

BRIEFING SHEET: MEDICAID IMPACTS IN ALABAMA UNDER H. R. 1

Prepared for: North Alabama Mental Health Coalition (NAMHC)

Date: July 8, 2025

Contributors: Daniel Adamek, PhD and Krista Moulton, MSW, LICSW, PI

Key Legislative Changes to Medicaid

| Section | Provision | Alabama Impact |
|---------------|--|--|
| 44131 & 44135 | Convert Medicaid to <i>Per Capita Allotments</i> (Block Grant Model) | Caps federal funding at FY2022 levels, limiting ability to respond to rising mental health needs |
| 44131 | Repeal Enhanced FMAP for Expansion Populations | Removes incentive for Alabama to adopt expansion; deepens coverage gap for 101,000 Alabamians |
| 44135 | Waiver Requirement for MH/SUD Services | Threatens services like mobile crisis, peer support, MAT unless Alabama receives federal waivers |
| 44141 | Work Requirements (20 hrs/wk for eligibility) | Risks disenrollment for those in mental health recovery, housing crisis, or job insecurity |
| 306 | Repeal Enhanced FMAP for Mobile Crisis Services | Cuts federal funding for mobile crisis teams; rural deployment threatened |
| 309 | Ban Emergency Medicaid for Non-Citizens | ER mental health access for undocumented immigrants eliminated; safety net clinics burdened |
| 410 | Cap Medicaid Administrative Spending at 5% | Reduces capacity for program oversight, audits, waiver administration, and innovation |

Behavioral Health Impact Summary

- **Mobile Crisis Teams:** Vulnerable to funding cuts and reduced geographic coverage, especially in rural counties.
- **Community Mental Health Centers (CMHCs):** Expansion projects and crisis programs may stall or shrink.
- **Peer Support & MAT Services:** Increased regulatory barriers via waiver requirements threaten service continuity.
- **Coverage Gap:** 101,000 individuals in Alabama left with fewer pathways to coverage—risking untreated conditions.
- **Emergency Mental Health Care:** Non-citizens facing life-threatening crises may be denied access, raising ethical and cost concerns.

Fiscal & Equity Considerations

- **Non-Expansion States Like Alabama** hit hardest, receiving reduced federal funding with fewer local revenue options.
- **Administrative Constraints** risk weakening quality controls and data infrastructure across the state's Medicaid system.
- **Service Churn** due to work requirements could increase ER visits, police interventions, and institutional stays.

NorthAlabamaMentalHealthCoalition.org
Here for You by - Little Orange Fish.org

