

2016

COLLABORATION



Alabama Medicaid Agency

Annual Report Fiscal Year 2016

October 2015-September 2016



KAY IVEY
Governor

Alabama Medicaid Agency

501 Dexter Avenue

PO Box 5624

Montgomery Alabama 36103-5624



STEPHANIE MCGEE AZAR
Commissioner

Dear Governor,

I am pleased to provide you with the Fiscal Year 2016 Alabama Medicaid Agency Annual Report.

While facilitating the delivery of quality and cost-efficient health care to Medicaid recipients, the Agency continued to focus on transformation of the Agency through innovation and by focusing on improving health outcomes in Fiscal Year 2016.

Alabama Medicaid appreciates the support of the Governor's Office in caring for Alabama's neediest citizens through strong, collaborative partnerships and innovative ideas amidst a rapidly-evolving health care landscape.

Sincerely,

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

Stephanie McGee Azar
Commissioner
Alabama Medicaid Agency



Stephanie McGee Azar
Commissioner
Alabama Medicaid Agency



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The Medicaid Agency



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.

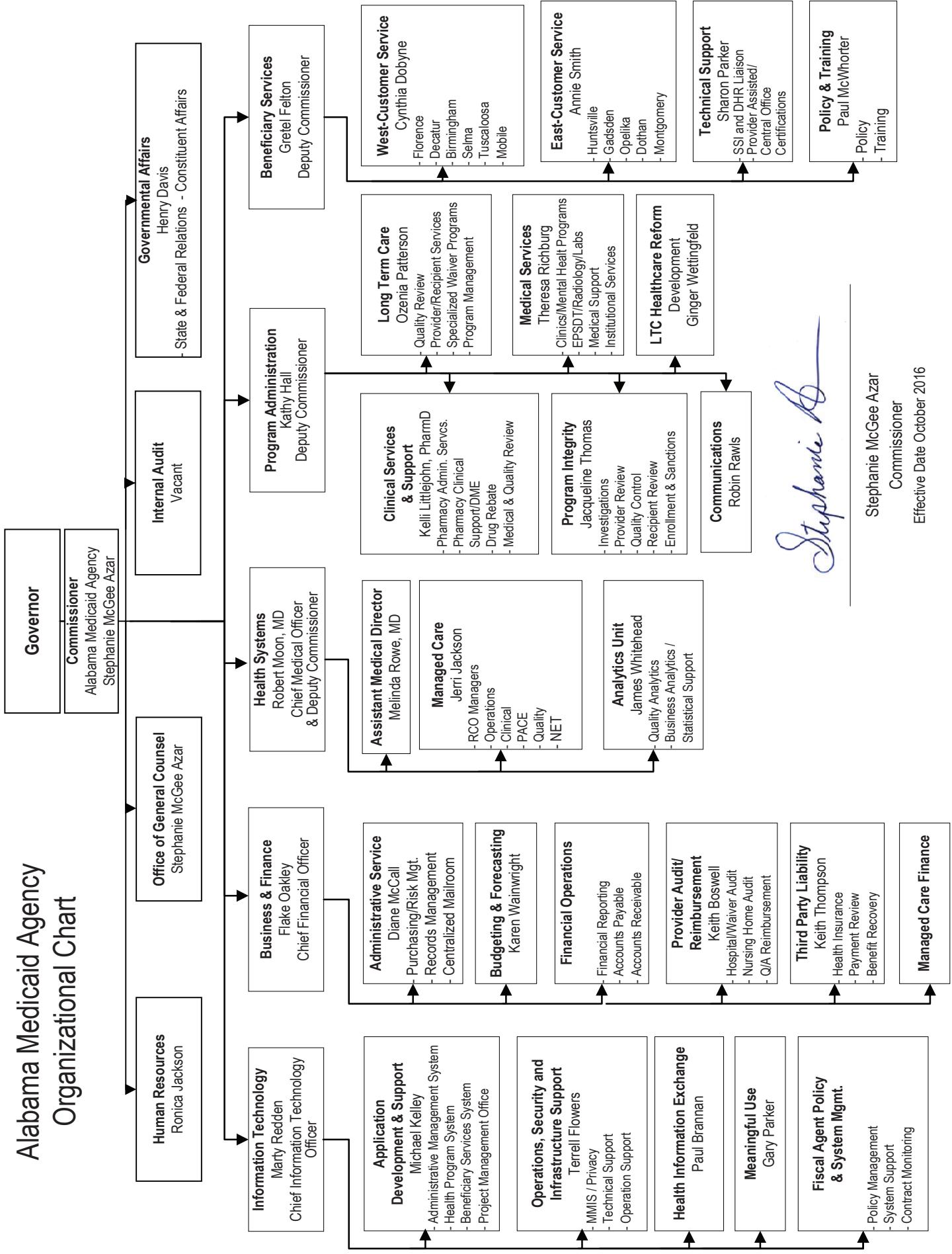
- Teamwork

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.

Alabama Medicaid Agency Organizational Chart



FY 2016

Highlights

Created in 1965, Medicaid is a federal-state partnership to provide health insurance for people with low incomes. States may choose to have a Medicaid program, but must comply with all federal Medicaid requirements once a program has been implemented. Federal law sets minimum eligibility and benefit levels and the Federal government provides approximately 69 percent of the funds for the program.

Alabama's Medicaid program began on January 1, 1970. Alabama has one of the most conservative, "bare bones" Medicaid programs both in terms of who can participate in the program and the benefits provided.

Highlights during FY 2016 include:

- After two special sessions during August and September 2015, Alabama Medicaid received \$685 million for the Agency's operations and a conditional appropriation of \$40 million for the fiscal year that began October 1, 2015. Legislation to provide an additional \$16 million in provider taxes for Medicaid was approved as well.

While many state agencies experienced substantial cuts, Medicaid was level funded, thanks to legislative approval of a 25-cent-per-pack cigarette tax and the transfer of \$80 million from education funds to cover the projected \$200 million shortfall in the General Fund.



- A workgroup of dental providers, physicians, advocates and others recommended that Alabama Medicaid should continue its current system of dental care while seeking additional input from state dental providers and evaluating various options, according to a report presented to Governor Robert Bentley and the state Legislature on October 1.
- In October 2015, Alabama was one of five states to receive "No Wrong Door" grant funding to make it easier for people to learn about and access the long term services and supports they need. The agency was awarded \$2.36 million over three years to streamline access to long-term care services.



- In February 2016, the state's plan to reform Medicaid's health care delivery system was approved by the Centers for Medicare and Medicaid services. The February 9, 2016, announcement followed a multi-year effort to improve patient health outcomes while increasing efficiency and "bending" the cost curve.
- During FY 2016, the Agency emphasized greater involvement of stakeholders as policies and programs are developed and implemented. During the year, public comment and involvement activities focused on a statewide transition plan for the Agency's home and community-based services (HCBS) waivers, the Plan First family planning waiver, the proposed Regional Care Organization program and the proposed Integrated Care program.

Eligibility

Eligibles

Even though the Alabama Medicaid program is limited, it still covers approximately 26 percent of all Alabama citizens at some point during the year, including 55 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 represent a smaller percentage (19 percent) of eligibles. However, costs associated with this group account for approximately 59 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.

Implementation of a new eligibility system to modernize Medicaid and CHIP eligibility determination (CARES) in accordance with Federal rules and regulations is ongoing.

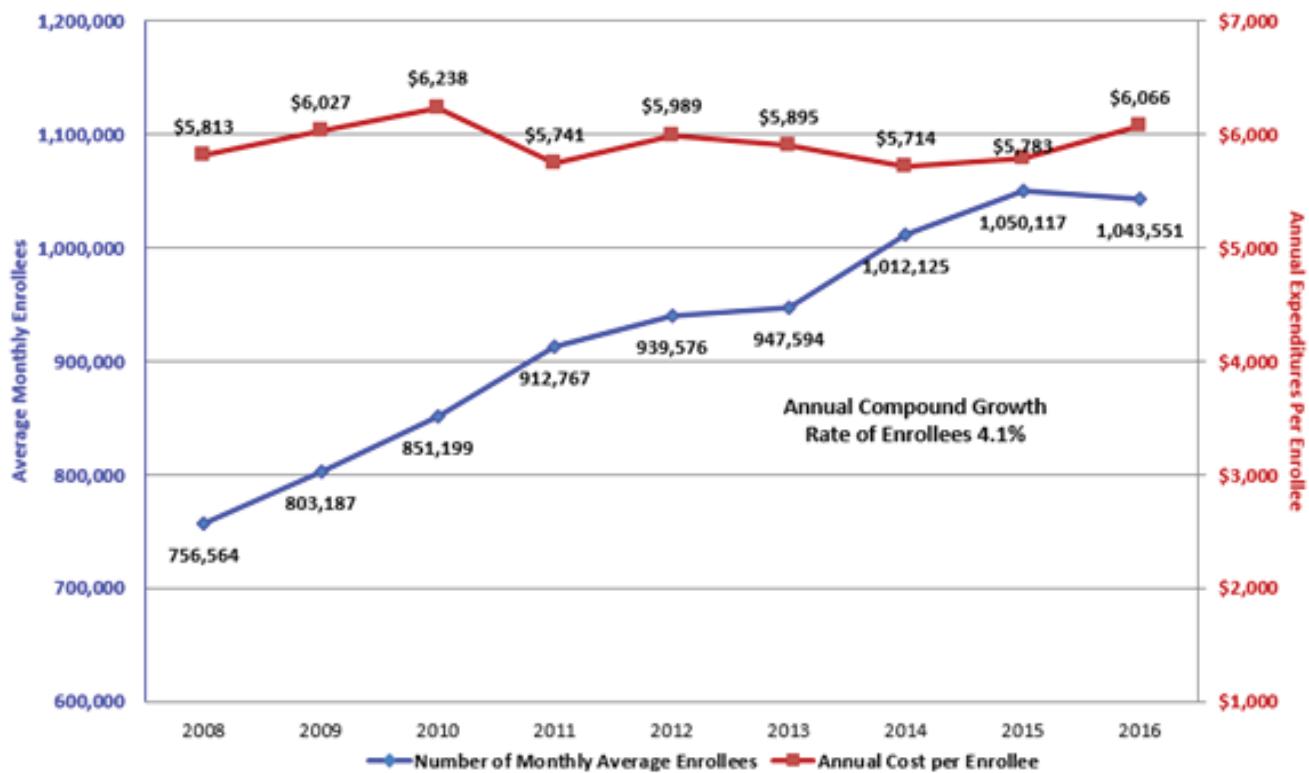


Qualifying Agencies

Two agencies determine Medicaid eligibility besides Alabama Medicaid. 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.

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.

Enrollment and Annual Cost Per Enrollee 2008-2016



FY 2016 Who Does Alabama Medicaid Serve?

Disabled and Blind

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

% of Expenditures



% of Members



\$10,644
Per Member Per Year

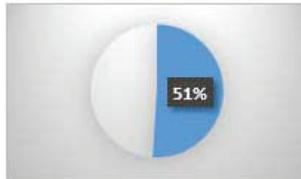
Children

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

% of Expenditures



% of Members



\$2,556
Per Member Per Year

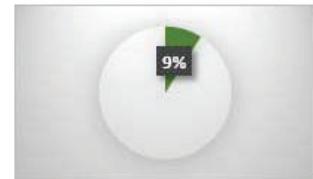
Aged

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

% of Expenditures



% of Members

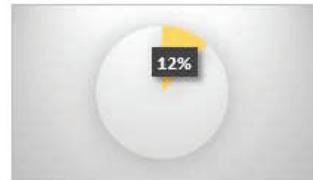


\$10,644
Per Member Per Year

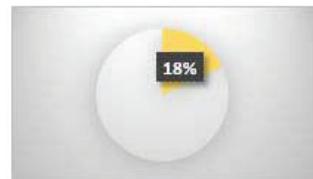
Other Adults

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

% of Expenditures



% of Members



\$3,456
Per Member Per Year

Expenditures include claims, capitations, and access payments based on dates of service in FY 2016.

Membership includes eligibility from permanent file as of September 2016.

PMPY calculations not for the purpose of determining managed care rates.

FY 2014 - FY 2016
Medicaid and Alabama Overview

Expenditures and Funding Sources	FY 2014	FY 2015	FY 2016
Expenditures			
Medicaid Agency Expenditures ¹	\$5,783,130,402	\$6,073,280,030	\$6,330,410,558
Percent Change from Prior Year	3.5%	5.0%	4.2%
Medicaid Medical Services Expenditures ²	\$5,079,977,508	\$5,335,816,017	\$5,612,193,123
Percent Change from Prior Year	4.2%	5.0%	5.2%
Average Medicaid Medical Services Expenditures per Monthly Average Eligible ³	\$5,019	\$5,081	\$5,378
Percent Change from Prior Year	-2.4%	1.2%	5.8%
Medicaid Medical Services Expenditures per Capita ⁴	\$1,048	\$1,098	\$1,154
Funding Sources			
Overall Federal Funding Percentage	67.6%	68.4%	69.0%
Overall State Funding Percentage	32.4%	31.6%	31.0%
State General Fund Percentage	10.7%	11.3%	11.9%
Utilization			
Alabama Population⁵			
Total	4,849,377	4,858,979	4,863,300
Adults	3,544,648	3,561,719	3,573,525
Children ⁶	1,304,729	1,297,260	1,289,775
As a Percent of the Alabama Population	26.9%	26.7%	26.5%
Eligibles			
Monthly Average Medicaid Eligibility⁷			
Monthly Average Eligibles	1,012,125	1,050,117	1,043,551
Percent Change from Prior Year	6.8%	3.8%	-0.6%
As a Percent of the Alabama Population	20.9%	21.6%	21.5%
Percent Change from Prior Year	3.5%	3.1%	-1.1%
Monthly Average Adult Eligibles	447,230	462,743	462,800
As a Percent of the Alabama Population	12.6%	13.0%	13.0%
Monthly Average Child Eligibles ⁶	564,895	587,374	580,751
As a Percent of the Alabama Population	43.3%	45.3%	45.0%
Annual Medicaid Eligibility⁸			
Annual Eligibles	1,206,970	1,268,695	1,262,773
Percent Change from Prior Year	10.2%	5.1%	-0.5%
As a Percent of the Alabama Population	24.9%	26.1%	26.0%
Percent Change from Prior Year	5.4%	4.9%	-4.1%
Annual Eligible Adults	523,323	547,221	549,170
As a Percent of the Alabama Adult Population	14.8%	15.4%	15.4%
Annual Eligible Children ⁶	683,647	721,474	713,603
As a Percent of the Alabama Child Population	52.4%	55.6%	55.3%

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 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.

