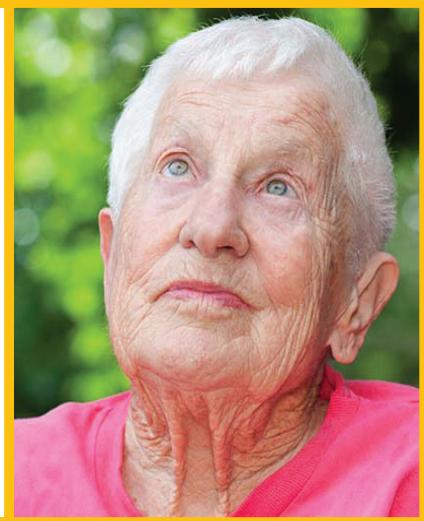


Alabama Medicaid Agency



FY 2018 Annual Report

Alabama Medicaid Agency



501 Dexter Avenue
P.O. Box 5624
Montgomery, Alabama 36103-5624



KAY IVEY
Governor

STEPHANIE MCGEE AZAR
Commissioner

Dear Governor Ivey:

It is my honor to present to you the 48th Annual Report of the Alabama Medicaid Agency. This report covers activities from October 2017 to September 2018.

Undoubtedly, the “winds of change” shifted in different directions for Alabama Medicaid during Fiscal Year 2018! Plans began to form a new health care delivery system called the Alabama Coordinated Health Network (ACHN).

Goals for this system are to create a delivery system that allows for seamless care coordination across multiple eligibility categories and to incentivize quality outcomes which will lead to more appropriate utilization of services. This program will coordinate the care of the Medicaid recipient. Care coordination services will be available to approximately 750,000 Medicaid recipients. The networks and providers are incentivized to achieve quality goals in the areas of prevention of childhood obesity and reduction of infant mortality and substance use disorders; areas in which the State of Alabama continues to fall in the bottom when compared to other states.

Throughout this vital transition, I have been proud of the Agency’s ability to learn, adapt and make difficult decisions while navigating through a challenging environment.

Alabama Medicaid is grateful for the support and encouragement of the Governor’s Office in this important and unprecedented mission.

It is an honor to share a detailed insight of Agency achievements contained in this annual report!

Sincerely,

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

Stephanie McGee Azar
Commissioner
Alabama Medicaid Agency



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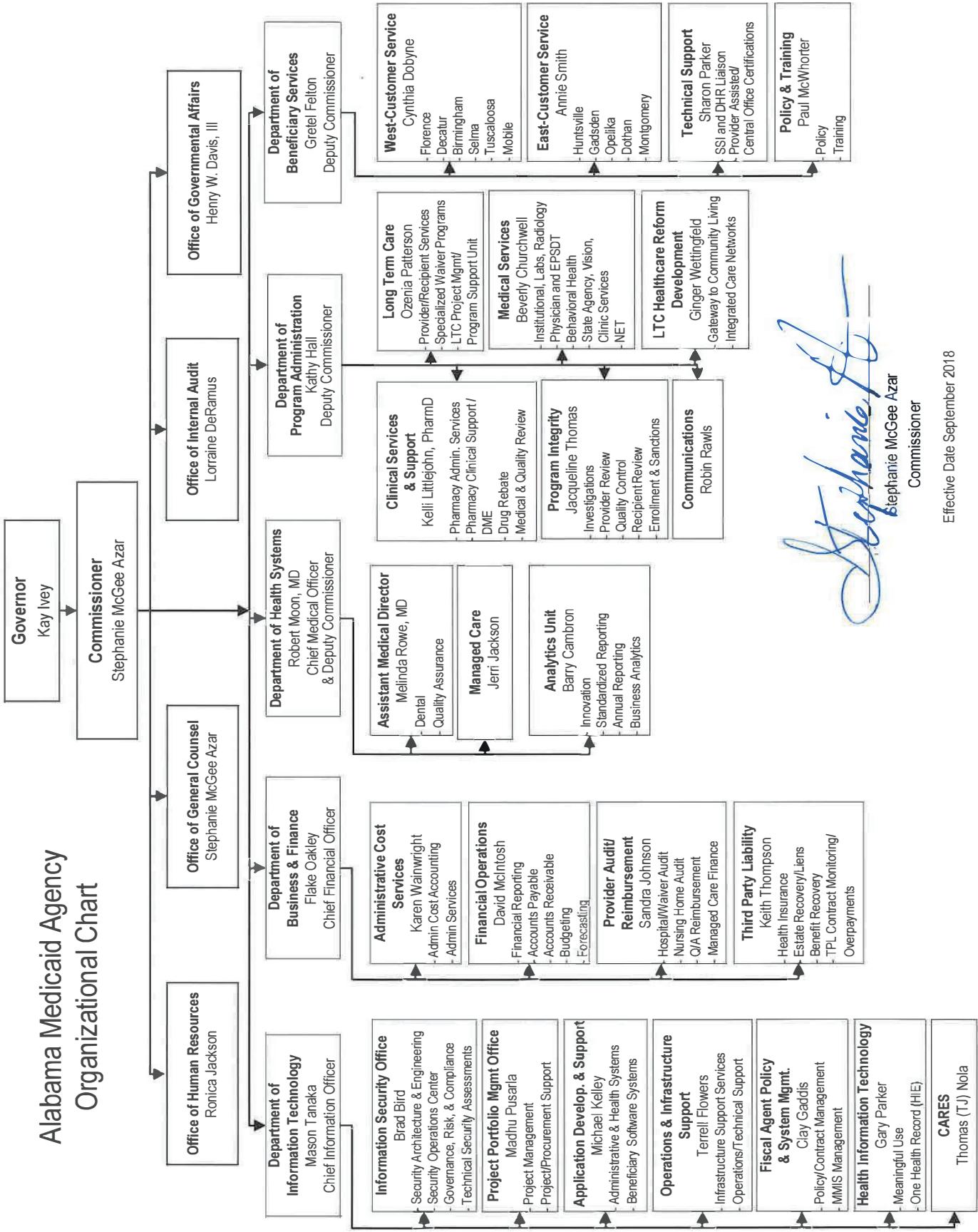
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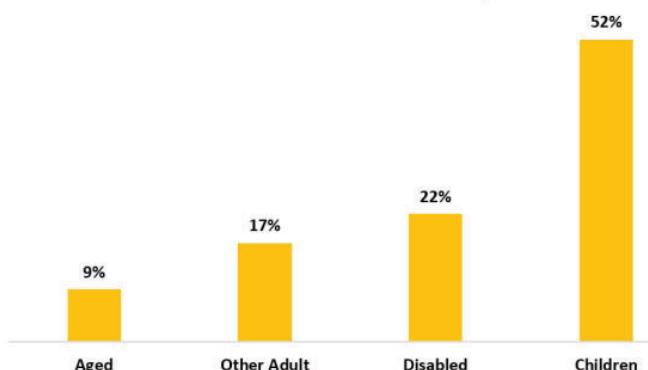
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Alabama Medicaid Agency Organizational Chart

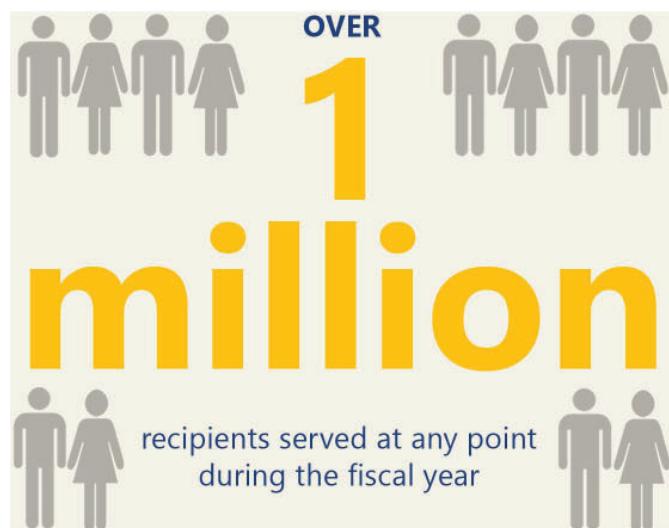


FISCAL YEAR 2018 ALABAMA MEDICAID AGENCY AT A GLANCE

Distribution of Recipients

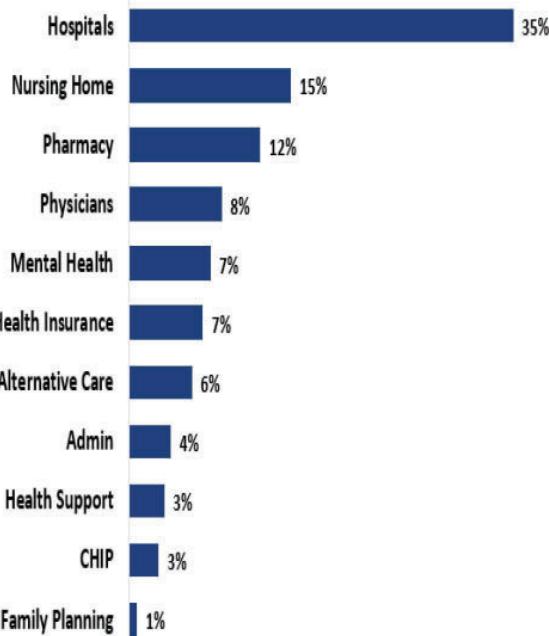


25% of Alabama citizens are eligible for Medicaid at least one month of the year



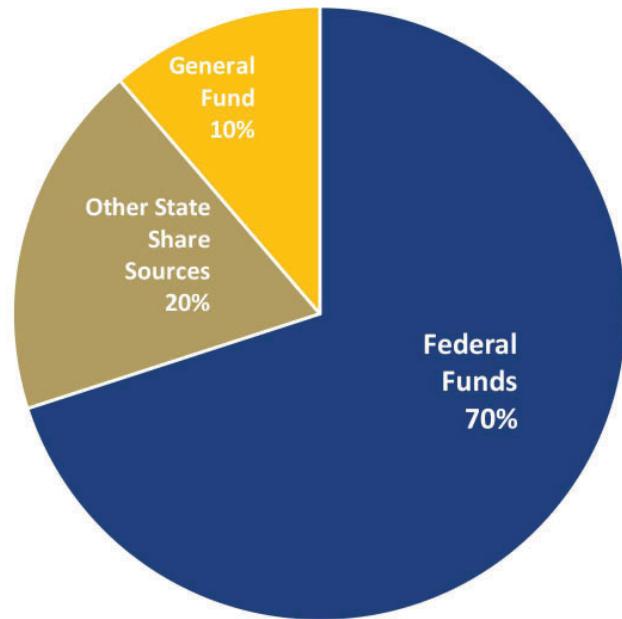
\$5.8 billion
in medical benefits

Medicaid Use of Funds



Total Expenditures: **\$6.5 Billion**

Medicaid Source of Funds



Medicaid patients accounted for **60%** of total nursing home bed days

50%+ of all Alabama births are paid by Medicaid



Data as of 5/27/20

FY 2018 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 2018, including slightly over 52 percent of all 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 64 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

Three agencies other than Alabama Medicaid determine Medicaid eligibility.

The Alabama Department of Human Resources certifies foster children, children who receive state or federal adoption assistance, and other groups that are not eligible for Supplemental Security Income (SSI).

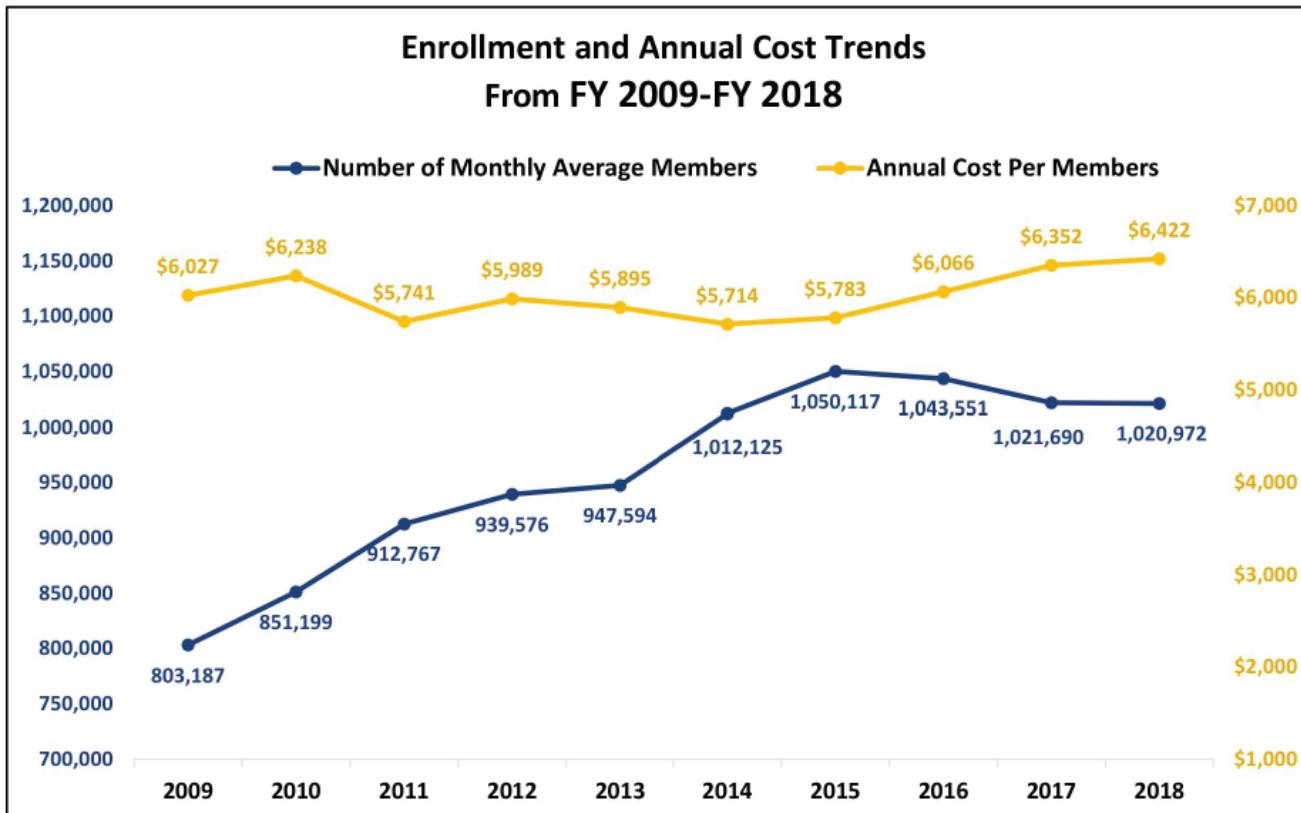
The Social Security Administration certifies aged, blind and disabled persons who have very low income and qualify for cash assistance through the SSI program.

