

# FY 2017 Annual Report



**Alabama Medicaid Agency**



# Letter to the Governor



Alabama Medicaid Agency  
501 Dexter Avenue  
Montgomery, AL 36103-5624

*Dear Governor Ivey,*

*It is with great pleasure that I present the Fiscal Year 2017 Alabama Medicaid Agency Annual Report to you.*

*During a time of transition, Alabama Medicaid remained steadfast in its commitment to respond to the needs of recipients for healthier and happier lives through an innovative, flexible, and cost-efficient Medicaid program.*

*The strong, unwavering support of the Governor's Office in this endeavor was pivotal in moving forward and is very much valued and appreciated.*

*Sincerely,*

A handwritten signature in blue ink that reads "Stephanie Azar".

*Stephanie McGee Azar  
Commissioner  
Alabama Medicaid Agency*



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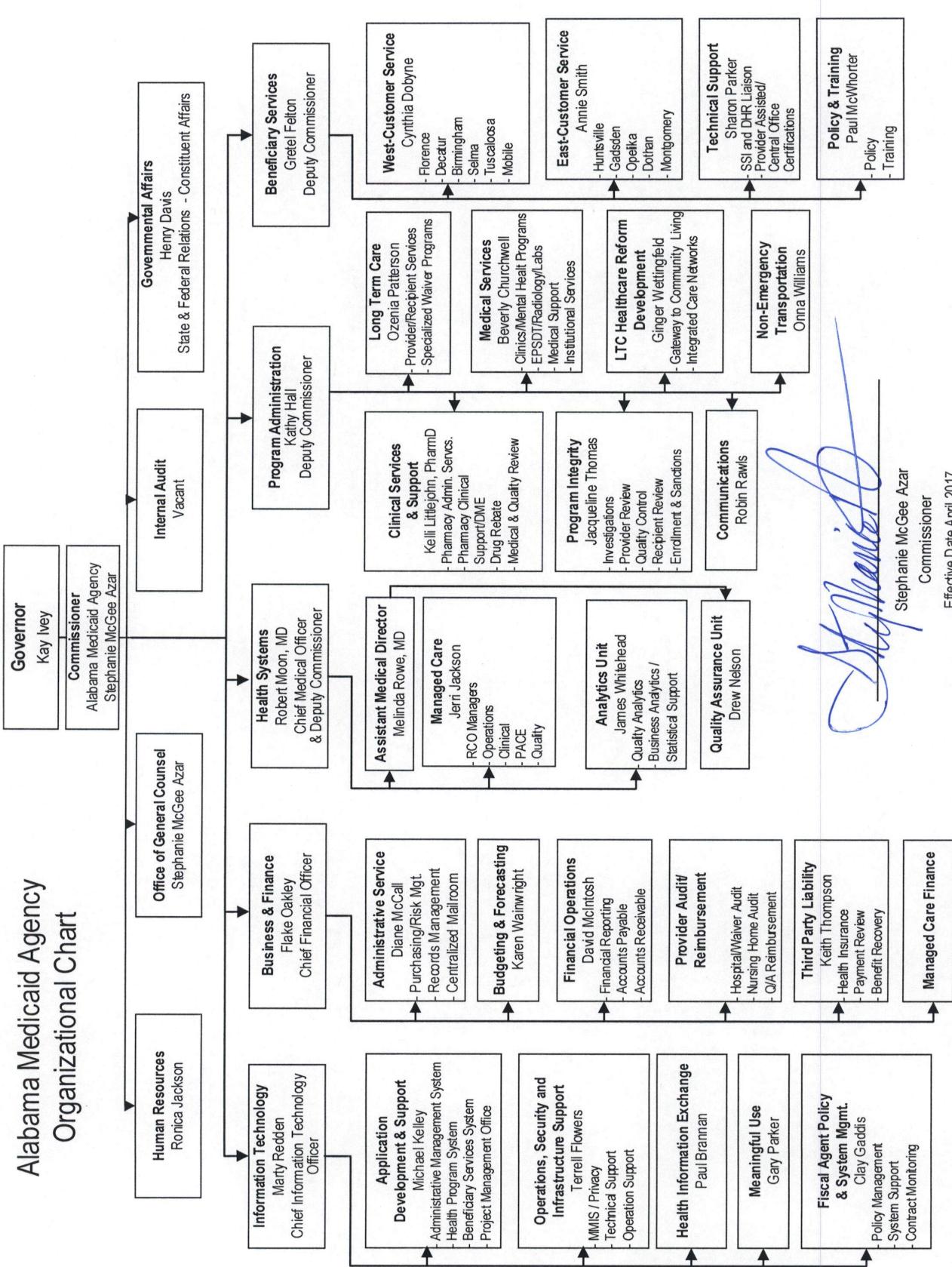
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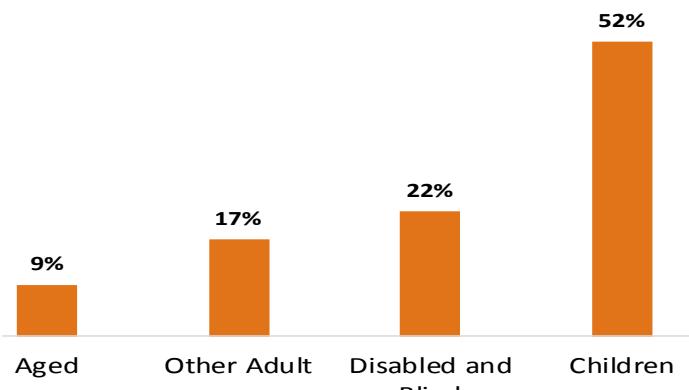
# Alabama Medicaid Agency Organizational Chart



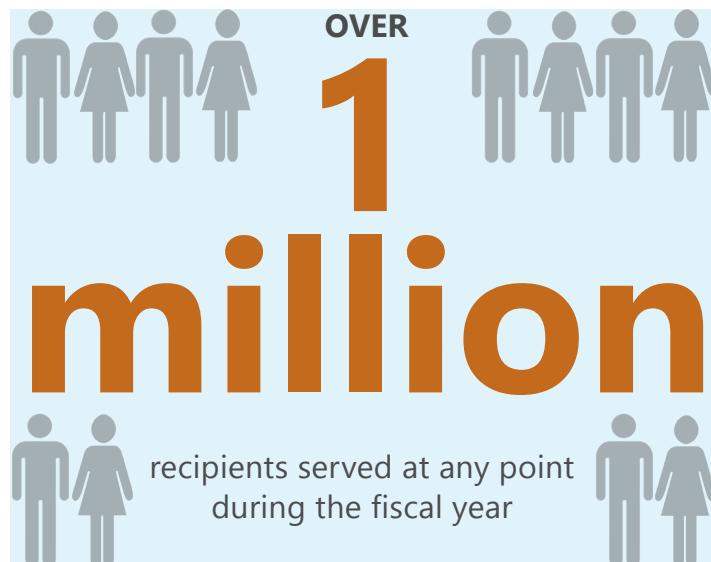
*[Signature]*  
Stephanie McGee Azar  
Commissioner  
Effective Date April 2017

# FISCAL YEAR 2017 ALABAMA MEDICAID AGENCY AT A GLANCE

## Distribution of Recipients

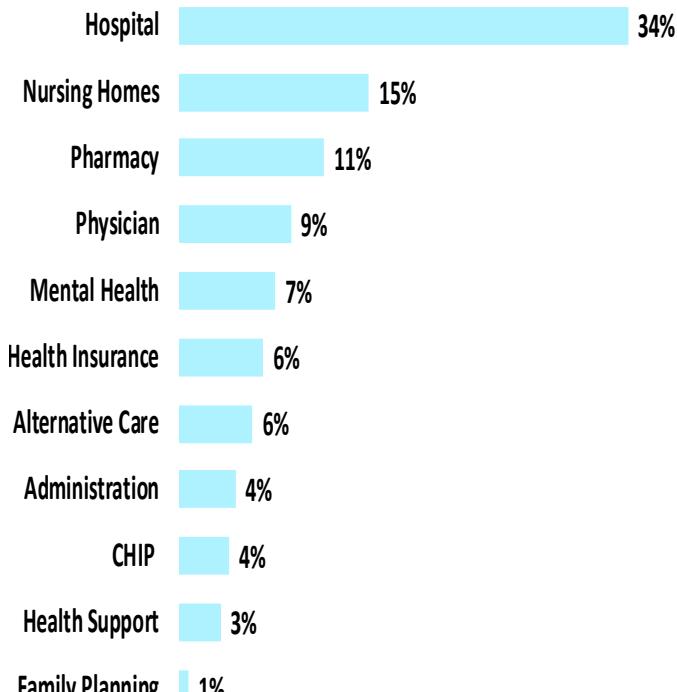


**25%** of Alabama citizens are eligible for Medicaid at least one month of the year



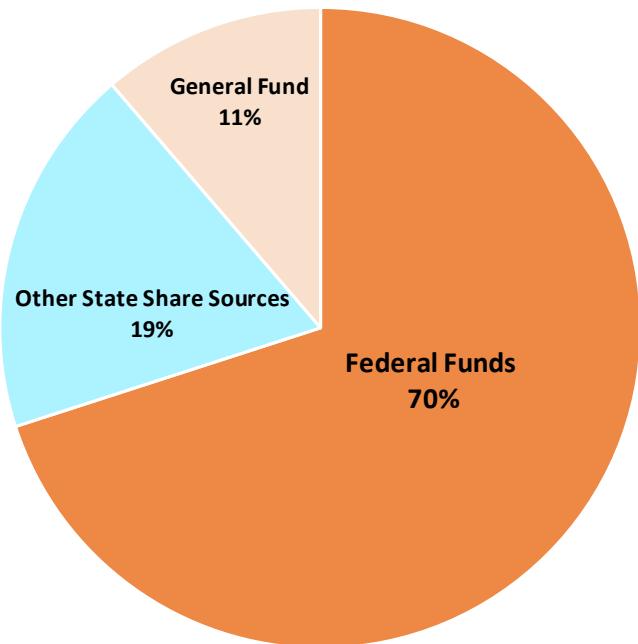
**\$5.7 billion** in medical benefits

## Medicaid Use of Funds



Total Expenditures: **\$6.5 Billion**

## Medicaid Source of Funds



Medicaid patients accounted for

**59%**

of total nursing home bed days



**50+%**

of all Alabama births are paid by Medicaid

# FY 2017 Eligibility

## Eligibles

Even though the Alabama Medicaid program is limited, it still covered 25 percent of all Alabama citizens at some point during Fiscal Year 2017, including 52 percent of all Alabama children.

More than one-half of all deliveries to Alabama residents are funded by Medicaid.

Meanwhile, aged, blind and disabled recipients represented a smaller percentage (31 percent) of eligibles. However, costs associated with this group accounted for approximately 63 percent of all expenditures for the Agency.

Medicaid covers the cost of care for approximately two-thirds of all nursing home residents.

Applicants undergo a rigorous screening and verification process before being approved for benefits. In addition to income, citizenship and other records are validated. Elderly and disabled applicants are also screened for resources and transfer of assets. In almost all cases, Alabama's financial eligibility limits are at the federal minimum level.



## Qualifying Agencies

Two agencies determine Medicaid eligibility besides Alabama Medicaid.

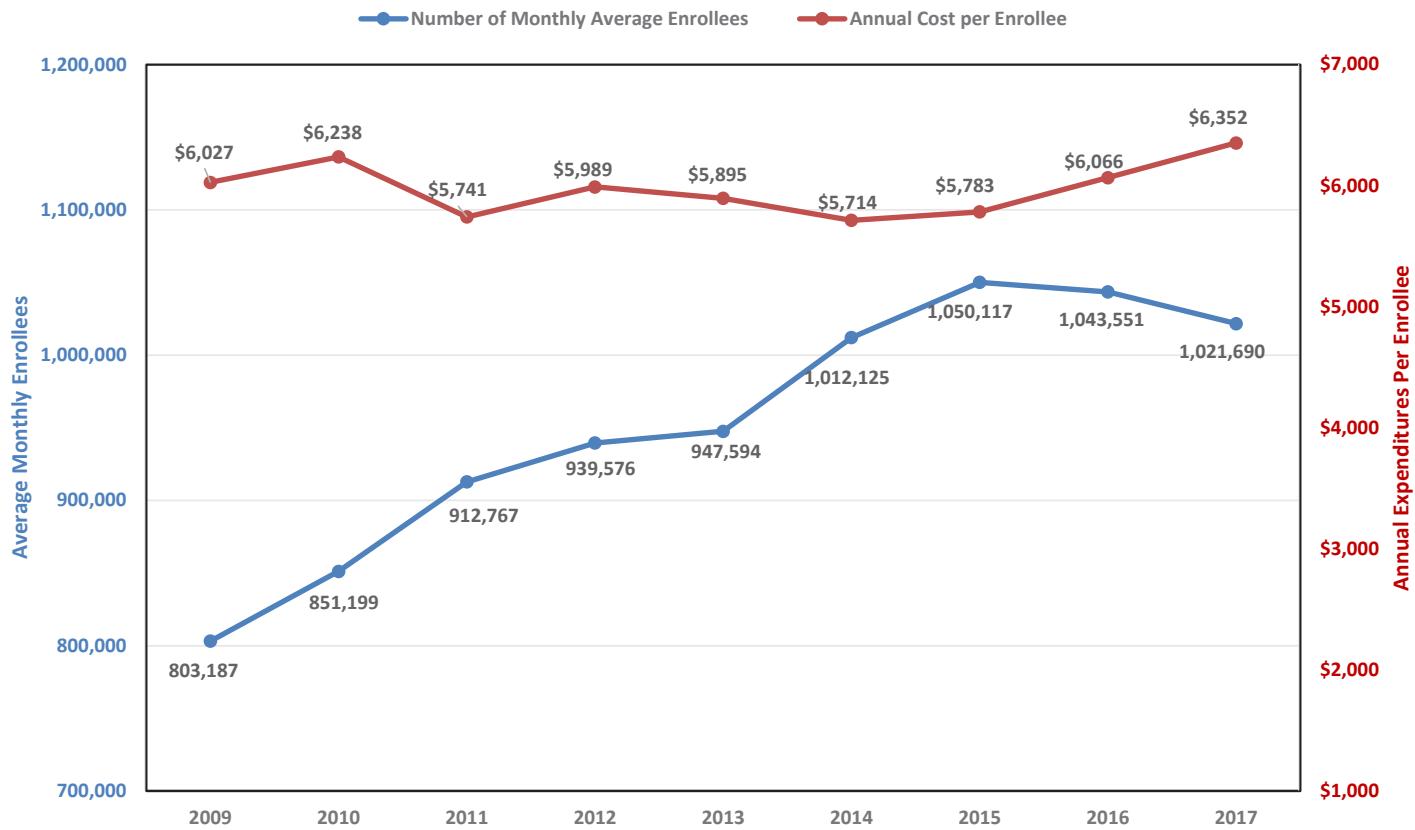
The Alabama Department of Human Resources certifies foster children and children who receive state or federal adoption assistance.

The Social Security Administration certifies aged, blind or disabled persons who have very low income and qualify for cash assistance through the Supplemental Security Income (SSI) program.

The Agency is responsible for certifying applicants for Elderly & Disabled programs; Parents and Other Caretaker Relatives (formerly known as MLIF); the program for children under age 19 and pregnant women; Plan First (Family Planning) Program; Breast and Cervical Cancer Program; Department of Youth Services children; and Emergency Services for non-citizens.

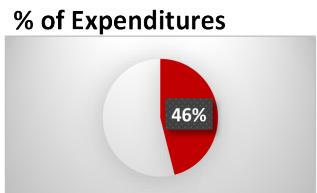


## FY 2009 - FY 2017 Enrollment and Annual Cost Per Enrollee



## FY 2017 Who Does Alabama Serve?

**Disabled and Blind**  
Determined by the Social Security Administration and have automatic Medicaid eligibility. Can be any age.



**\$11,203**  
Per Member Per Year

**Children**  
Non-Disabled Children under 19 in families below 146% of the Federal Poverty Rate.



**\$2,676**  
Per Member Per Year

**Aged**  
Non-Disabled Adults age 65 and over who are in poverty. Almost all are also covered by Medicare.



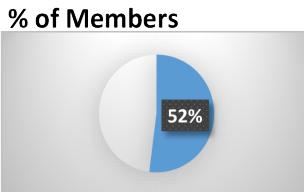
**Other Adults**  
Non-Disabled Adults (age 19-64) including full eligibility, maternity coverage or family planning only.



**\$3,675**  
Per Member Per Year



**\$11,203**  
Per Member Per Year



**\$2,676**  
Per Member Per Year



**\$10,510**  
Per Member Per Year



**\$3,675**  
Per Member Per Year

**Expenditures, based on dates of service, include claims and access payments based on dates of service in FY 2017. PMPY calculations not for the purpose of determining managed care rates and do not align to date paid numbers.**

## FY 2017 Medicaid and Alabama Overview

<b>Expenditures and Funding Sources</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Expenditures</b>			
Medicaid Agency Expenditures <sup>1</sup>	\$6,073,280,030	\$6,330,410,558	\$6,489,979,058
Percent Change from Prior Year	5.0%	4.2%	2.5%
Medicaid Medical Services Expenditures <sup>2</sup>	\$5,335,816,017	\$5,612,193,123	\$5,730,687,262
Percent Change from Prior Year	5.0%	5.2%	2.1%
Average Medicaid Medical Services Expenditures per Monthly Average Eligible <sup>3</sup>	\$5,081	\$5,378	\$5,609
Percent Change from Prior Year	1.2%	5.8%	4.3%
Medicaid Medical Services Expenditures per Capita <sup>4</sup>	\$1,098	\$1,154	\$1,176
<b>Funding Sources</b>			
Overall Federal Funding Percentage	68.4%	69.0%	70.2%
Overall State Funding Percentage	31.6%	31.0%	29.8%
State General Fund Percentage	11.3%	11.9%	11.1%
<b>Utilization</b>			
<b>Alabama Population<sup>5</sup></b>			
Total	4,858,979	4,863,300	4,874,747
Adults	3,561,719	3,573,525	3,586,723
Children <sup>6</sup>	1,297,260	1,289,775	1,288,024
As a Percent of the Alabama Population	26.7%	26.5%	26.4%
<b>Eligibles</b>			
<b>Monthly Average Medicaid Eligibility<sup>7</sup></b>			
Monthly Average Eligibles	1,050,117	1,043,551	1,021,690
Percent Change from Prior Year	3.8%	-0.6%	-0.6%
As a Percent of the Alabama Population	21.6%	21.5%	21.0%
Monthly Average Adult Eligibles	462,743	462,800	454,718
As a Percent of the Alabama Population	13.0%	13.0%	12.7%
Monthly Average Child Eligibles <sup>6</sup>	587,374	580,751	566,971
As a Percent of the Alabama Population	45.3%	45.0%	44.0%
<b>Annual Medicaid Eligibility<sup>8</sup></b>			
Annual Eligibles	1,221,963	1,218,885	1,208,471
Percent Change from Prior Year	3.2%	-0.3%	-0.9%
As a Percent of the Alabama Population	25.1%	25.1%	24.8%
Annual Eligible Adults	537,064	538,803	533,974
As a Percent of the Alabama Adult Population	15.1%	15.1%	14.9%
Annual Eligible Children <sup>6</sup>	684,899	680,082	674,497
As a Percent of the Alabama Child Population	52.8%	52.7%	52.4%

<sup>1</sup> As reported by the Executive Budget Office.