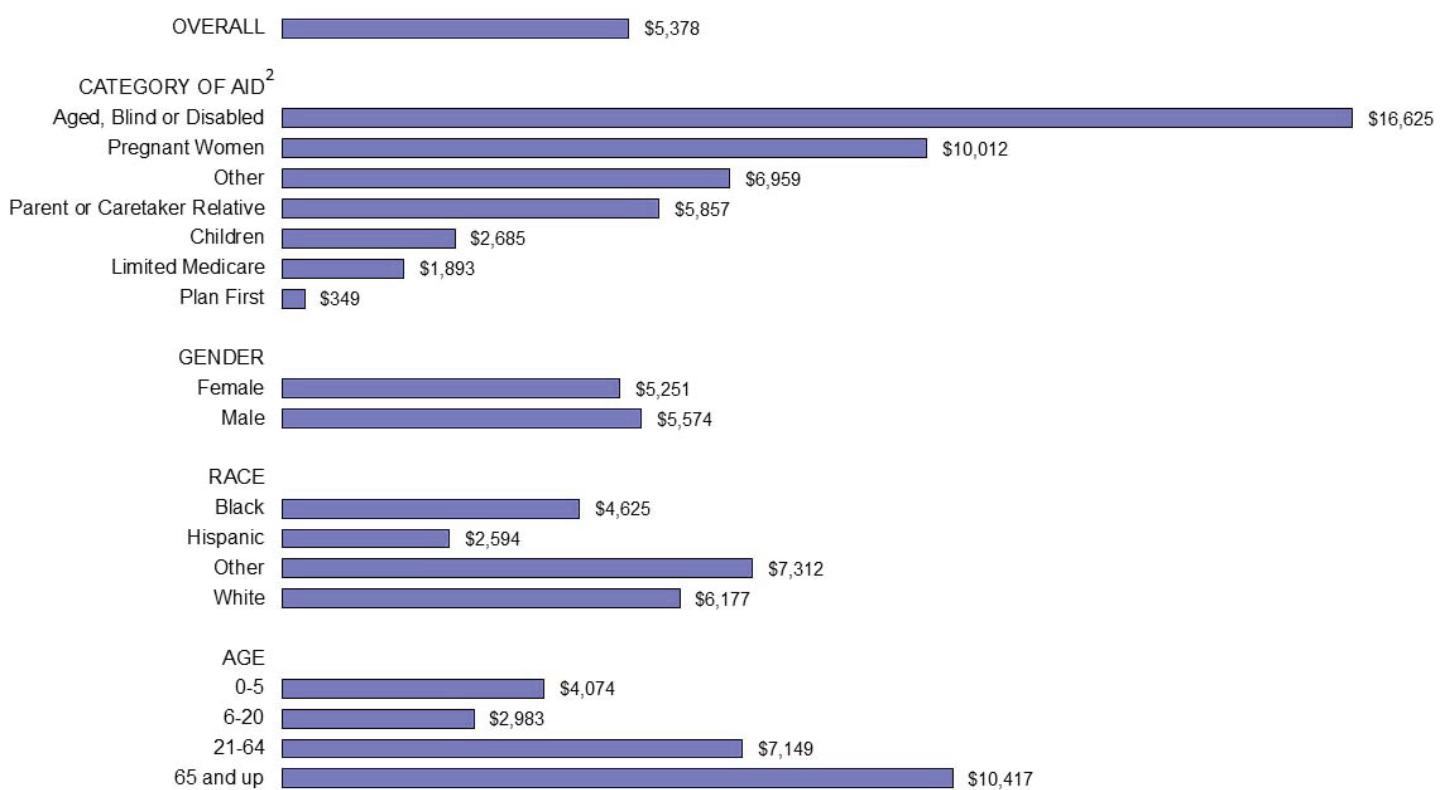
⁵ Population figures are extrapolated from the 2010 U.S. Census data by the Center for Business and Economic Research at the University of Alabama.

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 2016
Annual Cost Per Monthly Average Eligible for Medical Care¹
By Category of Aid, Gender, Race, and Age



¹The annual cost per monthly average eligible for medical care is calculated based on total expenditures of \$5,612,193,123 in FY 2016 divided by the annual average of monthly eligibles of 1,043,551. Total expenditures exclude the Medicaid Agency administrative expense, school-based services administration, expenses of the Health Information Exchange and Disproportionate Share Hospital payments.

²See page 16 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.

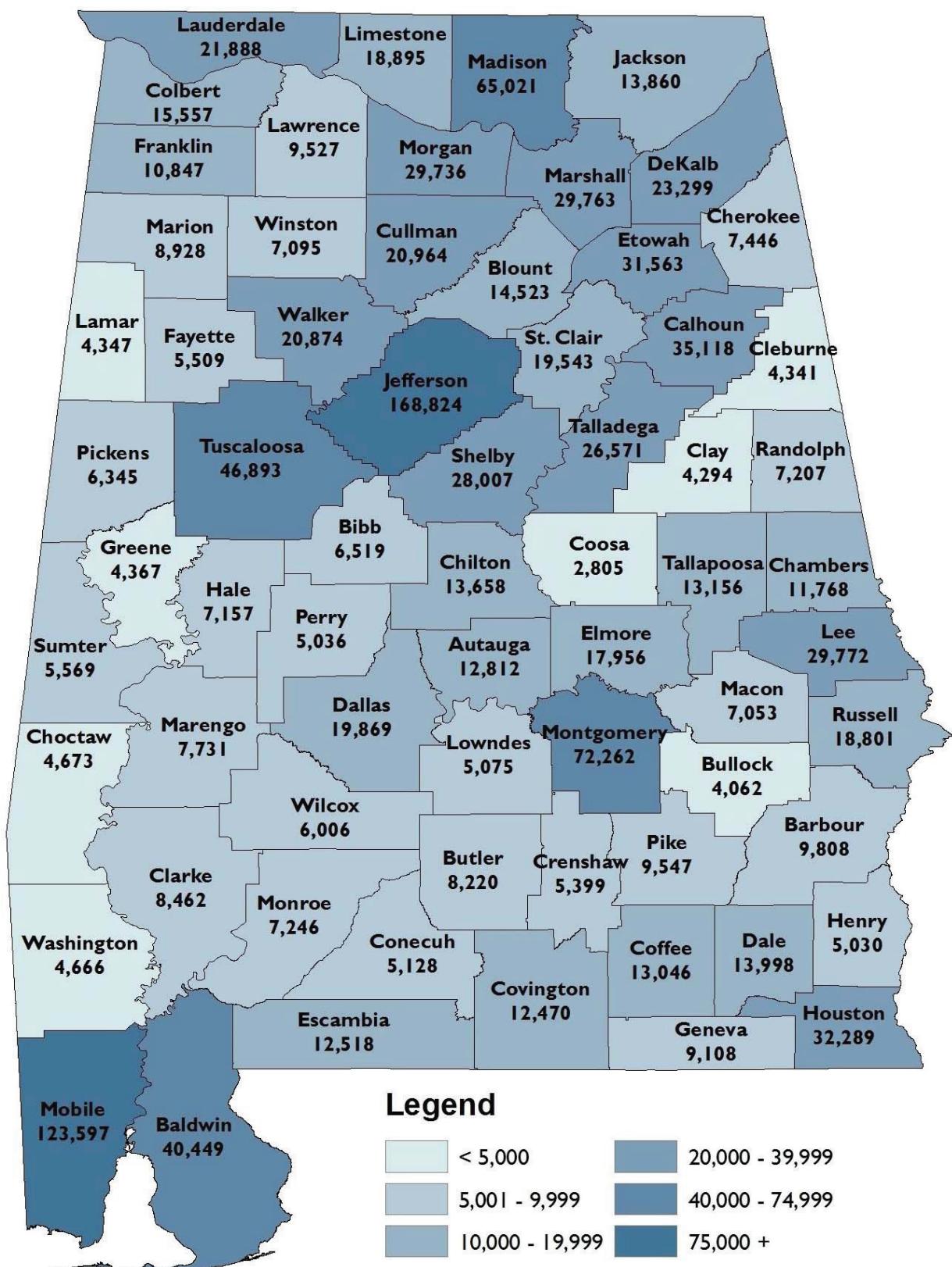
Monthly Average Eligibles

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 2016
Medicaid Annual Eligibles¹ by County

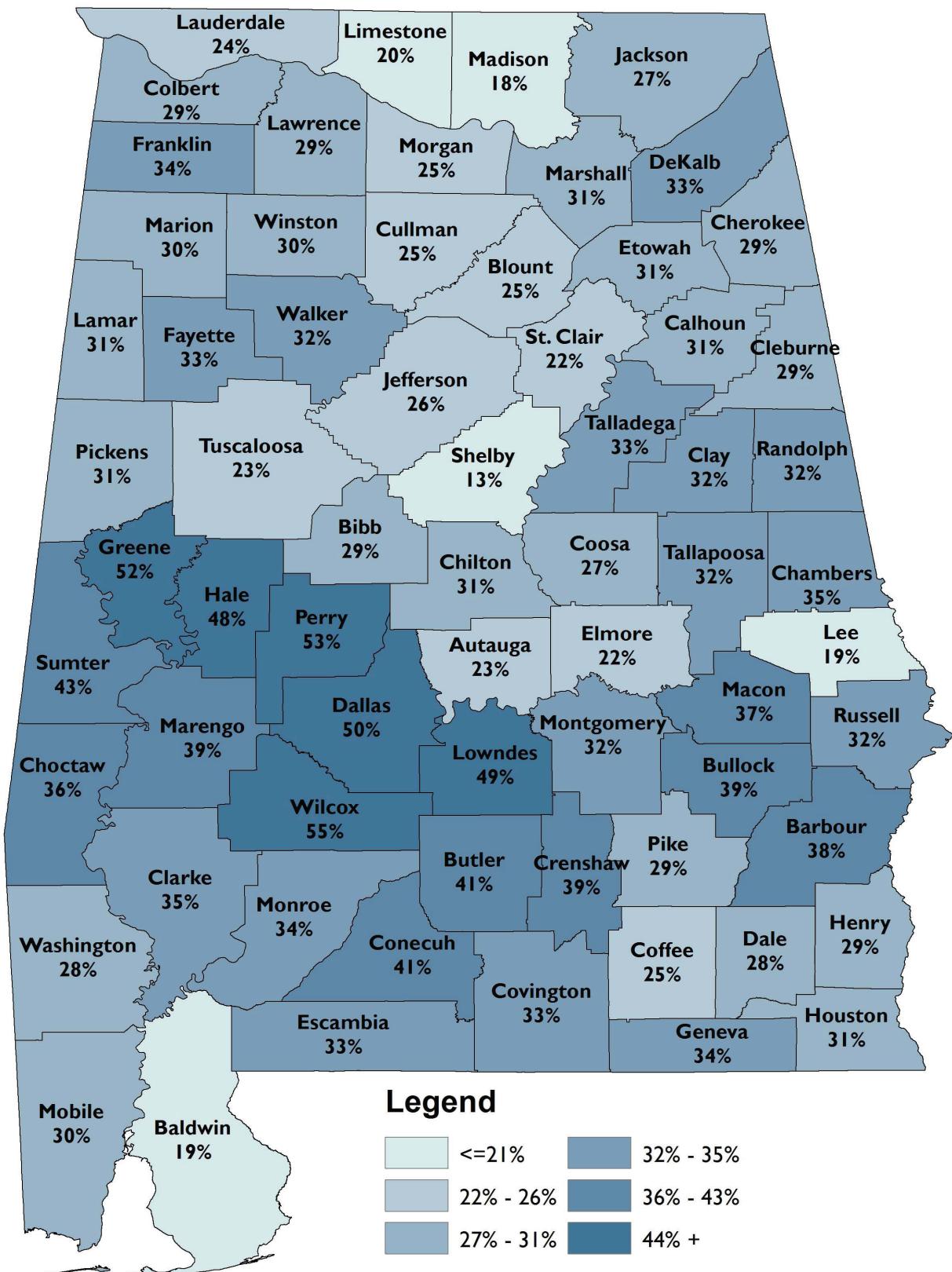


Legend

< 5,000	20,000 - 39,999
5,001 - 9,999	40,000 - 74,999
10,000 - 19,999	75,000 +

¹Annual 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 2016
Percent of Population Annually Eligible¹ by 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 2007 - FY 2016
Medicaid Annual Eligibles as a 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 2007	4,720,976	932,521	19.8%	737,025	15.6%
FY 2008	4,760,046	920,937	19.3%	756,564	15.9%
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	1,206,970	24.9%	1,012,125	20.9%
FY 2015	4,858,979	1,268,695	26.1%	1,050,117	21.6%
FY 2016	4,863,300	1,262,773	26.0%	1,043,551	21.5%

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 2007 - FY 2016
Monthly and Average Annual Medicaid Eligibles¹

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
October	769,076	746,397	787,515	834,747	894,496	949,808	933,907	972,720	1,047,882	1,050,054
November	746,561	735,163	782,764	828,165	890,932	938,776	930,019	973,349	1,050,254	1,048,868
December	738,971	734,810	782,786	825,655	891,327	934,512	930,965	972,173	1,049,711	1,044,969
January	739,342	741,620	790,064	832,160	897,984	939,100	935,580	997,545	1,055,938	1,047,141
February	737,447	748,861	794,954	835,136	902,351	939,021	941,429	1,000,824	1,044,093	1,046,710
March	735,476	755,318	801,523	842,963	911,268	941,197	945,267	1,014,931	1,047,623	1,045,433
April	728,489	759,935	804,925	851,089	913,068	941,707	949,439	1,020,802	1,050,432	1,045,963
May	724,680	762,390	808,273	855,952	914,397	940,538	953,232	1,024,358	1,053,532	1,041,933
June	724,424	764,914	812,220	862,949	922,321	937,851	955,355	1,034,955	1,044,251	1,038,991
July	728,054	770,387	817,174	872,501	930,736	935,778	959,607	1,041,588	1,050,989	1,037,037
August	731,458	777,111	825,421	883,443	939,943	935,901	966,066	1,047,957	1,053,898	1,038,571
September	740,324	781,857	830,621	889,627	944,375	940,722	970,267	1,044,302	1,052,800	1,036,942
Annual Average	737,025	756,564	803,187	851,199	912,767	939,576	947,594	1,012,125	1,050,117	1,043,551

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 2016
Medicaid Annual Eligibles¹ by Category of Aid² and County