Alabama Medicaid is responsible for certifying applicants for women eligible for Medicaid through the Alabama Breast and Cervical Cancer program; Certain children in group homes certified by the Department of Youth Services; Aged, Blind, or Disabled individuals who are ineligible for SSI; and low-income Medicare beneficiaries seeking Medicaid help paying for their Medicare Premiums and/or co-payments.

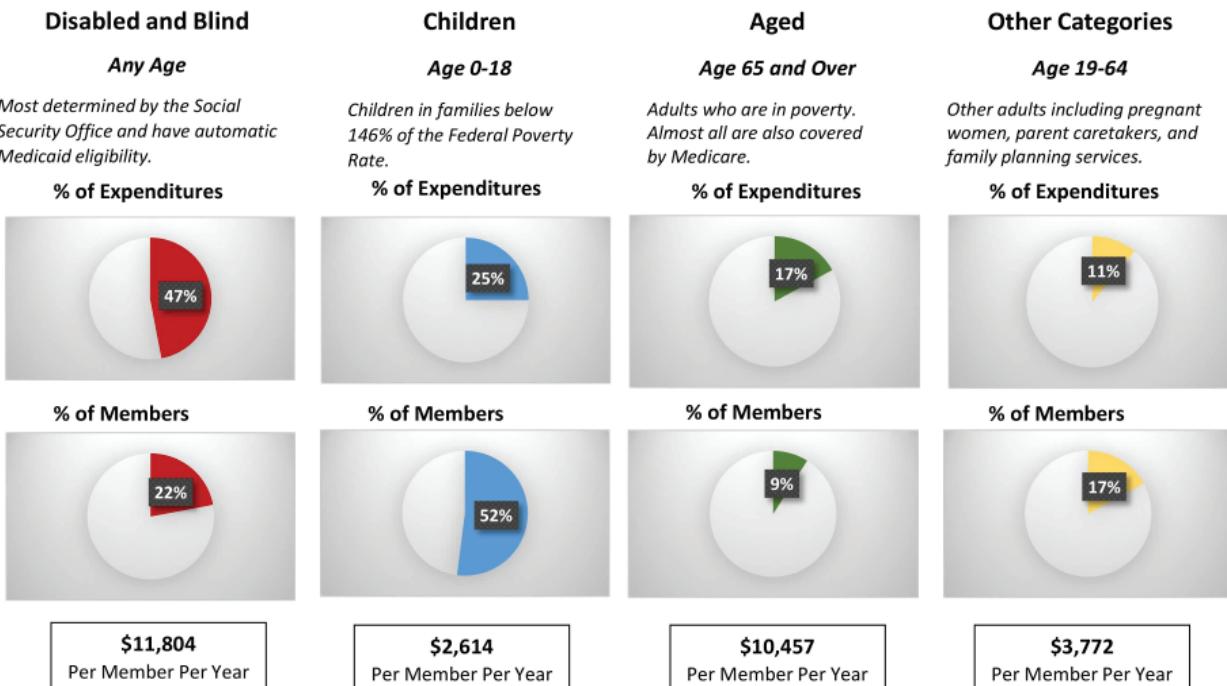
Alabama Medicaid and the Alabama Department of Health's ALL Kids program are responsible for certification of the following eligibility groups: Parents and Other Caretaker Relatives (formerly known as MLIF); Children under age 19 eligible for Medicaid or ALL Kids; pregnant women; Plan First (Family Planning) Program; Former Foster Care youth; and Emergency Services for non-citizens



FY 2009 - FY 2018 Enrollment and Annual Cost Per Enrollee



FY 2018 Who Does Alabama Medicaid Serve?



**Expenditures, dates of service, include claims, capitations, and access payments based on dates of service in FY 2018.
Per Member Per Year calculations not for the purpose of determining managed care rates and do not align to date paid numbers.**

FY 2018 Medicaid and Alabama Overview

Expenditures and Funding Sources	FY 2016	FY 2017	FY 2018
Expenditures			
Medicaid Agency Expenditures ¹	\$6,330,410,558	\$6,489,979,058	\$6,557,068,823
Percent Change from Prior Year	4.2%	2.5%	1.0%
Medicaid Medical Services Expenditures ²	\$5,612,193,123	\$5,730,687,262	\$5,826,543,865
Percent Change from Prior Year	5.2%	2.1%	1.7%
Average Medicaid Medical Services Expenditures per Monthly Average Eligible ³	\$5,378	\$5,609	\$5,707
Percent Change from Prior Year	5.8%	4.3%	1.7%
Medicaid Medical Services Expenditures per Capita ⁴	\$1,154	\$1,176	\$1,192
Funding Sources (Receipts)			
Overall Federal Funding Percentage	69.0%	70.2%	70.0%
Overall State Funding Percentage	31.0%	29.8%	30.0%
State General Fund Percentage	11.9%	11.1%	10.6%
Utilization			
Alabama Population⁵			
Total	4,863,300	4,874,747	4,887,871
Adults	3,573,525	3,586,723	3,605,549
Children ⁶	1,289,775	1,288,024	1,282,322
As a Percent of the Alabama Population	26.5%	26.4%	26.2%
Eligibles			
Monthly Average Medicaid Eligibility⁷			
Monthly Average Eligibles	1,043,551	1,021,690	1,020,972
Percent Change from Prior Year	-0.6%	-2.1%	-0.1%
As a Percent of the Alabama Population	21.5%	21.0%	20.9%
Monthly Average Adult Eligibles	462,800	454,718	451,695
As a Percent of the Alabama Population	13.0%	12.7%	12.5%
Monthly Average Child Eligibles ⁶	580,751	566,971	569,276
As a Percent of the Alabama Population	45.0%	44.0%	44.4%
Annual Medicaid Eligibility⁸			
Annual Eligibles	1,218,885	1,208,471	1,206,830
Percent Change from Prior Year	-0.3%	-0.9%	-0.1%
As a Percent of the Alabama Population	25.1%	24.8%	24.7%
Annual Eligible Adults	538,803	533,974	529,349
As a Percent of the Alabama Adult Population	15.1%	14.9%	14.7%
Annual Eligible Children ⁶	680,082	674,497	677,481
As a Percent of the Alabama Child Population	52.7%	52.4%	52.8%

¹ As reported by the Executive Budget Office.

² 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 (DSH) program and expenses of the Health Information Exchange.

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

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

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

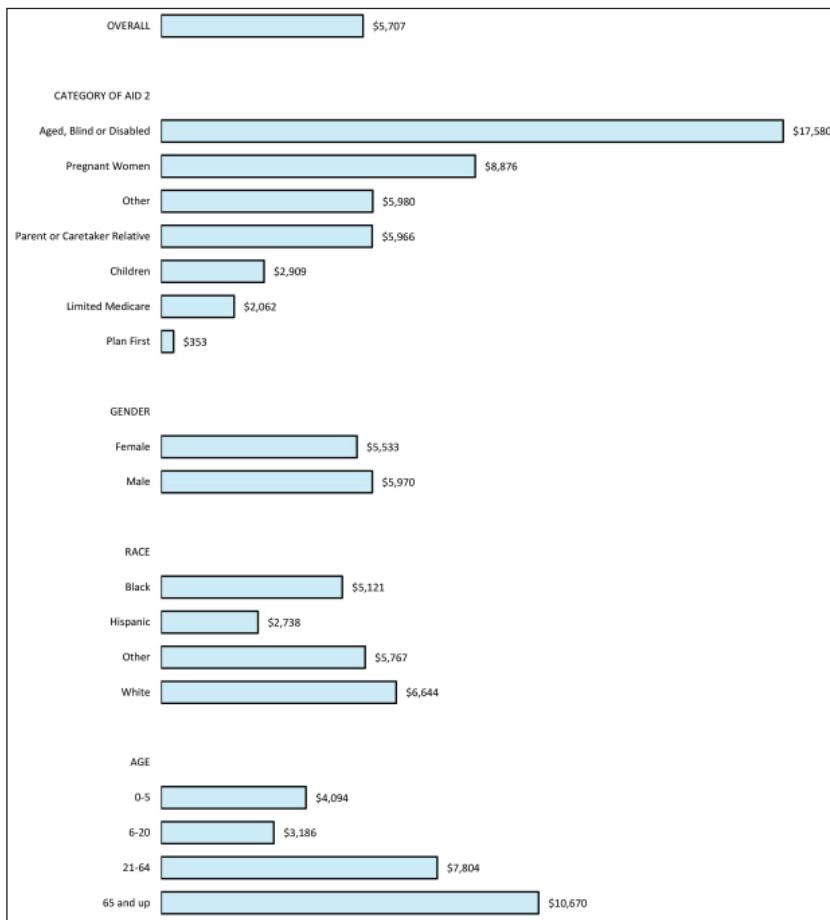
⁶ Child/Children defined as those under age 21.

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

⁸ 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 2018

Annual Cost Per Monthly Average Eligible for Medical Care¹ by Category of Aid, Gender, Race, and Age



¹ The annual cost per monthly average eligible for medical care is calculated based on total expenditures of \$5,826,543,865 in FY 2018 divided by the annual average of monthly eligibles of 1,020,972. Total expenditures exclude Medicaid administrative expenses, school-based services administration, expenses of the Health Information Exchange, and Disproportionate Share Hospital (DSH) payments, and include encumbrances and payables at the end of the fiscal year.

² See page 15 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.

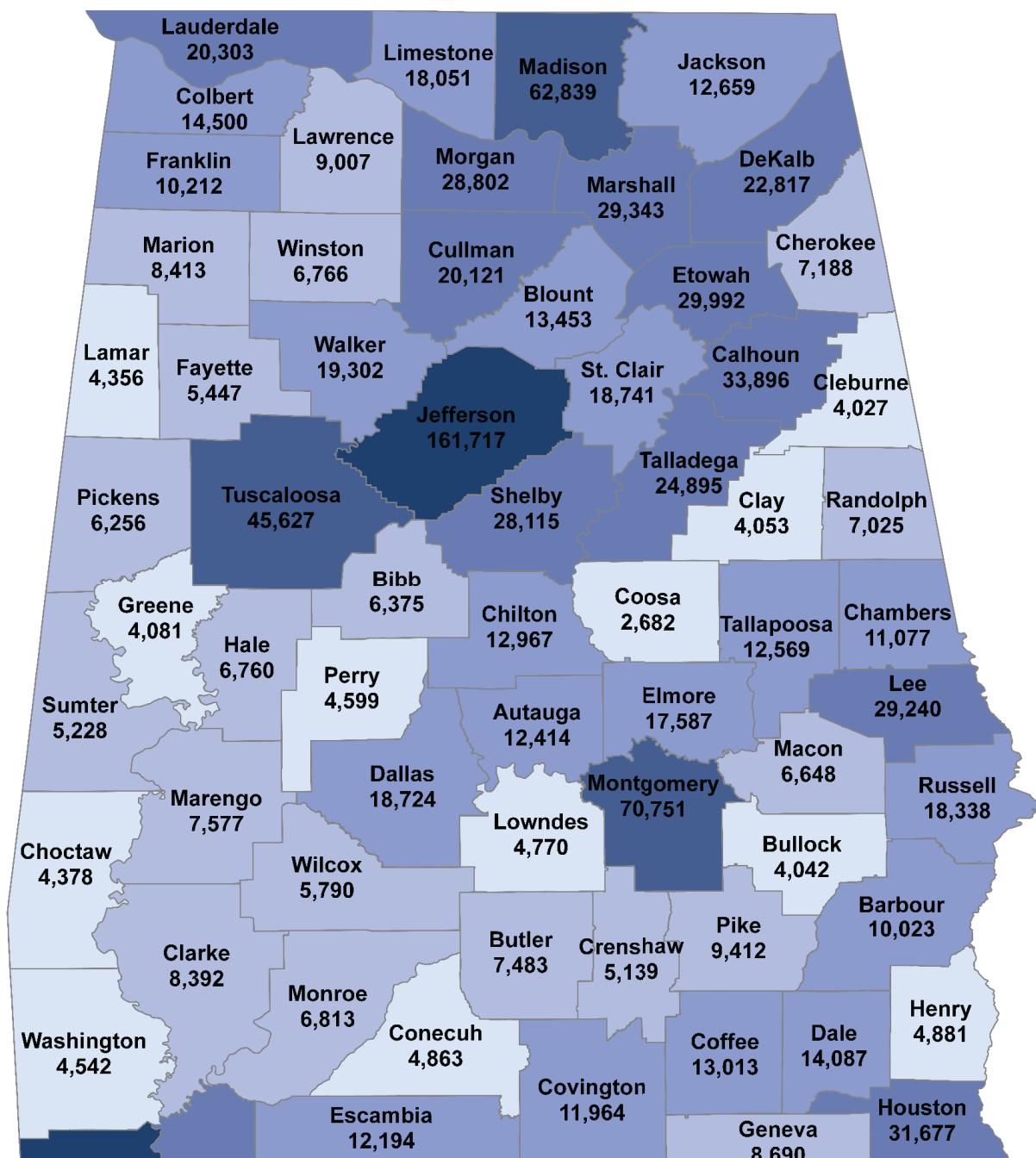
Monthly Average Eligibles

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 2018 Medicaid Annual Eligibles¹ - County