<sup>2</sup> Total Medicaid medical services expenditures excludes Agency administrative costs, administrative costs of the school-based services program, payments to hospitals under the Disproportionate Share Hospital program and expenses of the Health Information Exchange.

<sup>3</sup> Total Medicaid medical services expenditures divided by the number of monthly average eligibles. See footnote 2 for a definition of the expenditures.

<sup>4</sup> Medicaid medical services expenditures divided by the total Alabama population. See footnote 2 for a definition of the expenditures.

<sup>5</sup> Population figures are extrapolated from the 2010 U.S. Census data by the Center for Business and Economic Research at the University of Alabama.

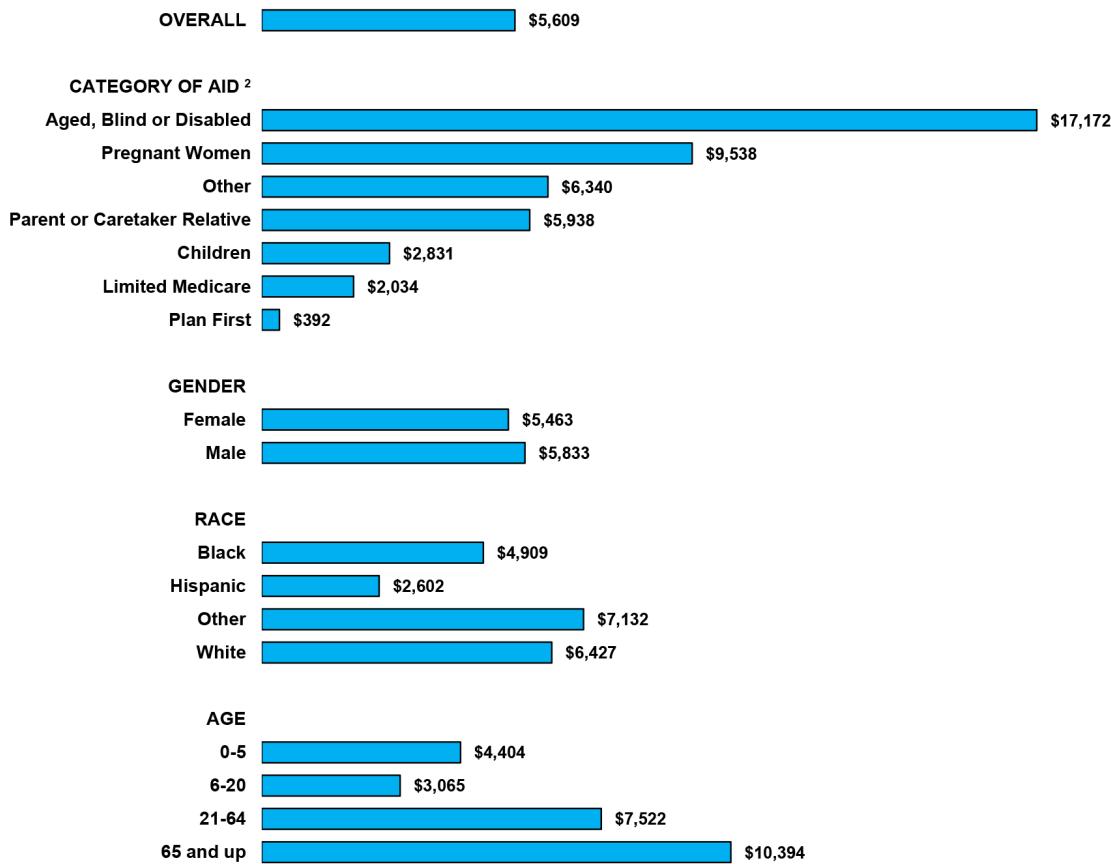
<sup>6</sup> Child/Children defined as those under age 21.

<sup>7</sup> The arithmetic average of the unduplicated number of individuals who qualified for full or partial Medicaid coverage in each month of the fiscal year.

<sup>8</sup> An unduplicated count of individuals who qualified for full or partial Medicaid coverage and were enrolled in Medicaid for at least one month of the fiscal year.

# FY 2017

## Annual Cost Per Monthly Average Eligible for Medical Care<sup>1</sup> By Category of Aid, Gender, Race, and Age



<sup>1</sup> The annual cost per monthly average eligible for medical care is calculated based on total expenditures of \$5,730,687,262 in FY 2017 divided by the annual average of monthly eligibles of 1,021,690. Total expenditures exclude the Medicaid Agency administrative expense, school-based services administration, expenses of the Health Information Exchange, and Disproportionate Share Hospital payments.

<sup>2</sup> See page 17 for definitions of aid categories.

## Definitions of Eligibles and Recipients

### Potential Eligibles

Potential Eligibles are individuals who potentially qualify for Medicaid, but have not applied. It is typically an estimate based on census or other demographic data.

### Annual Eligibles

An unduplicated count of individuals who qualified for full or partial Medicaid coverage and were enrolled in Medicaid for at least one month of the fiscal year.

### Annual Recipients

An unduplicated count of Medicaid eligibles who received at least one medical service that Medicaid paid for during the fiscal year. This count excludes SLMB and QI-1 recipients who only receive the benefit of having their Medicare Part B premiums paid, as well as those eligibles whose third-party payer covered their medical costs resulting in a zero payment by Medicaid.

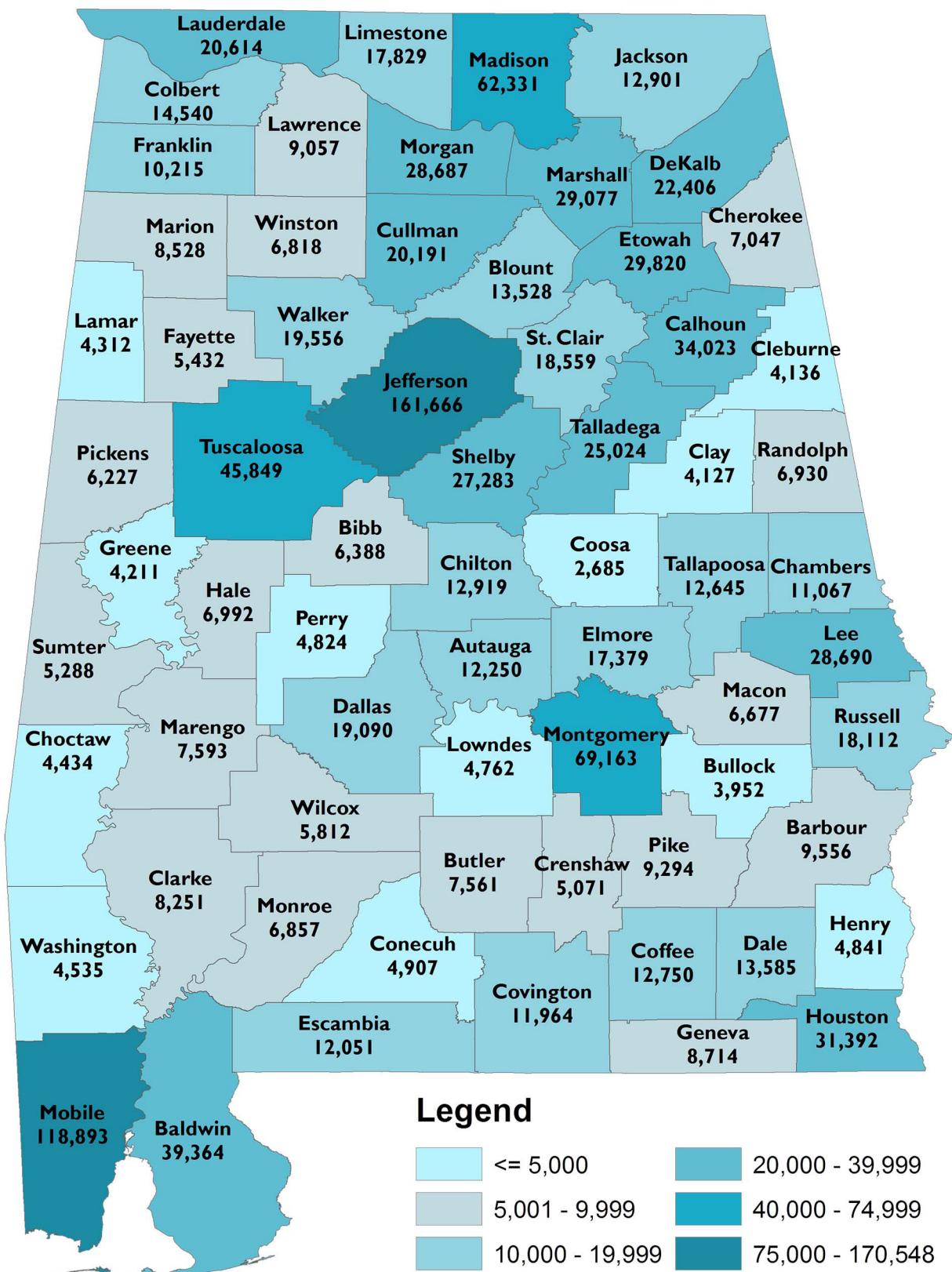
### Monthly Average Eligibles

The arithmetic average of the unduplicated number of individuals who qualified for full or partial Medicaid coverage in each month of the fiscal year.

### Monthly Average Recipients

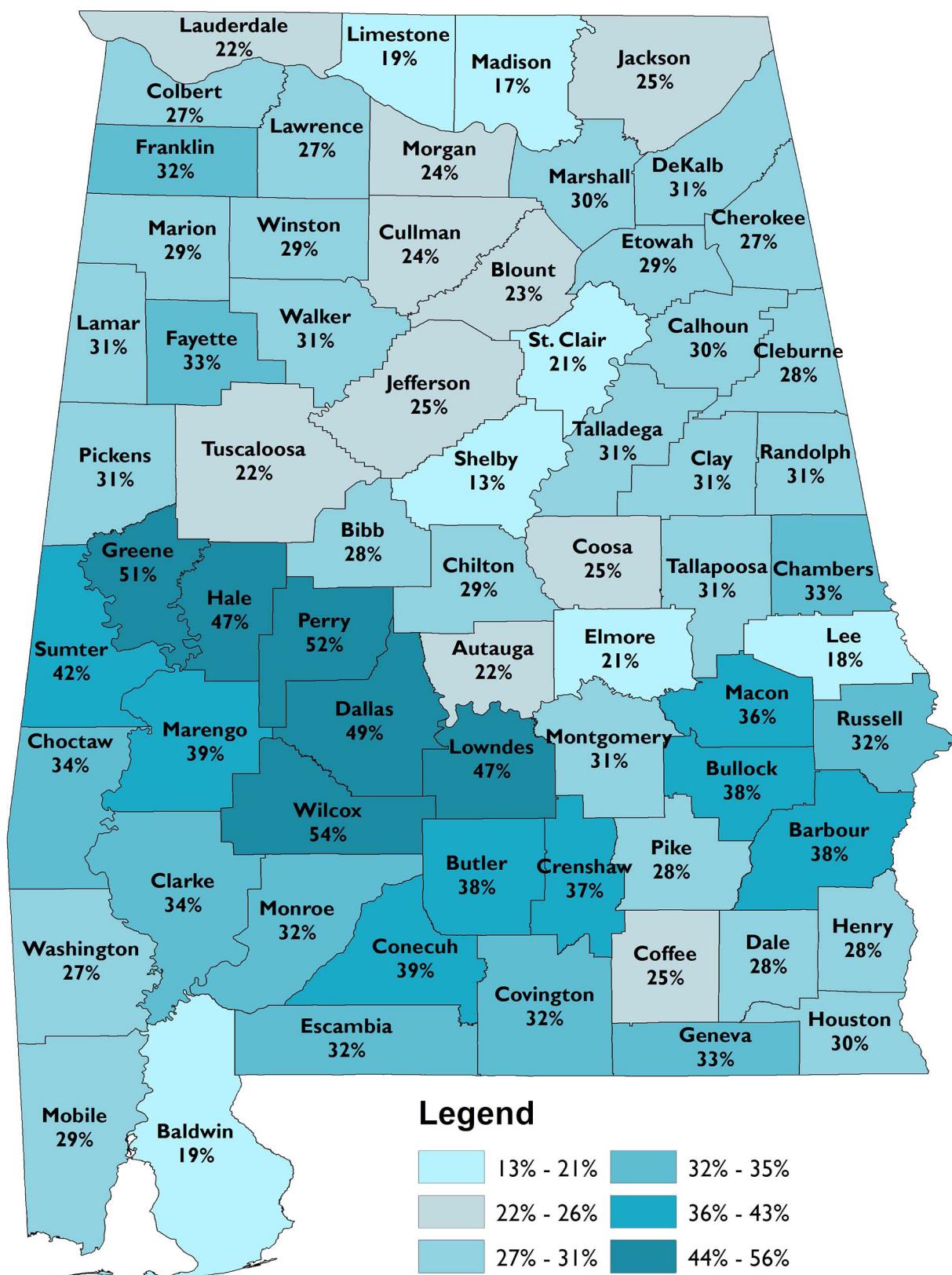
The arithmetic average of the unduplicated number of Medicaid eligibles in each month of the fiscal year who received at least one medical service that Medicaid paid for during the month. This excludes SLMB and QI-1 recipients who only receive the benefit of having their Medicare Part B premiums paid, as well as those eligibles whose third-party payer covered their medical costs resulting in a zero payment by Medicaid.

## FY 2017 Medicaid Annual Eligibles<sup>1</sup> - County



<sup>1</sup> Annual Eligibles: An unduplicated count of individuals who qualified for full or partial Medicaid coverage and were enrolled in Medicaid for at least one month of the fiscal year.

## FY 2017 Percent Population Annually Eligible<sup>1</sup> - County



<sup>1</sup> Annual Eligibles: An unduplicated count of individuals who qualified for full or partial Medicaid coverage and were enrolled in Medicaid for at least one month of the fiscal year.

## FY 2008 - 2017 Medicaid Annual Eligibles as Percent of Population by Year

Year	State Population <sup>1</sup>	Annual Eligibles <sup>2</sup>	Annual Eligibles as % of Population	Monthly Average Eligibles <sup>3</sup>	Monthly Average Eligibles as % of Population
<b>FY 2008</b>	4,760,046	920,937	19.3%	756,564	15.9%
<b>FY 2009</b>	4,799,189	964,171	20.1%	803,187	16.7%
<b>FY 2010</b>	4,779,735	1,026,429	21.5%	851,199	17.8%
<b>FY 2011</b>	4,801,695	1,070,781	22.3%	912,767	19.0%
<b>FY 2012</b>	4,817,484	1,110,037	23.0%	939,576	19.5%
<b>FY 2013</b>	4,833,996	1,095,266	22.7%	947,594	19.6%
<b>FY 2014</b>	4,849,377	1,184,015	24.4%	1,012,125	20.9%
<b>FY 2015</b>	4,858,979	1,221,963	25.1%	1,050,117	21.6%
<b>FY 2016</b>	4,863,300	1,218,885	25.1%	1,043,551	21.5%
<b>FY 2017</b>	4,874,747	1,208,471	24.8%	1,021,690	21.0%

<sup>1</sup> Population figures are extrapolated from the 2010 U.S. Census data by the Center for Business and Economic Research at the University of Alabama.

<sup>2</sup> An unduplicated count of individuals who qualified for full or partial Medicaid coverage and were enrolled in Medicaid for at least one month of the fiscal year.

<sup>3</sup> The arithmetic average of the unduplicated number of individuals who qualified for full or partial Medicaid coverage in each month of the fiscal year.

## FY 2008-2017 Monthly and Average Annual Medicaid Eligibles

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>October</b>	746,397	787,515	834,747	894,496	949,808	933,907	972,720	1,047,882	1,050,054	1,031,957
<b>November</b>	735,163	782,764	828,165	890,932	938,776	930,019	973,349	1,050,254	1,048,868	1,030,995
<b>December</b>	734,810	782,786	825,655	891,327	934,512	930,965	972,173	1,049,711	1,044,969	1,027,611
<b>January</b>	741,620	790,064	832,160	897,984	939,100	935,580	997,545	1,055,938	1,047,141	1,021,443
<b>February</b>	748,861	794,954	835,136	902,351	939,021	941,429	1,000,824	1,044,093	1,046,710	1,018,716
<b>March</b>	755,318	801,523	842,963	911,268	941,197	945,267	1,014,931	1,047,623	1,045,433	1,019,760
<b>April</b>	759,935	804,925	851,089	913,068	941,707	949,439	1,020,802	1,050,432	1,045,963	1,016,805
<b>May</b>	762,390	808,273	855,952	914,397	940,538	953,232	1,024,358	1,053,532	1,041,933	1,016,227
<b>June</b>	764,914	812,220	862,949	922,321	937,851	955,355	1,034,955	1,044,251	1,038,991	1,017,414
<b>July</b>	770,387	817,174	872,501	930,736	935,778	959,607	1,041,588	1,050,989	1,037,037	1,021,681
<b>August</b>	777,111	825,421	883,443	939,943	935,901	966,066	1,047,957	1,053,898	1,038,571	1,019,631
<b>September</b>	781,857	830,621	889,627	944,375	940,722	970,267	1,044,302	1,052,800	1,036,942	1,018,034
<b>Annual Average</b>	<b>756,564</b>	<b>803,187</b>	<b>851,199</b>	<b>912,767</b>	<b>939,576</b>	<b>947,594</b>	<b>1,012,125</b>	<b>1,050,117</b>	<b>1,043,551</b>	<b>1,021,690</b>

<sup>1</sup> An unduplicated number of individuals who qualified for full or partial Medicaid coverage in each month of the fiscal year. Annual average is the arithmetic average of the 12 months.