County	ABD	Children	Limited Medicare	Other	POCR	Plan First	Pregnant Women	GRAND TOTAL ³
Autauga	2,097	6,817	1,388	59	1,161	1,322	342	12,812
Baldwin	4,883	23,412	4,245	496	3,297	4,234	1,260	40,449
Barbour	1,962	4,852	1,154	68	890	1,048	240	9,808
Bibb	1,358	3,239	780	58	519	671	148	6,519
Blount	2,195	8,121	1,738	191	1,070	1,229	379	14,523
Bullock	853	2,036	402	46	374	420	81	4,062
Butler	1,519	4,161	885	33	706	1,085	201	8,220
Calhoun	6,245	17,887	3,942	241	3,460	3,772	974	35,118
Chambers	2,165	5,938	1,467	61	1,014	1,256	244	11,768
Cherokee	1,420	3,641	1,170	21	678	558	162	7,446
Chilton	2,043	7,661	1,491	215	1,064	1,277	331	13,658
Choctaw	1,055	2,114	577	13	474	524	81	4,673
Clarke	1,856	3,984	930	25	818	1,046	154	8,462
Clay	772	2,146	607	26	255	516	143	4,294
Cleburne	764	2,238	554	18	392	410	108	4,341
Coffee	2,121	7,079	1,313	153	1,276	1,257	322	13,046
Colbert	2,891	7,626	1,942	85	1,243	1,880	393	15,557
Conecuh	989	2,481	692	24	519	518	101	5,128
Coosa	614	1,222	491	9	215	275	61	2,805
Covington	2,255	6,275	1,573	32	1,232	1,280	297	12,470
Crenshaw	953	2,639	686	11	572	587	134	5,399
Cullman	3,845	10,764	3,038	200	1,176	1,977	747	20,964
Dale	2,663	7,090	1,508	75	1,284	1,470	394	13,998
Dallas	5,026	9,088	2,273	60	1,641	2,172	388	19,869
DeKalb	3,303	13,684	2,652	529	1,485	1,731	580	23,299
Elmore	2,977	9,674	1,844	106	1,457	1,928	582	17,956
Escambia	1,982	6,687	1,407	42	1,181	1,350	346	12,518
Etowah	6,243	15,758	4,186	284	2,507	2,839	801	31,563
Fayette	1,199	2,635	707	24	512	484	127	5,509
Franklin	1,581	6,197	1,203	263	792	842	248	10,847
Geneva	1,772	4,510	1,187	33	889	802	226	9,108
Greene	1,011	1,935	436	22	699	389	73	4,367
Hale	1,475	3,152	813	17	1,111	860	150	7,157
Henry	904	2,447	730	21	421	554	120	5,030
Houston	5,822	16,715	3,450	185	3,061	3,426	912	32,289
Jackson	2,270	7,204	1,982	104	1,123	1,197	393	13,860
Jefferson	31,447	89,097	18,069	2,188	13,124	16,322	3,902	168,824
Lamar	904	2,026	642	29	401	411	88	4,347
Lauderdale	3,778	10,904	2,805	168	1,577	2,747	607	21,888
Lawrence	1,788	4,747	1,100	42	963	933	269	9,527
Lee	4,408	16,871	2,441	388	2,571	3,161	893	29,772
Limestone	2,877	10,657	2,052	232	1,307	1,796	501	18,895
Lowndes	1,103	2,318	681	15	477	557	99	5,075
Macon	1,454	3,342	737	24	714	878	137	7,053
Madison	9,372	37,476	5,442	879	4,839	7,040	2,193	65,021
Marengo	1,955	3,404	875	29	741	887	157	7,731
Marion	1,650	4,338	1,275	51	781	908	227	8,928
Marshall	4,225	17,683	2,992	821	2,249	1,909	703	29,763
Mobile	19,947	67,200	11,703	886	9,920	15,198	3,913	123,597
Monroe	1,428	3,709	780	21	672	737	156	7,246
Montgomery	12,502	38,278	6,385	845	6,448	8,796	1,946	72,262
Morgan	5,049	16,676	2,728	446	2,135	2,811	965	29,736
Perry	1,328	2,176	604	12	509	540	91	5,036
Pickens	1,562	2,899	756	32	523	692	132	6,345
Pike	1,988	4,569	1,016	52	718	1,312	274	9,547
Randolph	1,221	3,814	873	51	572	746	165	7,207
Russell	2,922	10,381	1,711	96	1,821	1,964	465	18,801
St. Clair	2,829	10,579	2,253	96	2,103	1,804	529	19,543
Shelby	3,555	16,835	2,275	727	2,164	2,449	733	28,007
Sumter	1,443	2,254	537	11	877	653	83	5,569
Talladega	5,408	13,076	3,439	102	2,137	2,566	685	26,571
Tallapoosa	2,634	6,581	1,766	62	1,003	1,285	309	13,156
Tuscaloosa	8,964	24,311	4,162	595	3,412	5,878	1,581	46,893
Walker	4,437	10,073	2,725	134	1,713	1,948	468	20,874
Washington	959	2,340	533	11	486	388	83	4,666
Wilcox	1,690	2,624	618	9	483	713	85	6,006
Winston	1,338	3,454	1,131	35	577	623	193	7,095
STATEWIDE³	220,693	667,362	137,882	12,628	104,287	133,153	33,180	1,262,773

¹Annual 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.

²See definitions of aid categories descriptions on page 16.

³Rows/columns do not equal the overall unduplicated count of eligibles 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.

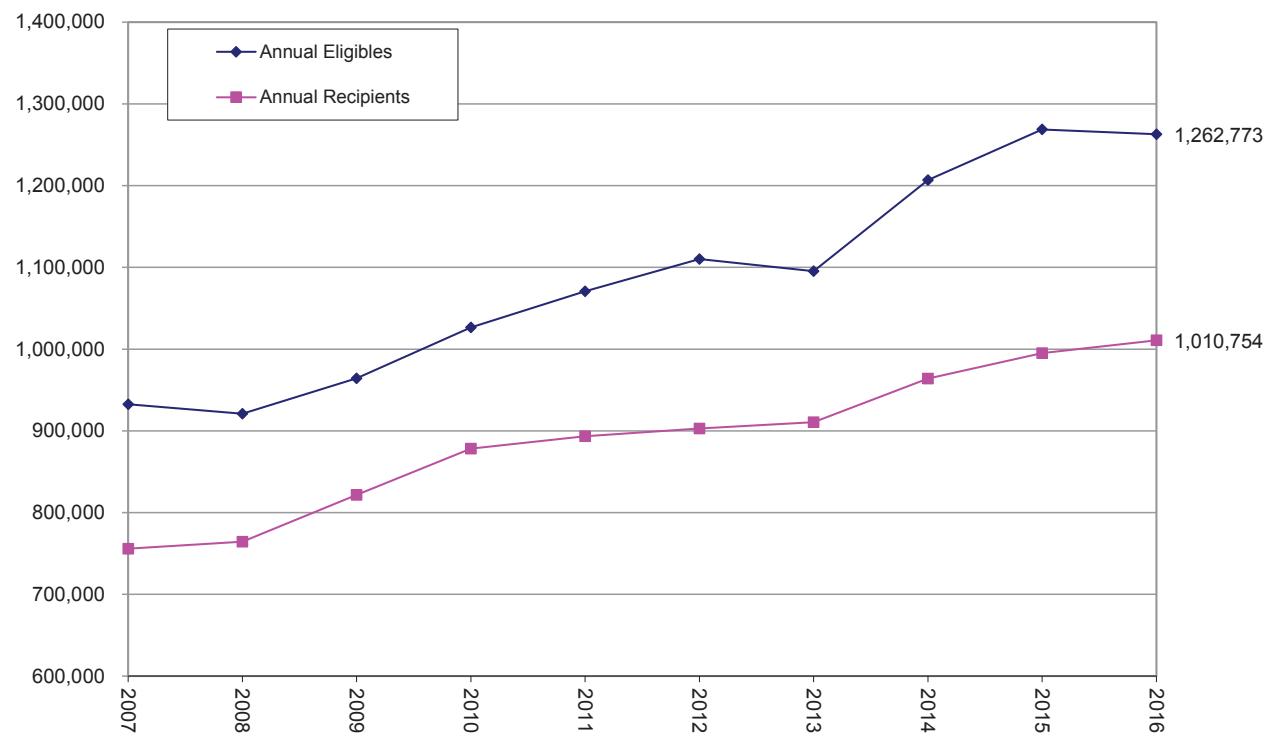
Other – Individuals who are eligible for smaller eligibility groups such as:

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 2007 - FY 2016
Annual Eligibles¹ and Recipients²
Utilization



Year	Annual Eligibles ¹	Annual Recipients ²	Percentage ³
FY 2007	932,521	755,856	81.1%
FY 2008	920,937	764,420	83.0%
FY 2009	964,171	821,602	85.2%
FY 2010	1,026,429	878,232	85.6%
FY 2011	1,070,781	893,312	83.4%
FY 2012	1,110,037	902,870	81.3%
FY 2013	1,095,266	910,562	83.1%
FY 2014	1,206,970	963,883	79.9%
FY 2015	1,268,695	995,256	78.4%
FY 2016	1,262,773	1,010,754	80.0%

¹Annual 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.

²Annual 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 recipients who only receive the benefit of having their Medicare Part A, B, C and/or D premiums paid by Medicaid.

³Percentage of Annual Eligibles who received at least one medical service during the fiscal year.

FY 2016
County Impact
Average Annual Benefit Payments¹ Per Monthly Average Eligible² by County

County	Benefit Payments	Monthly Avg. Eligibles	Avg. Payment Per Eligible	County	Benefit Payments	Monthly Avg. Eligibles	Avg. Payment Per Eligible
Autauga	\$51,680,029	9,712	\$5,321	Houston	\$137,041,332	26,123	\$5,246
Baldwin	\$146,366,585	31,152	\$4,699	Jackson	\$59,442,188	10,679	\$5,566
Barbour	\$43,778,882	8,298	\$5,276	Jefferson	\$803,551,435	136,983	\$5,866
Bibb	\$28,606,150	5,275	\$5,423	Lamar	\$21,160,908	3,622	\$5,843
Blount	\$57,311,456	11,086	\$5,170	Lauderdale	\$89,787,097	16,995	\$5,283
Bullock	\$18,709,796	3,398	\$5,507	Lawrence	\$36,267,700	7,522	\$4,821
Butler	\$34,438,778	6,766	\$5,090	Lee	\$100,220,869	23,363	\$4,290
Calhoun	\$159,802,384	28,676	\$5,573	Limestone	\$66,499,462	14,618	\$4,549
Chambers	\$47,038,860	9,465	\$4,970	Lowndes	\$19,766,380	4,185	\$4,723
Cherokee	\$34,596,717	5,927	\$5,838	Macon	\$27,021,713	5,721	\$4,723
Chilton	\$54,166,599	10,664	\$5,079	Madison	\$241,273,915	50,283	\$4,798
Choctaw	\$19,503,021	3,813	\$5,115	Marengo	\$36,357,089	6,506	\$5,588
Clarke	\$35,869,369	7,146	\$5,019	Marion	\$39,863,354	7,078	\$5,632
Clay	\$18,994,838	3,457	\$5,494	Marshall	\$112,319,238	23,538	\$4,772
Cleburne	\$20,162,904	3,420	\$5,896	Mobile	\$568,362,751	101,137	\$5,620
Coffee	\$57,017,729	10,179	\$5,601	Monroe	\$31,208,572	5,815	\$5,367
Colbert	\$64,506,824	12,213	\$5,282	Montgomery	\$283,639,741	58,805	\$4,823
Conecuh	\$21,221,219	4,134	\$5,134	Morgan	\$136,408,942	23,272	\$5,862
Coosa	\$11,939,905	2,131	\$5,603	Perry	\$21,701,048	4,174	\$5,199
Covington	\$57,452,433	9,959	\$5,769	Pickens	\$29,886,018	5,349	\$5,587
Crenshaw	\$24,660,967	4,251	\$5,801	Pike	\$43,494,050	7,913	\$5,497
Cullman	\$101,482,870	16,668	\$6,088	Randolph	\$30,778,441	5,838	\$5,272
Dale	\$61,147,875	10,944	\$5,587	Russell	\$53,056,398	14,486	\$3,663
Dallas	\$89,579,698	17,225	\$5,201	St.Clair	\$83,451,150	15,113	\$5,522
DeKalb	\$99,633,160	18,588	\$5,360	Shelby	\$101,111,575	21,413	\$4,722
Elmore	\$80,038,137	13,879	\$5,767	Sumter	\$21,525,112	4,458	\$4,829
Escambia	\$46,098,225	10,013	\$4,604	Talladega	\$118,478,985	21,437	\$5,527
Etowah	\$160,497,488	25,070	\$6,402	Tallapoosa	\$63,573,594	10,596	\$6,000
Fayette	\$31,266,743	4,483	\$6,975	Tuscaloosa	\$216,169,610	38,033	\$5,684
Franklin	\$47,014,994	8,528	\$5,513	Walker	\$108,636,434	16,658	\$6,521
Geneva	\$39,104,482	7,329	\$5,336	Washington	\$20,815,300	3,757	\$5,541
Greene	\$19,081,309	3,519	\$5,423	Wilcox	\$21,759,598	5,224	\$4,165
Hale	\$27,829,884	5,680	\$4,900	Winston	\$34,215,779	5,632	\$6,075
Henry	\$21,586,741	4,022	\$5,367	Youth Services	\$1,160,296	159	\$7,320
				Statewide	\$5,612,193,123	1,043,551	\$5,378

¹Total Medicaid medical services expenditures exclude 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.

²The arithmetic average of the unduplicated number of individuals who qualified for full or partial Medicaid coverage in each month of the fiscal year.

