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December 6, 2012

The Honorable Robert Bentley, M.D.
Office of the Governor
Alabama Capitol
600 Dexter Avenue
Montgomery, AL 36130

Dear Governor Bentley:

As a nonprofit, nonpartisan social welfare organization with more than 442,000 members in Alabama, AARP's mission is to help people 50+ have independence, choice and control in ways that are beneficial and affordable to them and society as a whole. We seek to help older Americans live long and healthy lives.

We appreciate your leadership in addressing the chronic problems of Alabama Medicaid and applaud your decision to engage stakeholders through the Medicaid Advisory Commission. There will be no better time than now to transform the health care system in Alabama and provide a solid foundation for the future. Such a transformation would provide additional funding for the state as well as savings in health care coverage now funded by the state.

Such a transformation would provide additional funding for the state as well as savings in health care coverage now funded by the state. Estimates by the Urban Institute suggest an additional 313,000 Alabamians could receive health care coverage over the next 10 years at an increased cost of 0.6 percent relative to general fund expenditures.

While expansion would offer a foundation for transforming the Alabama Medicaid system, efforts to control costs and deliver services more efficiently should include rebalancing the funding of long-term care services. These services could be more cost efficient. Alabama can do this through the Balancing Incentives Payment Program which AARP urges state officials to adopt.

Alabama currently ranks 47th in the country with only 15 percent of Medicaid funding for community services according to the AARP Long Term Care Scorecard. By balancing the home and community services funding, Alabama could find millions of dollars in savings. The AARP Public Policy Institute estimates that three people can be care for in home and community-based settings compared to one person in an institutional setting.

AARP stands ready to your efforts to establish a firmer foundation for Medicaid. We will continue to speak out for the 50+ population as the state's efforts move forward.

Sincerely,

Jesse R. Salinas, State Director
AARP Alabama State Office

cc: members of the Alabama Medicaid Advisory Commission