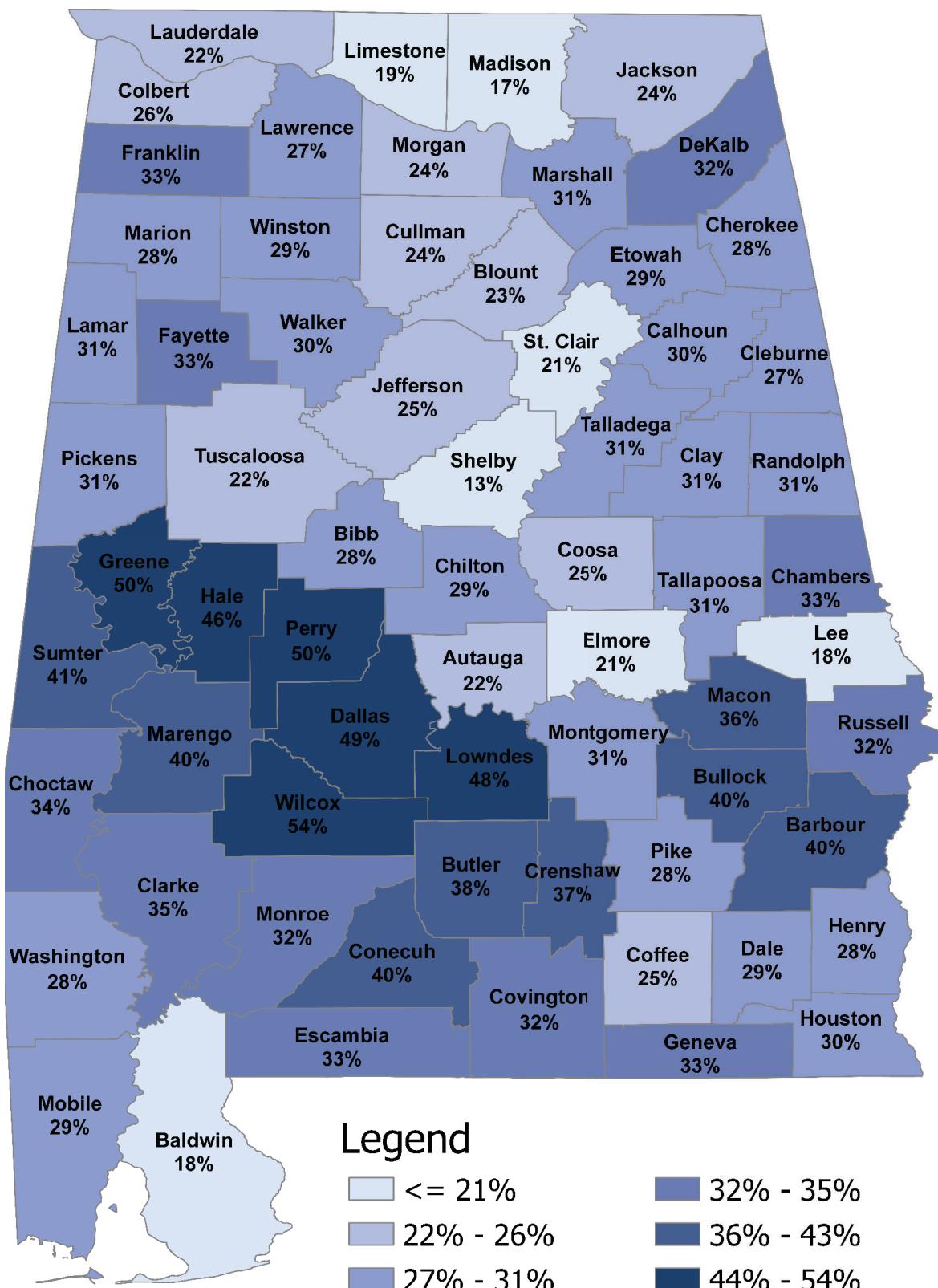


Legend



¹ 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 2018 Percent Population Annually Eligible¹ - County



¹ 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 2009 - 2018 Medicaid Eligibles as Percent of Population by Year

Year	State Population ¹	Annual Eligibles ²	Annual Eligibles as % of Population	Monthly Average Eligibles ³	Monthly Average Eligibles as % of Population
FY 2009	4,799,189	964,171	20.1%	803,187	16.7%
FY 2010	4,779,735	1,026,429	21.5%	851,199	17.8%
FY 2011	4,801,695	1,070,781	22.3%	912,767	19.0%
FY 2012	4,817,484	1,110,037	23.0%	939,576	19.5%
FY 2013	4,833,996	1,095,266	22.7%	947,594	19.6%
FY 2014	4,849,377	1,184,015	24.4%	1,012,125	20.9%
FY 2015	4,858,979	1,221,963	25.1%	1,050,117	21.6%
FY 2016	4,863,300	1,218,885	25.1%	1,043,551	21.5%
FY 2017	4,874,747	1,208,471	24.8%	1,021,690	21.0%
FY 2018	4,887,871	1,206,830	24.7%	1,020,972	20.9%

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

² 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.

³ 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 2009-2018 Monthly and Average Annual Medicaid Eligibles¹

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
October	787,515	834,747	894,496	949,808	933,907	972,720	1,047,882	1,050,054	1,031,957	1,019,025
November	782,764	828,165	890,932	938,776	930,019	973,349	1,050,254	1,048,868	1,030,995	1,019,035
December	782,786	825,655	891,327	934,512	930,965	972,173	1,049,711	1,044,969	1,027,611	1,017,469
January	790,064	832,160	897,984	939,100	935,580	997,545	1,055,938	1,047,141	1,021,443	1,020,587
February	794,954	835,136	902,351	939,021	941,429	1,000,824	1,044,093	1,046,710	1,018,716	1,018,967
March	801,523	842,963	911,268	941,197	945,267	1,014,931	1,047,623	1,045,433	1,019,760	1,022,959
April	804,925	851,089	913,068	941,707	949,439	1,020,802	1,050,432	1,045,963	1,016,805	1,024,662
May	808,273	855,952	914,397	940,538	953,232	1,024,358	1,053,532	1,041,933	1,016,227	1,020,672
June	812,220	862,949	922,321	937,851	955,355	1,034,955	1,044,251	1,038,991	1,017,414	1,021,657
July	817,174	872,501	930,736	935,778	959,607	1,041,588	1,050,989	1,037,037	1,021,681	1,019,417
August	825,421	883,443	939,943	935,901	966,066	1,047,957	1,053,898	1,038,571	1,019,631	1,021,951
September	830,621	889,627	944,375	940,722	970,267	1,044,302	1,052,800	1,036,942	1,018,034	1,025,250
Annual Avg.	803,187	851,199	912,767	939,576	947,594	1,012,125	1,050,117	1,043,551	1,021,690	1,020,972

¹ 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 2018 Medicaid Annual Eligibles¹ by Aid² Category and County

County	ABD	Children	Limited Medicare	Other	POCR	Plan First	Pregnant Women	GRAND TOTAL ³
Autauga	2,143	6,512	1,441	76	1,309	1,059	308	12,413
Baldwin	4,903	22,730	4,535	664	3,772	3,507	1,142	39,767
Barbour	1,858	5,217	1,182	68	899	968	209	10,022
Bibb	1,284	3,228	764	60	574	504	131	6,375
Blount	2,043	7,499	1,770	201	1,097	908	320	13,453
Bullock	798	2,068	494	56	352	374	66	4,041
Butler	1,472	3,731	894	24	698	804	205	7,483
Calhoun	6,055	17,415	4,066	270	3,539	2,941	910	33,897
Chambers	2,077	5,575	1,473	76	1,056	971	260	11,077
Cherokee	1,349	3,536	1,217	32	642	474	149	7,188
Chilton	2,019	7,224	1,484	225	1,166	962	305	12,967
Choctaw	1,056	1,934	599	6	483	403	62	4,377
Clarke	1,761	3,946	981	33	903	945	175	8,392
Clay	767	2,007	639	32	263	400	132	4,053
Cleburne	740	2,111	527	12	373	295	105	4,028
Coffee	2,069	7,080	1,388	166	1,368	1,060	332	13,010
Colbert	2,804	7,007	2,066	86	1,320	1,392	380	14,500
Conecuh	973	2,326	694	25	508	424	89	4,863
Coosa	572	1,178	510	6	219	230	59	2,683
Covington	2,187	5,918	1,648	42	1,309	1,031	287	11,964
Crenshaw	942	2,524	723	12	553	464	107	5,139
Cullman	3,820	10,422	3,056	189	1,198	1,579	629	20,119
Dale	2,589	7,207	1,574	73	1,447	1,368	410	14,088
Dallas	4,755	8,399	2,386	53	1,735	1,885	287	18,726
DeKalb	3,171	13,407	2,720	615	1,678	1,320	523	22,818
Elmore	2,931	9,524	1,944	124	1,657	1,590	487	17,588
Escambia	1,861	6,636	1,438	44	1,252	1,148	319	12,194
Etowah	5,964	14,905	4,252	368	2,559	2,264	808	29,991
Fayette	1,175	2,665	711	22	531	391	120	5,448
Franklin	1,535	5,789	1,175	348	737	706	248	10,211
Geneva	1,683	4,286	1,237	46	874	670	182	8,689
Greene	938	1,918	472	12	468	374	70	4,083
Hale	1,367	3,140	860	19	830	724	143	6,760
Henry	870	2,379	742	22	454	451	112	4,883
Houston	5,712	16,562	3,612	178	3,128	2,923	922	31,682
Jackson	2,106	6,484	1,980	97	1,198	883	332	12,659
Jefferson	30,189	85,217	18,244	2,630	13,973	13,484	3,833	161,717
Lamar	895	2,104	623	23	406	347	99	4,355
Lauderdale	3,660	10,069	2,923	185	1,581	2,051	527	20,303
Lawrence	1,687	4,537	1,156	40	971	711	193	9,008
Lee	4,287	16,581	2,589	467	2,684	2,839	854	29,237
Limestone	2,817	10,116	2,058	318	1,517	1,371	393	18,049
Lowndes	1,071	2,153	724	15	469	442	96	4,770
Macon	1,420	3,140	789	31	696	714	130	6,648
Madison	9,366	35,924	5,824	958	5,562	5,676	1,871	62,838
Marengo	1,919	3,358	938	24	751	771	135	7,578
Marion	1,517	4,156	1,253	44	812	666	212	8,413
Marshall	4,092	17,440	3,016	1,093	2,348	1,464	671	29,346
Mobile	19,568	63,814	12,481	938	11,349	12,845	3,378	118,922
Monroe	1,373	3,373	810	24	729	655	137	6,813
Montgomery	12,343	38,094	6,733	899	6,690	7,162	1,980	70,755
Morgan	5,042	16,189	2,848	579	2,115	2,312	817	28,801
Perry	1,281	1,948	620	8	455	428	51	4,599
Pickens	1,440	2,979	733	23	551	639	128	6,256
Pike	1,912	4,592	1,117	49	861	1,044	239	9,410
Randolph	1,198	3,743	880	50	671	562	165	7,025
Russell	2,909	10,120	1,800	87	1,956	1,648	434	18,338
St. Clair	3,507	17,040	2,339	892	2,498	1,963	667	28,115
Shelby	2,870	10,125	2,281	111	2,054	1,488	481	18,742
Sumter	1,383	2,123	558	14	733	609	94	5,228
Talladega	5,092	12,205	3,500	91	2,269	1,981	613	24,894
Tallapoosa	2,510	6,257	1,838	63	1,057	1,056	244	12,571
Tuscaloosa	8,594	24,259	4,347	717	3,649	4,518	1,390	45,627
Walker	4,221	9,228	2,733	195	1,509	1,603	473	19,301
Washington	922	2,260	548	18	487	367	83	4,542
Wilcox	1,627	2,494	666	8	533	598	86	5,790
Winston	1,270	3,366	1,146	34	595	436	132	6,764
DYS		360						360
STATEWIDE ³	213,735	636,177	142,871	14,660	109,375	107,880	30,554	1,206,830

¹ 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.

² See definitions of aid categories descriptions on page 15.

³ Rows/columns do not equal the overall unduplicated count of eligibles (1,206,830) because during the year some persons live in multiple counties and some qualify for benefits under different categories.

Aid Categories Explained

Aged, Blind, or Disabled (ABD) – 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 need 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).

Medicare Savings Program – 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.

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.

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 of the 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 of the federal poverty level (FPL).