FY 2016
County Impact
Annual Benefit Payments¹ Per Provider Type by County
(dollar amounts in thousands)

County	Hospital Services	LTC/Hospice	Pharmacy	Physicians/ NPs/PAs	Mental Health	Medicare Premiums	Other ²	Grand Total
Autauga	\$6,168	\$7,293	\$8,043	\$4,052	\$10,680	\$3,978	\$3,573	\$43,786
Baldwin	\$27,817	\$23,036	\$21,598	\$14,541	\$12,927	\$10,402	\$14,924	\$125,245
Barbour	\$2,400	\$9,811	\$8,132	\$1,739	\$0	\$3,378	\$3,362	\$28,821
Bibb	\$1,876	\$5,361	\$2,434	\$111	\$0	\$2,626	\$6,741	\$19,149
Blount	\$5,154	\$8,724	\$3,744	\$1,291	\$237	\$4,634	\$2,740	\$26,525
Bullock	\$4,070	\$6,525	\$2,963	\$785	\$0	\$1,445	\$2,228	\$18,016
Butler	\$3,247	\$10,997	\$4,606	\$1,334	\$0	\$2,567	\$3,074	\$25,826
Calhoun	\$39,952	\$24,885	\$16,243	\$16,980	\$9,201	\$10,558	\$9,947	\$127,766
Chambers	(\$1,735)	\$14,158	\$3,390	\$1,824	\$2,504	\$3,791	\$1,494	\$25,426
Cherokee	\$3,108	\$9,666	\$3,885	\$679	\$0	\$2,746	\$2,333	\$22,418
Chilton	\$0	\$8,124	\$4,454	\$1,650	\$232	\$4,239	\$3,076	\$21,775
Choctaw	\$917	\$6,184	\$1,970	\$442	\$0	\$1,920	\$1,398	\$12,831
Clarke	\$6,249	\$8,847	\$4,861	\$1,391	\$0	\$3,207	\$3,520	\$28,074
Clay	\$2,429	\$7,167	\$1,521	\$748	\$0	\$1,475	\$592	\$13,932
Cleburne	\$0	\$3,541	\$1,080	\$179	\$0	\$1,280	\$870	\$6,950
Coffee	\$13,795	\$14,571	\$6,434	\$5,923	\$0	\$3,594	\$16,610	\$60,928
Colbert	\$20,198	\$11,275	\$8,137	\$8,770	\$3,835	\$5,227	\$4,092	\$61,534
Conecuh	\$6,529	\$3,274	\$1,454	\$885	\$0	\$1,862	\$1,828	\$15,832
Coosa	\$0	\$2,949	\$397	\$952	\$0	\$1,109	\$90	\$5,497
Covington	\$9,600	\$17,853	\$6,463	\$3,750	\$4,987	\$4,150	\$3,207	\$50,011
Crenshaw	\$5,988	\$6,060	\$1,876	\$361	\$0	\$1,978	\$858	\$17,121
Cullman	\$13,914	\$23,417	\$9,254	\$14,560	\$5,195	\$7,814	\$5,330	\$79,485
Dale	\$6,322	\$13,553	\$5,313	\$2,039	\$1,437	\$4,149	\$1,836	\$34,648
Dallas	\$21,960	\$17,146	\$9,683	\$9,146	\$5,708	\$8,004	\$8,344	\$79,990
DeKalb	\$6,425	\$22,000	\$10,579	\$5,062	\$1,904	\$6,845	\$8,879	\$61,694
Elmore	\$7,168	\$12,524	\$7,410	\$1,742	\$8,941	\$5,351	\$3,508	\$46,645
Escambia	\$6,002	\$10,521	\$4,653	\$2,070	\$2	\$3,736	\$2,828	\$29,814
Etowah	\$52,453	\$34,012	\$15,182	\$17,830	\$26,892	\$11,294	\$13,656	\$171,320
Fayette	\$2,066	\$6,168	\$1,970	\$1,031	\$4,898	\$2,206	\$791	\$19,129
Franklin	\$6,130	\$12,250	\$4,359	\$2,211	\$0	\$2,901	\$2,064	\$29,915
Geneva	\$1,817	\$7,800	\$2,850	\$658	\$0	\$3,067	\$2,310	\$18,502
Greene	\$446	\$3,491	\$713	\$124	\$0	\$1,575	\$961	\$7,311
Hale	\$1,974	\$7,322	\$1,626	\$170	\$0	\$2,397	\$3,070	\$16,559
Henry	\$0	\$6,140	\$1,075	\$259	\$0	\$1,827	\$3,207	\$12,507
Houston	\$73,779	\$24,880	\$26,041	\$30,692	\$10,735	\$9,293	\$14,001	\$189,422
Jackson	\$7,365	\$13,974	\$5,196	\$4,040	\$9,895	\$4,648	\$4,613	\$49,732
Jefferson	\$836,623	\$141,978	\$118,388	\$183,787	\$75,638	\$55,760	\$62,600	\$1,474,775
Lamar	\$0	\$6,636	\$1,895	\$247	\$29	\$1,706	\$1,969	\$12,482
Lauderdale	\$18,762	\$20,939	\$9,830	\$8,518	\$10,979	\$7,096	\$7,762	\$83,885
Lawrence	\$5,865	\$6,248	\$3,584	\$294	\$6	\$3,042	\$3,055	\$22,093
Lee	\$38,656	\$9,974	\$11,318	\$15,319	\$18,994	\$6,688	\$16,830	\$117,778
Limestone	\$7,987	\$13,252	\$6,301	\$3,339	\$54	\$5,337	\$6,357	\$42,627
Lowndes	\$0	\$4,221	\$472	\$118	\$12	\$2,266	\$623	\$7,712
Macon	\$1,259	\$4,996	\$1,689	\$959	\$391	\$2,556	\$1,411	\$13,261
Madison	\$117,302	\$38,722	\$28,294	\$54,315	\$32,575	\$15,101	\$21,461	\$307,770
Marengo	\$3,837	\$9,662	\$3,732	\$2,544	\$2,415	\$3,040	\$2,021	\$27,251
Marion	\$8,390	\$13,966	\$3,689	\$1,439	\$577	\$3,102	\$2,521	\$33,685
Marshall	\$24,097	\$24,001	\$14,396	\$9,342	\$8,090	\$7,646	\$9,839	\$97,411
Mobile	\$238,365	\$81,228	\$71,832	\$72,814	\$103,932	\$36,861	\$46,466	\$651,497
Monroe	\$3,721	\$8,630	\$3,028	\$1,110	\$4,341	\$2,329	\$1,779	\$24,939
Montgomery	\$128,884	\$58,649	\$37,277	\$79,274	\$16,481	\$20,969	\$58,684	\$400,217
Morgan	\$21,362	\$24,821	\$19,765	\$10,823	\$24,187	\$7,850	\$9,215	\$118,024
Perry	\$0	\$6,727	\$1,293	\$2	\$0	\$1,949	\$1,145	\$11,116
Pickens	\$2,146	\$8,239	\$2,389	\$831	\$0	\$2,591	\$1,291	\$17,487
Pike	\$5,523	\$9,604	\$6,151	\$3,341	\$3,970	\$3,386	\$3,674	\$35,649
Randolph	\$1,153	\$9,865	\$2,766	\$973	\$234	\$2,193	\$2,882	\$20,435
Russell	\$1,193	\$13,902	\$5,295	\$3,976	\$12	\$4,492	\$3,522	\$32,392
Shelby	\$25,719	\$19,121	\$57,252	\$9,850	\$3,726	\$6,506	\$9,649	\$131,823
St. Clair	\$5,458	\$15,390	\$10,184	\$4,061	\$1,363	\$5,909	\$3,190	\$45,556
Sumter	\$2,732	\$5,031	\$1,595	\$505	\$0	\$2,125	\$1,600	\$13,588
Talladega	\$17,485	\$22,229	\$12,256	\$7,116	\$6,733	\$9,792	\$9,574	\$85,185
Tallapoosa	\$12,065	\$19,597	\$7,261	\$4,169	\$0	\$4,507	\$3,375	\$50,976
Tuscaloosa	\$92,744	\$33,565	\$21,640	\$28,240	\$28,504	\$13,911	\$13,218	\$231,822
Walker	\$20,843	\$22,614	\$16,399	\$7,685	\$22,150	\$8,305	\$7,909	\$105,905
Washington	\$663	\$4,141	\$1,167	\$92	\$0	\$1,642	\$2,559	\$10,265
Wilcox	\$673	\$5,209	\$1,146	\$213	\$0	\$2,420	\$1,167	\$10,828
Winston	\$5,333	\$8,892	\$3,106	\$1,903	\$0	\$2,623	\$2,113	\$23,969
STATEWIDE TOTAL	\$2,014,793	\$1,097,549	\$704,982	\$677,224	\$485,606	\$404,973	\$481,415	\$5,866,541
OUT-OF-STATE TOTAL	\$24,982	\$0	\$37,031	\$36,745	\$0	\$0	\$3,425	\$102,183
GRAND TOTAL	\$2,039,775	\$1,097,549	\$742,013	\$713,969	\$485,606	\$404,973	\$484,840	\$5,968,724

¹ Benefit payments for medical care in FY 2016 exclude administrative expenses of the Medicaid Agency, expenses of the Health Information Exchange, and DSH Certified Public Expenditures.

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 services.

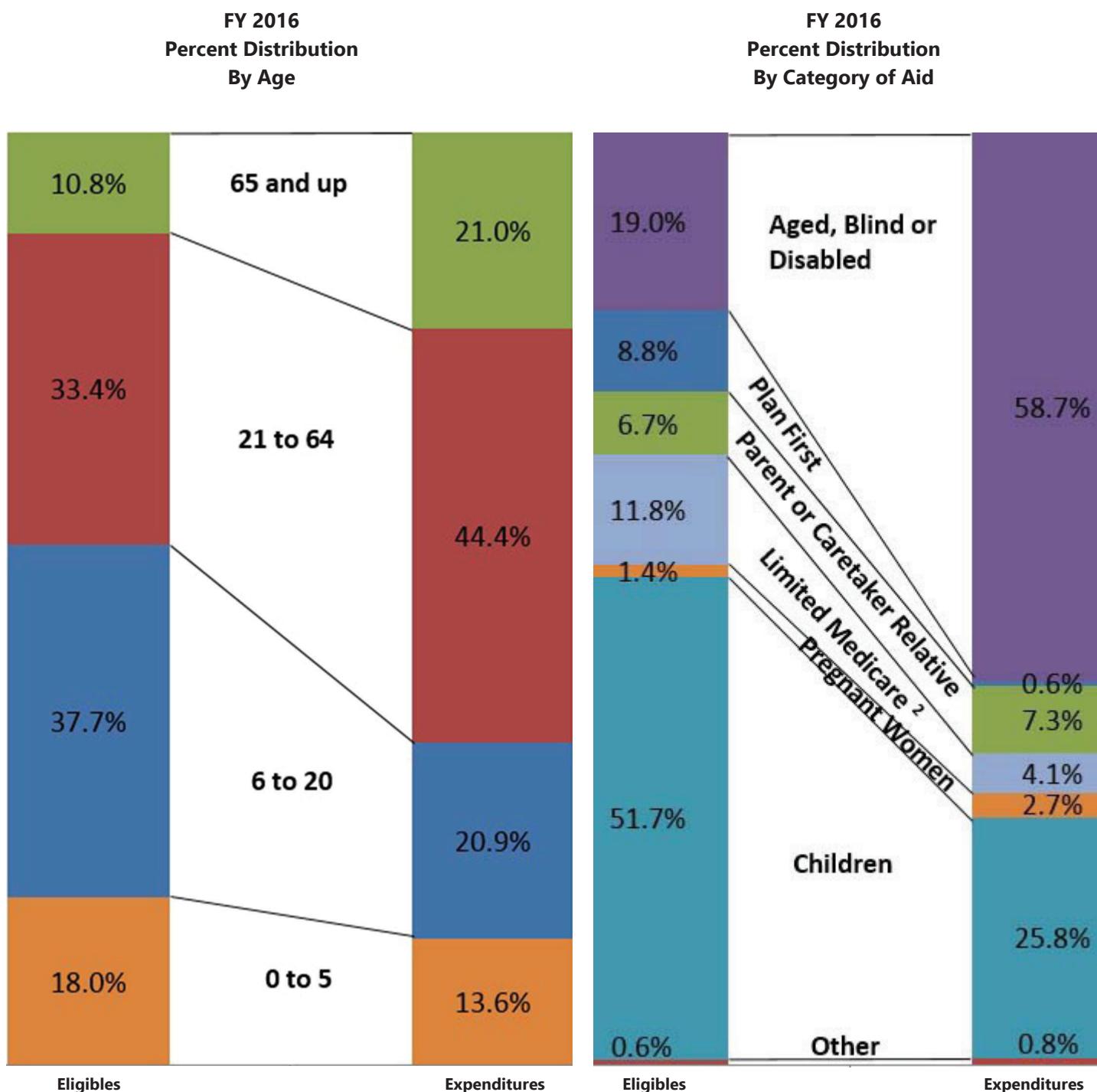
FY 2016
County Impact
Annual Benefit Payments¹ Per Provider Type by County (continued from previous page)
(dollar amounts in thousands)

County	ADPH	Dentists/Oral Surgeons	Durable Medical Equipment (DME)	End Stage Renal Disease (ESRD) Clinic	FQHCs/RHCs	Other Health Services ²	Other Total
Autauga	\$361	\$690	\$87	\$60	\$28	\$2,346	\$3,573
Baldwin	\$1,059	\$5,748	\$407	\$94	\$422	\$7,195	\$14,924
Barbour	\$507	\$225	\$25	\$255	\$587	\$1,762	\$3,362
Bibb	\$237	\$108	\$13	\$0	\$3,067	\$3,316	\$6,741
Blount	\$389	\$494	\$53	\$34	\$1,015	\$755	\$2,740
Bullock	\$103	\$203	\$20	\$59	\$1,564	\$278	\$2,228
Butler	\$559	\$484	\$79	\$187	\$1,152	\$612	\$3,074
Calhoun	\$971	\$3,503	\$1,222	\$324	\$334	\$3,593	\$9,947
Chambers	\$571	\$285	\$53	\$113	\$0	\$472	\$1,494
Cherokee	\$257	\$494	\$25	\$0	\$1,098	\$459	\$2,333
Chilton	\$544	\$958	\$15	\$1	\$948	\$609	\$3,076
Choctaw	\$328	\$211	\$18	\$0	\$483	\$358	\$1,398
Clarke	\$422	\$441	\$63	\$222	\$1,704	\$669	\$3,520
Clay	\$294	\$48	\$10	\$0	\$20	\$220	\$592
Cleburne	\$140	\$162	\$8	\$0	\$296	\$265	\$870
Coffee	\$480	\$1,025	\$135	\$161	\$1,273	\$13,536	\$16,610
Colbert	\$735	\$504	\$107	\$51	\$27	\$2,667	\$4,092
Conecuh	\$198	\$307	\$61	\$66	\$206	\$991	\$1,828
Coosa	\$0	\$45	\$0	\$0	(\$0)	\$46	\$90
Covington	\$488	\$676	\$202	\$11	\$979	\$850	\$3,207
Crenshaw	\$384	\$14	\$37	\$0	\$112	\$311	\$858
Cullman	\$449	\$1,387	\$203	\$114	\$936	\$2,241	\$5,330
Dale	\$542	\$389	\$142	\$110	\$56	\$595	\$1,836
Dallas	\$801	\$2,594	\$389	\$604	\$26	\$3,930	\$8,344
DeKalb	\$519	\$1,634	\$295	\$15	\$4,272	\$2,145	\$8,879
Elmore	\$426	\$201	\$43	\$38	\$1,612	\$1,189	\$3,508
Escambia	\$490	\$434	\$28	\$40	\$936	\$901	\$2,828
Etowah	\$1,209	\$2,811	\$655	\$452	\$2,645	\$5,884	\$13,656
Fayette	\$247	\$43	\$26	\$41	\$0	\$435	\$791
Franklin	\$387	\$393	\$15	\$57	\$410	\$802	\$2,064
Geneva	\$364	\$0	\$127	\$24	\$410	\$1,384	\$2,310
Greene	\$262	\$0	\$0	\$68	\$449	\$183	\$961
Hale	\$484	\$126	\$1,414	\$0	\$649	\$397	\$3,070
Henry	\$188	\$158	\$21	\$1	\$360	\$2,478	\$3,207
Houston	\$1,477	\$3,446	\$976	\$355	\$418	\$7,329	\$14,001
Jackson	\$239	\$599	\$131	\$19	\$1,871	\$1,753	\$4,613
Jefferson	\$7,511	\$13,953	\$9,971	\$1,689	\$2,200	\$27,275	\$62,600
Lamar	\$256	\$211	\$27	\$0	\$39	\$1,435	\$1,969
Lauderdale	\$937	\$2,270	\$591	\$105	\$109	\$3,750	\$7,762
Lawrence	\$411	\$52	\$28	\$14	\$949	\$1,601	\$3,055
Lee	\$540	\$3,191	\$1,596	\$271	\$39	\$11,193	\$16,830
Limestone	\$488	\$1,626	\$88	\$57	\$1,259	\$2,840	\$6,357
Lowndes	\$237	\$0	\$5	\$0	\$179	\$202	\$623
Macon	\$303	\$355	\$6	\$133	\$124	\$490	\$1,411
Madison	\$760	\$4,797	\$2,859	\$377	\$2,367	\$10,301	\$21,461
Marengo	\$405	\$125	\$63	\$225	\$133	\$1,069	\$2,021
Marion	\$360	\$349	\$80	\$66	\$235	\$1,430	\$2,521
Marshall	\$553	\$3,205	\$213	\$166	\$2,642	\$3,059	\$9,839
Mobile	\$1,321	\$7,393	\$4,625	\$1,118	\$14,014	\$17,995	\$46,466
Monroe	\$281	\$254	\$57	\$126	\$157	\$904	\$1,779
Montgomery	\$2,825	\$5,497	\$1,308	\$1,018	\$11,560	\$36,475	\$58,684
Morgan	\$616	\$2,688	\$476	\$364	\$2,410	\$2,661	\$9,215
Perry	\$279	\$125	\$6	\$32	\$568	\$135	\$1,145
Pickens	\$325	\$290	\$3	\$58	\$145	\$470	\$1,291
Pike	\$808	\$432	\$188	\$121	\$1,319	\$805	\$3,674
Randolph	\$353	\$208	\$55	\$83	\$746	\$1,437	\$2,882
Russell	\$460	\$805	\$72	\$158	\$339	\$1,689	\$3,522
Shelby	\$494	\$3,575	\$1,594	\$38	\$322	\$3,626	\$9,649
St. Clair	\$664	\$1,392	\$18	\$47	\$186	\$883	\$3,190
Sumter	\$242	\$175	\$83	\$0	\$919	\$180	\$1,600
Talladega	\$793	\$1,417	\$184	\$389	\$3,961	\$2,830	\$9,574
Tallapoosa	\$739	\$1,023	\$63	\$92	\$652	\$805	\$3,375
Tuscaloosa	\$1,710	\$3,851	\$568	\$438	\$1,627	\$5,024	\$13,218
Walker	\$873	\$1,951	\$1,106	\$81	\$884	\$3,015	\$7,909
Washington	\$264	\$88	\$224	\$0	\$907	\$1,075	\$2,559
Wilcox	\$502	\$86	\$8	\$0	\$366	\$206	\$1,167
Winston	\$225	\$209	\$30	\$15	\$24	\$1,609	\$2,113
STATEWIDE TOTAL	\$43,650	\$92,434	\$33,304	\$10,856	\$81,745	\$219,425	\$481,415
OUT-OF-STATE TOTAL	\$0	\$963	\$1,455	\$109	\$364	\$534	\$3,425
GRAND TOTAL	\$43,650	\$93,397	\$34,759	\$10,965	\$82,109	\$219,959	\$484,840