## FY 2017 Medicaid Annual Eligibles<sup>1</sup> by Aid<sup>2</sup> Category & County

County	ABD	Children	Limited Medicare	Other	POCR	Plan First	Pregnant Women	GRAND TOTAL <sup>3</sup>
Autauga	2,129	6,406	1,416	67	1,170	1,149	336	12,250
Baldwin	4,892	22,519	4,373	576	3,546	3,785	1,185	39,364
Barbour	1,917	4,767	1,159	65	884	973	222	9,556
Bibb	1,327	3,170	764	55	597	602	131	6,388
Blount	2,145	7,444	1,712	185	1,071	1,027	365	13,528
Bullock	839	1,965	453	45	349	388	64	3,952
Butler	1,475	3,768	870	21	695	887	201	7,561
Calhoun	6,134	17,302	3,979	232	3,489	3,325	936	34,023
Chambers	2,102	5,492	1,464	67	1,029	1,079	268	11,067
Cherokee	1,365	3,417	1,174	26	614	504	152	7,047
Chilton	2,056	7,117	1,458	204	1,106	1,131	310	12,919
Choctaw	1,074	1,955	573	14	500	449	60	4,434
Clarke	1,789	3,892	932	21	824	979	185	8,251
Clay	769	2,048	606	27	253	459	138	4,127
Cleburne	747	2,135	539	12	396	345	99	4,136
Coffee	2,081	6,887	1,322	148	1,287	1,135	352	12,750
Colbert	2,837	7,038	1,969	82	1,256	1,586	390	14,540
Conecuh	991	2,326	706	19	489	469	101	4,907
Coosa	592	1,163	483	6	205	252	66	2,685
Covington	2,199	5,956	1,601	36	1,241	1,122	291	11,964
Crenshaw	929	2,481	698	11	580	466	112	5,071
Cullman	3,834	10,340	3,059	172	1,156	1,761	712	20,191
Dale	2,597	6,908	1,522	60	1,272	1,388	414	13,585
Dallas	4,950	8,573	2,329	54	1,651	2,022	339	19,090
DeKalb	3,201	13,069	2,678	595	1,524	1,474	559	22,406
Elmore	2,923	9,348	1,870	115	1,605	1,695	499	17,379
Escambia	1,906	6,492	1,397	42	1,188	1,199	341	12,051
Etowah	6,102	14,668	4,161	283	2,520	2,397	826	29,820
Fayette	1,197	2,605	696	25	531	424	115	5,432
Franklin	1,542	5,759	1,184	285	752	762	239	10,215
Geneva	1,706	4,284	1,213	37	856	736	204	8,714
Greene	986	1,876	452	21	619	389	78	4,211
Hale	1,424	3,100	827	18	1,160	751	142	6,992
Henry	904	2,308	731	28	444	504	116	4,841
Houston	5,823	16,156	3,466	189	2,987	3,165	928	31,392
Jackson	2,150	6,608	1,957	114	1,156	993	359	12,901
Jefferson	30,696	84,857	18,067	2,318	13,480	14,373	3,888	161,666
Lamar	908	2,027	638	24	400	361	84	4,312
Lauderdale	3,719	10,186	2,854	159	1,613	2,337	546	20,614
Lawrence	1,699	4,530	1,106	40	960	835	220	9,057
Lee	4,316	16,137	2,497	389	2,629	2,961	869	28,690
Limestone	2,809	9,907	2,010	265	1,398	1,516	501	17,829
Lowndes	1,092	2,098	707	17	455	477	109	4,762
Macon	1,422	3,138	755	24	676	786	131	6,677
Madison	9,341	35,435	5,569	916	5,163	6,223	2,066	62,331
Marengo	1,957	3,330	917	25	760	797	169	7,593
Marion	1,610	4,151	1,258	45	799	759	218	8,528
Marshall	4,184	17,077	2,990	1,012	2,327	1,651	674	29,077
Mobile	19,840	63,860	11,992	808	10,546	14,009	3,548	118,893
Monroe	1,351	3,449	812	25	702	675	156	6,857
Montgomery	12,374	36,519	6,587	838	6,403	7,681	1,987	69,163
Morgan	5,052	15,972	2,767	499	2,122	2,486	911	28,687
Perry	1,303	2,033	609	11	568	471	71	4,824
Pickens	1,504	2,902	727	25	550	633	132	6,227
Pike	1,913	4,498	1,070	49	752	1,152	246	9,294
Randolph	1,194	3,666	860	51	610	612	160	6,930
Russell	2,890	9,919	1,754	82	1,895	1,766	415	18,112
St. Clair	2,831	9,971	2,253	113	2,035	1,584	480	18,559
Shelby	3,455	16,483	2,307	758	2,277	2,087	684	27,283
Sumter	1,384	2,128	545	9	797	653	88	5,288
Talladega	5,256	12,140	3,476	96	2,150	2,168	630	25,024
Tallapoosa	2,558	6,265	1,770	48	1,048	1,151	276	12,645
Tuscaloosa	8,848	24,018	4,236	656	3,589	5,062	1,506	45,849
Walker	4,332	9,257	2,711	155	1,607	1,694	488	19,556
Washington	929	2,260	523	14	495	363	84	4,535
Wilcox	1,660	2,488	634	13	500	679	84	5,812
Winston	1,316	3,336	1,109	42	575	518	155	6,818
DYS	1	258			1			260
STATEWIDE <sup>3</sup>	216,548	633,232	139,796	13,189	106,535	117,912	31,914	1,208,471

<sup>1</sup> Annual Eligibles: An unduplicated count of individuals who qualified for full or partial Medicaid coverage and were enrolled in Medicaid for at least one month of the fiscal year.

<sup>2</sup> See definitions of aid categories descriptions on page 17.

<sup>3</sup> Rows/columns do not equal the overall unduplicated count of eligibles (1,208,471) because during the year some persons live in multiple counties and some qualify for benefits under different categories.

## Aid Categories Explained

**Aged, Blind, and Disabled (ABD)** – Individuals who are eligible for Medicaid services because they are 65 years of age or older, blind or disabled. This includes individuals eligible or deemed eligible for SSI through the Social Security Administration, and other aged, blind or disabled individuals who meet Medicaid income, resource and medical level of care criteria, and receive services in a certified Long Term Care facility or Medicaid waiver services in the community.

**Children** – Includes foster children, newborns of Medicaid-eligible mothers and all children under age 19 whose family income is at or below 141 percent of the federal poverty level (FPL).

**Limited Medicare Programs** – These are programs for low income Medicare beneficiaries who receive no Medicaid services, but are eligible for Medicaid to help pay some of their Medicare cost-sharing expenses. Programs include:

**Qualified Medicare Beneficiary (QMB)** – People with income at 100 percent FPL. Medicaid pays Medicare coinsurance, deductibles and Medicare Part B premiums. Part A premiums may be paid in special circumstances.

**Specified Low-Income Medicare Beneficiary (SLMB)** – People with income from 101 percent FPL to 120 percent FPL. Medicaid only pays Medicare Part B premium.

**Qualifying Individual (QI)** – People with income at 121 percent FPL to 135 percent FPL. Medicaid only pays Medicare Part B premium. This program is 100 percent federally funded as long as federal funds are available.

**Qualified Disabled and Working Individuals (QDWI)** – People with income at 200 percent FPL. Medicaid only pays Part A premium for individuals in this group.

**Parents and Other Caretaker Relatives (POCR)** – Individuals with family income at or below 13 percent FPL, who are parents or close relatives of a dependent child under age 19 who live with and assume responsibility for the child's care.

**Plan First** – A limited Medicaid program that only provides family planning services to women 19 through 55 and vasectomies to men age 21 and up with income at or below 141 percent FPL, who would not, otherwise, qualify for Medicaid.

**Pregnant Women** – Pregnant women who are only eligible for Medicaid during pregnancy and 60 days postpartum, with family income at or below 141 percent FPL.

**Other** – Individuals who are eligible for smaller eligibility groups such as:

Former Foster Care – Individuals who aged out of foster care in Alabama who are under age 26;

Women under 65 who have been screened and diagnosed eligible for the Breast and Cervical Cancer Program;

Non-Citizens who meet income and other requirements for Medicaid, but are eligible only for emergency services.

## FY 2017 County Impact

### Average Annual Benefit Payments<sup>1</sup> Per Monthly Average Eligibles<sup>2</sup> by County

County	Benefit Payments	Monthly Avg. Eligibles	Avg. Payment Per Eligible	County	Benefit Payments	Monthly Avg. Eligibles	Avg. Payment Per Eligible
<b>Autauga</b>	\$53,932,695	9,588	\$5,625	<b>Houston</b>	\$133,156,519	25,742	\$5,173
<b>Baldwin</b>	\$142,799,586	30,780	\$4,639	<b>Jackson</b>	\$59,686,183	10,344	\$5,770
<b>Barbour</b>	\$41,811,761	8,092	\$5,167	<b>Jefferson</b>	\$818,934,267	134,050	\$6,109
<b>Bibb</b>	\$29,269,492	5,192	\$5,637	<b>Lamar</b>	\$22,090,554	3,556	\$6,212
<b>Blount</b>	\$59,426,256	10,845	\$5,480	<b>Lauderdale</b>	\$89,317,060	16,238	\$5,501
<b>Bullock</b>	\$19,859,513	3,356	\$5,918	<b>Lawrence</b>	\$37,787,697	7,301	\$5,176
<b>Butler</b>	\$34,621,404	6,422	\$5,391	<b>Lee</b>	\$101,814,156	22,899	\$4,446
<b>Calhoun</b>	\$156,988,246	28,038	\$5,599	<b>Limestone</b>	\$65,566,847	14,299	\$4,586
<b>Chambers</b>	\$49,560,841	9,093	\$5,450	<b>Lowndes</b>	\$20,032,621	4,054	\$4,941
<b>Cherokee</b>	\$34,397,950	5,817	\$5,913	<b>Macon</b>	\$27,730,784	5,569	\$4,980
<b>Chilton</b>	\$56,885,311	10,434	\$5,452	<b>Madison</b>	\$252,498,244	49,640	\$5,087
<b>Choctaw</b>	\$20,999,541	3,743	\$5,610	<b>Marengo</b>	\$38,974,534	6,467	\$6,027
<b>Clarke</b>	\$37,444,057	7,012	\$5,340	<b>Marion</b>	\$40,905,887	6,782	\$6,032
<b>Clay</b>	\$18,893,192	3,342	\$5,654	<b>Marshall</b>	\$116,901,375	23,611	\$4,951
<b>Cleburne</b>	\$19,372,443	3,262	\$5,939	<b>Mobile</b>	\$590,732,318	99,396	\$5,943
<b>Coffee</b>	\$56,448,126	10,144	\$5,565	<b>Monroe</b>	\$32,770,707	5,662	\$5,788
<b>Colbert</b>	\$64,056,392	11,438	\$5,601	<b>Montgomery</b>	\$286,203,486	57,425	\$4,984
<b>Conecuh</b>	\$23,871,130	4,085	\$5,844	<b>Morgan</b>	\$140,839,297	22,714	\$6,201
<b>Coosa</b>	\$11,313,231	2,104	\$5,376	<b>Perry</b>	\$24,835,512	4,100	\$6,057
<b>Covington</b>	\$57,032,115	9,835	\$5,799	<b>Pickens</b>	\$29,986,372	5,222	\$5,742
<b>Crenshaw</b>	\$23,122,217	4,149	\$5,573	<b>Pike</b>	\$41,315,241	7,724	\$5,349
<b>Cullman</b>	\$103,540,705	16,152	\$6,410	<b>Randolph</b>	\$33,074,208	5,667	\$5,836
<b>Dale</b>	\$61,596,834	10,865	\$5,669	<b>Russell</b>	\$57,237,412	14,313	\$3,999
<b>Dallas</b>	\$93,083,125	16,661	\$5,587	<b>St.Clair</b>	\$80,088,474	14,851	\$5,393
<b>DeKalb</b>	\$100,559,657	18,388	\$5,469	<b>Shelby</b>	\$105,498,227	21,096	\$5,001
<b>Elmore</b>	\$78,253,209	13,729	\$5,700	<b>Sumter</b>	\$19,652,695	4,366	\$4,501
<b>Escambia</b>	\$46,739,911	9,996	\$4,676	<b>Talladega</b>	\$117,215,579	20,759	\$5,647
<b>Etowah</b>	\$167,666,710	24,452	\$6,857	<b>Tallapoosa</b>	\$64,847,834	10,492	\$6,181
<b>Fayette</b>	\$30,231,550	4,399	\$6,872	<b>Tuscaloosa</b>	\$234,292,966	37,378	\$6,268
<b>Franklin</b>	\$47,549,995	8,097	\$5,872	<b>Walker</b>	\$121,366,743	16,116	\$7,531
<b>Geneva</b>	\$38,816,568	7,100	\$5,468	<b>Washington</b>	\$21,303,661	3,677	\$5,794
<b>Greene</b>	\$17,492,587	3,425	\$5,108	<b>Wilcox</b>	\$23,335,585	5,138	\$4,542
<b>Hale</b>	\$26,182,554	5,554	\$4,714	<b>Winston</b>	\$34,202,803	5,444	\$6,283
<b>Henry</b>	\$21,683,640	3,892	\$5,571	<b>Youth Services</b>	\$988,875	121	\$8,161
				<b>Statewide</b>	<b>\$5,730,687,262</b>	<b>1,021,690</b>	<b>\$5,609</b>

<sup>1</sup> Benefit payments for medical care in FY 2017 exclude administrative expenses of the Medicaid Agency, expenses of the Health Information Exchange, and disproportionate share hospital payments.

<sup>2</sup> The annual average of monthly eligibles.