FY 2018 County Impact

Average Annual Benefit Payments¹ Per Monthly Average Eligibles² by County

County	Benefit Payments	Monthly Avg. Eligibles	Avg. Payment Per Eligible	County	Benefit Payments	Monthly Avg. Eligibles	Avg. Payment Per Eligible
Autauga	\$56,400,319	9,705	\$5,811	Houston	\$142,786,759	25,606	\$5,576
Baldwin	\$158,324,568	31,455	\$5,033	Jackson	\$57,621,728	10,139	\$5,683
Barbour	\$41,949,101	8,079	\$5,192	Jefferson	\$843,203,298	134,211	\$6,283
Bibb	\$26,219,005	5,124	\$5,117	Lamar	\$22,812,969	3,554	\$6,418
Blount	\$61,619,309	10,627	\$5,799	Lauderdale	\$95,809,479	16,383	\$5,848
Bullock	\$18,281,617	3,395	\$5,385	Lawrence	\$39,535,546	7,218	\$5,478
Butler	\$35,198,340	6,296	\$5,591	Lee	\$96,050,390	23,262	\$4,129
Calhoun	\$157,538,300	27,534	\$5,722	Limestone	\$64,064,151	14,331	\$4,470
Chambers	\$49,896,639	9,142	\$5,458	Lowndes	\$19,610,467	3,980	\$4,927
Cherokee	\$35,904,366	5,805	\$6,185	Macon	\$26,297,477	5,421	\$4,851
Chilton	\$54,557,445	10,301	\$5,296	Madison	\$270,549,405	50,328	\$5,376
Choctaw	\$18,886,255	3,655	\$5,168	Marengo	\$38,280,099	6,408	\$5,974
Clarke	\$38,848,708	6,992	\$5,556	Marion	\$39,618,107	6,646	\$5,961
Clay	\$18,683,225	3,286	\$5,685	Marshall	\$114,836,427	23,614	\$4,863
Cleburne	\$18,376,302	3,206	\$5,732	Mobile	\$591,203,234	99,405	\$5,947
Coffee	\$63,747,185	10,277	\$6,203	Monroe	\$33,259,000	5,650	\$5,887
Colbert	\$66,252,790	11,616	\$5,704	Montgomery	\$295,358,274	58,107	\$5,083
Conecuh	\$25,897,561	4,023	\$6,437	Morgan	\$141,289,482	22,707	\$6,222
Coosa	\$10,733,380	2,084	\$5,150	Perry	\$22,357,485	3,958	\$5,649
Covington	\$62,937,510	9,785	\$6,432	Pickens	\$31,460,591	5,260	\$5,981
Crenshaw	\$24,221,165	4,150	\$5,836	Pike	\$42,026,179	7,759	\$5,417
Cullman	\$100,343,929	16,006	\$6,269	Randolph	\$29,510,060	5,681	\$5,195
Dale	\$67,847,062	11,029	\$6,151	Russell	\$53,636,633	14,452	\$3,711
Dallas	\$98,150,722	16,135	\$6,083	St. Clair	\$109,960,299	14,959	\$7,351
DeKalb	\$101,659,684	18,567	\$5,475	Shelby	\$79,003,377	21,608	\$3,656
Elmore	\$70,855,441	13,692	\$5,175	Sumter	\$21,264,270	4,242	\$5,013
Escambia	\$48,443,345	9,997	\$4,846	Talladega	\$120,972,073	20,399	\$5,930
Etowah	\$180,933,292	24,418	\$7,410	Tallapoosa	\$58,496,613	10,323	\$5,666
Fayette	\$32,550,157	4,340	\$7,500	Tuscaloosa	\$230,142,410	36,978	\$6,224
Franklin	\$46,588,853	8,161	\$5,709	Walker	\$113,512,765	15,738	\$7,213
Geneva	\$42,401,521	6,943	\$6,107	Washington	\$22,189,673	3,648	\$6,083
Greene	\$16,452,915	3,367	\$4,887	Wilcox	\$23,754,945	4,951	\$4,798
Hale	\$27,691,785	5,461	\$5,071	Winston	\$33,525,200	5,335	\$6,284
Henry	\$22,331,113	3,891	\$5,739	Youth Services	\$1,822,089	170	\$10,713
				Statewide	\$5,826,543,865	1,020,972	\$5,707

¹ Benefit payments for medical care in FY 2018 are based on the location of the beneficiary and exclude administrative expenses of the Medicaid Agency, expenses of the Health Information Exchange, and Disproportionate Share Hospital (DSH) payments.

² The annual average of monthly eligibles.

FY 2018 County Impact Annual Benefit Payments¹ Per Provider Type³ by County (\$ amounts in thousands)

County	Hospital Services	NH/LTC/Hospice	Pharmacy	Physicians/NPs/PAs	Mental Health	Medicare Premiums	Other ²	Grand Total
Autauga	\$8,198	\$5,215	\$7,433	\$3,608	\$10,189	\$4,553	\$4,022	\$43,218
Baldwin	\$31,611	\$25,126	\$23,043	\$19,194	\$12,615	\$12,327	\$15,588	\$139,504
Barbour	\$1,849	\$8,912	\$3,140	\$1,485	\$0	\$3,991	\$2,711	\$22,089
Bibb	\$2,484	\$5,332	\$2,444	\$107	\$0	\$2,920	\$6,938	\$20,226
Blount	\$5,067	\$8,418	\$3,780	\$1,765	\$267	\$5,227	\$3,055	\$27,579
Bullock	\$3,588	\$6,195	\$2,877	\$758	\$0	\$1,703	\$1,641	\$16,762
Butler	\$3,060	\$11,028	\$4,310	\$1,186	\$0	\$2,921	\$2,790	\$25,294
Calhoun	\$43,682	\$26,861	\$20,098	\$17,267	\$9,316	\$12,133	\$9,043	\$138,400
Chambers	\$0	\$16,161	\$3,569	\$1,599	\$2,904	\$4,225	\$1,159	\$29,617
Cherokee	\$2,148	\$8,612	\$3,611	\$953	\$0	\$3,105	\$1,633	\$20,062
Chilton	\$2,448	\$8,407	\$4,360	\$2,240	\$118	\$4,672	\$3,359	\$25,604
Choctaw	\$1,401	\$5,690	\$1,961	\$435	\$0	\$2,156	\$1,375	\$13,018
Clarke	\$4,832	\$9,872	\$4,766	\$1,616	\$0	\$3,712	\$3,360	\$28,158
Clay	\$2,805	\$7,371	\$1,460	\$600	\$0	\$1,798	\$506	\$14,541
Cleburne	\$0	\$4,109	\$1,017	\$84	\$0	\$1,425	\$560	\$7,195
Coffee	\$13,137	\$15,816	\$6,544	\$6,202	\$0	\$4,315	\$17,701	\$63,714
Colbert	\$19,365	\$11,892	\$8,417	\$7,920	\$4,370	\$5,966	\$4,331	\$62,261
Conecuh	\$2,330	\$3,358	\$1,378	\$722	\$0	\$2,121	\$1,036	\$10,946
Coosa	\$0	\$3,029	\$418	\$755	\$0	\$1,347	\$126	\$5,675
Covington	\$10,103	\$17,799	\$6,402	\$4,002	\$4,602	\$4,827	\$2,885	\$50,620
Crenshaw	\$5,009	\$6,149	\$1,801	\$330	\$0	\$2,202	\$764	\$16,256
Cullman	\$16,372	\$24,839	\$9,490	\$13,529	\$2,831	\$9,078	\$4,999	\$81,138
Dale	\$6,362	\$14,091	\$5,764	\$3,122	\$1,060	\$4,999	\$1,975	\$37,374
Dallas	\$21,677	\$18,160	\$8,558	\$8,099	\$5,237	\$9,112	\$7,126	\$77,969
DeKalb	\$7,259	\$20,794	\$10,656	\$5,231	\$1,770	\$7,714	\$9,130	\$62,553
Elmore	\$3,566	\$13,811	\$7,432	\$2,083	\$17,910	\$6,027	\$2,916	\$53,745
Escambia	\$7,544	\$11,006	\$4,986	\$2,679	\$1	\$4,348	\$2,855	\$33,419
Etowah	\$51,066	\$36,239	\$14,803	\$18,434	\$29,133	\$12,744	\$11,499	\$173,917
Fayette	\$2,237	\$6,626	\$1,748	\$956	\$4,741	\$2,462	\$927	\$19,696
Franklin	\$8,093	\$11,992	\$3,731	\$2,121	\$0	\$3,253	\$1,772	\$30,962
Geneva	\$2,898	\$8,049	\$2,527	\$664	\$0	\$3,596	\$1,124	\$18,859
Greene	\$1,296	\$3,589	\$586	\$66	\$0	\$1,862	\$944	\$8,344
Hale	\$2,022	\$7,170	\$1,570	\$211	\$0	\$2,842	\$3,049	\$16,864
Henry	\$0	\$5,486	\$1,193	\$205	\$0	\$2,170	\$2,849	\$11,904
Houston	\$84,629	\$25,393	\$27,236	\$31,092	\$11,030	\$11,659	\$13,513	\$204,552
Jackson	\$8,585	\$14,222	\$4,997	\$4,130	\$9,943	\$5,094	\$4,923	\$51,894
Jefferson	\$927,332	\$153,420	\$132,370	\$208,176	\$76,936	\$62,651	\$65,563	\$1,626,448
Lamar	\$0	\$6,602	\$1,732	\$232	\$0	\$1,867	\$2,053	\$12,486
Lauderdale	\$19,240	\$22,393	\$9,651	\$8,504	\$10,907	\$8,281	\$7,306	\$86,282
Lawrence	\$6,771	\$6,712	\$3,471	\$254	\$12	\$3,498	\$2,980	\$23,697
Lee	\$49,732	\$10,251	\$11,938	\$15,765	\$17,697	\$7,688	\$16,221	\$129,292
Limestone	\$9,925	\$10,872	\$6,379	\$3,197	\$69	\$5,801	\$5,893	\$42,135
Lowndes	\$0	\$4,244	\$364	(\$0)	\$0	\$2,582	\$572	\$7,762
Macon	\$1,315	\$5,621	\$1,409	\$646	\$342	\$2,927	\$1,601	\$13,862
Madison	\$154,661	\$41,091	\$29,981	\$59,349	\$37,891	\$17,714	\$20,145	\$360,832
Marengo	\$6,484	\$10,160	\$3,322	\$2,302	\$3,002	\$3,515	\$1,853	\$30,638
Marion	\$6,085	\$13,924	\$3,596	\$1,278	\$390	\$3,426	\$3,165	\$31,864
Marshall	\$24,991	\$23,161	\$15,592	\$9,539	\$7,342	\$8,699	\$10,426	\$99,749
Mobile	\$261,919	\$81,208	\$68,478	\$75,153	\$97,221	\$42,366	\$44,017	\$670,362
Monroe	\$3,919	\$9,054	\$3,095	\$1,230	\$3,269	\$2,672	\$2,414	\$25,655
Montgomery	\$151,719	\$58,303	\$38,674	\$66,707	\$19,433	\$23,991	\$55,440	\$414,266
Morgan	\$25,834	\$26,006	\$13,505	\$12,010	\$29,001	\$9,129	\$8,835	\$124,320
Perry	\$0	\$6,712	\$1,202	\$43	\$0	\$2,244	\$998	\$11,199
Pickens	\$1,733	\$8,494	\$2,342	\$956	\$0	\$2,889	\$1,210	\$17,625
Pike	\$5,550	\$9,495	\$5,760	\$3,059	\$3,949	\$3,871	\$3,458	\$35,142
Randolph	\$1,521	\$10,361	\$2,452	\$917	\$208	\$2,372	\$2,537	\$20,367
Russell	\$1,243	\$15,049	\$5,006	\$3,959	\$11	\$5,213	\$2,442	\$32,924
Shelby	\$26,622	\$17,778	\$77,791	\$10,530	\$3,028	\$7,350	\$10,279	\$153,377
St. Clair	\$4,144	\$14,057	\$10,727	\$4,159	\$1,478	\$6,796	\$2,668	\$44,030
Sumter	\$4,298	\$4,977	\$1,338	\$636	\$0	\$2,428	\$1,440	\$15,116
Talladega	\$17,919	\$23,978	\$12,173	\$6,910	\$1,103	\$11,095	\$8,292	\$81,470
Tallapoosa	\$10,634	\$20,118	\$7,101	\$3,667	\$0	\$5,433	\$2,787	\$49,740
Tuscaloosa	\$100,325	\$37,731	\$23,033	\$26,273	\$26,904	\$16,126	\$12,912	\$243,303
Walker	\$20,962	\$22,592	\$20,772	\$7,450	\$19,995	\$9,351	\$7,746	\$108,868
Washington	\$1,208	\$4,082	\$1,157	\$131	\$0	\$1,857	\$2,489	\$10,925
Wilcox	\$1,024	\$5,481	\$1,166	\$155	\$0	\$2,858	\$973	\$11,656
Winston	\$3,194	\$8,202	\$3,066	\$1,682	\$0	\$2,936	\$1,264	\$20,343
STATEWIDE TOTAL	\$2,237,028	\$1,128,945	\$736,749	\$700,322	\$488,226	\$464,234	\$464,162	\$6,219,667
OUT-OF-STATE TOTAL	\$25,745	\$0	\$38,126	\$23,082	\$0	\$0	\$3,723	\$90,676
GRAND TOTAL	\$2,262,773	\$1,128,945	\$774,875	\$723,404	\$488,226	\$464,234	\$467,886	\$6,310,344

¹ Benefit payments for medical care in FY 2018 exclude administrative expenses of the Medicaid Agency and expenses of the Health Information Exchange.

² 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 support services.

³ The totals shown by provider type will not align to the Executive Budget Office amounts by program due to the method in which the providers were grouped.

