

Medicaid Matters



Commissioner Carol Steckel, second from right, listens during a meeting with Gov. Bob Riley and other state agency leaders to discuss the impact of the new federal stimulus law in Alabama. (Photo: Robin Cooper—Governor's Office)

Alabama Medicaid receives first installment of stimulus funds

Approximately \$169 million in federal stimulus funding for the Alabama Medicaid Agency arrived February 25, the first installment of federal funds designed to help cash-strapped Medicaid agencies maintain “safety net” services during the current economic downturn. The funds are part of the approximately \$3 billion the state expects to receive as a result of the federal stimulus bill signed into law on February 17.

“The funds we have received are for the first two quarters of the fiscal year that began October 1, 2008,” said Medicaid Commissioner Carol Steckel, “We will use these funds to maintain our existing program and ensure that services are available to our recipients.”

Even though the funds were made available on February 25, many of the details, rules and regulations governing use of the money have not yet been provided, Commissioner Steckel said. “We will be working very closely with the Governor's office and the Finance Director to ensure that every dollar from the stimulus package is spent according to the rules and regulations established by the federal government and that it is done in a totally transparent manner,” she emphasized.

Circuit Court jury awards Alabama \$78.4 million in drug pricing lawsuit

After deliberating four hours over two days, a state circuit court jury returned a verdict on February 24 ordering Sandoz, Inc., a generic pharmaceutical company, to pay a total of \$78.4 million to the state of Alabama for inflating the price paid by Medicaid for prescription drugs between 1991 and 2005.

The jury awarded the state \$28.4 million in compensatory damages and \$50 million in punitive damages following a little more than two weeks of testimony in Montgomery Circuit Court. The drug manufacturer said it intends to appeal the verdict.

Combined with the verdicts rendered in two prior trials against three other pharmaceutical companies, this new verdict brings the total jury verdicts awarded to the state to more than \$407 million. In addition, settlements totaling nearly \$35 million have been negotiated between the state and 10 drug manufacturers. [Read more >>](#)



- ◆ **Advisory Committee reviews input from maternity town hall meetings**
- ◆ **Customer Service Center designed to improve access to Medicaid**

Advisory Committee reviews input from maternity town hall meetings

While Alabama Medicaid's Maternity Care Program has experienced many successes in the past 15 years, the recent increase in infant mortality is a signal that change is needed, according to Medicaid Commissioner Carol Steckel.



Commissioner Steckel urged members of the Agency's Maternity Care Advisory Committee to focus on design changes that will result in healthier mothers and babies during a February 4 meeting in Montgomery. Recent Alabama Department of Public Health statistics indicate the Alabama infant mortality rate rose to 10.0 deaths per 1,000 births in 2007, compared to 9.0 deaths per 1,000 births in 2006.

"All of us should be proud because there are children who are alive today because of this program. Now is the time to take it to another level." Commissioner Steckel said.

The committee, comprised of maternity program managers, physicians, state agency officials and maternal-child health advocates, met to review input received during five recent "town hall" sessions and to suggest ways to restructure Alabama Medicaid's maternity care program to more effectively respond to recent increases in the state's infant mortality rate. Committee input will be used later this year to develop specifications for the new program.

Medicaid Medical Director Robert Moon, M.D., moderated a wide-ranging discussion of issues raised during the "town hall" sessions, including overall program structure, the need for more flexible care coordination through risk assessment and targeted interventions, physician "report cards" and many other suggestions.

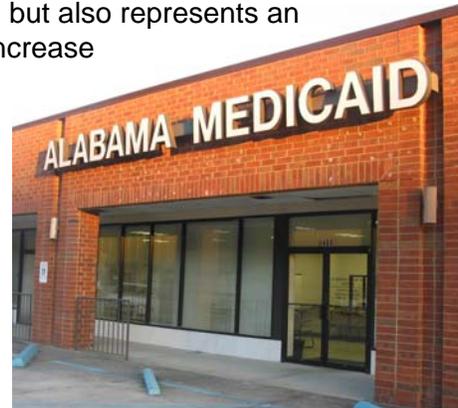
"Things are different now and we need to adapt to these changes," Dr. Moon said. "Our number one priority is to have healthier women and children in Alabama."

Customer Service Center designed to improve access to Medicaid

The February opening of the first Customer Service Center in Birmingham not only makes the Medicaid application process more user-friendly and accessible, but also represents an important milestone in the Agency's quest to reduce costs and increase efficiency through innovation and technology.

"The centers are part of Beneficiary Services Division's contribution to Medicaid's transformation effort to provide better care—or service—at a lower cost," said Lee Rawlinson, deputy commissioner for Beneficiary Services.

Located in the Palisades Shopping Center, the new office is the prototype for the way Medicaid hopes to serve all applicants by offering a storefront, self-service environment that provides access to computers and copiers along with the staff to assist in the process. The center also provides a drop box for change forms, and a resource center with information about other agencies, programs and referral information that might be of interest to the client. [Read more >>](#)



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