## FY 2017 County Impact

### Annual Benefit Payments<sup>1</sup> Per Provider Type by County (\$ amounts in thousands)

County	Hospital Services	NH/LTC/Hospice	Pharmacy	Physicians/NPs/PAs	Mental Health	Medicare Premiums	Other <sup>2</sup>	Grand Total
Autauga	\$7,165	\$7,010	\$6,874	\$3,496	\$10,207	\$4,419	\$3,678	<b>\$42,849</b>
Baldwin	\$27,818	\$24,280	\$22,343	\$17,285	\$13,140	\$11,701	\$16,103	<b>\$132,669</b>
Barbour	\$2,858	\$8,545	\$4,298	\$1,659	\$0	\$3,699	\$3,248	<b>\$24,307</b>
Bibb	\$2,359	\$5,713	\$2,305	\$95	\$0	\$2,863	\$6,409	<b>\$19,745</b>
Blount	\$4,625	\$8,328	\$3,725	\$1,847	\$210	\$5,073	\$2,701	<b>\$26,509</b>
Bullock	\$3,833	\$6,616	\$3,104	\$703	\$0	\$1,603	\$1,843	<b>\$17,702</b>
Butler	\$2,822	\$10,835	\$4,247	\$1,269	\$0	\$2,847	\$3,038	<b>\$25,058</b>
Calhoun	\$44,140	\$23,906	\$18,597	\$16,885	\$10,019	\$11,870	\$9,589	<b>\$135,006</b>
Chambers	\$0	\$13,840	\$3,243	\$1,590	\$2,720	\$4,139	\$1,308	<b>\$26,289</b>
Cherokee	\$2,560	\$9,747	\$3,405	\$884	\$0	\$3,029	\$2,078	<b>\$21,702</b>
Chilton	\$1,888	\$7,836	\$4,014	\$1,943	\$112	\$4,601	\$3,356	<b>\$23,750</b>
Choctaw	\$1,178	\$5,727	\$1,928	\$433	\$0	\$2,100	\$1,319	<b>\$12,685</b>
Clarke	\$4,671	\$8,793	\$4,731	\$1,415	\$0	\$3,509	\$3,549	<b>\$26,669</b>
Clay	\$2,395	\$7,409	\$1,416	\$654	\$0	\$1,653	\$637	<b>\$14,164</b>
Cleburne	\$0	\$3,861	\$909	\$114	\$0	\$1,409	\$703	<b>\$6,997</b>
Coffee	\$12,240	\$15,308	\$6,292	\$6,409	\$0	\$3,995	\$17,472	<b>\$61,715</b>
Colbert	\$19,847	\$11,494	\$7,715	\$8,232	\$4,127	\$5,710	\$4,400	<b>\$61,525</b>
Conecuh	\$5,325	\$3,721	\$1,252	\$893	\$0	\$2,098	\$1,795	<b>\$15,084</b>
Coosa	\$0	\$3,176	\$374	\$923	\$0	\$1,241	\$120	<b>\$5,834</b>
Covington	\$10,412	\$17,677	\$5,996	\$3,930	\$4,685	\$4,628	\$3,230	<b>\$50,558</b>
Crenshaw	\$5,369	\$5,635	\$1,876	\$365	\$0	\$2,165	\$820	<b>\$16,230</b>
Cullman	\$16,174	\$24,880	\$8,666	\$14,398	\$5,182	\$8,801	\$5,131	<b>\$83,232</b>
Dale	\$6,387	\$13,964	\$4,949	\$2,643	\$955	\$4,606	\$2,058	<b>\$35,561</b>
Dallas	\$22,564	\$16,878	\$8,713	\$8,851	\$5,485	\$8,751	\$8,096	<b>\$79,338</b>
DeKalb	\$6,452	\$21,775	\$9,982	\$5,230	\$1,832	\$7,535	\$9,218	<b>\$62,024</b>
Elmore	\$3,819	\$12,407	\$7,310	\$1,991	\$18,356	\$5,792	\$3,364	<b>\$53,038</b>
Escambia	\$6,607	\$10,907	\$4,495	\$2,497	\$1	\$4,218	\$3,019	<b>\$31,744</b>
Etowah	\$48,354	\$35,381	\$14,378	\$17,735	\$28,716	\$12,413	\$12,993	<b>\$169,970</b>
Fayette	\$2,558	\$6,197	\$1,770	\$1,000	\$4,851	\$2,397	\$813	<b>\$19,585</b>
Franklin	\$7,660	\$12,958	\$3,595	\$2,066	\$0	\$3,248	\$1,723	<b>\$31,249</b>
Geneva	\$2,679	\$8,003	\$2,298	\$660	\$0	\$3,409	\$1,942	<b>\$18,991</b>
Greene	\$1,085	\$3,718	\$633	\$42	\$0	\$1,765	\$1,066	<b>\$8,309</b>
Hale	\$2,280	\$7,010	\$1,645	\$286	\$0	\$2,718	\$3,115	<b>\$17,054</b>
Henry	\$0	\$5,826	\$1,206	\$212	\$0	\$2,017	\$3,219	<b>\$12,482</b>
Houston	\$78,874	\$24,092	\$23,770	\$31,088	\$10,847	\$10,801	\$13,658	<b>\$193,129</b>
Jackson	\$8,332	\$13,816	\$4,762	\$4,082	\$9,613	\$5,059	\$4,450	<b>\$50,115</b>
Jefferson	\$913,051	\$140,914	\$122,985	\$211,665	\$76,926	\$61,148	\$64,334	<b>\$1,591,022</b>
Lamar	\$0	\$6,588	\$1,815	\$231	\$0	\$1,858	\$1,854	<b>\$12,346</b>
Lauderdale	\$20,561	\$21,743	\$9,487	\$8,156	\$11,276	\$7,911	\$7,479	<b>\$86,614</b>
Lawrence	\$6,345	\$6,160	\$3,365	\$296	\$13	\$3,340	\$3,314	<b>\$22,833</b>
Lee	\$47,552	\$9,567	\$10,823	\$15,702	\$18,162	\$7,418	\$16,567	<b>\$126,341</b>
Limestone	\$10,006	\$12,290	\$6,231	\$3,103	\$55	\$5,766	\$6,027	<b>\$43,479</b>
Lowndes	\$0	\$4,690	\$424	\$9	\$0	\$2,504	\$649	<b>\$8,276</b>
Macon	\$1,313	\$5,407	\$1,526	\$873	\$380	\$2,823	\$1,156	<b>\$13,478</b>
Madison	\$138,896	\$39,223	\$27,325	\$57,081	\$34,617	\$16,934	\$21,605	<b>\$335,680</b>
Marengo	\$5,688	\$9,564	\$3,297	\$2,378	\$2,890	\$3,442	\$2,180	<b>\$29,439</b>
Marion	\$7,013	\$13,226	\$3,343	\$1,330	\$473	\$3,408	\$3,441	<b>\$32,234</b>
Marshall	\$23,499	\$22,639	\$14,493	\$9,866	\$7,410	\$8,406	\$9,820	<b>\$96,132</b>
Mobile	\$264,841	\$82,632	\$65,279	\$79,483	\$97,864	\$40,730	\$45,774	<b>\$676,604</b>
Monroe	\$4,475	\$8,922	\$3,068	\$1,086	\$3,538	\$2,585	\$2,181	<b>\$25,855</b>
Montgomery	\$149,980	\$57,112	\$35,122	\$68,260	\$17,337	\$23,349	\$57,327	<b>\$408,486</b>
Morgan	\$25,091	\$25,336	\$14,341	\$12,335	\$26,137	\$8,819	\$9,375	<b>\$121,435</b>
Perry	\$0	\$7,764	\$1,249	\$1	\$0	\$2,200	\$1,254	<b>\$12,467</b>
Pickens	\$2,498	\$8,175	\$2,241	\$964	\$0	\$2,837	\$1,362	<b>\$18,076</b>
Pike	\$5,508	\$9,269	\$5,628	\$3,285	\$3,971	\$3,748	\$3,689	<b>\$35,098</b>
Randolph	\$1,603	\$10,065	\$2,401	\$930	\$218	\$2,361	\$2,816	<b>\$20,394</b>
Russell	\$980	\$14,243	\$4,657	\$3,764	\$5	\$5,006	\$3,167	<b>\$31,822</b>
Shelby	\$24,413	\$17,758	\$67,679	\$9,825	\$2,764	\$7,108	\$8,851	<b>\$138,398</b>
St. Clair	\$4,515	\$13,655	\$10,163	\$4,446	\$1,488	\$6,511	\$3,314	<b>\$44,091</b>
Sumter	\$2,768	\$4,691	\$1,359	\$553	\$0	\$2,358	\$1,455	<b>\$13,184</b>
Talladega	\$15,403	\$22,757	\$12,032	\$7,340	\$1,156	\$10,834	\$9,333	<b>\$78,855</b>
Tallapoosa	\$11,651	\$19,982	\$7,046	\$3,948	\$0	\$5,098	\$3,106	<b>\$50,831</b>
Tuscaloosa	\$104,644	\$35,183	\$21,735	\$27,320	\$26,584	\$15,613	\$13,915	<b>\$244,993</b>
Walker	\$19,670	\$22,257	\$19,990	\$7,339	\$21,515	\$9,134	\$7,766	<b>\$107,670</b>
Washington	\$832	\$4,402	\$1,025	\$772	\$0	\$1,817	\$2,395	<b>\$11,243</b>
Wilcox	\$1,062	\$5,383	\$1,078	\$209	\$0	\$2,751	\$1,255	<b>\$11,737</b>
Winston	\$4,677	\$8,648	\$2,833	\$1,960	\$0	\$2,870	\$2,018	<b>\$23,006</b>
STATEWIDE TOTAL	<b>\$2,193,863</b>	<b>\$1,097,511</b>	<b>\$690,854</b>	<b>\$708,312</b>	<b>\$485,839</b>	<b>\$448,568</b>	<b>\$480,038</b>	<b>\$6,104,985</b>
OUT-OF-STATE TOTAL	<b>\$23,699</b>	<b>\$0</b>	<b>\$42,009</b>	<b>\$36,940</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,463</b>	<b>\$106,110</b>
GRAND TOTAL	<b>\$2,217,561</b>	<b>\$1,097,511</b>	<b>\$732,863</b>	<b>\$745,252</b>	<b>\$485,839</b>	<b>\$448,568</b>	<b>\$483,501</b>	<b>\$6,211,096</b>

<sup>1</sup> Benefit payments for medical care in FY 2017 exclude administrative expenses of the Medicaid Agency and expenses of the Health Information Exchange.

<sup>2</sup> Other provider types include ADPH, Dentists and Oral Surgeons, Durable Medical Equipment (DME) providers, End Stage Renal Dialysis (ESRD) clinics, FQHCs and RHCS, and other health services.

## FY 2017 County Impact (continued from previous page)

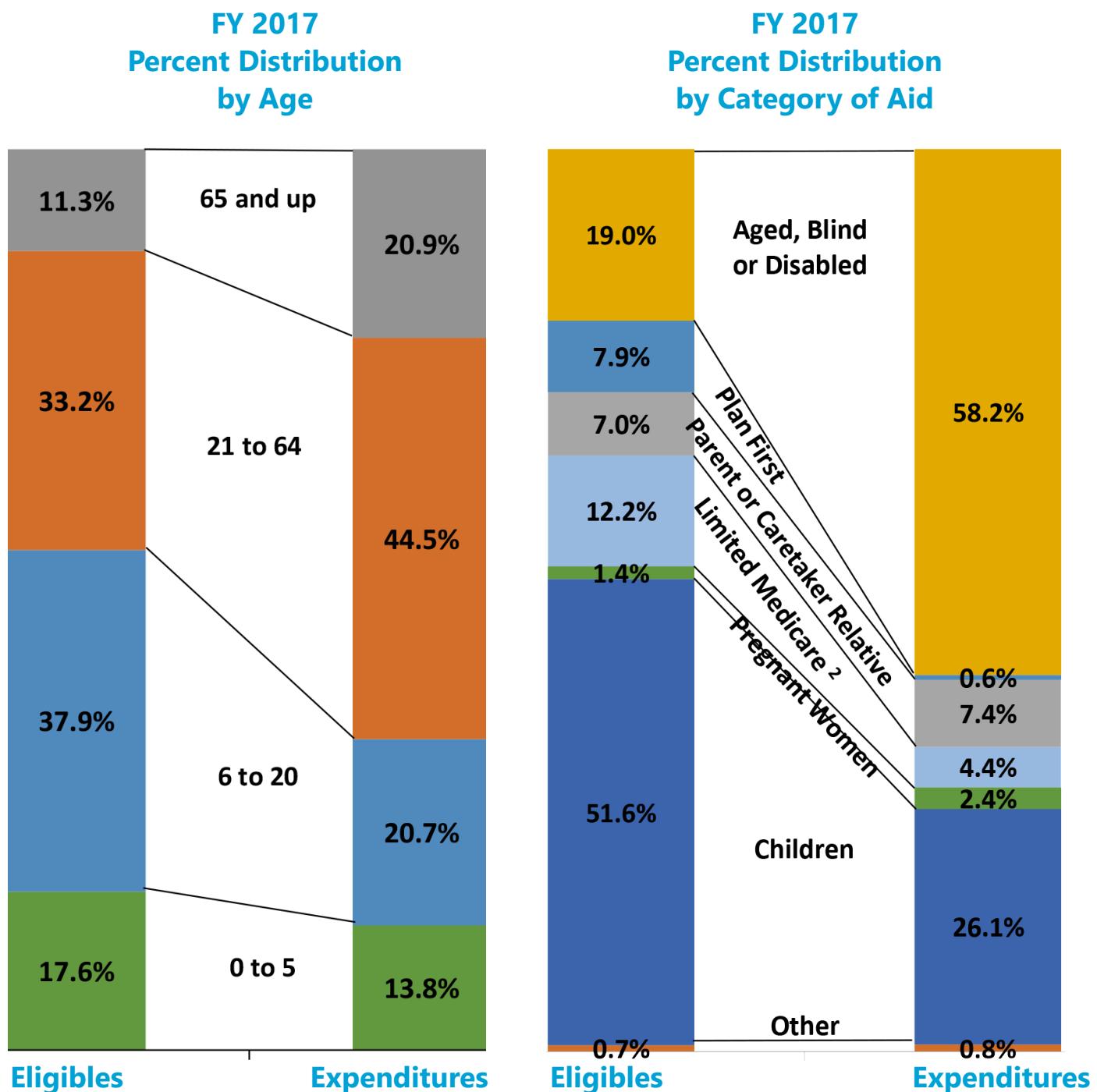
### Annual Benefit Payments<sup>1</sup> Per Provider Type by County (\$ amounts in thousands)

County	ADPH	Dentists/Oral Surgeons	Durable Medical Equipment	End Stage Renal Disease Clinic	FQHCs/RHCs	Other Health Services	Other <sup>2</sup>	Grand Total
Autauga	\$391	\$473	\$87	\$95	\$45	\$2,587	\$3,678	\$42,849
Baldwin	\$885	\$5,520	\$187	\$73	\$507	\$8,931	\$16,103	\$132,669
Barbour	\$475	\$194	\$19	\$231	\$580	\$1,749	\$3,248	\$24,307
Bibb	\$241	\$122	\$9	\$0	\$2,844	\$3,195	\$6,409	\$19,745
Blount	\$374	\$490	\$29	\$48	\$896	\$863	\$2,701	\$26,509
Bullock	\$75	\$183	\$16	\$57	\$1,310	\$203	\$1,843	\$17,702
Butler	\$520	\$461	\$75	\$216	\$1,134	\$631	\$3,038	\$25,058
Calhoun	\$889	\$3,007	\$1,501	\$299	\$360	\$3,533	\$9,589	\$135,006
Chambers	\$507	\$119	\$55	\$100	\$0	\$527	\$1,308	\$26,289
Cherokee	\$271	\$429	\$20	\$0	\$917	\$440	\$2,078	\$21,702
Chilton	\$483	\$898	\$16	\$0	\$1,367	\$592	\$3,356	\$23,750
Choctaw	\$291	\$185	\$18	\$0	\$455	\$370	\$1,319	\$12,685
Clarke	\$408	\$259	\$191	\$271	\$1,615	\$805	\$3,549	\$26,669
Clay	\$282	\$41	\$10	\$0	\$29	\$275	\$637	\$14,164
Cleburne	\$112	\$149	\$8	\$0	\$177	\$258	\$703	\$6,997
Coffee	\$481	\$614	\$126	\$178	\$1,486	\$14,587	\$17,472	\$61,715
Colbert	\$694	\$508	\$296	\$85	\$42	\$2,775	\$4,400	\$61,525
Conecuh	\$190	\$299	\$49	\$76	\$151	\$1,030	\$1,795	\$15,084
Coosa	\$0	\$57	\$0	\$0	\$0	\$63	\$120	\$5,834
Covington	\$487	\$605	\$202	\$68	\$965	\$903	\$3,230	\$50,558
Crenshaw	\$352	\$11	\$48	\$0	\$118	\$291	\$820	\$16,230
Cullman	\$424	\$1,271	\$187	\$139	\$838	\$2,272	\$5,131	\$83,232
Dale	\$533	\$475	\$140	\$90	\$81	\$738	\$2,058	\$35,561
Dallas	\$950	\$2,576	\$312	\$597	\$32	\$3,630	\$8,096	\$79,338
DeKalb	\$512	\$1,543	\$237	\$49	\$4,450	\$2,427	\$9,218	\$62,024
Elmore	\$400	\$341	\$26	\$60	\$1,663	\$874	\$3,364	\$53,038
Escambia	\$499	\$387	\$50	\$71	\$874	\$1,137	\$3,019	\$31,744
Etowah	\$1,101	\$2,726	\$666	\$355	\$2,653	\$5,492	\$12,993	\$169,970
Fayette	\$229	\$63	\$28	\$62	\$0	\$431	\$813	\$19,585
Franklin	\$297	\$374	\$11	\$35	\$192	\$815	\$1,723	\$31,249
Geneva	\$396	\$0	\$108	\$34	\$168	\$1,236	\$1,942	\$18,991
Greene	\$273	\$0	\$0	\$60	\$575	\$157	\$1,066	\$8,309
Hale	\$497	\$42	\$1,600	\$0	\$634	\$343	\$3,115	\$17,054
Henry	\$231	\$148	\$6	\$6	\$338	\$2,491	\$3,219	\$12,482
Houston	\$1,353	\$2,793	\$958	\$385	\$608	\$7,560	\$13,658	\$193,129
Jackson	\$224	\$541	\$129	\$35	\$1,688	\$1,834	\$4,450	\$50,115
Jefferson	\$6,111	\$14,055	\$11,351	\$1,756	\$2,858	\$28,203	\$64,334	\$1,591,022
Lamar	\$259	\$118	\$9	\$0	\$109	\$1,360	\$1,854	\$12,346
Lauderdale	\$873	\$2,296	\$591	\$187	\$98	\$3,433	\$7,479	\$86,614
Lawrence	\$363	\$44	\$563	\$35	\$915	\$1,393	\$3,314	\$22,833
Lee	\$504	\$3,646	\$1,335	\$183	\$92	\$10,807	\$16,567	\$126,341
Limestone	\$385	\$1,422	\$121	\$56	\$1,192	\$2,850	\$6,027	\$43,479
Lowndes	\$245	\$0	\$6	\$0	\$146	\$252	\$649	\$8,276
Macon	\$256	\$277	\$5	\$138	\$89	\$392	\$1,156	\$13,478
Madison	\$782	\$4,564	\$3,131	\$541	\$2,288	\$10,298	\$21,605	\$335,680
Marengo	\$420	\$134	\$58	\$250	\$129	\$1,189	\$2,180	\$29,439
Marion	\$273	\$309	\$64	\$48	\$1,295	\$1,450	\$3,441	\$32,234
Marshall	\$466	\$2,670	\$191	\$158	\$3,261	\$3,074	\$9,820	\$96,132
Mobile	\$1,109	\$7,269	\$3,912	\$858	\$13,428	\$19,198	\$45,774	\$676,604
Monroe	\$288	\$255	\$79	\$87	\$567	\$906	\$2,181	\$25,855
Montgomery	\$2,443	\$5,326	\$1,400	\$1,257	\$10,675	\$36,226	\$57,327	\$408,486
Morgan	\$568	\$2,740	\$364	\$334	\$2,576	\$2,793	\$9,375	\$121,435
Perry	\$264	\$151	\$10	\$58	\$602	\$169	\$1,254	\$12,467
Pickens	\$307	\$227	\$4	\$140	\$231	\$453	\$1,362	\$18,076
Pike	\$715	\$478	\$152	\$207	\$1,227	\$910	\$3,689	\$35,098
Randolph	\$336	\$181	\$62	\$47	\$732	\$1,458	\$2,816	\$20,394
Russell	\$485	\$456	\$61	\$181	\$324	\$1,659	\$3,167	\$31,822
Shelby	\$469	\$2,753	\$1,403	\$55	\$257	\$3,913	\$8,851	\$138,398
St. Clair	\$567	\$1,385	\$23	\$103	\$256	\$979	\$3,314	\$44,091
Sumter	\$285	\$91	\$75	\$0	\$881	\$124	\$1,455	\$13,184
Talladega	\$662	\$1,320	\$163	\$381	\$3,857	\$2,950	\$9,333	\$78,855
Tallapoosa	\$639	\$990	\$52	\$165	\$541	\$719	\$3,106	\$50,831
Tuscaloosa	\$1,278	\$3,926	\$554	\$654	\$1,805	\$5,698	\$13,915	\$244,993
Walker	\$892	\$1,773	\$1,078	\$116	\$819	\$3,087	\$7,766	\$107,670
Washington	\$157	\$113	\$74	\$0	\$872	\$1,179	\$2,395	\$11,243
Wilcox	\$519	\$79	\$7	\$56	\$337	\$256	\$1,255	\$11,737
Winston	\$187	\$198	\$13	\$0	\$8	\$1,613	\$2,018	\$23,006
STATEWIDE TOTAL	<b>\$39,434</b>	<b>\$87,151</b>	<b>\$34,331</b>	<b>\$11,826</b>	<b>\$82,260</b>	<b>\$225,034</b>	<b>\$480,038</b>	<b>\$6,104,985</b>
OUT-OF-STATE TOTAL	<b>\$0</b>	<b>\$816</b>	<b>\$1,678</b>	<b>\$119</b>	<b>\$263</b>	<b>\$586</b>	<b>\$3,463</b>	<b>\$106,110</b>
GRAND TOTAL	<b>\$39,434</b>	<b>\$87,967</b>	<b>\$36,010</b>	<b>\$11,945</b>	<b>\$82,523</b>	<b>\$225,621</b>	<b>\$483,501</b>	<b>\$6,211,096</b>

<sup>1</sup> Benefit payments for medical care in FY 2017 exclude administrative expenses of the Medicaid Agency and expenses of the Health Information Exchange.

<sup>2</sup> Other health services include, but, are not limited to, Targeted Case Management, Optometry Services, Home Health, Audiology Services, and Transportation Services.

**FY 2017**  
**Monthly Average Eligibles and Medical Expenditures<sup>1</sup>**



<sup>1</sup> Total expenditures for medical services and support in FY 2017 were \$5,730,687,262. Total expenditures exclude the Medicaid Agency administrative expense, school-based services administration, expenses of the Health Information Exchange, and Disproportionate Share Hospital payments, and include encumbrances and payables at the end of the fiscal year. The average of monthly eligibles was 1,021,690.

<sup>2</sup> Limited Medicare - Qualified Medicare Beneficiary, Specified Low Income Medicare Beneficiary and Qualifying Individual are low-income Medicare beneficiaries that have certain premiums, co-insurance, or deductibles paid for by Medicaid.