¹ Benefit payments for medical care in FY 2016 exclude administrative expenses of the Medicaid Agency, expenses of the Health Information Exchange, and DSH Certified Public Expenditures.

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

FY 2016
Monthly Average Eligibles and Medical Expenditures¹

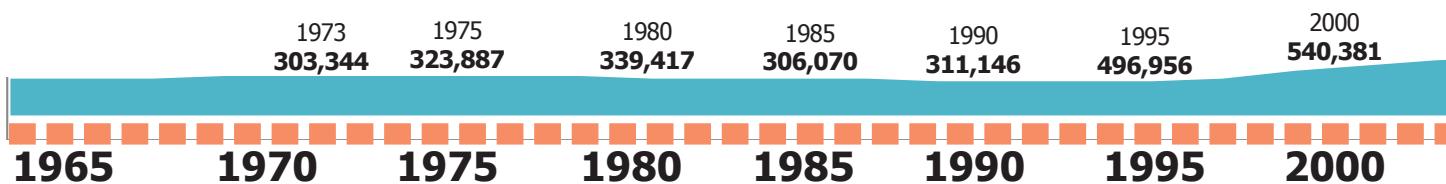


¹ Total expenditures for medical services and support in FY 2016 were \$5,612,193,123. Total expenditures exclude the Medicaid Agency administrative expense, school-based services administration, expenses of the Health Information Exchange and Disproportionate Share Hospital payments. The average of monthly eligibles was 1,043,551.

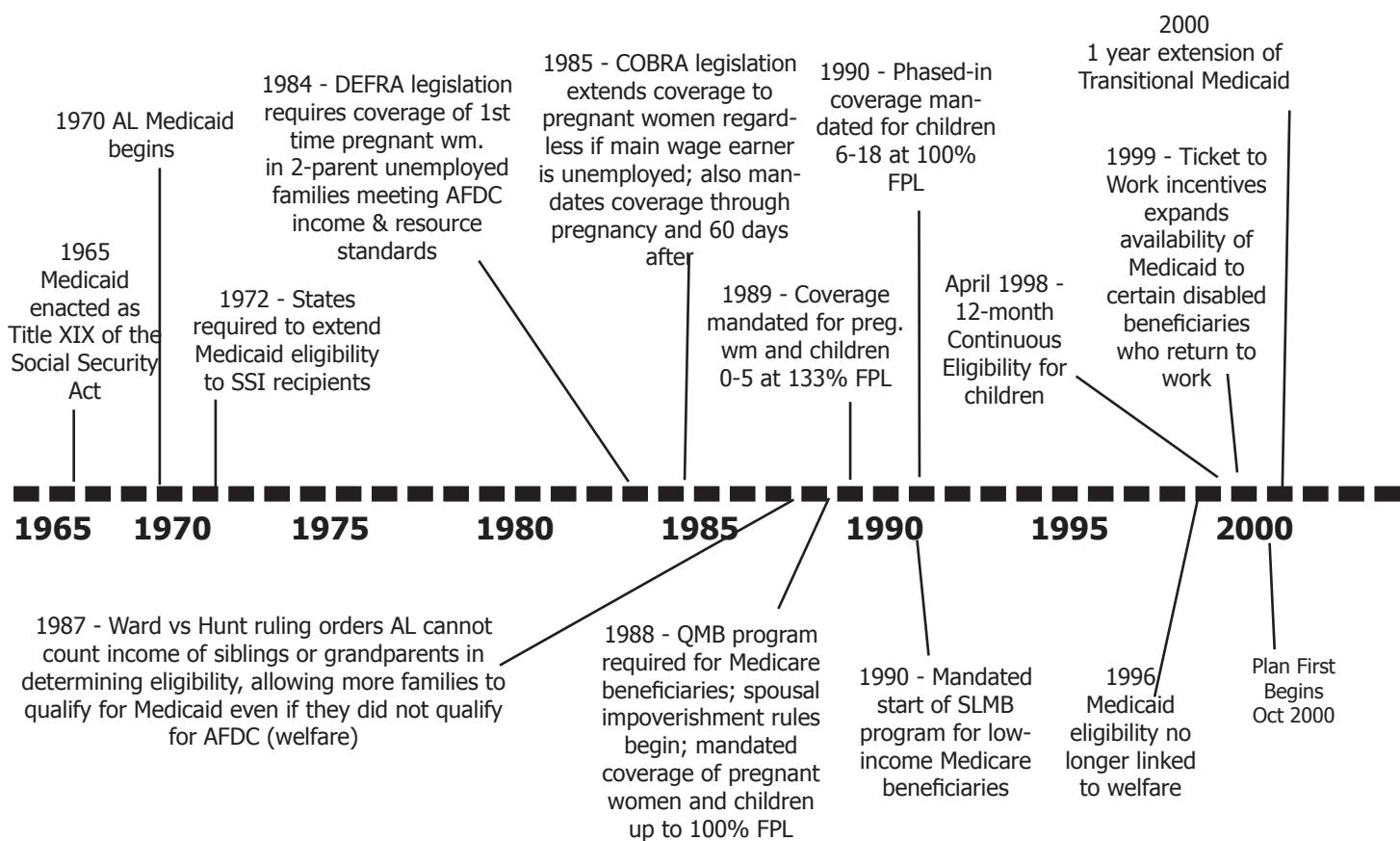
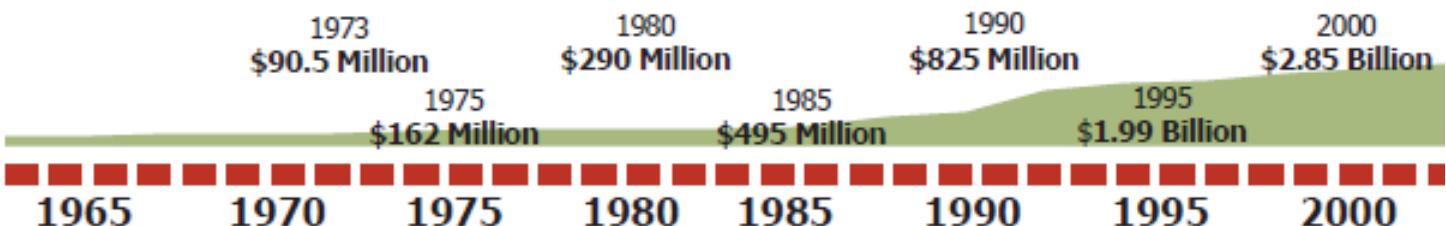
² Limited Medicare - Qualified Medicare Beneficiary, Specified Low Income Medicare Beneficiary and Qualifying Individual are low-income Medicare beneficiaries that have certain premiums, co-insurance, or deductibles paid for by Medicaid.

External Influences on Medicaid Eligibility

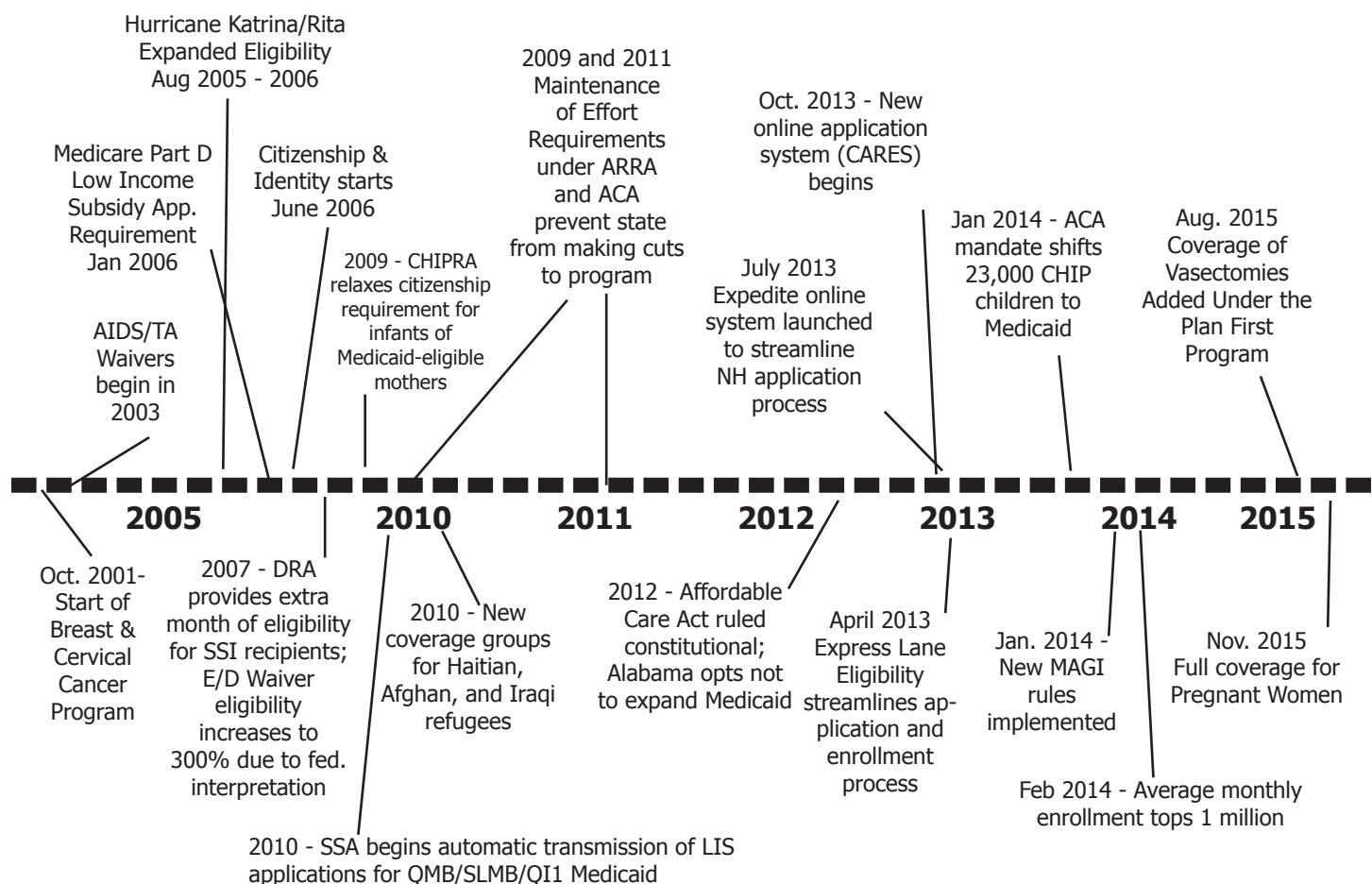
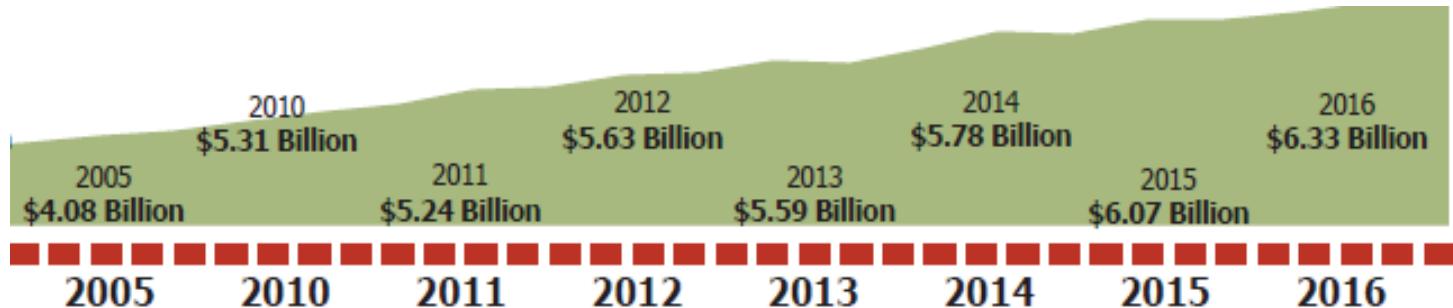
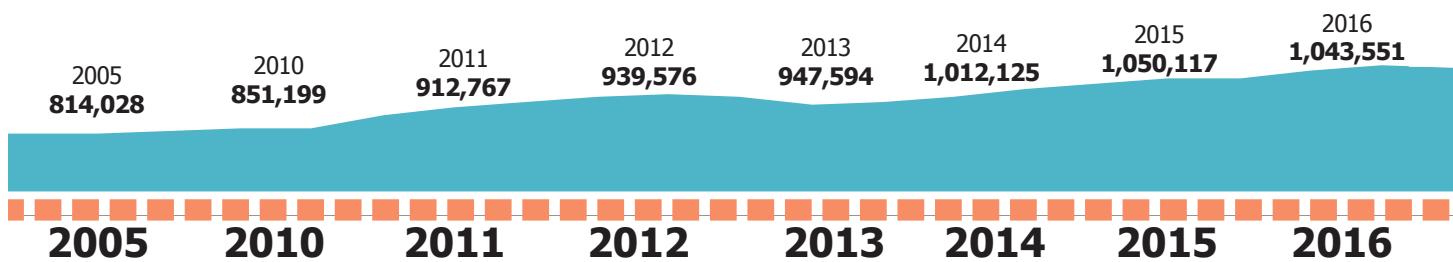
Average Monthly Eligibles by Fiscal Year



Total Expenditures by Fiscal Year



External Influences on Medicaid Eligibility



Benefits

Alabama Medicaid provided \$5.6 billion in medical benefits to more than one million enrollees in FY 2016. 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 (Disproportionate Share Hospital).

