	NA	+
Respite	0	+	+
Senior Community Service Employment Program	+	0	0
Senior Centers	0	0	-
Speech Therapy	NA	NA	DK
State Adult Guardianship Program	NA	NA	DK
State Pharmaceutical Assistance	-	0	+
Supported Employment	NA	NA	DK
Supported Living	NA	NA	+
Transportation	0	0	+
+ Expenditure/demand increase	0	No change in expenditure/demand	DK Don't know
- Expenditure/demand decrease	NA	Program not administered by SUA	

- The ombudsman program has seen an increase in financial exploitation of people in nursing homes applying for Medicaid after spend-down of personal finances.
- All agencies are seeing increased demand in services for older individuals and people with disabilities to help them remain in their homes.

ALABAMA

STATE UNIT ON AGING NON-MEDICAID HCBS EXPENDITURES

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (appropriation)	% Change SFY 2009–2010
None Listed	None Listed	None Listed	NA

MEDICAID LONG-TERM SERVICES & SUPPORTS

NUMBER OF BENEFICIARIES: WAIVERS & NURSING FACILITIES

Waiver Name	Avg. Daily Caseload			% Change
	SFY 2009	SFY 2010	SFY 2011 (planned)	SFY 2009–2010
Elderly and Disabled Waiver (Alabama Department of Senior Services)	4,312	4,346	4,553	1%
Elderly and Disabled Waiver (Alabama Department of Public Health)	4,382	4,436	4,652	1%
Nursing Facility Services	Avg. Daily Census 2010		Expected Change 2011	
NF Average Daily Census*	15,000		Decrease	

- Nursing facility census is decreasing, and the state expects this trend to continue.
- Nursing facility census data represent average monthly census.

LTSS EXPENDITURES (FEDERAL AND STATE)

Service	SFY 2009	SFY 2010 (Estimate)	SFY 2011 (Appropriation)	% Change SFY 2009–2010
HCBS Waivers (For Older People and Adults with Physical Disabilities)	\$90,256,853	\$90,729,775	\$85,848,621	1%
Medicaid LTSS State Plan*	\$76,980,247	\$77,562,976	\$91,592,899	1%
Nursing Facility	\$875,698,124	\$875,903,315	\$880,899,725	0%

* Increase in LTSS state plan appropriation reflects priority to maintain individuals in the community and shift resources from nursing facility care. The appropriation includes home health, durable medical equipment, and community hospice.

LTSS PROVIDER PAYMENT RATE CHANGES

Provider Type	SFY 2009–2010 % change	SFY 2010–2011 % change
Nursing Home	0	0
Home Health	0	0
Personal Care Services	0	0
HCBS Waiver Services	0	0
+ Provider rate increase - Provider rate decrease 0 No change in provider rate	NA Not applicable	



OPTIONS, OUTLOOK, AND PROMISING PRACTICES

The Medicaid agency and State Unit on Aging were asked about their intent to pursue options under health care reform, to provide their thoughts on the outlook for LTSS, and to share promising practices in their state. This section combines information from both agencies if both agencies responded.

See the Overview for descriptions of these provisions.

State's Intent to Pursue LTSS Provisions in the Affordable Care Act	Very Likely	Somewhat Likely	Not Likely	Don't Know
State Balancing Incentive Program		X		
Community First Choice Option		X		
Money Follows the Person Demonstration				
1. Apply for new program		X		
2. Apply for extension of existing program				
Medical/Health Home Initiative				
1. Agency applying for planning grant		X		
2. State plan amendment to establish medical/health home services		X		
3. Apply to establish community health teams		X		

STATE PRIORITIES: 18–24 MONTHS

- Creating Aging and Disability Resource Center (ADRC) guidelines, sustainability plan, and expansion statewide.
- Embedding more consumer-directed services in the long-term services and supports(LTSS) system.
- Developing private pay options.

STATE ISSUES

- Reducing hospital readmissions and premature nursing home admissions.
- Understanding changes in health care delivery and how they affect provision of services to seniors.
- Dealing with the expiration of enhanced FMAP.
- Sustaining shift to home and community-based services (HCBS) with limited revenue.

STATE PROMISING PRACTICES

- Alabama Connect, the state's virtual ADRC.
- Project Hope, the state's caregiver training program.
- Interagency efforts for LTSS balancing.
- Through the State Health Insurance Assistance Program (SHIP), Alabama increased its outreach and enrollment for Medicare and the Medicare Part D Low Income Subsidy program by utilizing geographic information systems (GIS) mapping to identify areas in the state where high clusters of eligible, but not enrolled beneficiaries are located, and then targeted outreach in those areas to increase enrollment.

The information in this profile represents information available to state officials at a point in time. Surveys were conducted from June through September 2010. Alabama's fiscal year begins October 1 and ends September 30.