# Programs and Services

Alabama Medicaid provided \$5.7 billion in medical benefits to more than one million enrollees in FY 2017. Recipients had at least one medical service, ranging from hospital care and doctor visits, to medications, transportation or medical equipment. The Agency also provided an additional \$480 million for hospital services for the indigent/uninsured in the form of Disproportionate Share Hospital (DSH) payments.

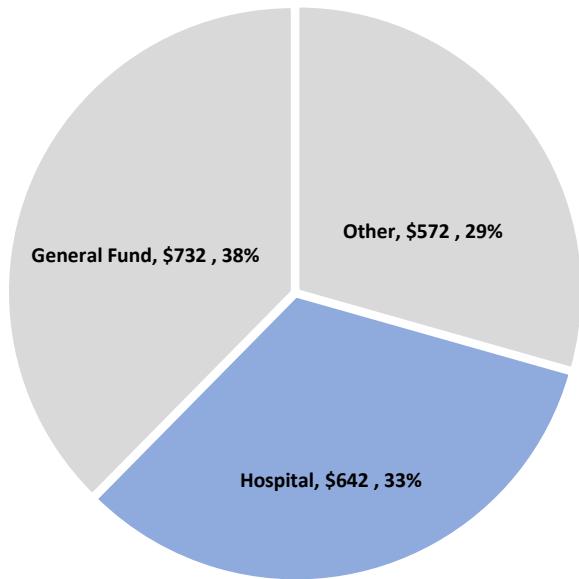
## Hospitals

Almost 100 hospitals are enrolled to serve Alabama Medicaid recipients. Most hospitals have an average Medicaid occupancy rate of 14-18 percent. However, two hospitals serving children (Children's Hospital of Alabama and the Women's and Children's Hospital in Mobile) have substantially higher occupancy rates.

Hospitals are essentially self-funded. Hospital funding sources – including provider taxes, CPEs and IGTs – contributed \$642 million, or 33 percent, to the Agency's state share used to match federal dollars.

The Alabama Medicaid program reimbursed hospitals a total of \$2.2 billion (including DSH payments) in FY 2017. Other costs in the hospital budget line include inpatient psychiatric services, ambulatory surgical centers, transplants, federally qualified health centers, and renal dialysis, among others.

### FY 2017 Hospital Contribution to State Share (in Millions)\*



\*Total State Share based on Total State Funds Used is approximately \$1.946 Billion.

## Pharmacy

The wide variety of drugs available today substantially impacts the Medicaid Pharmacy Program since federal regulations require that most drugs be covered. Children under age 21 receive pharmacy as a mandated service while pharmacy coverage for adults is optional.

In FY 2017, approximately 563,000 unique recipients received approximately 6.6 million prescriptions at a total cost of \$647 million. Management tools, such as preferred drug formularies, prescription limits, maximum unit limits, and system edits, are used to limit the cost of the program.

A major component of the pharmacy budget is the Part D "clawback" which is a federally required payment made by the state to the federal government for Medicare Part D. Alabama paid approximately \$73 million in FY 2017.

Pharmacies pay an assessment on each prescription filled to help fund drug benefits. Other funding sources for the program include the Agency's federal and state drug rebate program which reduces the Agency's General Fund need. Drug rebates are paid by drug manufacturers. The state share portion of drug rebates totaled approximately \$109 million in 2017, or about 5.7 percent of total state share funding.

## Physicians

Mandated by the federal government, physician services are available to Medicaid recipients. In FY 2017, over 679,000 unique recipients received physician program services at a total cost of \$401 million.

Approximately 20 percent of participating physicians receive 79 percent of all physician service payments. Cuts to the program disproportionately affect this small group of providers, including pediatricians. Through the Alabama Medicaid Physician's Primary Care Enhanced Rates "Bump" Program, Medicaid has been able to reimburse primary care providers with a payment "bump" initiated in 2013. Physicians associated with teaching facilities receive an enhanced fee based on annually determined commercial rates. Other physicians have not received a payment rate increase since 2006.

Additional costs in the ancillary physician services budget line (\$154 million) include laboratory, radiology, private duty nursing, and school-based services, among others.



## Mental Health and Waivers

Mental Health services include mental health rehabilitation services, substance abuse treatment, targeted case management, intermediate care facilities for the intellectually disabled, and two HCBS waivers that allow intellectually disabled individuals to live at home. Together, they accounted for approximately \$479 million of expenditures. Approximately 73 percent of the cost is associated with the two waivers.

Mental Health services are provided in partnership with the Alabama Department of Mental Health which provides the state matching funds for these services.

## Long Term Care: Nursing Home Care and Waivers

Nursing home care is among the original services offered to Medicaid recipients and currently represents a significant percentage of Medicaid expenditures.

Approximately 200 Alabama nursing facilities with 26,680 beds accepted Medicaid reimbursement in FY 2017, while Medicaid patient days accounted for 59 percent of total bed days. A total of 25,120 recipients received nursing home care at a cost of \$946 million. Nursing homes pay an assessment per bed that provided \$112 million toward the state share of this cost.

Nursing homes are paid on a per diem basis with part of the payment potentially coming from the recipient. The rate paid is based on the allowable costs of nursing homes reported annually to the Agency (set by Alabama statute). Five Home and Community-Based Services (HCBS) waivers make it possible for approximately 7,449 Medicaid recipients to live in the community instead of institutions.

In addition to the independence and quality of life these waivers offer, the average annual cost of a waiver recipient was \$10,642 versus the average annual cost of a nursing home bed of \$60,000 in FY 2017 (does not include all costs).

The Agency spent approximately \$79 million on HCBS waiver services with the state share primarily funded by other state agencies.

## Other Medical Services

Health Support Services and Alternative Care Services represent a significant number of services provided each year.

Major health support services include dental, EPSDT (child health), independent lab and x-ray, eye care, ambulance, state laboratory, and hearing services, all of which are separate from the Physician Program. In FY 2017, these represented \$203 million in expenditures for the Agency. Unlike other budget categories, most are funded by General Fund dollars except for approximately \$31 million allocated through tobacco settlement funds in FY 2017.

Alternative care budget items include maternity care, rehabilitative services, hospice care, hospice room and board, durable medical equipment, home health, targeted case management, and prosthetic devices. FY 2017 expenditures for these services were approximately \$365 million.



Family Planning services are provided to two major groups of Medicaid recipients: those with full benefits and those who qualify for Plan First, an optional waiver program which only provides family planning services. Family Planning services receive a 90 percent federal match and include birth control services and supplies. The Alabama Department of Public Health pays the majority of the state share for the Plan First waiver participants (117,912 in FY 2017). Expenditures for family planning services (all categories) were \$43.5 million.

## Managed Care

In FY 2017, approximately 640,000 Medicaid recipients were enrolled in some type of managed care. Managed care focuses management of resources and utilization to help recipients achieve improved health outcomes. With the goal of providing quality medical care in a cost-effective manner, healthcare organizations and providers work together on behalf of Alabama Medicaid recipients.

Alabama Medicaid offers four managed care programs: Maternity Care, Patient 1st , Health Home and Program of All-Inclusive Care for the Elderly (PACE).

### Current Managed Care Programs: Maternity Care Program

Alabama Medicaid's Maternity Care Program provides maternity care for most Medicaid-eligible pregnant women in Alabama with the goal of lowering Alabama's infant mortality rate and improving maternal and infant health outcomes. Started in 1988, the Maternity Care Program allows Medicaid to establish locally coordinated systems of care to provide maternity care in environments that emphasize quality, access and cost-effective care. In FY 2017, 18,709 deliveries occurred through this program, 57 percent of all Alabama Medicaid-funded deliveries.

Medicaid has 14 maternity care districts, 12 of which have primary contractors who are paid a capitated, or set, rate to cover prenatal services, delivery, post-partum services and care coordination. (The remaining two districts operate on a fee-for-service basis.) Primary contractors are required to provide maternity care services to eligible women in the specified district.



## Patient 1st

In FY 2017, nearly 622,000 Alabama recipients participated in Patient 1st, a statewide primary care case management (PCCM) program. The Patient 1st program began in 1997 and continues to serve children, low-income families and individuals who are aged, blind or disabled. Patient 1st recipients are assigned to contracting primary care providers who are paid a case management fee to coordinate care and referrals to specialty care.

The goal of Patient 1st is to provide patient-centered, quality-focused care through a medical home by linking Medicaid recipients with a primary medical provider (PMP). The PMP coordinates care for recipients by providing and arranging for each recipient's health care needs. Enrolling recipients into a medical home reduces the need for recipients to seek basic sick care services from a hospital emergency department, reduces duplicative care and optimizes appropriate care delivery.



## Health Home

Medicaid's Health Home program integrates and coordinates care for Patient 1st patients with certain chronic conditions to achieve improved health outcomes. These chronic conditions include asthma, diabetes, cancer, COPD, HIV, mental health conditions, substance abuse disorders, transplants, sickle cell, BMI >25, heart disease, and hepatitis C. Care managers in the Health Home program connect patients with needed resources, teach patient self-management skills, provide transitional care after hospital discharge, and link medical and behavioral health services, while supporting physicians in caring for their patients. During FY 2017, approximately 225,000 recipients participated in this program.

## PACE

The Program of All-Inclusive Care for the Elderly (PACE) provides community-based care and services to elderly and disabled adults in Mobile and Baldwin counties who would otherwise need nursing home care. During FY 2017, the PACE program offered 172 participants (comprised of 19 Medicaid enrollees and 153 dual eligibles) comprehensive medical and social services in an adult day health center, supplementing with in-home and referral services as needed.

Financing for the program is capped, which allows providers to deliver all services participants need rather than limit them to those reimbursable under Medicare and Medicaid fee-for-service plans. Most PACE participants are dually eligible for Medicare and Medicaid benefits and once enrolled, the recipient receives all health services through the PACE program.

## Future Initiatives

In July 2017, the Alabama Medicaid Agency elected to pursue an alternative to full-risk managed care to transform the Medicaid healthcare delivery system. As a result, the Agency immediately began work in the last days of FY 2017 to create a flexible program that builds off of the Agency's care management structure as a more cost effective mechanism to improve recipient health outcomes.



At the same time, the Agency is also moving forward with its plans to develop and implement a statewide Integrated Care Network (ICN) to complement and enhance the state's current system of long-term care services provided to Alabama Medicaid patients.

With the ICN program the state hopes to implement a system of case management, outreach and education, with the long-term goal of increasing the percentage of Medicaid recipients receiving in-home care.

**FY 2015-2017**  
**Inpatient Hospital Program<sup>1</sup>**  
**Recipients and Amounts Paid<sup>2</sup> Based on Date of Service**

Recipients <sup>1</sup>				Amounts Paid <sup>2</sup>			Annual Average Cost Per Recipient		
	FY 2015	FY 2016	FY 2017	FY 2015	FY 2016	FY 2017	FY 2015	FY 2016	FY 2017
<b>By Gender</b>									
Female	81,450	79,912	78,493	\$736,327,842	\$733,898,420	\$763,308,443	\$9,040	\$9,184	\$9,725
Male	34,717	33,475	33,382	\$545,868,005	\$548,624,484	\$581,585,191	\$15,723	\$16,389	\$17,422
<b>Total</b>	<b>116,167</b>	<b>113,387</b>	<b>111,875</b>	<b>\$1,282,195,847</b>	<b>\$1,282,522,904</b>	<b>\$1,344,893,634</b>	<b>\$11,038</b>	<b>\$11,311</b>	<b>\$12,021</b>
<b>By Race</b>									
Black	47,117	45,468	44,194	\$528,832,842	\$501,154,244	\$526,018,582	\$11,224	\$11,022	\$11,902
Hispanic	5,167	5,099	4,732	\$35,542,913	\$48,161,368	\$46,323,528	\$6,879	\$9,445	\$9,789
White	55,336	53,442	51,646	\$523,920,184	\$527,206,234	\$540,823,280	\$9,468	\$9,865	\$10,472
Other Race	2,477	2,721	3,191	\$23,844,379	\$24,081,762	\$32,468,732	\$9,626	\$8,850	\$10,175
Unknown <sup>3</sup>	6,070	6,657	8,112	\$170,055,530	\$181,919,296	\$199,259,512	\$28,016	\$27,328	\$24,564
<b>Total</b>	<b>116,167</b>	<b>113,387</b>	<b>111,875</b>	<b>\$1,282,195,848</b>	<b>\$1,282,522,904</b>	<b>\$1,344,893,634</b>	<b>\$11,038</b>	<b>\$11,311</b>	<b>\$12,021</b>
<b>By Age</b>									
0-5	16,944	16,026	15,491	\$348,660,187	\$335,287,788	\$361,767,396	\$20,577	\$20,921	\$23,353
6-20	18,021	17,448	17,097	\$236,402,952	\$237,670,575	\$259,348,822	\$13,118	\$13,622	\$15,169
21-64	65,973	65,337	64,766	\$640,108,175	\$652,135,727	\$663,877,196	\$9,703	\$9,981	\$10,250
65-84	12,166	11,781	11,793	\$50,739,395	\$51,782,948	\$53,790,413	\$4,171	\$4,395	\$4,561
85 & Over	3,063	2,795	2,728	\$6,285,138	\$5,645,866	\$6,109,808	\$2,052	\$2,020	\$2,240
<b>Total</b>	<b>116,167</b>	<b>113,387</b>	<b>111,875</b>	<b>\$1,282,195,847</b>	<b>\$1,282,522,904</b>	<b>\$1,344,893,634</b>	<b>\$11,038</b>	<b>\$11,311</b>	<b>\$12,021</b>
<b>By Dual Status</b>									
Non-Dual	89,290	87,327	86,136	\$1,209,306,953	\$1,207,879,559	\$1,267,452,297	\$13,544	\$13,832	\$14,715
Dual <sup>4</sup>	26,877	26,060	25,739	\$72,888,894	\$74,643,345	\$77,441,337	\$2,712	\$2,864	\$3,009
<b>Total</b>	<b>116,167</b>	<b>113,387</b>	<b>111,875</b>	<b>\$1,282,195,847</b>	<b>\$1,282,522,904</b>	<b>\$1,344,893,634</b>	<b>\$11,038</b>	<b>\$11,311</b>	<b>\$12,021</b>
<b>Total Paid Based on Date of Service</b>				<b>\$1,282,195,847</b>	<b>\$1,282,522,904</b>	<b>\$1,344,893,634</b>			
<b>Average Eligibles (excluding Plan First)</b>				<b>948,077</b>	<b>951,764</b>	<b>940,923</b>			
<b>Annual Cost Per Average Eligible</b>				<b>\$1,314</b>	<b>\$1,365</b>	<b>\$1,435</b>			
<b>Actual Paid During Fiscal Year</b>				<b>\$1,245,656,522</b>	<b>\$1,298,772,395</b>	<b>\$1,350,309,802</b>			

<sup>1</sup> The numbers shown are based on the date of service of claims as of a point in time and will change slightly going forward as existing claims are adjusted and new claims are received. Prior years are shown as originally reported. Includes inpatient psychiatric hospitals.

<sup>2</sup> Includes the allocation of access payments to inpatient claims.

<sup>3</sup> Includes a high percentage of disabled newborns certified by SSI which accounts for the disproportionately high average annual cost per recipient.

<sup>4</sup> The Medicaid Agency is a secondary payer behind Medicare and is generally only responsible for deductibles and co-payments.

**FY 2015-2017**  
**Outpatient Hospital Program<sup>1</sup>**  
**Recipients and Amounts Paid<sup>2</sup> Based on Date of Service**

Recipients <sup>1</sup>				Amounts Paid <sup>2</sup>			Annual Average Cost Per Recipient		
	FY 2015	FY 2016	FY 2017	FY 2015	FY 2016	FY 2017	FY 2015	FY 2016	FY 2017
<b>By Gender</b>									
Female	294,451	294,755	295,781	\$215,412,077	\$217,805,724	\$228,823,925	\$732	\$739	\$774
Male	195,004	190,774	190,145	\$126,324,212	\$124,424,034	\$131,662,101	\$648	\$652	\$692
<b>Total</b>	<b>489,455</b>	<b>485,529</b>	<b>485,926</b>	<b>\$341,736,289</b>	<b>\$342,229,758</b>	<b>\$360,486,026</b>	<b>\$698</b>	<b>\$705</b>	<b>\$742</b>
<b>By Race</b>									
Black	209,858	206,229	203,566	\$137,577,365	\$131,644,457	\$142,459,206	\$656	\$638	\$700
Hispanic	22,447	23,602	24,387	\$10,505,662	\$11,691,517	\$12,924,531	\$468	\$495	\$530
White	226,948	221,036	215,602	\$164,067,212	\$166,817,744	\$164,888,044	\$723	\$755	\$765
Other Race	7,719	6,883	14,542	\$4,542,797	\$4,322,286	\$9,171,658	\$589	\$628	\$631
Unknown <sup>3</sup>	22,483	27,779	27,829	\$25,043,253	\$27,753,754	\$31,042,587	\$1,114	\$999	\$1,115
<b>Total</b>	<b>489,455</b>	<b>485,529</b>	<b>485,926</b>	<b>\$341,736,289</b>	<b>\$342,229,758</b>	<b>\$360,486,026</b>	<b>\$698</b>	<b>\$705</b>	<b>\$742</b>
<b>By Age</b>									
0-5	112,417	109,688	107,791	\$53,740,504	\$52,943,428	\$53,642,153	\$478	\$483	\$498
6-20	170,419	167,179	167,684	\$105,500,752	\$107,390,271	\$108,599,108	\$619	\$642	\$648
21-64	169,361	172,056	173,395	\$181,120,464	\$180,704,903	\$196,566,154	\$1,069	\$1,050	\$1,134
65-84	30,600	30,246	30,734	\$1,343,140	\$1,149,730	\$1,651,725	\$44	\$38	\$54
85 & Over	6,658	6,360	6,322	\$31,429	\$41,426	\$26,885	\$5	\$7	\$4
<b>Total</b>	<b>489,455</b>	<b>485,529</b>	<b>485,926</b>	<b>\$341,736,289</b>	<b>\$342,229,758</b>	<b>\$360,486,026</b>	<b>\$698</b>	<b>\$705</b>	<b>\$742</b>
<b>By Dual Status</b>									
Non-Dual	412,331	410,426	411,076	\$340,683,997	\$341,570,226	\$359,685,215	\$826	\$832	\$875
Dual <sup>4</sup>	77,124	75,103	74,850	\$1,052,292	\$659,532	\$800,811	\$14	\$9	\$11
<b>Total</b>	<b>489,455</b>	<b>485,529</b>	<b>485,926</b>	<b>\$341,736,289</b>	<b>\$342,229,758</b>	<b>\$360,486,026</b>	<b>\$698</b>	<b>\$705</b>	<b>\$742</b>
<b>Total Paid Based on Date of Service</b>				<b>\$341,736,289</b>	<b>\$342,229,758</b>	<b>\$360,486,026</b>			
<b>Average Eligibles (excluding Plan First)</b>				<b>948,077</b>	<b>951,764</b>	<b>940,923</b>			
<b>Annual Cost Per Average Eligible</b>				<b>\$360</b>	<b>\$360</b>	<b>\$383</b>			
<b>Actual Paid During Fiscal Year</b>				<b>\$339,182,883</b>	<b>\$343,937,905</b>	<b>\$361,200,112</b>			

<sup>1</sup> The numbers shown are based on the date of service of claims as of a point in time and will change slightly going forward as existing claims are adjusted and new claims are received. Prior years are shown as originally reported. Includes standard outpatient, family planning outpatient and outpatient sterilization.

