Alabama

Sources of Insurance Coverage

*Source: KFF, Health Insurance Coverage of the Total Population, 2022

**Medicare**
In Alabama, **803,500** residents are enrolled in Medicare, 16.3% of the state’s population (2022 data). Of those, **60%** are enrolled in a Medicare Advantage plan. The Alabama State Health Insurance Assistance Program (SHIP) offers free counseling services for Medicare beneficiaries in Alabama with questions about their coverage. For Alabamians in the traditional Medicare program, the Alabama Department of Insurance (DOI) offers a listing of companies that sell Medicare supplemental plans in the state.

**Medicaid and the Children’s Health Insurance Program (CHIP)**
In Alabama, **1,023,600 people** are enrolled in Medicaid or CHIP, 20.8% of the population (2022 data). Alabama has not adopted Medicaid expansion under the Affordable Care Act. The state’s program does not cover any childless adults and covers low-income parents with household income up to only **18%** of the federal poverty level (FPL), the second lowest income threshold in the country (after Texas). Approximately **128,000** adults are in the “coverage gap,” meaning their income is too high for Medicaid eligibility but too low to quality for Marketplace premium tax credits.
In Alabama, the CHIP program operates as both an expansion and a separately run program. Through Medicaid, Alabama covers children up to 18 years of age in households with income up to 146% FPL. The state uses the CHIP program to cover children in households with income up to 317%. The CHIP program is called “ALL KIDS” and is administered by the Alabama Department of Public Health. **ALL Kids** uses Blue Cross Blue Shield of Alabama (BCBSAL) to provide medical, mental health, and substance abuse services through their PPO for eligible children under age 19. Approximately **48%** of all births in Alabama are covered by Medicaid.

The **Alabama Medicaid** Agency operates Medicaid in the state and recently implemented the Alabama Coordinated Health Network (ACHN). **ACHN** is designed to create a single care coordination delivery system that effectively links recipients, providers, and community resources in seven regions of Alabama.

**Employer-sponsored Insurance**

In Alabama, **2,274,100** people are covered by employer-sponsored insurance (ESI), or 46.3% of the total state population (2022 data). Approximately **53.2%** of Alabama employers offer ESI. However, offer rates vary significantly by size of firm. In Alabama, 99.5% of large firms (50 or more employees) offer ESI, while only 31.3% of small employers offer ESI.

In Alabama, approximately **40.8%** of private sector businesses that offer health insurance self-fund at least one health plan. For large firms (50 or more employees) that offer health insurance, 59.7% self-fund at least one health plan.

**Individual Market Insurance**

Approximately **6%** of Alabama residents are enrolled in the individual market (2022 data). In 2022, **219,314** Alabamians selected a plan through the Affordable Care Act Marketplace, which in Alabama is run by the federal government and accessible through HealthCare.gov. It is more challenging to ascertain enrollment numbers for off-Marketspace individual market enrollment.

Individual market health insurance (both on- and off-Marketplace) is regulated in Alabama by the **Alabama Department of Insurance**.

**Other Coverage**

Some Alabamians are enrolled in other forms of insurance coverage, such as coverage for the military (TRICARE or U.S. Veterans Administration), which covers **2%**, or 99,900 residents.

**The Uninsured**

Approximately **8.6%**, or 421,400 Alabama residents are uninsured (2022 data). Alabama has the **14th highest** uninsured rate in the country. Among the non-elderly, the Hispanic population is significantly more likely to be uninsured in Alabama than White or Black populations. Hispanic people have the highest uninsured rate (25.2%), followed by Black (12.6%), American Indian (12.5%), and Asian American (10.7%). White residents have the lowest uninsured rate (8.6%) among all racial groups. Lack of insurance is also highly correlated with income. Approximately
18.8% of people under 100% FPL are uninsured in Alabama, while just 3.6% of people over 400% FPL are uninsured.
State Regulators: Alabama

CMS is responsible for the oversight of Medicare Advantage plans. The CMS Regional Office for Alabama is based in Atlanta. Media inquiries may be submitted here.

Alabama Department of Insurance (DOI)
The DOI regulates the business of insurance in the state of Alabama. For health insurance companies, ALDOI is responsible for:

- **Licensure**: All insurers operating in the state must demonstrate that they are financially solvent and capable of paying claims. After initial licensure, companies must file financial information with the DOI. A search portal for health insurers licensed in Alabama can be found here.
- **Form review**: The DOI reviews health insurers’ contracts and covered benefits to ensure that they comply with state and federal laws, including state benefit mandates.
- **Rate review**: Health insurers offering ACA-compliant plans must submit proposed premium rates to the DOI, and the agency has the authority to review and require adjustments before rates can be used.
- **Marketing**: The DOI is responsible for oversight of insurers’ marketing tactics and discouraging unfair or deceptive tactics. The agency is also responsible for the licensing and oversight of health insurance agents and brokers.
- **Enforcement**: The DOI has authority to enforce state and federal insurance laws. Enforcement tools can range from requesting a corrective action, issuing a cease and desist order, imposing fines, or seeking an injunction. Consumers or providers can file complaints against insurers.
- **Appeals**: Under the ACA, insurers must provide enrollees with an internal review of adverse benefit decisions and the right to an external, independent appeal. Because Alabama’s external review process does not meet federal standards, insurers with Alabama enrollees must use either an external review system administered by the U.S. Department of Health & Human Services, or contract with an accredited independent review organization.

Alabama Medicaid

Alabama Medicaid runs the state’s Medicaid program, and manages the Alabama Coordinate Health Networks (ACHN) program. ACHN creates a single care coordination delivery system that effectively links patients, providers, and community resources in seven defined regions. Information about ACHN can be found here.

Alabama State Attorney General

Alabama’s Attorney General represents the state in court when there is an action against an insurance company, entity, or individuals engaged in potentially fraudulent activity. The Attorney General’s office accepts complaints from consumers about deceptive business practices and can sometimes help resolve issues. Complaints can be submitted here.
Other Sources of Information

Health Insurance Navigators, Agents and Brokers (collectively, “consumer assisters”)

Although Alabama’s health insurance Marketplace is run by the federal government, CMS provides grants to local organizations called “Navigators” that are tasked with assisting consumers determine eligibility for subsidized coverage programs and helping them with post-enrollment questions. Alabama-based health insurance agents and brokers perform similar consumer assistance functions, and are generally paid on a commission basis. These consumer assisters can be helpful sources of information about health insurance and the challenges consumers face. They can be located through the “Find Local Help” search portal on HealthCare.gov.