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) had Medicaid occupancy rates of 62 percent and 82 percent, respectively.

Hospitals are essentially self-funded. Hospital funding sources – including provider taxes, CPEs and IGTs – contributed \$611 million, or 32 percent, to the Agency's state share used to match federal dollars.

The Alabama Medicaid program reimbursed hospitals a total of \$2.2 billion (including DSH) in FY 2016. Other costs in the hospital budget line include inpatient psychiatric services, ambulatory surgical centers, transplants, federally qualified health centers and renal dialysis, among others.

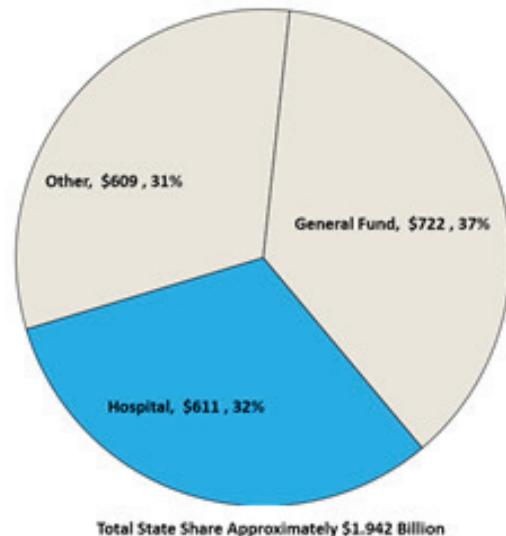
Long Term Care: Nursing Home Care and Waivers

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

More than 200 Alabama nursing facilities, with 26,612 beds, accepted Medicaid reimbursement in FY 2016 while Medicaid patient days accounted for 69 percent of all patient days. A total of 24,710 recipients received nursing home care at a cost of \$953 million.

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).

FY 2016 Hospital Contribution to State Share
(in millions)



Five Home and Community-Based Services (HCBS) waivers make it possible for approximately 7,200 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 is approximately \$10,700 versus the average annual cost of a nursing home bed of \$58,900 in FY 2016. The Agency spent approximately \$78 million on HCBS waiver services, with the state share primarily funded by other state agencies.

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 2016, almost 600,000 unique recipients received approximately seven million prescriptions at a total cost of \$701 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 \$66 million in FY 2016.

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 \$110 million in 2016, or approximately 40 percent of the state share for the Pharmacy Program.

Physicians

Mandated by the federal government, physician services are available to Medicaid recipients. In FY 2016, over 700,000 unique recipients received physician program services at a total cost of \$397 million.

Approximately 18 percent of participating physicians receive 75 percent of all physician service payments. Cuts to the program disproportionately affect this small group of providers, including pediatricians. A federally-mandated “bump” initiated in 2013 boosted reimbursement to primary care providers to Medicare rates. Physicians associated with teaching facilities receive an enhanced fee based on annually determined commercial rates.

Other physicians haven't received a payment rate increase since 2006. Additional costs in the ancillary physician services budget line (\$138 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 \$480 million of expenditures. Approximately 70 percent of the 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.

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 2016, these represented \$245 million in expenditures for the Agency. Unlike other budget categories, most are funded by General Fund dollars except for approximately \$30 million allocated through tobacco settlement funds in FY 2016.

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 2016 expenditures for these services were approximately \$303 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 (91,787 in FY 2016). Expenditures for family planning services (all categories) were \$66 million.

The Affordable Care Act required children in certain income categories to be enrolled in the **Children's Health Insurance Program (CHIP)** in 2014. Expenditures for this group of children were \$70 million (funded at 100 percent by the federal government from the CHIP program) in FY 2016. In September 2016, approximately 45,000 children already on Medicaid were transferred to the Medicaid CHIP category to take advantage of the more favorable match rate bringing the total CHIP enrollment to approximately 83,000 at the end of FY 2016. **Insurance expenditures** in FY 2016 were \$385 million, which include Medicare Parts A, B, and C premiums. Part B premiums, which are set by the federal government, increased by \$30 million, or over 13 percent, in FY 2016, versus FY 2015. Health Home and Patient 1st payments are also included in the Insurance category.

FY 2014- FY 2016
Inpatient Hospital Program¹
Recipients and Amounts Paid² Based on Date of Service

Recipients ¹				Amounts Paid ²			Annual Average Cost Per Recipient		
	FY 2014	FY 2015	FY 2016	FY 2014	FY 2015	FY 2016	FY 2014	FY 2015	FY 2016
By Gender									
Female	79,520	81,450	79,912	\$663,221,613	\$736,327,842	\$733,898,420	\$8,340	\$9,040	\$9,184
Male	33,139	34,717	33,475	\$491,368,670	\$545,868,005	\$548,624,484	\$14,828	\$15,723	\$16,389
Total	112,659	116,167	113,387	\$1,154,590,283	\$1,282,195,847	\$1,282,522,904	\$10,249	\$11,038	\$11,311
By Race									
Black	46,137	47,117	45,468	\$475,089,172	\$528,832,842	\$501,154,244	\$10,297	\$11,224	\$11,022
Hispanic	4,966	5,167	5,099	\$32,886,362	\$35,542,913	\$48,161,368	\$6,622	\$6,879	\$9,445
White	54,470	55,336	53,442	\$470,062,701	\$523,920,184	\$527,206,234	\$8,630	\$9,468	\$9,865
Other Race	1,927	2,477	2,721	\$17,453,884	\$23,844,379	\$24,081,762	\$9,058	\$9,626	\$8,850
<u>Unknown³</u>	<u>5,159</u>	<u>6,070</u>	<u>6,657</u>	<u>\$159,098,165</u>	<u>\$170,055,530</u>	<u>\$181,919,296</u>	<u>\$30,839</u>	<u>\$28,016</u>	<u>\$27,328</u>
Total	112,659	116,167	113,387	\$1,154,590,284	\$1,282,195,847	\$1,282,522,904	\$10,249	\$11,038	\$11,311
By Age									
0-5	16,025	16,944	16,026	\$315,135,928	\$348,660,187	\$336,287,788	\$19,665	\$20,577	\$20,921
6-20	17,436	18,021	17,448	\$211,500,809	\$236,402,952	\$237,670,575	\$12,130	\$13,118	\$13,622
21-64	64,252	65,973	65,337	\$576,059,601	\$640,108,175	\$652,135,727	\$8,966	\$9,703	\$9,981
65-84	11,943	12,166	11,781	\$46,278,780	\$50,739,395	\$51,782,948	\$3,875	\$4,171	\$4,395
85 & Over	3,003	3,063	2,795	\$5,615,194	\$6,285,138	\$5,645,866	\$1,870	\$2,052	\$2,020
Total	112,659	116,167	113,387	\$1,154,590,283	\$1,282,195,847	\$1,282,522,904	\$10,249	\$11,038	\$11,311
By Dual Status									
Non-Dual	86,045	89,435	87,474	\$1,086,426,949	\$1,209,306,953	\$1,207,879,559	\$12,626	\$13,522	\$13,808
<u>Dual⁴</u>	<u>26,819</u>	<u>26,920</u>	<u>26,104</u>	<u>\$68,163,334</u>	<u>\$72,888,894</u>	<u>\$74,643,345</u>	<u>\$2,542</u>	<u>\$2,708</u>	<u>\$2,859</u>
Total	112,659	116,167	113,387	\$1,154,590,283	\$1,282,195,847	\$1,282,522,904	\$10,249	\$11,038	\$11,311
Actual Paid During Fiscal Year				\$1,144,745,927	\$1,245,661,304	\$1,298,772,395			

¹Includes inpatient psychiatric hospitals.

²Includes the allocation of access payments.

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

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

FY 2014- FY 2016
Outpatient Hospital Program¹
Recipients and Amounts Paid² Based on Date of Service

Recipients ¹				Amounts Paid ²			Annual Average Cost Per Recipient		
	FY 2014	FY 2015	FY 2016	FY 2014	FY 2015	FY 2016	FY 2014	FY 2015	FY 2016
By Gender									
Female	275,327	294,451	294,755	\$199,404,175	\$215,412,077	\$217,805,724	\$724	\$732	\$739
Male	184,277	195,004	190,774	\$132,752,727	\$126,324,212	\$124,424,034	\$720	\$648	\$652
Total	459,604	489,455	485,529	\$332,156,902	\$341,736,289	\$342,229,758	\$723	\$698	\$705
By Race									
Black	198,494	209,858	206,229	\$138,215,309	\$137,577,365	\$131,644,457	\$696	\$656	\$638
Hispanic	20,501	22,447	23,602	\$12,111,835	\$10,505,662	\$11,691,517	\$591	\$468	\$495
White	216,354	226,948	221,036	\$153,434,430	\$164,067,212	\$166,817,744	\$709	\$723	\$755
Other Race	7,967	7,719	6,883	\$5,618,215	\$4,542,797	\$4,322,286	\$705	\$589	\$628
<u>Unknown³</u>	16,288	22,483	27,779	\$22,777,113	\$25,043,253	\$27,753,754	\$1,398	\$1,114	\$999
Total	459,604	489,455	485,529	\$332,156,902	\$341,736,289	\$342,229,758	\$723	\$698	\$705
By Age									
0-5	109,580	112,417	109,688	\$64,072,087	\$53,740,504	\$52,943,428	\$585	\$478	\$483
6-20	156,770	170,419	167,179	\$115,266,128	\$105,500,752	\$107,390,271	\$735	\$619	\$642
21-64	157,029	169,361	172,056	\$151,512,887	\$181,120,464	\$180,704,903	\$965	\$1,069	\$1,050
65-84	29,572	30,600	30,246	\$1,291,425	\$1,343,140	\$1,149,730	\$44	\$44	\$38
85 & Over	6,653	6,658	6,360	\$14,375	\$31,429	\$41,426	\$2	\$5	\$7
Total	459,604	489,455	485,529	\$332,156,902	\$341,736,289	\$342,229,758	\$723	\$698	\$705
By Dual Status									
Non-Dual	384,059	412,331	410,426	\$331,234,750	\$340,683,997	\$341,570,226	\$862	\$826	\$832
Dual ⁴	75,545	77,124	75,103	\$922,152	\$1,052,292	\$659,532	\$12	\$14	\$9
Total	459,604	489,455	485,529	\$332,156,902	\$341,736,289	\$342,229,758	\$723	\$698	\$705
Actual Paid During Fiscal Year				\$332,156,902	\$341,736,289	\$342,229,758			

¹Includes inpatient psychiatric hospitals.

²Includes the allocation of access payments.

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

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

FY 2013 - FY 2016
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 ¹	HCBS Waiver Expenditures (in Millions)
FY 2013	16,001	\$56,210	\$899	9,741	\$9,034	\$88
FY 2014	16,361	\$56,789	\$929	7,303	\$10,434	\$76
FY 2015	16,189	\$58,389	\$945	7,269	\$10,249	\$75
FY 2016	16,189	\$58,880	\$953	7,243	\$10,728	\$78

¹The overall total in expenditures in FY 2013-2016 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.

FY 2012 - FY 2016
Long Term Care Program
Intermediate Care Facility for the Intellectually Disabled
Utilization and Cost

Year	Payments ¹	Recipients	Average Covered Days Per Recipient	Average Cost Per Day	Average Cost Per Recipient
FY 2012	\$10,584,848	123	156	\$553	\$86,056
FY 2013	\$1,784,376	39	241	\$190	\$45,753
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

¹The reduction in payments for FY 2013 is due to termination of a public intermediate care facility (Partlow Developmental Center) effective December 31, 2011.