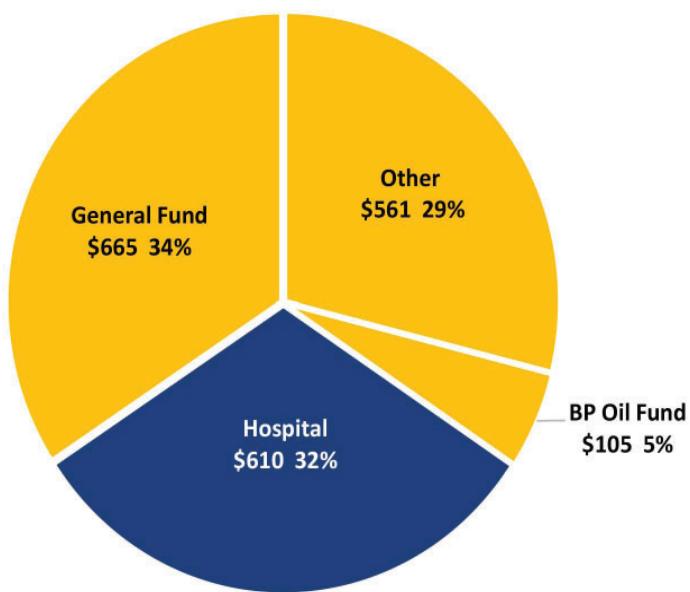
Programs and Services

Alabama Medicaid provided \$5.8 billion in medical benefits to more than one million enrollees in FY 2018. 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 \$484 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 (Children's Hospital of Alabama and Women's and Children's Hospital in Mobile) have substantially higher Medicaid occupancy rates.

FY 2018 Hospital Contribution to State Share (in Millions)*



*Total State Share based on Total State Funds Used is approximately \$1.941 Billion.

Hospitals are essentially self-funded. Hospital funding sources – including provider taxes, CPEs and IGTs – contributed \$610 million, or 32 percent, to the Agency's state share used to match federal dollars.

The Alabama Medicaid program reimbursed hospitals a total of \$2.3 billion (including DSH payments) in FY 2018. Other costs in the hospital budget line include inpatient psychiatric services, ambulatory surgical centers, transplants, federally qualified health centers, and renal dialysis, among others.

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 2018, approximately 588,000 unique recipients received approximately 6.5 million prescriptions at a total cost of \$709 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 \$74 million in FY 2018.

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. The state share portion of drug rebates, paid by drug manufacturers, totaled approximately \$125 million in 2018, or about 7 percent of total state share funding.



Physicians

Physician services mandated by the federal government are available to Medicaid recipients. In FY 2018, over 734,000 unique recipients received physician program services at a total cost of \$423 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 may receive an enhanced fee based on annually-determined commercial rates.



Mental Health and Waivers

Mental Health services, provided through the Alabama Department of Public Health, include mental health rehabilitation services, substance abuse treatment, targeted case management, intermediate care facilities for the intellectually disabled, and two Home and Community-Based Services (HCBS) Waivers that allow intellectually disabled individuals to live at home. Together, they accounted for approximately \$484 million of expenditures; Approximately 73 percent of these costs are 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 26,303 beds accepted Medicaid reimbursement in FY 2018, while Medicaid patient days accounted for 60 percent of total bed days. A total of 24,092 recipients received nursing home care at a cost of \$965 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 HCBS waivers make it possible for approximately 7,578 qualified 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 \$11,377 versus the average annual cost of a nursing home bed of \$61,000 in FY 2018 (does not include all costs).

The Agency spent approximately \$86 million on HCBS waiver services with the state share primarily funded by other state agencies.

Integrated Care Network (ICN)

In FY 2018, the Agency continued to implement its plans to develop 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. The ICN began operation on October 1, 2018.



The ICN program promotes a person-centered approach to care delivery that better integrates the medical and long-term services and supports (LTSS) needs of beneficiaries and allows them to receive LTSS in the least restrictive setting of their choice. The ICN program aims to achieve the following goals through a Primary Care Case Management Model:

- Improve education and outreach about the LTSS for Medicaid recipients;
- Identify individuals who could benefit from community options and alternatives to institutional stays;
- Provide more comprehensive case management that better integrates the full range of medical and social services;
- Make an incremental change to the state's LTSS system to prepare for future increased demand; and
- Drive a percentage shift of the LTSS population residing in the HCBS setting.

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 2018, these services represented \$207 million in expenditures for the Agency. Unlike other budget categories, most are funded by General Fund dollars except for approximately \$36 million allocated through tobacco settlement funds in FY 2018.

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 2018 expenditures for these services were approximately \$372 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. In FY 2018, there were 119,870 recipients and expenditures of \$45 million for family planning services.

Managed Care

In FY 2018, approximately 644,000 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

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 2018, 23,039 deliveries occurred through this program, 72 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 2018, 620,495 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, hepatitis C, mental health conditions, substance abuse disorders, transplants, sickle cell, BMI >25, and heart disease. 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 2018, 216,916 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 2018, the PACE program offered 170 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

Medicaid's Alabama Coordinated Health Network (ACHN) is designed to create a single care coordination delivery system that effectively links patients, providers and community resources to achieve optimal health outcomes. This program replaces the silos in care coordination efforts and creates a single, unified structure for case management in seven defined regions.

Primary Care Case Management Entities (PCCM-Es), or network entities, under a federal waiver are incentivized along with primary care providers to achieve better health outcomes and to provide a higher volume of care coordination services.

Under the ACHN, the Patient 1st, Health Home and the current Maternity Care programs end and medical services are provided on a fee-for-service basis. The scope of the Plan First program does not change. Care coordination activities for Medicaid recipients in the affected groups are the responsibility of the regional network entities. Each regional network entity has funded quality improvement projects (QIPs) focusing on population priorities, including:

- **Substance Abuse**
- **Infant Mortality**
- **Obesity and Obesity Prevention**

These areas of improvement are chosen because of the significant impact they have on both the health of Alabama's recipients, as well as, the overall costs of health care.

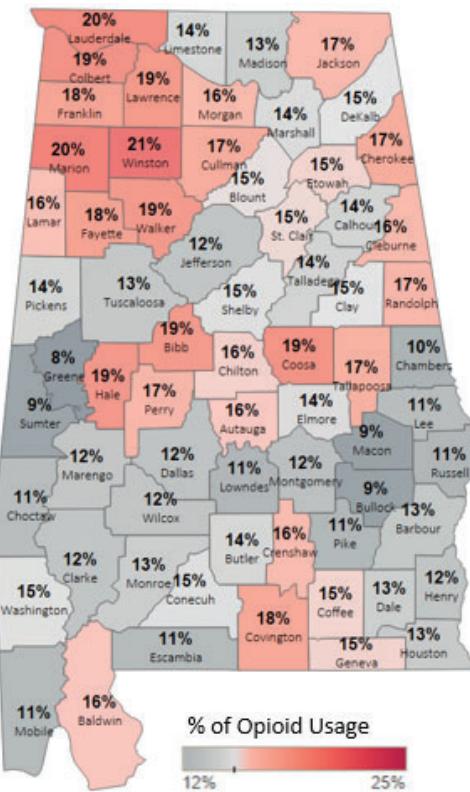
Substance Abuse

According to the Centers for Disease Control, Alabama ranks highest in the country in the number of opioid prescriptions per capita. Alabama Medicaid took the initiative to look into the data to see if trends could be identified.

Overall, oral surgeons were the highest prescribers of opioids to teenagers ages 13-18 in CY 2018. The number of teen recipients prescribed an opioid by an oral surgeon has declined by -6% in the state compared to CY 2017. Additionally, all other prescribers reduced the number of teen recipients prescribed an opioid by -23%.

% of Medicaid Members Aged 13-18 Prescribed an Opioid CY 2017 & CY 2018

CY 2017



Infant Mortality

Infant mortality is defined as the death of an infant before his or her first birthday. The infant mortality rate (IMR) is the number of infant deaths for every 1,000 live births. The IMR provides key information about both maternal and infant health and is an important marker of the overall health of a society.

In 2017, the infant mortality rate in the United States was 5.8 deaths per 1,000 live births according to the Centers for Disease Control and Prevention (CDC).



Alabama's infant mortality rate of 7.0 infant deaths per 1,000 live births in 2018 was lower than the 7.4 infant deaths per 1,000 live births in 2017. This is the lowest infant mortality rate ever recorded in the state. It represents 405 infant deaths with 196 of those deaths to black infants, 196 of those deaths to white infants, and 11 other race infants.

When compared to the 2017 national rate of 5.8 infant deaths per 1,000 live births, Alabama still has room for improvement in this area.

Obesity

Obesity is a leading cause of preventable years of life lost among Americans. According to 2017 CDC data, Alabama's rate of adult obesity is 36.3%, which places the state in the fifth highest position.

Adults who have obesity compared with adults at a healthy weight are more likely to have a decreased quality of life and are at an increased risk of developing serious health conditions including: hypertension, type 2 diabetes, heart disease, stroke, osteoarthritis, sleep apnea and breathing problems, some cancers, and mental illness such as depression and anxiety.

Obesity for children in Alabama is a serious problem putting them at risk for poor health. Obesity rates among children and adolescents in Alabama is 18.2%, and the state is ranked ninth for children with obesity.

Throughout 2018, Alabama Medicaid established requirements for primary care providers to measure BMI, or body mass index. Childhood obesity is one of three Quality Improvement Projects in the ACHN program.

Medicaid recipients who are obese are at greater risk for chronic disease with complex psychological, environmental (social and cultural), genetic, physiological, and metabolic causes and consequences.

Care coordinators with regional ACHNs will work with recipients in helping them learn better eating habits and healthier lifestyles. They will help recipients find the appropriate provider for their needs.



FY 2016-2018
Inpatient Hospital Program¹
Recipients and Amounts Paid² Based on Date of Service

Recipients ¹				Amounts Paid ²			Annual Average Cost Per Recipient		
				FY 2016	FY 2017	FY 2018	FY 2016	FY 2017	FY 2018
By Gender									
Female	79,912	78,493	75,771	\$733,898,420	\$763,308,443	\$748,079,877	\$9,184	\$9,725	\$9,873
Male	33,475	33,382	33,353	\$548,624,484	\$581,585,191	\$587,851,520	\$16,389	\$17,422	\$17,625
Total	113,387	111,875	109,124	\$1,282,522,904	\$1,344,893,634	\$1,335,931,397	\$11,311	\$12,021	\$12,242
By Race									
Black	45,468	44,194	42,737	\$501,154,244	\$526,018,582	\$530,171,472	\$11,022	\$11,902	\$12,405
Hispanic	5,099	4,732	4,278	\$48,161,368	\$46,323,528	\$43,508,896	\$9,445	\$9,789	\$10,170
White	53,442	51,646	49,271	\$527,206,234	\$540,823,280	\$526,457,975	\$9,865	\$10,472	\$10,685
Other Race	2,721	3,191	3,459	\$24,081,762	\$32,468,732	\$32,105,133	\$8,850	\$10,175	\$9,282
Unknown ³	6,657	8,112	9,379	\$181,919,296	\$199,259,512	\$203,687,921	\$27,328	\$24,564	\$27,717
Total	113,387	111,875	109,124	\$1,282,522,904	\$1,344,893,634	\$1,335,931,397	\$11,311	\$12,021	\$12,242
By Age									
0-5	16,026	15,491	15,791	\$335,287,788	\$361,767,396	\$365,465,966	\$20,921	\$23,353	\$23,144
6-20	17,448	17,097	17,072	\$237,670,575	\$259,348,822	\$252,917,208	\$13,622	\$15,169	\$14,815
21-64	65,337	64,766	62,355	\$652,135,727	\$663,877,196	\$658,502,204	\$9,981	\$10,250	\$10,561
65+	14,576	14,521	13,906	\$57,428,814	\$59,900,221	\$59,046,019	\$3,940	\$4,125	\$4,246
Total	113,387	111,875	109,124	\$1,282,522,904	\$1,344,893,635	\$1,335,931,398	\$11,311	\$12,021	\$12,242
By Dual Status									
Non-Dual	87,327	86,136	84,996	\$1,207,879,559	\$1,267,452,297	\$1,262,009,415	\$13,832	\$14,715	\$14,848
Dual ⁴	26,060	25,739	24,128	\$74,643,345	\$77,441,337	\$73,921,982	\$2,864	\$3,009	\$3,064
Total	113,387	111,875	109,124	\$1,282,522,904	\$1,344,893,634	\$1,335,931,397	\$11,311	\$12,021	\$12,242
Total Paid Based on Date of Service				\$1,282,522,904	\$1,344,893,634	\$1,335,931,397			
Average Eligibles (excluding Plan First)				951,764	940,923	945,616			
Annual Cost Per Average Eligible				\$1,365	\$1,435	\$1,423			
Actual Paid During Fiscal Year				\$1,298,772,395	\$1,350,309,802	\$1,345,388,719			

¹ 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.

² Includes the allocation of access payments to inpatient claims.