<sup>2</sup> Includes the allocation of access payments to outpatient claims.

<sup>3</sup> Includes a high percentage of disabled newborns certified by SSI which accounts for the disproportionately high average annual cost per recipient.

<sup>4</sup> The Medicaid Agency is a secondary payer behind Medicare and is generally only responsible for deductibles and co-payments.

**FY 2014-2017**  
**Nursing Home and HCBS Waiver**  
**Utilization and Expenditures**

Year	Avg. Number of Nursing Home Recipients	Avg. Annual Cost of a Nursing Home Bed	Expenditures for Nursing Facilities (in Millions)	Avg. Number of HCBS Waiver Recipients	Avg. Annual Cost of a HCBS Waiver Recipient <sup>1</sup>	HCBS Waiver Expenditures (in Millions)
<b>FY 2014</b>	16,361	\$56,790	\$929	7,303	\$10,434	\$76
<b>FY 2015</b>	16,189	\$58,390	\$945	7,269	\$10,249	\$75
<b>FY 2016</b>	16,189	\$58,882	\$953	7,243	\$10,728	\$78
<b>FY 2017</b>	15,747	\$60,049	\$946	7,449	\$10,642	\$79

<sup>1</sup> The overall total in expenditures in FY 2014-2017 represents the amount expended during the fiscal year regardless of when the service was rendered to the Medicaid recipient. The average annual cost of a HCBS waiver recipient represents a very close approximation of the amount spent during the fiscal year.

\* Costs do not include Medical costs such as hospital, physician, drugs, etc.

**FY 2013-2017**  
**Long Term Care**  
**Intermediate Care Facility for the Intellectually Disabled**  
**Utilization and Cost**

Year	Payments	Recipients	Average Covered Days Per Recipient	Average Cost Per Day	Average Cost Per Recipient
<b>FY 2013</b>	\$1,784,376	39	241	\$190	\$45,753
<b>FY 2014</b>	\$1,582,024	28	311	\$182	\$56,501
<b>FY 2015</b>	\$1,655,211	26	346	\$184	\$63,662
<b>FY 2016</b>	\$1,812,668	25	365	\$199	\$72,507
<b>FY 2017</b>	\$1,887,447	27	323	\$217	\$69,905

**FY 2013-2017**  
**Long Term Care Program**  
**Utilization**

Year	Total Nursing Home Patients (Unduplicated)	Percent Change	Avg. Length of Stay During Year	Total Patient Days Paid for Medicaid Recipients	Percent Change	State Licensed Beds <sup>1</sup>	Percent Change	Medicaid Bed Days as % of State Bed Days
<b>FY 2013</b>	24,599	1.1%	237	5,840,469	-2.1%	26,479	-0.6%	60%
<b>FY 2014</b>	24,248	-1.4%	246	5,971,896	2.3%	26,316	-0.6%	62%
<b>FY 2015</b>	25,438	4.9%	232	5,909,069	-1.1%	26,374	0.2%	61%
<b>FY 2016</b>	24,710	-2.9%	239	5,909,157	0.0%	26,612	0.9%	61%
<b>FY 2017</b>	25,120	1.7%	229	5,747,595	-2.7%	26,680	0.3%	59%

<sup>1</sup> The number of licensed nursing home beds is derived from the State Health Planning and Development Agency's (SHPDA) annual reports and the Alabama Department of Public Health's Healthcare Facilities Directory. This number represents the number of licensed nursing home beds as of June 30 of each year and includes skilled nursing facilities (SNFs), and nursing facilities for individuals with developmental delays (NFIDDS). This number excludes intermediate care facilities for the intellectually disabled, swing beds (temporary nursing home beds in hospitals) and veterans' homes.

**FY 2013-2017**  
**Long Term Care Program**  
**Patient Days and Costs**

Year	Daily Average of Nursing Home Patients	Percent Change	Nursing Home Patient Days Paid by Medicaid	Percent Change	Medicaid Expenditures for Nursing Home Facilities	Percent Change	Average Annual Cost of Nursing Home Bed	Percent Change	Average Percent of Claim Covered by Patient or Third Party	Average Medicaid Cost Per Patient Day
<b>FY 2013</b>	16,001	-2.1%	5,840,469	-2.1%	\$899,428,257	-3.6%	\$56,210	-1.5%	15.2%	\$154
<b>FY 2014</b>	16,361	2.3%	5,971,896	2.3%	\$929,139,998	3.3%	\$56,789	1.0%	15.4%	\$156
<b>FY 2015</b>	16,189	-1.1%	5,909,069	-1.1%	\$945,274,066	1.7%	\$58,389	2.8%	15.1%	\$160
<b>FY 2016</b>	16,189	0.0%	5,909,157	0.0%	\$953,240,983	0.8%	\$58,880	0.8%	15.1%	\$161
<b>FY 2017</b>	15,747	-2.7%	5,747,595	-2.7%	\$945,588,305	-0.8%	\$60,049	2.0%	15.0%	\$165

**FY 2013-2017**  
**Long Term Care Program**  
**Recipients and Claims Payments by Gender, Race and Age**

Recipients <sup>1</sup>				Claims Payments <sup>2</sup>			Annual Average Cost Per Recipient		
	FY 2015	FY 2016	FY 2017	FY 2015	FY 2016	FY 2017	FY 2015	FY 2016	FY 2017
<b>By Gender</b>									
Female	17,512	16,888	17,104	\$654,222,773	\$654,798,003	\$642,316,362	\$37,359	\$38,773	\$37,554
Male	7,926	7,822	8,016	\$291,051,293	\$298,442,980	\$303,271,943	\$36,721	\$38,154	\$37,833
<b>By Race</b>									
African Am.	7,671	7,645	7,695	\$299,948,541	\$304,642,908	\$305,964,206	\$39,102	\$39,849	\$39,761
Am. Indian	14	26	25	\$595,197	\$649,250	\$728,051	\$42,514	\$24,971	\$29,122
Asian	81	69	67	\$2,801,961	\$2,668,545	\$2,754,523	\$34,592	\$38,675	\$41,112
Hispanic	77	74	69	\$2,787,376	\$2,832,380	\$2,459,641	\$36,200	\$38,275	\$35,647
Other	17	23	19	\$582,315	\$678,006	\$699,625	\$34,254	\$29,479	\$36,822
Unknown	530	574	613	\$16,864,866	\$18,947,299	\$21,248,479	\$31,821	\$33,009	\$34,663
White	17,048	16,299	16,632	\$621,693,810	\$622,822,594	\$611,733,779	\$36,467	\$38,212	\$36,781
<b>By Age</b>									
0-5	17	15	18	\$927,104	\$846,853	\$1,114,837	\$54,536	\$56,457	\$61,935
6-20	91	93	80	\$5,826,920	\$5,659,113	\$5,037,949	\$64,032	\$60,851	\$62,974
21-64	5,654	5,673	5,686	\$215,168,489	\$219,541,219	\$222,506,703	\$38,056	\$38,699	\$39,132
65-74	5,016	5,207	5,343	\$189,778,975	\$202,627,627	\$205,204,724	\$37,835	\$38,914	\$38,406
75-84	6,928	6,650	6,716	\$256,177,343	\$257,049,133	\$254,323,975	\$36,977	\$38,654	\$37,868
85 & Over	7,732	7,072	7,277	\$277,395,235	\$267,517,038	\$257,400,116	\$35,876	\$37,828	\$35,372
<b>Statewide</b>	<b>25,438</b>	<b>24,710</b>	<b>25,120</b>	<b>\$945,274,066</b>	<b>\$953,240,983</b>	<b>\$945,588,305</b>	<b>\$37,160</b>	<b>\$38,577</b>	<b>\$37,643</b>

<sup>1</sup>Recipient count is an unduplicated count of individuals who received a nursing facility service.

<sup>2</sup>The overall total in expenditures in FY 2015-2017 represents the amount expended during the fiscal year regardless of when the service was rendered to the Medicaid recipient. The numbers shown by gender, race, and age represent very close approximations of the amounts spent in the categories shown.

## FY 2013-2017 Pharmacy Program Expenditures<sup>1</sup>

Expenditures				Clawback Payments as % of Pharmacy Expenditures
Year	Benefit Payments <sup>2</sup>	Clawback Payments <sup>3</sup>	Pharmacy Expenditures	
FY 2013	\$525,307,376	\$67,938,260	\$593,245,636	11.5%
FY 2014	\$560,729,827	\$66,736,487	\$627,466,314	10.6%
FY 2015	\$621,333,757	\$64,122,006	\$685,455,763	9.4%
FY 2016	\$700,940,628	\$66,321,567	\$767,262,195	8.6%
FY 2017	\$647,048,170	\$72,778,785	\$719,826,955	10.1%

## FY 2013-2017 Pharmacy Program Member Utilization<sup>1</sup>

Medicaid Eligibility Only (Non-Dual)					
Year	Monthly Average Pharmacy Eligibles <sup>4</sup>	Number of Prescription Recipients	Recipients as % of Eligibles	Number of Prescriptions	Prescriptions Per Recipient
FY 2013	640,431	594,665	93%	8,616,219	14.49
FY 2014	695,930	575,194	83%	7,051,269	12.26
FY 2015	740,438	606,491	82%	6,964,241	11.48
FY 2016	742,688	591,986	80%	6,999,736	11.82
FY 2017	733,531	563,162	77%	6,604,216	11.73

## FY 2013-2017 Pharmacy Program Cost Per Member and Recipient

Medicaid Eligibility Only (Non-Dual)					Full Medicaid Dual Eligibles <sup>5</sup>	
Year	Benefit Payments	Cost Per Prescription	Per Member Per Year Cost	Cost Per Recipient	Average Monthly Eligibles	Average Annual Clawback Payment
FY 2013	\$525,307,376	\$60.97	\$820	\$883	85,372	\$796
FY 2014	\$560,729,827	\$79.52	\$806	\$975	85,568	\$780
FY 2015	\$621,333,757	\$89.22	\$839	\$1,024	85,499	\$750
FY 2016	\$700,940,628	\$100.14	\$944	\$1,184	85,088	\$779
FY 2017	\$647,048,170	\$97.98	\$882	\$1,149	84,409	\$862

<sup>1</sup>Payment amounts come from claims data only and do not include any non-claims based financial transactions or medical costs that cannot be associated with a specific recipient.

<sup>2</sup>Pharmacy benefit payments exclude pharmacy benefits paid for family planning, alternative care and Medicaid-CHIP.

<sup>3</sup>Clawback payments are the amounts states pay to the federal government as required by the Medicare Prescription Drug Improvement and Modernization Act of 2003 for Medicare Part D coverage.

<sup>4</sup>Monthly average pharmacy eligibles is total Medicaid eligibles less PlanFirst eligibles and members that are eligible for Medicare benefits (Dual Eligibles).

<sup>5</sup>Full Medicaid dual eligibles are individuals that are eligible for Medicare and also for full Medicaid coverage. Some dual eligibles only qualify for partial Medicaid coverage and are therefore not subject to the Clawback payment.

**FY 2013-2017  
Physician Program  
Cost and Utilization by Age Category**

<b>Benefit Payments<sup>1</sup></b>					
<b>Age</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>0 to 5</b>	\$108,122,608	\$121,076,564	\$125,213,434	\$123,024,124	\$114,446,373
<b>6 to 20</b>	\$71,467,515	\$79,367,134	\$90,887,966	\$91,319,115	\$92,044,227
<b>21 to 64</b>	\$141,815,081	\$152,540,801	\$163,376,921	\$171,860,168	\$181,298,321
<b>65 and up</b>	\$10,035,342	\$12,218,842	\$11,247,886	\$10,478,014	\$13,340,356
<b>All Ages</b>	<b>\$331,440,546</b>	<b>\$365,203,340</b>	<b>\$390,726,207</b>	<b>\$396,681,422</b>	<b>\$401,129,276</b>

<b>Recipients<sup>2</sup></b>					
<b>Age</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>0 to 5</b>	196,967	203,836	199,719	198,788	167,652
<b>6 to 20</b>	233,427	243,850	270,079	270,259	260,186
<b>21 to 64</b>	179,951	186,684	195,821	198,366	197,640
<b>65 and up</b>	55,612	55,588	53,075	49,850	50,651
<b>All Ages</b>	<b>653,170</b>	<b>674,417</b>	<b>706,198</b>	<b>711,714</b>	<b>679,043</b>

<b>Cost Per Recipient</b>					
<b>Age</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>0 to 5</b>	\$549	\$594	\$627	\$619	\$683
<b>6 to 20</b>	\$306	\$325	\$337	\$338	\$354
<b>21 to 64</b>	\$788	\$817	\$834	\$866	\$917
<b>65 and up</b>	\$180	\$220	\$212	\$210	\$263
<b>All Ages</b>	<b>\$507</b>	<b>\$542</b>	<b>\$553</b>	<b>\$557</b>	<b>\$591</b>

<sup>1</sup>Payment amounts exclude lump sum payments made retroactively to physicians at Teaching Facilities due to changes in reimbursement policies.

<sup>2</sup>Recipient count is an unduplicated count of individuals who received at least one physician program service.

# FY 2017

## Third Party / Program Integrity

Effective cost avoidance and recovery activities reduce expenditures by preventing fraud, waste and abuse of funds. Two Medicaid divisions work to ensure that the expenditure of public funds is managed in accordance with state and federal rules and regulations. The Program Integrity Division is responsible for managing Medicaid's efforts to identify and prevent fraud, abuse, and/or misuse by providers, recipients, or others. When fraud is suspected, it is the division's responsibility to refer cases to the appropriate law enforcement agency for prosecution. The Third Party Division saves taxpayers millions of dollars each year through coordination of benefits, cost avoidance activities and recoveries from liens, estates and recipients.

### Third Party

During Fiscal Year 2017 the Third Party Division was successful in saving Alabama taxpayer money in the following ways:

- 1) The cost avoidance of claims where providers were required to file with the primary payer first (\$164.3 million – commercial insurance; \$147.9 million - Medicare); 2) health insurance recovery from primary payers (\$14.2 million); 3) Medicare recoupments (\$4.2 million); 4) casualty/tort recovery (\$4.3 million); 5) liens and estate recovery (\$10.9 million); 6) credit balance recovery (\$844,000); and 7) recipient overpayment recoveries (\$570,000).

Medicaid paid premiums for certain qualified Medicare beneficiaries that resulted in cost-avoidance savings. Medicaid made insurance premium payments to Medicare Advantage Plans, resulting in an avoidance of payments for Medicare deductibles and co-payments/coinsurance (\$4.1 million). In addition, Medicaid paid premiums for some employer-based insurance policies through the Health Insurance Premium Payment (HIPP) program (\$1.6 million).

### Program Integrity

Five Program Integrity units work to detect, prevent and/or eliminate all forms of fraud and abuse to ensure all available funds go to provide health care to those in need. Program Integrity staff verify that medical services are appropriate and rendered to eligible recipients as billed by qualified providers, that payments for those services are correct and that all funds identified for collection are pursued.



### Provider Review Unit

The Provider Review Unit examines medical provider billing to assure proper claim payment and recovery of identified overpayments. In Fiscal Year 2017, reviews of 230 medical providers resulted in \$5,502,154 in identified recoupments and \$4,514,466 in collected recoupments.



# FY 2017

## Third Party / Program Integrity

### Recipient Review Unit

The Recipient Review Unit investigates recipients who appear to have abused or misused their Medicaid benefits. If inappropriate behavior is found the recipient is placed in the Agency's Restriction Program for management of his or her medical care.

In Fiscal Year 2017, the Recipient Review Unit conducted 2,192 reviews. As a result, 749 recipients were restricted or "locked-in" to one doctor resulting in \$72,928 in cost savings for the Agency.

### Investigations Unit

The Investigations Unit conducts preliminary investigations of provider cases and full investigations of recipients' cases based on referrals, including calls to the confidential hotline. Medicaid refers cases to local district attorneys or the Alabama Attorney General for legal action.

### Quality Control Unit

The Quality Control Unit reviews eligibility determinations for accuracy to ensure that only eligible individuals qualify for Medicaid. Alabama's quality control (error) rate for Fiscal Year 2017 was 0.3257 percent.

### Enrollment and Sanction Unit

The Enrollment and Sanction Unit is responsible for the management and performance of all provider enrollment and re-enrollment activities including those activities performed by the Fiscal Agent and all activities related to Medicaid provider sanctions, suspect providers and recipient sanctions.

Sanctions against providers and recipients resulted in \$644,732 in cost savings for the Agency. In all, 87 providers were suspended from participation as Medicaid providers due to sanctions by their licensing boards and/or the U.S. Department of Health and Human Services Office of Inspector General.