FY 2012- FY 2016
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 2012	24,330	-2.2%	245	5,963,114	-1.0%	26,649	3.7%	61%
FY 2013	24,599	1.1%	237	5,840,469	-2.1%	26,479	-0.6%	60%
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%

¹The 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 2012 - 2016
Long Term Care Program
Patients, 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 2012	16,337	-1.0%	5,963,114	-1.0%	\$932,613,072	3.8%	\$57,085	4.9%	14.8%	\$156
FY 2013	16,001	-2.1%	5,840,469	-2.1%	\$899,428,257	-3.6%	\$56,210	-1.5%	15.2%	\$154
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	16,190	0.0%	5,909,157	0.0%	\$953,240,983	0.8%	\$58,880	0.8%	15.1%	\$161

FY 2014 - 2016
Long Term Care Program
Recipients and Claims Payments by Gender, Race and Age

Recipients ¹				Claims Payments ²			Annual Average Cost Per Recipient		
FY 2014			FY 2015	FY 2014	FY 2015	FY 2016	FY 2014	FY 2015	FY 2016
By Gender									
Female	16,831	17,512	16,888	\$650,206,541	\$654,222,773	\$654,798,003	\$38,631	\$37,359	\$38,773
Male	7,417	7,926	7,822	\$278,933,457	\$291,051,293	\$298,442,980	\$37,607	\$36,721	\$38,154
By Race									
African Am.	7,270	7,671	7,645	\$293,642,424	\$299,948,541	\$304,642,908	\$40,391	\$39,102	\$39,849
Am. Indian	19	14	26	\$617,063	\$595,197	\$649,250	\$32,477	\$42,514	\$24,971
Asian	71	81	69	\$2,918,760	\$2,801,961	\$2,668,545	\$41,109	\$34,592	\$38,675
Hispanic	71	77	74	\$3,056,587	\$2,787,376	\$2,832,380	\$43,051	\$36,200	\$38,275
Other	20	17	23	\$755,162	\$582,315	\$678,006	\$37,758	\$34,254	\$29,479
Unknown	470	530	574	\$14,959,305	\$16,864,866	\$18,947,299	\$31,828	\$31,821	\$33,009
White	16,327	17,048	16,299	\$613,190,696	\$621,693,810	\$622,822,594	\$37,557	\$36,467	\$38,212
By Age									
0-5	12	17	15	\$654,656	\$927,104	\$846,853	\$54,555	\$54,536	\$56,457
6-20	92	91	93	\$6,104,981	\$5,826,920	\$5,659,113	\$66,358	\$64,032	\$60,851
21-64	4,912	5,654	5,673	\$191,466,544	\$215,168,489	\$219,541,219	\$38,979	\$38,056	\$38,699
65-74	4,574	5,016	5,207	\$175,057,595	\$189,778,975	\$202,627,627	\$38,272	\$37,835	\$38,914
75-84	6,481	6,928	6,650	\$246,937,935	\$256,177,343	\$257,049,133	\$38,102	\$36,977	\$38,654
85 & Over	8,177	7,732	7,072	\$308,918,287	\$277,395,235	\$267,517,038	\$37,779	\$35,876	\$37,828
Statewide	24,248	25,438	24,710	\$929,139,998	\$945,274,066	\$953,240,983	\$38,318	\$37,160	\$38,577

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

² The overall total in expenditures in FY 2014-2016 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 2012- FY 2016
Pharmacy Program
Expenditures

Expenditures				Clawback Payments as % of Pharmacy Expenditures
Year	Benefit Payments ¹	Clawback Payments ²	Pharmacy Expenditures	
FY 2012	\$526,082,696	\$67,028,930	\$593,111,626	11.3%
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 2012 - FY 2016
Pharmacy Program
Member Utilization

Medicaid Eligibility Only (Non-Dual)					
Year	Monthly Average Pharmacy Eligibles ³	Number of Prescription Recipients	Recipients as % of Eligibles	Number of Prescriptions	Prescriptions Per Recipient
FY 2012	640,347	594,296	93%	8,636,945	14.53
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 2012 - FY 2016
Pharmacy Program
Cost Per Member and Recipient

Medicaid Eligibility Only (Non-Dual)					Full Medicaid Dual Eligibles ⁴	
Year	Benefit Payments ¹	Cost Per Prescription	Per Member Per Year Cost	Cost Per Recipient	Average Monthly Eligibles	Average Annual Clawback Payment
FY 2012	\$526,082,696	\$60.91	\$822	\$885	85,067	\$788
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

¹ Pharmacy benefit payments exclude pharmacy benefits paid for family planning, alternative care and CHIP.

² 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.

³ Monthly average pharmacy eligibles is total Medicaid eligibles less Plan First eligibles and members that are eligible for Medicare benefits ("dual eligibles").

⁴ 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 2012 - FY 2016
Physician Program
Cost and Utilization by Age Category

Benefit Payments¹					
Age	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
0 to 5	\$96,412,806	\$108,122,608	\$121,076,564	\$125,213,434	\$123,024,124
6 to 20	\$64,622,217	\$71,467,515	\$79,367,134	\$90,887,966	\$91,319,115
21 to 64	\$137,548,448	\$141,815,081	\$152,540,801	\$163,376,921	\$171,860,168
65 and up	\$8,013,766	\$10,035,342	\$12,218,842	\$11,247,886	\$10,478,014
All Ages	\$306,597,237	\$331,440,546	\$365,203,340	\$390,726,207	\$396,681,422

Recipients²					
Age	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
0 to 5	196,250	196,967	203,836	199,719	198,788
6 to 20	224,793	233,427	243,850	270,079	270,259
21 to 64	178,613	179,951	186,684	195,821	198,366
65 and up	57,555	55,612	55,588	53,075	49,850
All Ages	645,263	653,170	674,417	706,198	711,714

Cost Per Recipient					
Age	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
0 to 5	\$491	\$549	\$594	\$627	\$619
6 to 20	\$287	\$306	\$325	\$337	\$338
21 to 64	\$770	\$788	\$817	\$834	\$866
65 and up	\$139	\$180	\$220	\$212	\$210
All Ages	\$475	\$507	\$542	\$553	\$557

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

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

Third Party Recoveries / 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, prevent and prosecute fraud, abuse and/or misuse by providers, recipients or others. 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 2016, 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 (\$165 million – commercial insurance; \$133 million - Medicare); 2) health insurance recovery from primary payers (\$11.7 million); 3) Medicare recoupments (\$4.6 million); 4) casualty/tort recovery (\$3.7 million); 5) liens and estate recovery (\$11 million); 6) credit balance recovery (\$928 thousand); and 7) recipient overpayment recoveries (\$884 thousand).

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 (\$4.9 million). In addition, Medicaid paid premiums for some employer-based insurance policies through the Health Insurance Premium Payment (HIPP) program (\$1.2 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 as billed to eligible recipients 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, 2016 reviews of 278 medical providers resulted in \$821,348 in identified recoupments and \$879,422 in collected recoupments.

Sanctions against providers and recipients resulted in \$2,324,398 in cost savings for the Agency. In all, 120 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. These provider sanctions netted a cost savings of \$1,810,015. Suspension of 304 recipients from the Medicaid program resulted in a cost savings of \$514,383.

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 2016, the Recipient Review Unit conducted 1,398 reviews. As a result, 523 recipients were restricted or "locked-in" to one doctor and one drug store resulting in \$147,321 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 2016 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.

**FY 2014 - FY 2016
Collections (in Millions)**

		FY 2014	FY 2015	FY 2016
Third Party Liability				
	Includes retroactive Medicare recoupments from providers, collections due to health Insurance and casualty subrogation, estate recovery, and misspent funds resulting from eligibility errors (includes credit balance audit for FY 2016).	\$27.4	\$32.9	\$33.0
Program Integrity Division				
	Provider Recoupment			
	Medical Provider Recoupment Collected	\$0.6	\$0.5	\$0.7
	Enrollment and Sanctions	-	\$1.4	\$2.9
	Recovery Audit Contractor	\$1.4	\$1.4	\$0.2
	Investigations	\$0.1	\$0.2	\$0.1
Pharmacy Program				
	In-House Processed Claims Corrections	\$0.1	\$0.1	\$0.1
Total Collections		\$29	\$37	\$37

FY 2014 - FY 2016
Measurable Cost Avoidance (in Millions)

	FY 2014	FY 2015	FY 2016
Third Party Claim Cost Avoidance Savings			
Medicare Cost Avoidance*	\$88.8	\$111.5	\$133.1
Health Insurance Cost Avoidance	\$129.0	\$159.3	\$165.0
Third Party Cost Avoidance Savings	\$217.8	\$270.8	\$298.1
Program Integrity Cost Avoidance			
Provider Review Cost Avoidance	\$0.7	\$0.3	\$1.1
Recipient Review Cost Avoidance	\$0.7	\$0.2	\$0.1
Investigations Cost Avoidance	\$0.1	\$0.4	\$0.4
Sanctioned Provider and Recipients	\$0.7	\$1.8	\$7.0
Program Integrity Cost Avoidance	\$2.1	\$2.6	\$8.6
Total Measureable Cost Avoidance	\$220	\$273	\$307

* 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 2014 - FY 2016
Additional Cost Avoidance (in Millions)

		FY 2014	FY 2015	FY 2016
Payor Reported and Other Cost Avoidance Savings	Traditional Medicare Net Savings (includes Provider Reported Payments less premium cost of FY 2016 - \$305,513,287, FY 2015 - \$271,262,637; FY 2014-\$264,953,694, FY 2013-\$260,843,578	\$598.4	\$665.7	\$585.6
	Provider Reported Collections - Health and Casualty Insurance	\$60.6	\$66.3	\$72.4
	Medicare Advantage Capitated Program Net Savings	\$6.4	\$3.4	\$4.9
	Health Insurance Premium Payment Cost Avoidance	\$0.7	\$0.7	\$1.2
Waiver Services Cost Avoidance	Elderly and Disabled Waiver	\$413.1	\$492.9	\$503.0
	State of Alabama Independent Living (SAIL) Waiver	\$21.7	\$25.9	\$27.8
	Intellectual Disabilities Waiver	\$436.4	\$489.9	\$474.6
	Living at Home Waiver	\$65.1	\$69.6	\$62.3
	HIV / AIDS Waiver	\$4.8	\$4.9	\$3.6
Total Additional Cost Avoidance		\$1,607.1	\$1,819.4	\$1,735.4

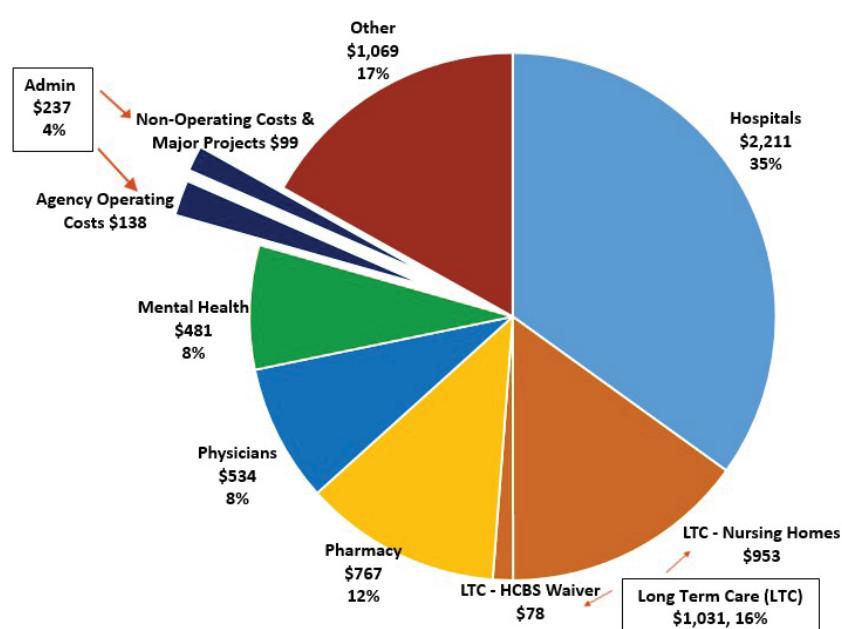
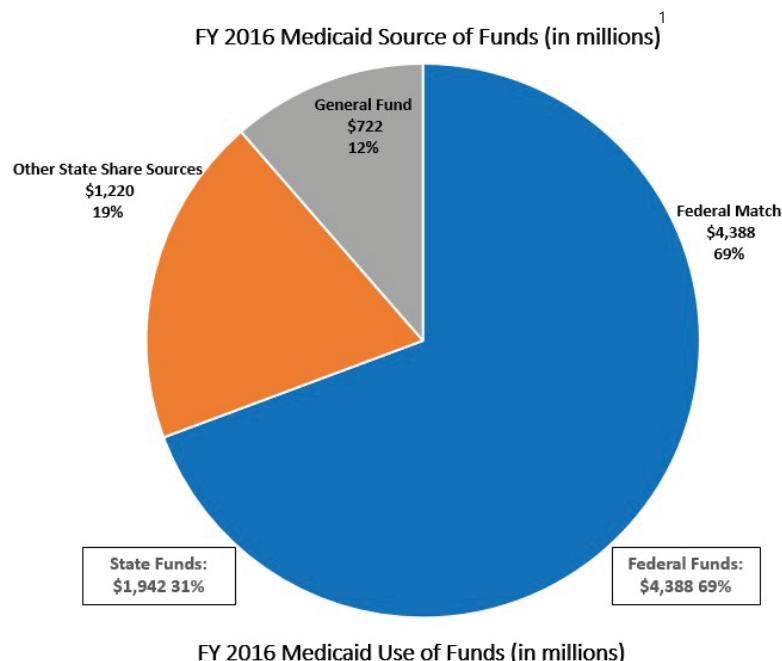
**FY 2014 - FY 2016
Program Integrity**

Provider Reviews			
	FY 2014	FY 2015	FY 2016
Medical Providers	53	80	204
Medical Providers Recoupments-Identified	\$382,009	\$382,779	\$732,407
Medical Providers Recoupments-Collected	\$570,925	\$540,641	\$710,753
Recovery Audit Contractor	95	57	74
Recoupments - Identified	\$1,977,979	\$1,176,938	\$92,644
Recoupments - Collected	\$1,386,151	\$1,380,412	\$196,167
Recipient Reviews			
	FY 2014	FY 2015	FY 2016
Reviews Conducted	1,511	1,380	1,398
Restricted Recipients	619	684	523
Recipient Review Cost Avoidance	\$697,489	\$186,771	\$147,321
Investigations			
	FY 2014	FY 2015	FY 2016
Provider & Recipient Recoupments - Identified	\$155,143	\$227,230	\$188,116
Provider & Recipient Recoupments - Collected	\$72,813	\$158,662	\$45,667
Enrollment and Sanctions			
	FY 2014	FY 2015	FY 2016
Tax Intercept Receipts	\$40,502	\$57,939	\$61,709
Settlement Agreements & Restitutions	\$2,913,464	\$1,048,260	\$2,943,741

FY 2016

Fiscal

Alabama Medicaid total expenditures totalled \$6.3 billion in FY 2016. A state match of \$1.9 billion was paired with \$4.4 billion in federal matching funds to fund the cost. The state General Fund provided 12 percent, or \$722 million, of the total cost.



¹ Based on revenue sources used to fund expenses.