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

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

FY 2016-2018
Outpatient Hospital Program¹
Recipients and Amounts Paid² Based on Date of Service

Recipients ¹				Amounts Paid ²			Annual Average Cost Per Recipient		
	FY 2016	FY 2017	FY 2018	FY 2016	FY 2017	FY 2018	FY 2016	FY 2017	FY 2018
By Gender									
Female	294,755	295,781	301,927	\$217,805,724	\$228,823,925	\$266,360,459	\$739	\$774	\$882
Male	190,774	190,145	194,532	\$124,424,034	\$131,662,101	\$158,914,777	\$652	\$692	\$817
Total	485,529	485,926	496,459	\$342,229,758	\$360,486,026	\$425,275,236	\$705	\$742	\$857
By Race									
Black	206,229	203,566	205,542	\$131,644,457	\$142,459,206	\$163,198,344	\$638	\$700	\$794
Hispanic	23,602	24,387	23,635	\$11,691,517	\$12,924,531	\$15,505,814	\$495	\$530	\$657
White	221,036	215,602	212,453	\$166,817,744	\$164,888,044	\$191,130,748	\$755	\$765	\$900
Other Race	6,883	14,542	16,513	\$4,322,286	\$9,171,658	\$11,619,577	\$628	\$631	\$704
Unknown ³	27,779	27,829	38,316	\$27,753,754	\$31,042,587	\$43,820,753	\$999	\$1,115	\$1,144
Total	485,529	485,926	496,459	\$342,229,758	\$360,486,026	\$425,275,236	\$705	\$742	\$857
By Age									
0-5	109,688	107,791	113,040	\$52,943,428	\$53,642,153	\$65,646,416	\$483	\$498	\$581
6-20	167,179	167,684	174,017	\$107,390,271	\$108,599,108	\$131,502,688	\$642	\$648	\$756
21-64	172,056	173,395	173,252	\$180,704,903	\$196,566,154	\$226,489,860	\$1,050	\$1,134	\$1,307
65+	36,606	37,056	36,150	\$1,191,156	\$1,678,610	\$1,636,272	\$33	\$45	\$45
Total	485,529	485,926	496,459	\$342,229,758	\$360,486,026	\$425,275,236	\$705	\$742	\$857
By Dual Status									
Non-Dual	410,426	411,076	424,761	\$341,570,226	\$359,685,215	\$424,656,114	\$832	\$875	\$1,000
Dual ⁴	75,103	74,850	71,698	\$659,532	\$800,811	\$619,122	\$9	\$11	\$9
Total	485,529	485,926	496,459	\$342,229,758	\$360,486,026	\$425,275,236	\$705	\$742	\$857
Total Paid Based on Date of Service				\$342,229,758	\$360,486,026	\$425,275,236			
Average Eligibles (excluding Plan First)				951,764	940,923	945,616			
Annual Cost Per Average Eligible				\$360	\$383	\$450			
Actual Paid During Fiscal Year				\$343,937,905	\$361,200,112	\$403,064,281			

¹ 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.

² Includes the allocation of access payments to outpatient claims.

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

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

FY 2015-2018 Nursing Home and HCBS Waiver Utilization and Expenditures

Year	Avg. Number of Nursing Home Recipients	Avg. Annual Cost of a Nursing Home Bed ²	Expenditures for Nursing Facilities (in Millions)	Avg. Number of HCBS Waiver Recipients ²	Avg. Annual Cost of a HCBS Waiver Recipient ¹	HCBS Waiver Expenditures (in Millions)
FY 2015	16,189	\$58,390	\$945	7,269	\$10,249	\$75
FY 2016	16,189	\$58,882	\$953	7,243	\$10,728	\$78
FY 2017	15,747	\$60,049	\$946	7,449	\$10,642	\$79
FY 2018	15,743	\$61,279	\$965	7,578	\$11,377	\$86

¹ The overall total in expenditures in FY 2015-2018 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.

² Average Annual Cost of a Nursing Home Bed and Average Number of HCBS Waiver Recipients are calculated using Average Number of Recipients.

FY 2014-2018 Long Term Care Program Intermediate Care Facility for the Intellectually Disabled Utilization and Costs

Year	Payments	Recipients	Average Covered Days Per Recipient	Average Cost Per Day	Average Cost Per Recipient
FY 2014	\$1,582,024	28	311	\$182	\$56,501
FY 2015	\$1,655,211	26	346	\$184	\$63,662
FY 2016	\$1,812,668	25	365	\$199	\$72,507
FY 2017	\$1,887,447	27	323	\$217	\$69,905
FY 2018	\$2,033,302	26	347	\$225	\$78,204

FY 2014-2018 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 ¹	Percent Change	Medicaid Bed Days as % of State Bed Days
FY 2014	24,248	-1.4%	246	5,971,896	2.3%	26,316	-0.6%	62%
FY 2015	25,438	4.9%	232	5,909,069	-1.1%	26,374	0.2%	61%
FY 2016	24,710	-2.9%	239	5,909,157	0.0%	26,612	0.9%	61%
FY 2017	25,120	1.7%	229	5,747,695	-2.7%	26,680	0.3%	59%
FY 2018	24,092	-4.1%	239	5,746,318	0.0%	26,303	-1.4%	60%

¹ 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 2014-2018 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
FY 2014	16,361	2.3%	5,971,896	2.3%	\$929,139,998	3.3%	\$56,789	1.0%	15.4%	\$156
FY 2015	16,189	-1.1%	5,909,069	-1.1%	\$945,274,066	1.7%	\$58,389	2.8%	15.1%	\$160
FY 2016	16,189	0.0%	5,909,157	0.0%	\$953,240,983	0.8%	\$58,880	0.8%	15.1%	\$161
FY 2017	15,747	-2.7%	5,747,595	-2.7%	\$945,588,305	-0.8%	\$60,049	2.0%	15.0%	\$165
FY 2018	15,743	0.0%	5,746,318	-0.0%	\$964,740,150	2.0%	\$61,279	2.0%	15.0%	\$168

FY 2016-2018 Long Term Care Program Recipients and Claims Payments by Gender, Race and Age

Recipients ¹				Claims Payments ²			Annual Average Cost Per Recipient ³		
	FY 2016	FY 2017	FY 2018	FY 2016	FY 2017	FY 2018	FY 2016	FY 2017	FY 2018
By Gender									
Female	16,888	17,104	15,961	\$654,798,003	\$642,316,362	\$643,920,738	\$38,773	\$37,554	\$40,344
Male	7,822	8,016	8,131	\$298,442,980	\$303,271,943	\$320,819,412	\$38,154	\$37,833	\$39,456
By Race									
African Am.	7,645	7,695	7,613	\$304,642,908	\$305,964,206	\$321,973,920	\$39,849	\$39,761	\$42,293
Am. Indian	26	25	26	\$649,250	\$728,051	\$956,526	\$24,971	\$29,122	\$36,789
Asian	69	67	67	\$2,668,545	\$2,754,523	\$2,880,782	\$38,675	\$41,112	\$42,997
Hispanic	74	69	64	\$2,832,380	\$2,459,641	\$2,668,300	\$38,275	\$35,647	\$41,692
Other	23	19	22	\$678,006	\$699,625	\$847,148	\$29,479	\$36,822	\$38,507
Unknown	574	613	634	\$18,947,299	\$21,248,479	\$22,252,795	\$33,009	\$34,663	\$35,099
White	16,299	16,632	15,666	\$622,822,594	\$611,733,779	\$613,160,679	\$38,212	\$36,781	\$39,140
By Age									
0-5	15	18	14	\$846,853	\$1,114,837	\$654,787	\$56,457	\$61,935	\$46,770
6-20	93	80	67	\$5,659,113	\$5,037,949	\$4,873,768	\$60,851	\$62,974	\$72,743
21-64	5,673	5,686	5,237	\$219,541,219	\$222,506,703	\$212,485,272	\$38,699	\$39,132	\$40,574
65-74	5,207	5,343	5,277	\$202,627,627	\$205,204,724	\$213,438,743	\$38,914	\$38,406	\$40,447
75-84	6,650	6,716	6,428	\$257,049,133	\$254,323,975	\$257,446,459	\$38,654	\$37,868	\$40,051
85 & Over	7,072	7,277	7,069	\$267,517,038	\$257,400,116	\$275,841,120	\$37,828	\$35,372	\$39,021
Statewide	24,710	25,120	24,092	\$953,240,983	\$945,588,305	\$964,740,150	\$38,577	\$37,643	\$40,044

¹Recipient count is an unduplicated count of individuals who received a nursing facility service.

²The overall total in expenditures in FY 2016-2018 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.

³Average Annual Cost Per Recipient is based on unique recipients.

FY 2014-2018 Pharmacy Program Expenditures¹

Expenditures				Clawback Payments as % of Pharmacy Expenditures
Year	Benefit Payments ²	Clawback Payments ³	Pharmacy Expenditures	
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 2018	\$709,020,080	\$73,528,217	\$782,548,297	9.4%

FY 2014-2018 Pharmacy Program Member Utilization¹

Medicaid Eligibility Only					
Year	Monthly Average Pharmacy Eligibles ⁴	Number of Prescription Recipients	Recipients as % of Eligibles	Number of Prescriptions	Prescriptions Per Recipient
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	730,172	563,162	77%	6,604,216	11.73
FY 2018	734,760	587,562	80%	6,508,056	11.08

FY 2014-2018 Pharmacy Program Cost Per Member and Recipient

Medicaid Eligibility Only				
Year	Benefit Payments	Cost Per Prescription	Per Member Per Year Cost	Cost Per Recipient
FY 2014	\$560,729,827	\$79.52	\$806	\$975
FY 2015	\$621,333,757	\$89.22	\$839	\$1,024
FY 2016	\$700,940,628	\$100.14	\$944	\$1,184
FY 2017	\$647,048,170	\$97.98	\$886	\$1,149
FY 2018	\$709,020,080	\$108.94	\$965	\$1,207

¹ 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.

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

³ 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.

⁴ Monthly average pharmacy eligibles is total Medicaid eligibles less Plan First eligibles and members that are eligible for Medicare benefits (dual eligibles).

**FY 2014-2018
Physician Program
Cost and Utilization by Age Category**

Benefit Payments¹					
Age	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
0 to 5	\$121,076,564	\$125,213,434	\$123,024,124	\$114,446,373	\$124,136,173
6 to 20	\$79,367,134	\$90,887,966	\$91,319,115	\$92,044,227	\$97,179,497
21 to 64	\$152,540,801	\$163,376,921	\$171,860,168	\$181,298,321	\$188,407,928
65 and up	\$12,218,842	\$11,247,886	\$10,478,014	\$13,340,356	\$13,582,947
All Ages	\$365,203,340	\$390,726,207	\$396,681,422	\$401,129,276	\$423,306,545

Recipients²					
Age	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
0 to 5	203,836	199,719	198,788	167,652	184,563
6 to 20	243,850	270,079	270,259	260,186	288,881
21 to 64	186,684	195,821	198,366	197,640	207,362
65 and up	55,588	53,075	49,850	50,651	53,082
All Ages	674,417	706,198	711,714	679,043	733,888

Cost Per Recipient					
Age	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
0 to 5	\$594	\$627	\$619	\$683	\$673
6 to 20	\$325	\$337	\$338	\$354	\$336
21 to 64	\$817	\$834	\$866	\$917	\$909
65 and up	\$220	\$212	\$210	\$263	\$256
All Ages	\$542	\$553	\$557	\$591	\$577

¹ Payment amounts exclude lump sum payments made retroactively to physicians teaching facilities due to changes in reimbursement rates.

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

FY 2018

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 2018 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 (\$164,136,426 – commercial insurance; \$136,977,836 – Medicare);
- 2) Health insurance recovery from primary payers (\$6,984,324);
- 3) Medicare recoupments (\$4,209,628);
- 4) Casualty/tort recovery (\$3,950,637);
- 5) Liens and estate recovery (\$14,069,211);
- 6) Credit balance recovery (\$669,921); and
- 7) Recipient overpayment recoveries (\$707,331).

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 2018, reviews of 286 medical providers resulted in \$3,498,584 in identified recoupments and \$1,284,398 in collected recoupments.



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 Lock-In Program for management of his or her medical care.

In Fiscal Year 2018, the Recipient Review Unit conducted 3,030 reviews.

As a result, 606 recipients were restricted or "locked-in" to one doctor resulting in \$54,480 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, 1-866-452-4930. 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 2018 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.

Fiscal Year 2018 sanctions against providers and recipients resulted in cost savings of \$639,754. In all, 96 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 2016 - FY 2018 Collections (in millions)

		FY 2016	FY 2017	FY 2018
Third Party Liability				
	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.	\$33.0	\$35.0	\$30.5
Program Integrity Division				
Provider Recoupment				
Medical Provider Recoupment Collected	\$0.7	\$4.5	\$1.3	
Enrollment and Sanctions	\$2.9	\$0.3	\$1.3	
Recovery Audit Contractor	\$0.2	\$0.1	\$0.1	
Investigations	\$0.1	\$0.1	\$0.1	
Pharmacy Program				
In-House Processed Claims Corrections	\$0.1	\$0.1	\$0.1	
Total Collections	\$37	\$40	\$33	

FY 2016 - FY 2018 Measureable Cost Avoidance (in millions)

	FY 2016	FY 2017	FY 2018
Third Party Claim Cost Avoidance Savings			
Medicare Cost Avoidance*	\$133.1	\$147.9	\$137.0
Health Insurance Cost Avoidance*	\$165.0	\$164.3	\$164.1
Third Party Cost Avoidance Savings	\$298.1	\$312.2	\$301.1
Program Integrity Cost Avoidance			
Provider Review Cost Avoidance	\$1.1	\$8.0	\$3.2
Recipient Review Cost Avoidance	\$0.1	\$0.1	\$0.1
Investigations Cost Avoidance	\$0.4	\$0.1	\$0.2
Sanctioned Provider and Recipients	\$7.0	\$0.6	\$0.6
Program Integrity Cost Avoidance	\$8.6	\$8.8	\$4.1
Total Measureable Cost Avoidance	\$307	\$321	\$305

* 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. These savings do not include paid claims where Medicaid paid as primary.