### FY 2015 - FY 2017 Collections (in millions)

		FY 2015	FY 2016	FY 2017
<b>Third Party Liability</b>				
	Includes retroactive Medicare recoupments from providers, collections due to health insurance recovery, casualty/subrogation recovery, property liens, estate recovery, credit balance recovery, and recovery of misspent funds resulting from eligibility errors.	\$32.9	\$33.0	\$35.0
<b>Program Integrity Division</b>				
	Provider Recoupment			
	Medical Provider Recoupment Collected	\$0.5	\$0.7	\$4.5
	Enrollment and Sanctions	\$1.4	\$2.9	\$0.3
	Recovery Audit Contractor	\$1.4	\$0.2	\$0.1
	Investigations	\$0.2	\$0.1	\$0.1
<b>Pharmacy Program</b>				
	In-House Processed Claims Corrections	\$0.1	\$0.1	\$0.1
<b>Total Collections</b>		<b>\$37</b>	<b>\$37</b>	<b>\$40</b>

## FY 2017 Measureable Cost Avoidance (in millions)

	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Third Party Claim Cost Avoidance Savings</b>			
Medicare Cost Avoidance*	\$111.5	\$133.1	\$147.9
Health Insurance Cost Avoidance*	\$159.3	\$165.0	\$164.3
<b>Third Party Cost Avoidance Savings</b>	<b>\$270.8</b>	<b>\$298.1</b>	<b>\$312.2</b>
Program Integrity Cost Avoidance			
Provider Review Cost Avoidance	\$0.3	\$1.1	\$8.0
Recipient Review Cost Avoidance	\$0.2	\$0.1	\$0.1
Investigations Cost Avoidance	\$0.4	\$0.4	\$0.1
Sanctioned Provider and Recipients	\$1.8	\$7.0	\$0.6
<b>Program Integrity Cost Avoidance</b>	<b>\$2.6</b>	<b>\$8.6</b>	<b>\$8.8</b>
<b>Total Measureable Cost Avoidance</b>	<b>\$273</b>	<b>\$307</b>	<b>\$321</b>

\* Cost-avoidance savings include claims denied by Medicaid and returned to the provider to file with the other payer. The amount cost avoided is based on a calculation of the Medicaid allowed amount. The above savings do not include paid claims where Medicaid paid as primary.

## FY 2017 Additional Cost Avoidance (in millions)

		<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Payor Reported and Other Cost Avoidance Savings</b>	Traditional Medicare Net Savings (includes Provider Reported Payments less premium cost of FY 17 - \$340,834,154; FY 16 - \$305,513,287; FY 15 - \$271,262,637; FY 14 - \$264,953,694; FY 13 - \$260,843,578	\$665.7	\$585.6	\$507.6
	Provider Reported Collections - Health and Casualty Insurance	\$66.3	\$72.4	\$75.7
	Medicare Advantage Capitated Program Net Savings	\$3.4	\$4.9	\$4.1
	Health Insurance Premium Payment Cost Avoidance	\$0.7	\$1.2	\$1.6
<b>Waiver Services Cost Avoidance</b>	Elderly and Disabled Waiver*	\$492.9	\$503.0	\$539.8
	State of Alabama Independent Living (SAIL) Waiver	\$25.9	\$27.8	\$29.6
	Intellectual Disabilities Waiver	\$489.9	\$474.6	\$473.3
	Living at Home Waiver	\$69.6	\$62.3	\$68.9
	HIV / AIDS Waiver	\$4.9	\$3.6	\$3.3
<b>Total Additional Cost Avoidance</b>		<b>\$1,819.4</b>	<b>\$1,735.4</b>	<b>\$1,703.9</b>

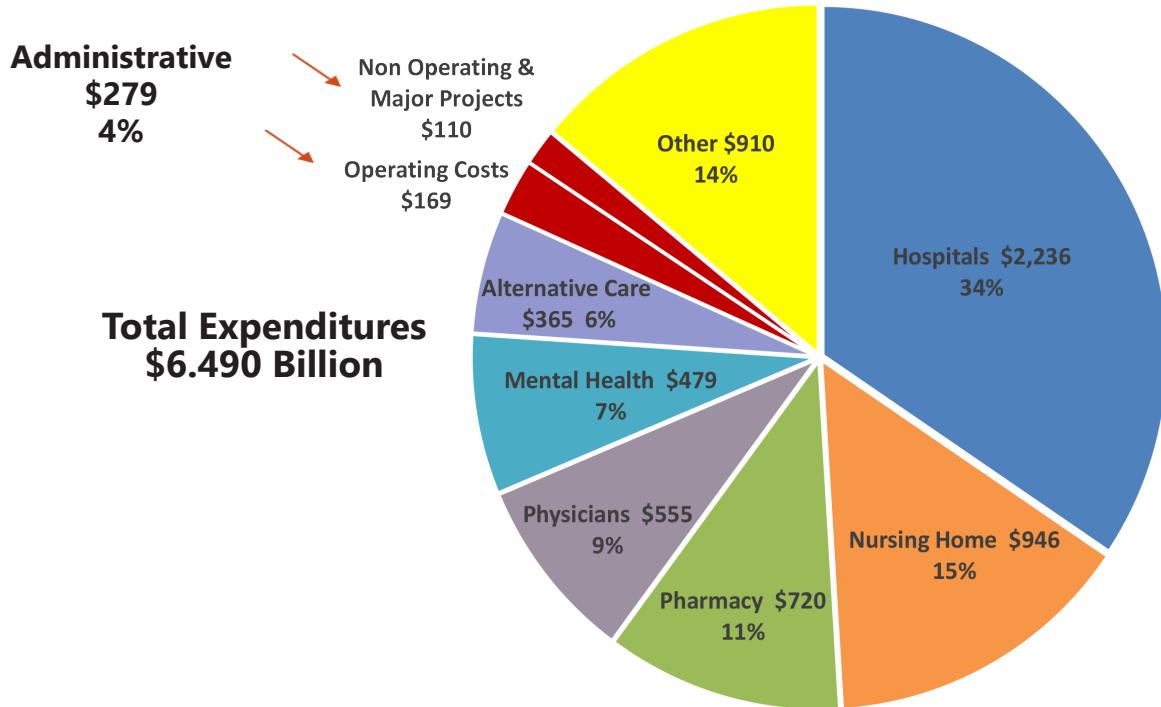
## FY 2017 Program Integrity Activity

<b>PROVIDER REVIEWS</b>			
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Medical Providers</b>	80	204	230
Medical Providers Recoupments-Identified	\$382,779	\$732,407	\$5,502,154
Medical Providers Recoupments-Collected	\$540,614	\$710,753	\$4,514,466
<b>Recovery Audit Contractor</b>	57	74	10
Recoupments - Identified	\$1,176,938	\$ 92,644	\$18,285
Recoupments - Collected	\$1,380,412	\$196,167	\$58,115
<b>RECIPIENT REVIEWS</b>			
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Reviews Conducted	1,380	1,398	2,192
Restricted Recipients	684	523	749
Recipient Review Cost Avoidance	\$186,771	\$147,321	\$72,928
<b>INVESTIGATIONS</b>			
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Provider & Recipient Recoupments - Identified	\$227,230	\$188,116	\$260,491
Provider & Recipient Recoupments - Collected	\$158,662	\$45,667	\$68,140
<b>ENROLLMENT and SANCTIONS</b>			
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Tax Intercept Receipts	\$57,939	\$61,709	\$96,047
Settlement Agreements & Restitutions	--	\$2,943,741	\$246,132

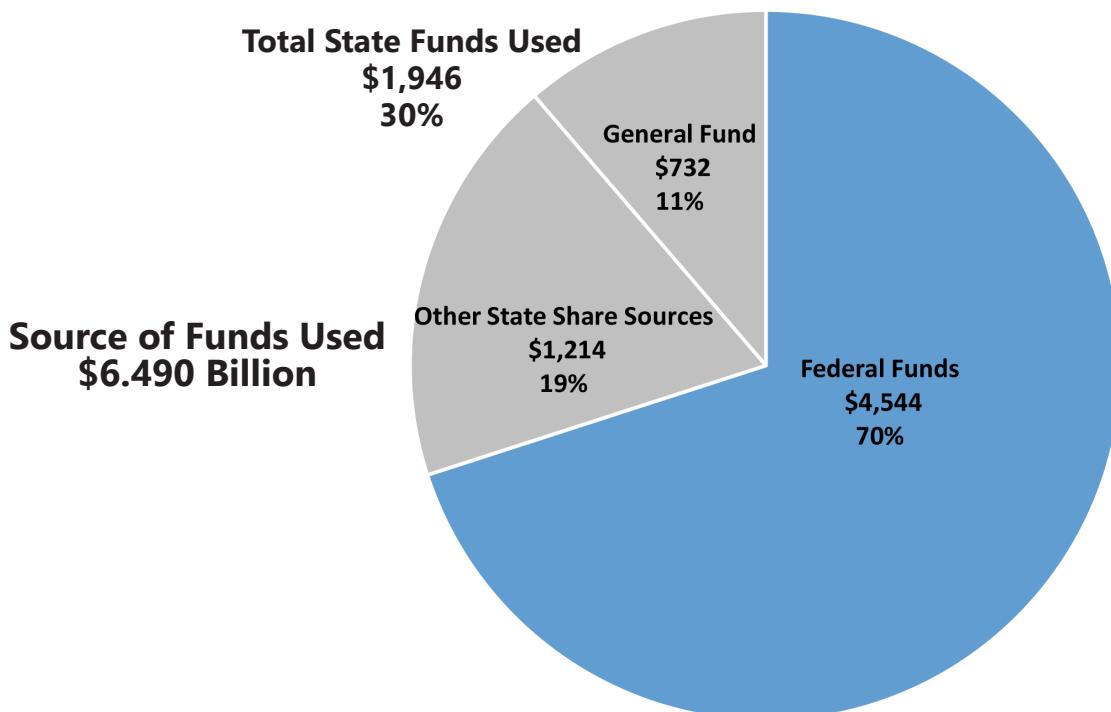
# FY 2017 Fiscal

Alabama Medicaid total expenditures totaled \$6.49 billion in FY 2017. A state match of \$1.95 billion was paired with \$4.54 billion in federal matching funds to fund the cost. The state General Fund provided 11 percent, or \$732 million, of the total cost.

## FY 2017 Medicaid Use of Funds (in Millions)



## FY 2017 Medicaid Source of Funds (in Millions)



**FY 2017**  
**Total State Share Funding Received<sup>1</sup>**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	As a % of Total State Share Funding				
						FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>General Fund</b>										
Current Year Appropriation	\$603,125,607	\$615,125,607	\$685,125,607	\$685,125,607	\$700,463,607	33.4%	32.9%	35.8%	34.7%	36.3%
Adjustments	\$12,000,000		\$78,208	\$70,000,000	\$20,169,800	0.7%	0.0%	0.0%	3.5%	1.0%
<b>Total General Fund<sup>2</sup></b>	<b>\$615,125,607</b>	<b>\$615,125,607</b>	<b>\$685,203,815</b>	<b>\$755,125,607</b>	<b>\$720,633,407</b>	<b>34.1%</b>	<b>32.9%</b>	<b>35.8%</b>	<b>38.3%</b>	<b>37.3%</b>
<b>Certified Public Expenditures</b>										
Hospitals	\$395,375,218	\$154,436,077	\$152,373,253	\$120,363,468	\$4,060,384	21.9%	8.3%	8.0%	6.1%	0.2%
Admin. Assistance & School-Based Services	\$22,107,068	\$34,294,178	\$31,044,132	\$32,873,301	\$39,594,333	1.2%	1.8%	1.6%	1.7%	2.1%
<b>Total CPEs</b>	<b>\$417,482,286</b>	<b>\$188,730,255</b>	<b>\$183,417,385</b>	<b>\$153,236,769</b>	<b>\$43,654,717</b>	<b>23.1%</b>	<b>10.1%</b>	<b>9.6%</b>	<b>7.8%</b>	<b>2.3%</b>
<b>Ala. Health Care Trust Fund</b>										
Hospital Provider Tax	\$241,930,276	\$261,287,050	\$257,442,043	\$258,944,672	\$264,746,042	13.4%	14.0%	13.5%	13.1%	13.7%
Nursing Home Provider Tax	\$103,250,591	\$102,860,996	\$103,762,829	\$112,467,742	\$111,788,119	5.7%	5.5%	5.4%	5.7%	5.8%
Pharmacy Provider Tax	\$9,217,779	\$9,159,988	\$8,776,161	\$19,927,265	\$946,143	0.5%	0.5%	0.5%	1.0%	0.0%
<b>Total Ala. Health Care Trust Fund</b>	<b>\$354,398,646</b>	<b>\$373,308,034</b>	<b>\$369,981,033</b>	<b>\$391,339,679</b>	<b>\$377,480,304</b>	<b>19.6%</b>	<b>20.0%</b>	<b>19.3%</b>	<b>19.8%</b>	<b>19.5%</b>
<b>Intergovernmental Transfers</b>										
<b>State Agencies</b>										
Dept. of Mental Health	\$150,391,339	\$154,853,521	\$155,444,620	\$154,689,227	\$151,968,413	8.3%	8.3%	8.1%	7.8%	7.9%
Dept. of Human Resources	\$34,876,380	\$35,990,775	\$34,972,503	\$33,636,169	\$36,498,898	1.9%	1.9%	1.8%	1.7%	1.9%
Dept. of Public Health	\$20,174,821	\$27,050,212	\$29,695,927	\$24,252,808	\$20,397,584	1.1%	1.4%	1.6%	1.2%	1.1%
Dept. of Senior Services	\$25,029,938	\$22,334,201	\$21,303,522	\$22,446,268	\$22,644,328	1.4%	1.2%	1.1%	1.1%	1.2%
Dept. of Rehabilitation Services	\$6,372,435	\$5,967,221	\$7,372,483	\$5,605,052	\$6,546,678	0.4%	0.3%	0.4%	0.3%	0.3%
Dept. of Youth Services	\$6,090,951	\$5,513,677	\$6,590,924	\$6,490,554	\$5,727,961	0.3%	0.3%	0.3%	0.3%	0.3%
<b>Total State Agencies</b>	<b>\$242,935,864</b>	<b>\$251,709,607</b>	<b>\$255,379,979</b>	<b>\$247,120,078</b>	<b>\$243,783,862</b>	<b>13.5%</b>	<b>13.5%</b>	<b>13.3%</b>	<b>12.5%</b>	<b>12.6%</b>
Hospital IGTs		\$233,997,510	\$229,065,567	\$229,663,566	\$372,710,608	0.0%	12.5%	12.0%	11.6%	19.3%
Other Governmental Bodies	\$29,663,131	\$52,542,652	\$28,472,932	\$37,952,744	\$7,666,495	1.6%	2.8%	1.5%	1.9%	0.4%
<b>Total Intergovernmental Transfers</b>	<b>\$272,598,995</b>	<b>\$538,249,769</b>	<b>\$512,918,478</b>	<b>\$514,736,388</b>	<b>\$624,160,965</b>	<b>15.1%</b>	<b>28.8%</b>	<b>26.8%</b>	<b>26.1%</b>	<b>32.3%</b>
<b>Other Funding Sources</b>										
Drug Rebates	\$69,522,963	\$87,310,845	\$97,943,098	\$109,582,842	\$109,205,705	3.9%	4.7%	5.1%	5.6%	5.7%
Medicaid Trust Fund - Tobacco	\$30,700,104	\$30,375,487	\$30,034,161	\$29,686,098	\$30,668,155	1.7%	1.6%	1.6%	1.5%	1.6%
BP Oil Spill Funds					\$15,000,000					0.8%
Other Miscellaneous Receipts	\$44,780,946	\$35,289,216	\$33,920,207	\$19,014,117	\$10,122,198	2.5%	1.9%	1.8%	1.0%	0.5%
<b>Total Other Funding Sources</b>	<b>\$145,004,013</b>	<b>\$152,975,548</b>	<b>\$161,897,466</b>	<b>\$158,283,057</b>	<b>\$164,996,058</b>	<b>8.0%</b>	<b>8.2%</b>	<b>8.5%</b>	<b>8.0%</b>	<b>8.5%</b>
<b>Total State Funds Received</b>	<b>\$1,804,609,547</b>	<b>\$1,868,389,213</b>	<b>\$1,913,418,177</b>	<b>\$1,972,721,500</b>	<b>\$1,930,925,451</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>1</sup> Data is based on Agency's Executive Budget Office financial records for the Medicaid Agency and includes expenditures, purchase orders, and year-end encumbrances.

<sup>2</sup> Funding sources represent appropriations.

## FY 2013 - 2017 Expenditures by Type of Service (total Federal and State dollars)<sup>1</sup>

Service	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Nursing Facilities	\$899,428,257	\$929,139,998	\$945,274,066	\$953,240,983	\$945,588,305
Hospital Care	\$1,354,835,782	\$1,573,467,865	\$1,665,967,742	\$1,729,975,664	\$1,755,632,257
Hospital Care CPE <sup>2</sup>	\$213,162,048				
Physicians	\$426,992,044	\$537,851,048	\$516,999,078	\$534,225,768	\$554,794,353
Pharmacy	\$593,245,636	\$627,466,314	\$685,455,763	\$767,262,195	\$719,826,955
Health Support	\$214,165,029	\$212,761,945	\$222,112,501	\$244,677,959	\$203,245,365
Alternative Care	\$376,600,493	\$352,131,320	\$363,469,312	\$378,712,160	\$364,581,074
Mental Health Facilities	\$1,794,348	\$1,830,948	\$2,060,211	\$2,055,858	\$1,887,447
Mental Health Waivers	\$304,528,666	\$318,973,130	\$324,170,321	\$345,823,195	\$349,628,814
Mental Health Other	\$123,496,077	\$127,956,081	\$135,967,879	\$135,058,792	\$127,384,780
Medicaid - CHIP		\$22,804,953	\$80,481,377	\$70,424,528	\$247,016,706
Health Insurance	\$304,686,039	\$315,446,895	\$334,802,957	\$385,044,056	\$417,634,796
Family Planning	\$61,306,375	\$60,147,011	\$59,054,810	\$65,691,965	\$43,466,410
<b>Total Medicaid Medical Benefits</b>	<b>\$4,874,240,794</b>	<b>\$5,079,977,508</b>	<b>\$5,335,816,017</b>	<b>\$5,612,193,123</b>	<b>\$5,730,687,262</b>
Disproportionate Share for Hospitals <sup>3</sup>	\$478,418,802	\$481,382,789	\$480,211,247	\$480,845,150	\$480,408,568
<b>Total Medical Benefits</b>	<b>\$5,352,659,596</b>	<b>\$5,561,360,297</b>	<b>\$5,816,027,264</b>	<b>\$6,093,038,273</b>	<b>\$6,211,095,830</b>
General Administrative Costs	\$148,755,326	\$149,417,813	\$183,673,196	\$175,531,329	\$194,298,203
School-Based Administrative Costs	\$44,373,774	\$44,264,248	\$45,762,171	\$51,430,047	\$62,257,996
<b>Total Medicaid &amp; DSH Expenditures</b>	<b>\$5,545,788,697</b>	<b>\$5,755,042,358</b>	<b>\$6,045,462,631</b>	<b>\$6,319,999,649</b>	<b>\$6,467,652,029</b>
Health Information Exchange <sup>4</sup>	\$40,224,122	\$28,088,044	\$27,817,399	\$10,410,909	\$22,327,029
<b>Agency Total Expenditures</b>	<b>\$5,586,012,819</b>	<b>\$5,783,130,402</b>	<b>\$6,073,280,030</b>	<b>\$6,330,410,558</b>	<b>\$6,489,979,058</b>

## FY 2013 - 2017 Expenditures by Type of Service (as percent of total)<sup>1</sup>

Service	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Nursing Facilities	16.2%	16.1%	15.6%	15.1%	14.6%
Hospital Care	24.4%	27.3%	27.6%	27.4%	27.1%
Hospital Care CPE <sup>2</sup>	3.8%	0.0%	0.0%	0.0%	0.0%
Physicians	7.7%	9.3%	8.6%	8.5%	8.6%
Pharmacy	10.7%	10.9%	11.3%	12.1%	11.1%
Health Support	3.9%	3.7%	3.7%	3.9%	3.1%
Alternative Care	6.8%	6.1%	6.0%	6.0%	5.6%
Mental Health Facilities	0.0%	0.0%	0.0%	0.0%	0.0%
Mental Health Waivers	5.5%	5.5%	5.4%	5.5%	5.4%
Mental Health - Other	2.2%	2.2%	2.2%	2.1%	2.0%
Medicaid - CHIP		0.4%	1.3%	1.1%	3.8%
Health Insurance	5.5%	5.5%	5.5%	6.1%	6.5%
Family Planning	1.1%	1.0%	1.0%	1.0%	0.7%
<b>Total Medicaid Medical Benefits</b>	<b>87.9%</b>	<b>88.3%</b>	<b>88.3%</b>	<b>88.8%</b>	<b>88.6%</b>
Disproportionate Share/Hospitals <sup>3</sup>	8.6%	8.4%	7.9%	7.6%	7.4%
<b>Total Medical Benefits</b>	<b>96.5%</b>	<b>96.6%</b>	<b>96.2%</b>	<b>96.4%</b>	<b>96.0%</b>
General Administrative Costs	2.7%	2.6%	3.0%	2.8%	3.0%
School-Based Administrative Costs	0.8%	0.8%	0.8%	0.8%	1.0%
<b>Total Medicaid &amp; DSH Expenditures</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>1</sup> Data is based on the Executive Budget Office Forms 1 and 2 for the Medicaid Agency and includes expenditures, purchase orders and year-end encumbrances.

