

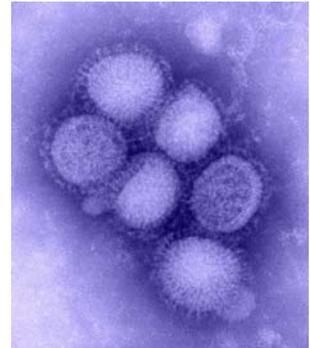
# Medicaid Matters

## Flu outbreak underscores value of pandemic illness planning

While fears of a swine flu pandemic have waned since the first outbreak of H1N1 flu in April, the Alabama Medicaid Agency is taking steps to be prepared for any future epidemics.

“One of the most important lessons we learned from this experience is that conditions can change rapidly,” said Medicaid Medical Director Robert H. Moon, M.D. “Within one to two weeks we went from something no one had ever heard of to fairly widespread activity.”

While a pandemic is generally regarded as a public health issue, state Medicaid agencies may also be impacted. Some of the potential ways a flu pandemic could affect state Medicaid programs include increased demand for services by existing clients, an increased number of eligibles due to job loss from illness or even an overall slowing of the economy that could result in lost revenues for state budgets, he said.



H1N1 Virus - Photo Credit: CDC

In addition to closely monitoring the most recent outbreak through the Alabama Department of Public Health, the Alabama Medicaid Agency also took steps to ensure that Medicaid-eligible recipients could quickly access two anti-viral medications used to combat swine flu by indefinitely extending the preferred status of Tamiflu® and Relenza®. Preferred status allows physicians to prescribe either of the two brand-name medications without obtaining prior approval. Both drugs had been on preferred status during the flu season which normally ends on April 30.

The recent flu outbreak also underscores the importance of having a Continuity of Operations Plan (COOP) to enable state agencies to continue operations during an emergency, Dr. Moon said. He noted that the Alabama Medicaid Agency not only has a Business Continuity of Operations Plan, but is also developing a specific pandemic flu plan as part of a new overall COOP. [Read more >>](#)

## 2009 Legislative session ends with General Fund budget passage



Despite a record-setting deluge of rain May 7 that forced legislators to seek higher ground at the State Capitol, the Alabama lawmakers wrapped up the 2009 regular session by passing a General Fund budget which provided a total of \$308 million toward Medicaid's \$4.9 billion budget for FY 2010.

The \$2.5 billion General Fund budget, which included a \$78 million increase in state funding for Medicaid, was approved May 14 along with a \$35 million allocation to Medicaid from the Children First Trust Fund for FY 2010. [Read more >>](#)



- Inside:**
- ◆ **State announces additional \$89 million in drug suit settlements**
  - ◆ **Certain federal stimulus payments to be disregarded by Medicaid**

## State announces additional \$89 million in drug suit settlements

New settlements totaling \$89 million have been negotiated between the state and six drug manufacturers, bringing the total recovered by the state in its ongoing Average Wholesale Price (AWP) litigation to more than \$123 million.

The settlements were announced May 22 by Alabama Attorney General Troy King as the state prepares for its fourth trial, set for June 22 in Montgomery Circuit Court. More than 70 lawsuits have been filed against drug manufacturers for inflating the price paid by Medicaid for prescription drugs between 1991 and 2005. Four verdicts, representing more than \$352.4 million, have been reached in the state's favor. Three of the verdicts have been appealed to the Alabama Supreme Court. A fourth verdict is currently being challenged in post-trial proceedings. The state had previously settled with 10 companies for almost \$35 million.



"The Attorney General and Alabama Medicaid have stood together," King said at a news conference announcing the settlement. We do this because it is the right thing to do – legally and morally – to protect these scarce resources. I thank Commissioner Carol Steckel for her leadership and I commend her staff for their excellent work." [Read more >>](#)

## Certain stimulus payments to be disregarded by Alabama Medicaid



Income increases are one of the main reasons Medicaid recipients lose eligibility. However, certain one-time payments issued as a result of the American Recovery and Reinvestment Act (ARRA) of 2009, also known as the Economic Stimulus bill, will be disregarded, or not counted as income by Alabama Medicaid. There are three categories of payments impacted by the ARRA:

- 1) One-time payment of \$250 to certain individuals who were eligible for monthly Social Security benefits (Title II insurance benefit payments), SSI cash benefits, Railroad Retirement Benefits, and Veterans Disability Compensation or Pension Benefits at any time during the months of November 2008, December 2008 or January 2009;
- 2) An additional \$25 per week in unemployment benefits issued by the Alabama Department of Industrial Relations; and
- 3) A tax credit or stimulus refund check for tax years 2009 and 2010 for the lesser of the following amounts: 6.2 per cent of earned income or \$400 for an individual return (or \$800 in the case of a joint return).

To assist recipients and their families, the Agency has prepared a fact sheet which outlines each payment type and the specific rules for each. [To view the fact sheet, click here >>](#)

**Contact Us:**      **Recipient Questions & Assistance: 1-800-362-1504**  
                         **Provider Assistance (EDS) 1-800-688-7989**  
                         **Website: [www.medicaid.alabama.gov](http://www.medicaid.alabama.gov)**