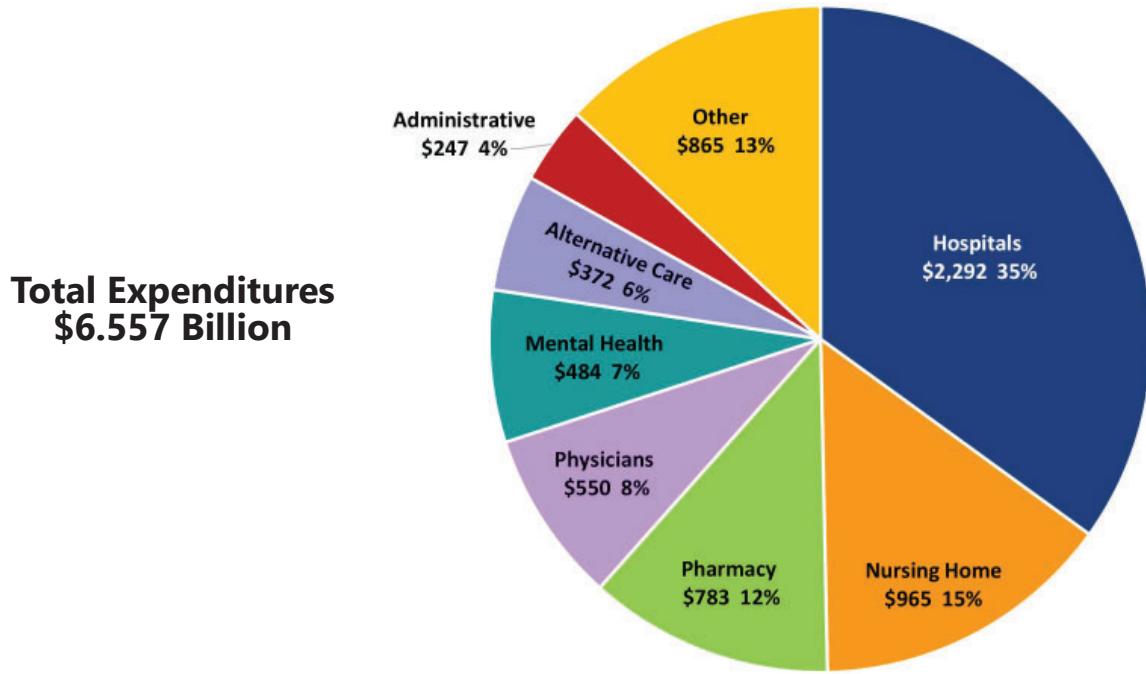
FY 2016 - FY 2018 Program Integrity Activity

PROVIDER REVIEWS			
	FY 2016	FY 2017	FY 2018
Medical Providers	204	230	286
Medical Providers Recoupments-Identified	\$732,407	\$5,502,154	\$3,498,584
Medical Providers Recoupments-Collected	\$710,753	\$4,514,466	\$1,284,398
Recovery Audit Contractor	74	10	0
Recoupments - Identified	\$92,644	\$18,285	0
Recoupments - Collected	\$196,167	\$58,115	\$90,200
RECIPIENT REVIEWS			
	FY 2016	FY 2017	FY 2018
Reviews Conducted	1,398	2,192	3,030
Restricted Recipients	523	749	606
Recipient Review Cost Avoidance	\$147,321	\$72,928	\$54,480
INVESTIGATIONS			
	FY 2016	FY 2017	FY 2018
Provider & Recipient Recoupments - Identified	\$188,116	\$260,491	\$145,741
Provider & Recipient Recoupments - Collected	\$45,667	\$68,140	\$63,485
ENROLLMENT & SANCTIONS			
	FY 2016	FY 2017	FY 2018
Tax Intercept Receipts	\$61,709	\$96,047	\$62,396
Settlement Agreements & Restitutions	\$2,943,741	\$246,132	\$1,259,340
URC Collections	--	--	\$44,982

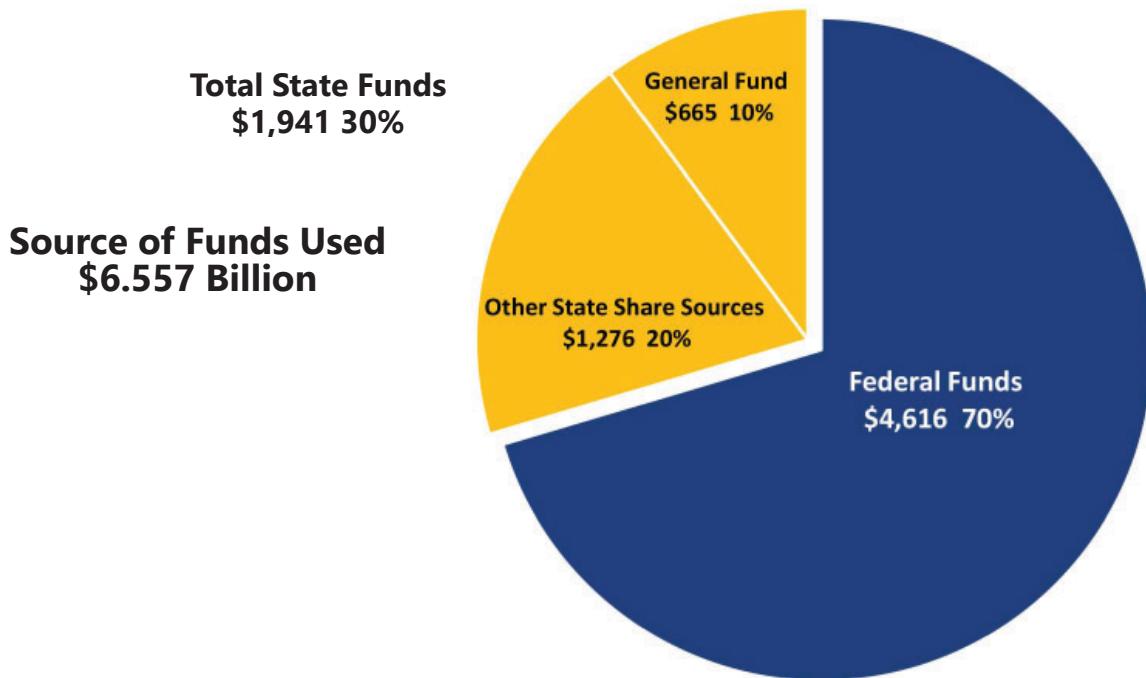
FY 2018 Fiscal

Alabama Medicaid total expenditures totaled \$6.557 billion in FY 2018. A state match of \$1.94 billion was paired with \$4.62 billion in federal matching funds to fund the cost. The state General Fund provided 10 percent, or \$665 million, of the total cost.

FY 2018 Medicaid Use of Funds (in Millions)



FY 2018 Medicaid Source of Funds¹(in Millions)



¹ Medicaid Source of Funds is based on revenue sources used to fund expenses.

FY 2014 - FY 2018
Total State Share Funding Received¹

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	As a % of Total State Share Funding				
						FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
General Fund										
Current Year Appropriation	\$615,125,607	\$685,125,607	\$685,125,607	\$700,463,607	\$701,133,407	32.9%	35.8%	34.7%	36.3%	35.3%
Adjustments		\$78,208	\$70,000,000	\$20,169,800	\$204,019	0.0%	0.0%	3.5%	1.0%	0.0%
Total General Fund²	\$615,125,607	\$685,203,815	\$755,125,607	\$720,633,407	\$701,337,426	32.9%	35.8%	38.3%	37.3%	35.4%
Certified Public Expenditures										
Hospitals & Admin. Assistance	\$154,436,077	\$152,373,253	\$120,363,468	\$4,060,384	\$4,292,804	8.3%	8.0%	6.1%	0.2%	0.2%
School-Based Services	\$34,294,178	\$31,044,132	\$32,873,301	\$39,594,333	\$33,602,742	1.8%	1.6%	1.7%	2.1%	1.7%
Total CPEs	\$188,730,255	\$183,417,385	\$153,236,769	\$43,654,717	\$37,895,546	10.1%	9.6%	7.8%	2.3%	1.9%
Ala. Health Care Trust Fund										
Hospital Provider Tax	\$261,287,050	\$257,442,043	\$258,944,672	\$264,746,042	\$256,136,221	14.0%	13.5%	13.1%	13.7%	12.9%
Nursing Home Provider Tax	\$102,860,996	\$103,762,829	\$112,467,742	\$111,788,119	\$111,952,310	5.5%	5.4%	5.7%	5.8%	5.6%
Pharmacy Provider Tax	\$9,159,988	\$8,776,161	\$19,927,265	\$946,143	\$5,932,602	0.5%	0.5%	1.0%	0.0%	0.3%
Total Ala. Health Care Trust Fund	\$373,308,034	\$369,981,033	\$391,339,679	\$377,480,304	\$374,021,133	20.0%	19.3%	19.8%	19.5%	18.9%
Intergovernmental Transfers										
State Agencies										
Dept. of Mental Health	\$154,853,521	\$155,444,620	\$154,689,227	\$151,968,413	\$149,504,441	8.3%	8.1%	7.8%	7.9%	7.5%
Dept. of Human Resources	\$35,990,775	\$34,972,503	\$33,636,169	\$36,498,898	\$34,474,404	1.9%	1.8%	1.7%	1.9%	1.7%
Dept. of Public Health	\$27,050,212	\$29,695,927	\$24,252,808	\$20,397,584	\$20,014,568	1.4%	1.6%	1.2%	1.1%	1.0%
Dept. of Senior Services	\$22,334,201	\$21,303,522	\$22,446,268	\$22,644,328	\$23,876,697	1.2%	1.1%	1.1%	1.2%	1.2%
Dept. of Rehabilitation Services	\$5,967,221	\$7,372,483	\$5,605,052	\$6,546,678	\$6,060,081	0.3%	0.4%	0.3%	0.3%	0.3%
Dept. of Youth Services	\$5,513,677	\$6,590,924	\$6,490,554	\$5,727,961	\$5,370,213	0.3%	0.3%	0.3%	0.3%	0.3%
Total State Agencies	\$251,709,607	\$255,379,979	\$247,120,078	\$243,783,862	\$239,300,404	13.5%	13.3%	12.5%	12.6%	12.1%
Hospital IGTs	\$233,997,510	\$229,065,567	\$229,663,566	\$372,710,608	\$349,308,926	12.5%	12.0%	11.6%	19.3%	17.6%
Other Governmental Bodies	\$52,542,652	\$28,472,932	\$37,952,744	\$7,666,495	\$8,254,753	2.8%	1.5%	1.9%	0.4%	0.4%
Total Intergovernmental Transfers	\$538,249,769	\$512,918,478	\$514,736,388	\$624,160,965	\$596,864,083	28.8%	26.8%	26.1%	32.3%	30.1%
Other Funding Sources										
Drug Rebates	\$87,310,845	\$97,943,098	\$109,582,842	\$109,205,705	\$124,629,348	4.7%	5.1%	5.6%	5.7%	6.3%
Medicaid Trust Fund - Tobacco	\$30,375,487	\$30,034,161	\$29,686,098	\$30,668,155	\$36,179,197	1.6%	1.6%	1.5%	1.6%	1.8%
BP Oil Spill Funds				\$15,000,000	\$105,000,000				0.8%	5.3%
Other Miscellaneous Receipts	\$35,289,216	\$33,920,207	\$19,014,117	\$10,122,198	\$8,042,574	1.9%	1.8%	1.0%	0.5%	0.4%
Total Other Funding Sources	\$152,975,548	\$161,897,466	\$158,283,057	\$164,996,058	\$273,851,119	8.2%	8.5%	8.0%	8.5%	13.8%
Total State Funds Received	\$1,868,389,213	\$1,913,418,177	\$1,972,721,500	\$1,930,925,451	\$1,983,969,307	100.0%	100.0%	100.0%	100.0%	100.0%

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

² Funding sources represent appropriations. NOTE: Difference in funds received and funds used represent changes in funds carried forward.

FY 2014 - 2018 Expenditures by Type of Service (total Federal and State dollars)¹

Service	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Nursing Facilities	\$929,139,998	\$945,274,066	\$953,240,983	\$945,588,305	\$964,740,150
Hospital Care	\$1,573,467,865	\$1,665,967,742	\$1,729,975,664	\$1,755,632,257	\$1,808,338,267
Physicians	\$537,851,048	\$516,999,078	\$534,225,768	\$554,794,353	\$550,288,533
Pharmacy	\$627,466,314	\$685,455,763	\$767,262,195	\$719,826,955	\$782,548,297
Health Support	\$212,761,945	\$222,112,501	\$244,677,959	\$203,245,365	\$207,467,298
Alternative Care	\$352,131,320	\$363,469,312	\$378,712,160	\$364,581,074	\$372,211,884
Mental Health Facilities	\$1,830,948	\$2,060,211	\$2,055,858	\$1,887,447	\$2,033,302
Mental Health Waivers	\$318,973,130	\$324,170,321	\$345,823,195	\$349,628,814	\$351,460,375
Mental Health Other	\$127,956,081	\$135,967,879	\$135,058,792	\$127,384,780	\$130,077,357
Medicaid - CHIP	\$22,804,953	\$80,481,377	\$70,424,528	\$247,016,706	\$173,704,703
Health Insurance	\$315,446,895	\$334,802,957	\$385,044,056	\$417,634,796	\$438,663,884
Family Planning	\$60,147,011	\$59,054,810	\$65,691,965	\$43,466,410	\$45,009,815
Total Medicaid Medical Benefits	\$5,079,977,508	\$5,335,816,017	\$5,612,193,123	\$5,730,687,262	\$5,826,543,865
Disproportionate Share for Hospitals ²	\$481,382,789	\$480,211,247	\$480,845,150	\$480,408,568	\$483,800,080
Total Medical Benefits	\$5,561,360,297	\$5,816,027,264	\$6,093,038,273	\$6,211,095,830	\$6,310,343,945
General Administrative Costs	\$149,417,813	\$183,673,196	\$175,531,329	\$194,298,203	\$177,719,248
School-Based Administrative Costs	\$44,264,248	\$45,762,171	\$51,430,047	\$62,257,996	\$52,080,143
Total Medicaid & DSH Expenditures	\$5,755,042,358	\$6,045,462,631	\$6,319,999,649	\$6,467,652,029	\$6,540,143,336
Health Information Exchange ³	\$28,088,044	\$27,817,399	\$10,410,909	\$22,327,029	\$16,925,487
Agency Total Expenditures	\$5,783,130,402	\$6,073,280,030	\$6,330,410,558	\$6,489,979,058	\$6,557,068,823