<sup>2</sup> Hospital Care CPE - Certified Public Expenditure - The uncompensated cost of care incurred by public hospitals in serving Medicaid recipients that can be claimed as an expense and reimbursed by the Federal Government at the applicable FMAP rate.

<sup>3</sup> Disproportionate Share Hospital (DSH) - Payments provided to hospitals for serving a disproportionately high share of Medicaid and uninsured individuals.

<sup>4</sup> Primarily payments to doctors for the meaningful use of electronic health records and is almost 100% Federally funded. The expenditures shown are from the Medicaid Agency's financial records and do not include year-end purchase orders and encumbrances.

## FY 2017 Expenditures for Medical Services by Coverage and Aid Category (dollar amounts in millions)<sup>1</sup>

Coverage and Aid Category	Inpatient Services	Outpatient Services	Nursing Home	Physicians	Mental Health	Pharmacy <sup>5</sup>	Dental	Other Prof. Servcs.	Medicare Premiums <sup>5</sup>	Managed Care Networks <sup>6</sup>	Grand Total <sup>7</sup>	% of Total	FY 16 % of Total
<b>Dual Eligibles</b>													
<b>Full Medicaid Dual Eligible</b>													
Aged and Non-Disabled (65+)	\$17.1	\$58.3	\$657.7	\$3.3	\$17.6			\$28.0	\$61.5		\$843.8	14.7%	15.1%
Blind or Disabled (all ages)	\$44.9	\$16.1	\$184.5	\$11.6	\$234.5	\$3.1		\$48.3	\$170.2		\$713.4	12.4%	12.4%
Non-Disabled Adults (21-64)	\$0.8					\$1.1					\$3.5	0.1%	0.0%
Total Full Medicaid Dual Eligible	\$62.8	\$74.8	\$842.5	\$15.2	\$252.1	\$4.4		\$76.5	\$232.1		\$1,560.7	27.2%	27.6%
<b>Partial Medicaid Dual Eligible</b>													
QMB/SLMB (all ages) <sup>2</sup>	\$15.1	\$1.0	\$6.4	\$10.6				\$3.6	\$217.9		\$254.6	4.4%	4.2%
<b>Total Dual Eligibles</b>	<b>\$77.9</b>	<b>\$75.8</b>	<b>\$848.9</b>	<b>\$25.8</b>	<b>\$252.2</b>	<b>\$4.4</b>		<b>\$80.1</b>	<b>\$450.0</b>		<b>\$1,815.3</b>	<b>31.7%</b>	<b>31.7%</b>
<b>Non-Dual Eligibles</b>													
<b>Full Medicaid</b>													
Aged and Non-Disabled (65+)	\$0.7		\$1.8								\$2.9	0.1%	0.1%
Blind or Disabled (all ages)	\$592.9	\$174.7	\$104.8	\$182.3	\$197.0	\$407.6	\$4.7	\$110.2		\$12.8	\$1,787.0	31.2%	31.0%
Non-Disabled Children (0-20)	\$464.0	\$135.4		\$282.7	\$29.5	\$246.6	\$88.2	\$224.4		\$25.9	\$1,496.9	26.1%	26.1%
Non-Disabled Adults (21-64)	\$218.7	\$88.9		\$82.5	\$7.7	\$84.9		\$88.6		\$5.4	\$576.8	10.1%	10.2%
Total Full Medicaid	\$1,276.2	\$399.2	\$106.7	\$547.5	\$234.2	\$739.3	\$93.0	\$423.3		\$44.1	\$3,863.6	67.4%	67.4%
<b>Partial Medicaid</b>													
Non-Disabled Adults (21-64) <sup>3</sup>	\$15.3	\$0.9		\$3.8							\$20.2	0.4%	0.3%
Plan First (all ages) <sup>4</sup>	\$2.9	\$0.9				\$2.3		\$25.2			\$31.7	0.6%	0.6%
Total Partial Medicaid	\$18.2	\$1.8		\$4.2		\$2.3		\$25.3			\$51.9	0.9%	0.9%
<b>Total Non-Dual Eligibles</b>	<b>\$1,294.4</b>	<b>\$401.0</b>	<b>\$106.7</b>	<b>\$551.7</b>	<b>\$234.2</b>	<b>\$741.5</b>	<b>\$93.0</b>	<b>\$448.7</b>		<b>\$44.1</b>	<b>\$3,915.4</b>	<b>68.3%</b>	<b>68.3%</b>
<b>Total Expenditures</b>	<b>\$1,372.3</b>	<b>\$476.7</b>	<b>\$955.6</b>	<b>\$577.5</b>	<b>\$486.4</b>	<b>\$746.0</b>	<b>\$93.0</b>	<b>\$528.7</b>	<b>\$450.1</b>	<b>\$44.2</b>	<b>\$5,730.7</b>	<b>100.0%</b>	<b>100.0%</b>
<b>% of Total</b>	23.9%	8.3%	16.7%	10.1%	8.5%	13.0%	1.6%	9.2%	7.9%	0.8%	100.0%		
<b>FY 2016 % of Total</b>	23.6%	8.2%	17.3%	9.7%	8.7%	13.2%	1.8%	9.4%	7.3%	0.8%	100.0%		

<sup>1</sup> The overall total of \$5,730,687,262 in expenditures in FY 2017 represents the amount expended during the fiscal year regardless of when the service was rendered to the Medicaid recipient. The numbers shown by category of aid and type of service rendered represent very close approximations of these expenditures and are derived based on the amounts incurred during the fiscal year using the date the service was rendered to the Medicaid recipient. Expenditures exclude Agency administrative costs, administrative costs of the school-based services program, payments to hospitals under the DSH program, and expenses of the Health Information Exchange.

<sup>2</sup> Limited Medicare - Qualified Medicare Beneficiary, Specified Low Income Medicare Beneficiary and Qualifying Individual are low-income Medicare beneficiaries that have certain premiums, co-insurance or deductibles paid for by Medicaid.

<sup>3</sup> Primarily emergency services.

<sup>4</sup> Family planning services.

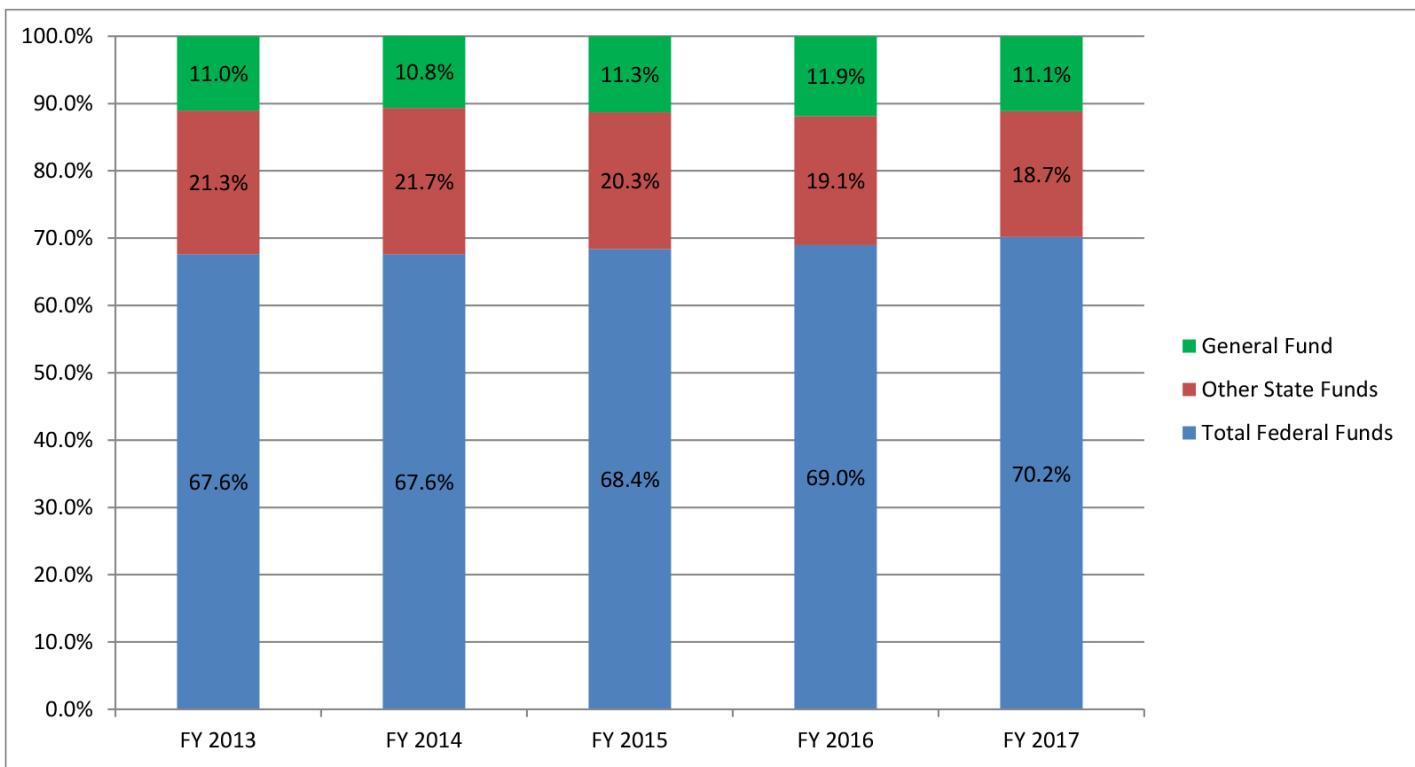
<sup>5</sup> Clawback payments are the amounts states pay to the federal government as required by the Medicare Prescription Drug Improvement and Modernization Act of 2003 to share the cost of Medicare Part D coverage. In this schedule the amount is shown as Medicare Premiums.

<sup>6</sup> Monthly capitation payments to primary care providers, and the Health Home networks that support them, to manage the care of assigned Medicaid members.

<sup>7</sup> Totals do not foot due to amounts below \$500,000 not being shown because of rounding.

## FY 2013 - 2017 Total Sources of Medicaid Funding

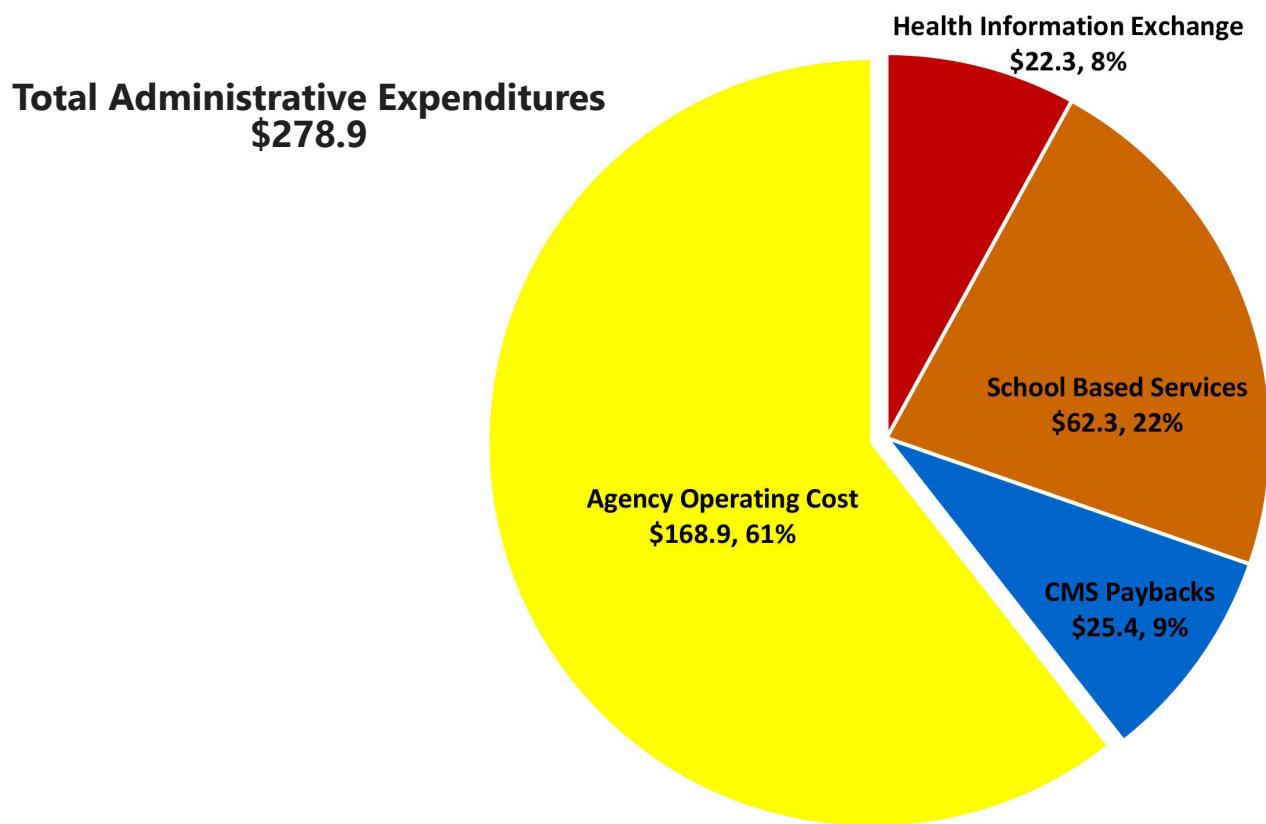
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Federal Funds</b>					
Match FMAP <sup>1</sup>	\$3,730,138,013	\$3,876,791,070	\$4,112,422,744	\$4,379,160,509	\$4,522,609,931
Stimulus Funds	-	-	-	-	-
Health Information Exchange	\$39,247,858	\$27,754,916	\$28,235,800	\$10,206,026	\$20,061,170
<b>Total Federal Funds</b>	<b>\$3,769,385,871</b>	<b>\$3,904,545,986</b>	<b>\$4,140,658,544</b>	<b>\$4,389,366,535</b>	<b>\$4,542,671,101</b>
<b>State Funds Received</b>					
General Fund	\$615,125,607	\$615,125,607	\$685,203,815	\$755,125,607	\$720,633,407
Other State Funds	\$1,189,483,940	\$1,253,263,606	\$1,228,214,362	\$1,217,595,893	\$1,210,292,044
<b>Total State Funds</b>	<b>\$1,804,609,547</b>	<b>\$1,868,389,213</b>	<b>\$1,913,418,177</b>	<b>\$1,972,721,500</b>	<b>\$1,930,925,451</b>
<b>Total Funding Received</b>	<b>\$5,573,995,418</b>	<b>\$5,772,935,199</b>	<b>\$6,054,076,721</b>	<b>\$6,362,088,035</b>	<b>\$6,473,596,552</b>



<sup>1</sup> Federal Medical Assistance Percentage (FMAP) is the share of the cost of Medicaid that the federal government bears. That share varies by state depending on a state's per capita income. The average state FMAP is 59%, but ranges from 50% in wealthier states, up to 74% in states with lower per capita incomes (an FMAP cannot be less than 50% or more than 83% by statute). FMAPs are adjusted for each state on a three-year cycle to account for fluctuations in the economy.

## FY 2017 Medicaid Expenditure Budget Administrative Expense by Major Functional Areas (in millions)

Virtually all of the Alabama Medicaid budget goes to fund services for eligible recipients. In FY 2017, administrative expenditures accounted for approximately \$279 million, or four percent, of the Agency's total budget. Of this amount, just over half represented actual agency operating expenses. Other administrative budget categories included Health Information Technology, School-Based Services and CMS Paybacks.





## MISSION:

To provide a system of financing health care for eligible Alabamians in accordance with established statutes and Executive Orders.

## VISION:

To play a key leadership role in ensuring availability and access to appropriate health care for all Alabamians.

## VALUES:

- **Respect**

We are a caring organization that treats each individual with dignity, empathy, and honesty.

- **Integrity**

Our stakeholders can depend on the quality, trustworthiness, and reliability of our Agency's employees and representatives.

- **Excellence**

We are committed to maximizing our resources to ensure the residents of Alabama have access to quality health care.

- **Teamwork**

Our success depends upon establishing and maintaining effective collaborative partnerships.

- **Innovation**

We willingly embrace new ideas and new ways of doing things to effectively meet a changing health care environment.





**FY 2017 Annual Report  
October 1, 2016 - September 30, 2017  
Alabama Medicaid Agency  
PO Box 5624 (501 Dexter Avenue)  
Montgomery, AL 36103-5624**

**Statistical data provided by the Alabama Medicaid Quality Analytics Division**

**This report can be viewed at  
[www.medicaid.alabama.gov/newsroom](http://www.medicaid.alabama.gov/newsroom)**