FY 2014 - 2018 Expenditures by Type of Service (as percent of total)¹

Service	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Nursing Facilities	16.1%	15.6%	15.1%	14.6%	14.8%
Hospital Care	27.3%	27.6%	27.4%	27.1%	27.6%
Physicians	9.3%	8.6%	8.5%	8.6%	8.4%
Pharmacy	10.9%	11.3%	12.1%	11.1%	12.0%
Health Support	3.7%	3.7%	3.9%	3.1%	3.2%
Alternative Care	6.1%	6.0%	6.0%	5.6%	5.7%
Mental Health Facilities	0.0%	0.0%	0.0%	0.0%	0.0%
Mental Health Waivers	5.5%	5.4%	5.5%	5.4%	5.4%
Mental Health - Other	2.2%	2.2%	2.1%	2.0%	2.0%
Medicaid - CHIP		1.3%	1.1%	3.8%	2.7%
Health Insurance	5.5%	5.5%	6.1%	6.5%	6.7%
Family Planning	1.0%	1.0%	1.0%	0.7%	0.7%
Total Medicaid Medical Benefits	88.3%	88.3%	88.8%	88.6%	89.1%
Disproportionate Share for Hospitals ²	8.4%	7.9%	7.6%	7.4%	7.4%
Total Medical Benefits	96.6%	96.2%	96.4%	96.0%	96.5%
General Administrative Costs	2.6%	3.0%	2.8%	3.0%	2.7%
School-Based Administrative Costs	0.8%	0.8%	0.8%	1.0%	0.8%
Total Medicaid & DSH Expenditures	100.0%	100.0%	100.0%	100.0%	100.0%

¹ 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.

² Disproportionate Share Hospital (DSH) - Payments provided to hospitals for serving a disproportionately high share of Medicaid and uninsured individuals.

³ 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 2018 Expenditures for Medical Services by Coverage and Aid Category (dollar amounts in millions)¹

Coverage and Aid Category	Inpatient Services	Outpatient Services	Nursing Home	Physicians	Mental Health	Pharmacy ⁵	Dental	Other Prof. Servcs.	Medicare Premiums ⁵	Managed Care Networks ⁶	Grand Total ⁷	% of Total	FY 17 % of Total
Dual Eligibles													
Full Medicaid Dual Eligible													
Aged and Non-Disabled (65+)	\$15.8	\$62.1	\$662.8	\$3.2	\$19.3	\$29.0			\$62.1		\$854.5	14.7%	14.7%
Blind or Disabled (all ages)	\$43.8	\$16.8	\$192.2	\$10.8	\$239.4	\$50.1	\$3.3		\$173.5		\$729.9	12.5%	12.4%
Non-Disabled Adults (21-64)	\$0.9	\$0.8					\$0.9		\$0.5		\$4.0	0.1%	0.1%
Total Full Medicaid Dual Eligible	\$60.4	\$79.7	\$855.4	\$14.2	\$258.8	\$79.3	\$4.4		\$236.1		\$1,588.4	27.3%	27.2%
Partial Medicaid Dual Eligible													
QMB/SLMB (all ages) ²	\$13.9	\$0.9	\$6.4	\$10.0		\$3.6			\$229.8		\$264.7	4.5%	4.4%
Total Dual Eligibles	\$74.4	\$80.6	\$861.8	\$24.2	\$258.8	\$82.9	\$4.4		\$465.9		\$1,853.1	31.8%	31.7%
Non-Dual Eligibles													
Full Medicaid													
Aged and Non-Disabled (65+)	\$0.8		\$1.8								\$3.1	0.1%	0.1%
Blind or Disabled (all ages)	\$565.9	\$201.1	\$109.4	\$180.0	\$191.0	\$104.4	\$422.6	\$4.3		\$12.5	\$1,791.3	30.7%	31.2%
Non-Disabled Children (0-20)	\$482.6	\$165.3		\$267.6	\$30.5	\$228.1	\$254.6	\$86.3		\$24.7	\$1,539.7	26.4%	26.1%
Non-Disabled Adults (21-64)	\$218.9	\$97.9		\$84.6	\$9.2	\$81.6	\$95.5			\$5.7	\$593.5	10.2%	10.1%
Total Full Medicaid	\$1,268.2	\$464.4	\$111.4	\$532.3	\$230.7	\$414.1	\$772.8	\$90.6		\$43.0	\$3,927.6	67.4%	67.4%
Partial Medicaid													
Non-Disabled Adults (21-64) ³	\$14.8	\$1.3		\$3.8							\$20.1	0.3%	0.4%
Plan First (all ages) ⁴	\$1.3	\$0.6				\$21.5	\$2.1				\$25.7	0.4%	0.6%
Total Partial Medicaid													
Total Non-Dual Eligibles	\$16.1	\$2.0		\$4.0		\$21.6	\$2.1				\$45.8	0.8%	0.9%
	\$1,284.3	\$466.3	\$111.4	\$536.3	\$230.7	\$435.7	\$775.0	\$90.6		\$43.0	\$3,973.4	68.2%	68.3%
Total Expenditures	\$1,358.7	\$547.0	\$973.2	\$560.5	\$489.5	\$518.7	\$779.4	\$90.7	\$465.9	\$43.1	\$5,826.5	100.0%	100.0%
% of Total	23.3%	9.4%	16.7%	9.6%	8.4%	8.9%	13.4%	1.6%	8.0%	0.7%	100.0%		
FY 2017 % of Total	23.9%	8.3%	16.7%	10.1%	8.5%	13.0%	1.6%	9.2%	7.9%	0.8%	100.0%		

¹ The overall total of \$5,826,543,865 in expenditures in FY 2018 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.

² 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.

³ Primarily emergency services.

⁴ Family planning services.

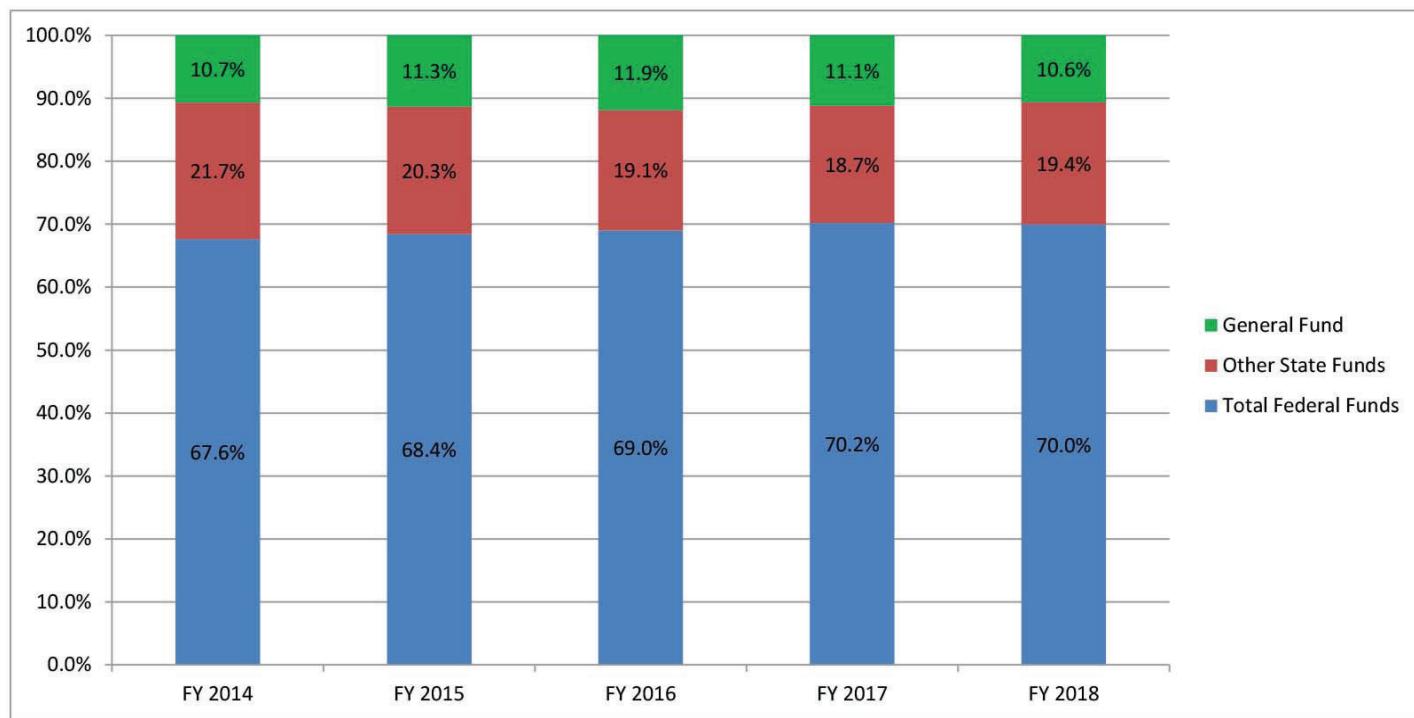
⁵ Clawback payments are the amounts states pay to the federal government as required by the Medicare Prescription Drug Improvement and Modernization Act of 2003 to share the cost of Medicare Part D coverage. In this schedule the amount is shown as Medicare Premiums.

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

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

FY 2014 - 2018 Total Sources of Medicaid Funding (Receipts)

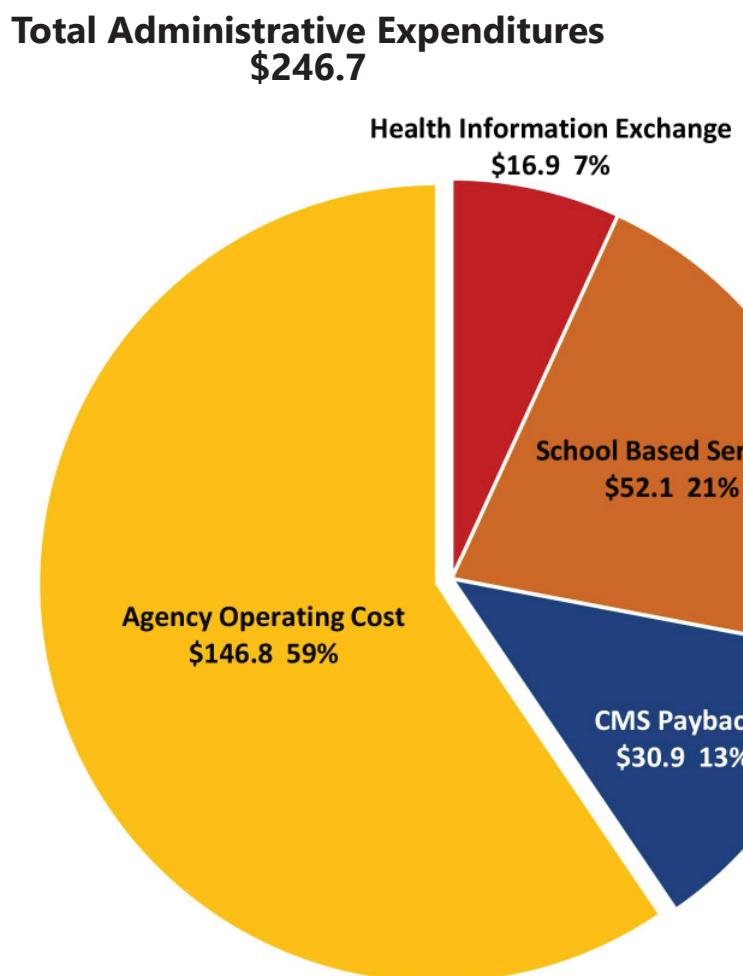
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Federal Funds					
Match FMAP ¹	\$3,876,791,070	\$4,112,422,744	\$4,379,160,509	\$4,522,609,931	\$4,610,944,691
Stimulus Funds	-	-	-	-	-
Health Information Exchange	\$27,754,916	\$28,235,800	\$10,206,026	\$20,061,170	\$15,990,845
Total Federal Funds	\$3,904,545,986	\$4,140,658,544	\$4,389,366,535	\$4,542,671,101	\$4,626,935,536
State Funds Received					
General Fund	\$615,125,607	\$685,203,815	\$755,125,607	\$720,633,407	\$701,337,426
Other State Funds	\$1,253,263,606	\$1,228,214,362	\$1,217,595,893	\$1,195,292,044	\$1,177,631,881
Other State Funds - BP Oil				\$15,000,000	\$105,000,000
Total State Funds	\$1,868,389,213	\$1,913,418,177	\$1,972,721,500	\$1,930,925,451	\$1,983,969,307
Total Funding Received	\$5,772,935,199	\$6,054,076,721	\$6,362,088,035	\$6,473,596,552	\$6,610,904,843



¹ Federal Medical Assistance Percentage (FMAP) is the share of the cost of Medicaid that the federal government incurs. 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 2018 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 2018, administrative expenditures accounted for approximately \$247 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.



Alabama Medicaid Agency Mission Statement

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 2018 Annual Report
October 1, 2017 - September 30, 2018
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
https://medicaid.alabama.gov/content/2.0_Newsroom/2.3_Publications.aspx**