FY 2012- FY 2016
State Share Funding Sources¹

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	As a % of Total State Share Funding				
						FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
General Fund										
Current Year Appropriation	\$643,788,706	\$603,125,607	\$615,125,607	\$685,125,607	685,125,607	35.4%	33.4%	32.9%	35.8%	34.7%
Adjustments	(68,370,361)	12,000,000		78,208	70,000,000	-3.8%	0.7%	0.0%	0.0%	3.5%
Total General Fund²	575,418,345	615,125,607	615,125,607	685,203,815	755,125,607	31.6%	34.1%	32.9%	35.8%	38.3%
Certified Public Expenditures										
Hospitals	499,912,172	395,375,218	154,436,077	152,373,253	120,363,468	27.5%	21.9%	8.3%	8.0%	6.1%
Admin. Assistance & School-Based Services	22,704,404	22,107,068	34,294,178	31,044,132	32,873,301	1.2%	1.2%	1.8%	1.6%	1.7%
Total CPEs	522,616,576	417,482,286	188,730,255	183,417,385	153,236,769	28.7%	23.1%	10.1%	9.6%	7.8%
Ala. Health Care Trust Fund										
Hospital Provider Tax	226,276,852	241,930,276	261,287,050	257,442,043	258,944,672	12.4%	13.4%	14.0%	13.5%	13.1%
Nursing Home Provider Tax	106,049,403	103,250,591	102,860,996	103,762,829	112,467,742	5.8%	5.7%	5.5%	5.4%	5.7%
Pharmacy Provider Tax	9,262,104	9,217,779	9,159,988	8,776,161	19,927,265	0.5%	0.5%	0.5%	0.5%	1.0%
Total Ala. Health Care Trust Fund	341,588,359	354,398,646	373,308,034	369,981,033	391,339,679	18.8%	19.6%	20.0%	19.3%	19.8%
Intergovernmental Transfers										
State Agencies										
Dept. of Mental Health	148,104,358	150,391,339	154,853,521	155,444,620	154,689,227	8.1%	8.3%	8.3%	8.1%	7.8%
Dept. of Human Resources	39,411,775	34,876,380	35,990,775	34,972,503	33,636,169	2.2%	1.9%	1.9%	1.8%	1.7%
Dept. of Public Health	26,714,938	20,174,821	27,050,212	29,695,927	24,252,808	1.5%	1.1%	1.4%	1.6%	1.2%
Dept. of Senior Services	16,623,308	25,029,938	22,334,201	21,303,522	22,446,268	0.9%	1.4%	1.2%	1.1%	1.1%
Dept. of Rehabilitation Services	6,466,094	6,372,435	5,967,221	7,372,483	5,605,052	0.4%	0.4%	0.3%	0.4%	0.3%
Dept. of Youth Services	5,080,662	6,090,951	5,513,677	6,590,924	6,490,554	0.3%	0.3%	0.3%	0.3%	0.3%
Total State Agencies	242,401,135	242,935,864	251,709,607	255,379,979	247,120,078	13.3%	13.5%	13.5%	13.3%	12.5%
Hospital IGTs			233,997,510	229,065,567	229,663,566	0.0%	0.0%	12.5%	12.0%	11.6%
Other Governmental Bodies	29,134,723	29,663,131	52,542,652	28,472,932	37,952,744	1.6%	1.6%	2.8%	1.5%	1.9%
Total Intergovernmental Transfers	271,535,858	272,598,995	538,249,769	512,918,478	514,736,388	14.9%	15.1%	28.8%	26.8%	26.1%
Other Funding Sources										
Drug Rebates	64,963,187	69,522,963	87,310,845	97,943,098	109,582,842	3.6%	3.9%	4.7%	5.1%	5.6%
Medicaid Trust Fund - Tobacco	30,644,931	30,700,104	30,375,487	30,034,161	29,686,098	1.7%	1.7%	1.6%	1.6%	1.5%
Other Miscellaneous Receipts	13,281,513	44,780,946	35,289,216	33,920,207	19,014,117	0.7%	2.5%	1.9%	1.8%	1.0%
Total Other Funding Sources	108,889,631	145,004,013	152,975,548	161,897,466	158,283,057	6.0%	8.0%	8.2%	8.5%	8.0%
Total State Funds	1,820,048,769	1,804,609,547	1,868,389,213	1,913,418,177	1,972,721,500	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.

FY 2012 - FY 2016
Expenditures by Type of Service (total Federal and State dollars)¹

Service	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Nursing Facilities	\$932,613,072	\$899,428,257	\$929,139,998	\$945,274,066	\$953,240,983
Hospital Care	1,398,531,841	1,354,835,782	1,573,467,865	1,665,967,742	1,729,975,664
Hospital Care CPE ²	189,752,920	213,162,048			
Physicians	397,504,473	426,992,044	537,851,048	516,999,078	534,225,768
Pharmacy	593,111,626	593,245,636	627,466,314	685,455,763	767,262,195
Health Support	215,512,000	214,165,029	212,761,945	222,112,501	244,677,959
Alternative Care	395,014,560	376,600,493	352,131,320	363,469,312	378,712,160
Mental Health Facilities	10,626,732	1,794,348	1,830,948	2,060,211	2,055,858
Mental Health Waivers	287,322,840	304,528,666	318,973,130	324,170,321	345,823,195
Mental Health Other	132,413,000	123,496,077	127,956,081	135,967,879	135,058,792
Medicaid - CHIP			22,804,953	80,481,377	70,424,528
Health Insurance	296,483,036	304,686,039	315,446,895	334,802,957	385,044,056
Family Planning	64,265,900	61,306,375	60,147,011	59,054,810	65,691,965
Total Medicaid Medical Benefits	\$4,913,152,000	\$4,874,240,794	\$5,079,977,508	\$5,335,816,017	\$5,612,193,123
Disproportionate Share for Hospitals ³	461,923,211	478,418,802	481,382,789	480,211,247	480,845,150
Total Medical Benefits	\$5,375,075,211	\$5,352,659,596	\$5,561,360,297	\$5,816,027,264	\$6,093,038,273
General Administrative Costs	\$146,345,301	\$148,755,326	\$149,417,813	\$183,673,196	\$175,531,329
School-Based Administrative Costs	45,329,475	44,373,774	44,264,248	45,762,171	51,430,047
Total Medicaid & DSH Expenditures	\$5,566,749,987	\$5,545,788,697	\$5,755,042,358	\$6,045,462,631	\$6,319,999,649
Health Information Exchange ⁴	\$60,209,095	\$40,224,122	\$28,088,044	\$27,817,399	\$10,410,909
Agency Total Expenditures	\$5,626,959,082	\$5,586,012,819	\$5,783,130,402	\$6,073,280,030	\$6,330,410,558

FY 2012 - FY 2016
Expenditures by Type of Service (as percent of total)¹

Service	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Nursing Facilities	16.8%	16.2%	16.1%	15.6%	15.1%
Hospital Care	25.1%	24.4%	27.3%	27.6%	27.4%
Hospital Care CPE ²	3.4%	3.8%	0.0%	0.0%	0.0%
Physicians	7.1%	7.7%	9.3%	8.6%	8.5%
Pharmacy	10.7%	10.7%	10.9%	11.3%	12.1%
Health Support	3.9%	3.9%	3.7%	3.7%	3.9%
Alternative Care	7.1%	6.8%	6.1%	6.0%	6.0%
Mental Health Facilities	0.2%	0.0%	0.0%	0.0%	0.0%
Mental Health Waivers	5.2%	5.5%	5.5%	5.4%	5.5%
Mental Health - Other	2.4%	2.2%	2.2%	2.2%	2.1%
Medicaid - CHIP			0.4%	1.3%	1.1%
Health Insurance	5.3%	5.5%	5.5%	5.5%	6.1%
Family Planning	1.2%	1.1%	1.0%	1.0%	1.0%
Total Medicaid Medical Benefits	88.3%	87.9%	88.3%	88.3%	88.8%
Disproportionate Share/Hospitals ³	8.3%	8.6%	8.4%	7.9%	7.6%
Total Medical Benefits	96.6%	96.5%	96.6%	96.2%	96.4%
General Administrative Costs	2.6%	2.7%	2.6%	3.0%	2.8%
School-Based Administrative Costs	0.8%	0.8%	0.8%	0.8%	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 Form 1 for the Medicaid Agency and includes expenditures, purchase orders and year-end encumbrances.

² 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.

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

⁴ 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 2016
Expenditures for Medical Services by Coverage and Aid Category¹
(dollar amounts in millions)

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 15 % of Total
Dual Eligibles													
Full Medicaid Dual Eligible													
Aged and Non-Disabled (65+)	\$15.6	\$57.5	\$670.8	\$3.1	\$17.1			\$27.3	\$57.6		\$849.6	15.1%	15.5%
Blind or Disabled (all ages)	44.6	16.4	183.7	11.3	231.0	3.1		47.6	156.8		694.7	12.4%	12.0%
Non-Disabled Adults (21-64)	0.8										2.5	0.0%	0.1%
Total Full Medicaid Dual Eligible	61.0	74.2	854.8	14.6	248.2	4.0		75.0	214.8		1,546.8	27.6%	27.6%
Partial Medicaid Dual Eligible													
QMB/SLMB (all ages) ²	15.0	1.0	7.0	10.2				3.6	196.6		233.5	4.2%	3.9%
Total Dual Eligibles	76.0	75.2	861.8	24.9	248.2	4.0		78.6	411.4		1,780.2	31.7%	31.5%
Non-Dual Eligibles													
Full Medicaid													
Aged and Non-Disabled (65+)	0.7		3.3								4.6	0.1%	0.1%
Blind or Disabled (all ages)	568.1	166.2	103.2	172.6	202.3	398.5	5.3	109.7		13.4	1,739.4	31.0%	31.4%
Non-Disabled Children (0-20)	432.7	134.7		269.0	30.4	256.9	93.4	221.9		27.0	1,466.1	26.1%	26.2%
Non-Disabled Adults (21-64)	230.9	83.9		75.6	7.4	77.5		91.1		5.4	572.0	10.2%	9.9%
Total Full Medicaid	1,232.3	385.0	106.8	517.2	240.1	733.1	98.7	422.8		45.9	3,782.0	67.4%	67.5%
Partial Medicaid													
Non-Disabled Adults (21-64) ³	13.3			3.3							17.1	0.3%	0.3%
Plan First (all ages) ⁴	1.7	0.8				2.8		26.4			32.0	0.6%	0.7%
Total Partial Medicaid	15.6	1.4		3.7		2.8		26.4			49.9	0.9%	1.0%
Total Non-Dual Eligibles	1,247.9	386.4	106.8	520.9	240.1	735.9	98.7	449.2		45.9	3,832.0	68.3%	68.5%
Total Expenditures	\$1,323.9	\$461.5	\$968.6	\$545.8	\$488.4	\$740.0	\$98.7	\$527.8	\$411.6	\$46.0	\$5,612.2	100.0%	100.0%
% of Total	23.6%	8.2%	17.3%	9.7%	8.7%	13.2%	1.8%	9.4%	7.3%	0.8%	100.0%		
FY 2015 % of Total	24.0%	8.3%	17.8%	9.8%	8.7%	12.5%	1.8%	9.7%	6.8%	0.5%	100.0%		

¹ The overall total of \$5,612,193,123 in expenditures in FY 2016 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.

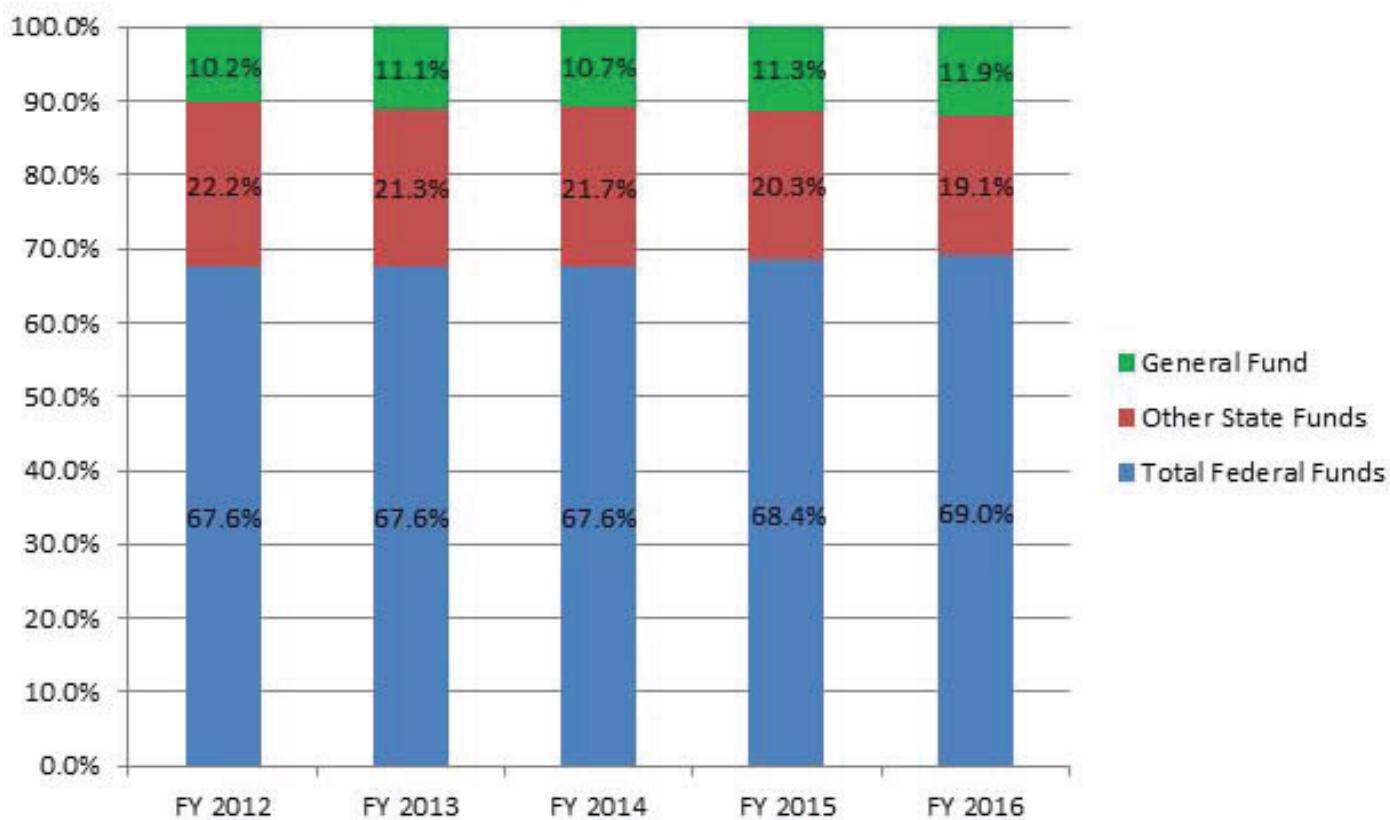
⁵ Clawback payments are the amounts states pay to the federal government as required by the Medicare Prescription Drug Improvement and Modernization Act of 2003 to share the cost of Medicare Part D coverage. In this schedule the amount is shown as Medicare Premiums.

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 2012 - FY 2016
Sources of Medicaid Funding¹

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Federal Funds					
FMAP ²	\$3,734,479,126	\$3,730,138,013	\$3,876,791,070	\$4,112,422,744	\$4,379,160,509
Stimulus Funds	-	-	-	-	-
Health Information Exchange	60,114,778	39,247,858	27,754,916	28,235,800	10,206,026
Total Federal Funds	\$3,794,593,904	\$3,769,385,871	\$3,904,545,986	\$4,140,658,544	\$4,389,366,535
State Funds					
General Fund	575,418,345	615,125,607	615,125,607	685,203,815	755,125,607
Other State Funds	1,244,630,424	1,189,483,940	1,253,263,606	1,228,214,362	1,217,595,893
Total State Funds	\$1,820,048,769	\$1,804,609,547	\$1,868,389,213	\$1,913,418,177	\$1,972,721,500
Total Funding	\$5,614,642,673	\$5,573,995,418	\$5,772,935,199	\$6,054,076,721	\$6,362,088,035

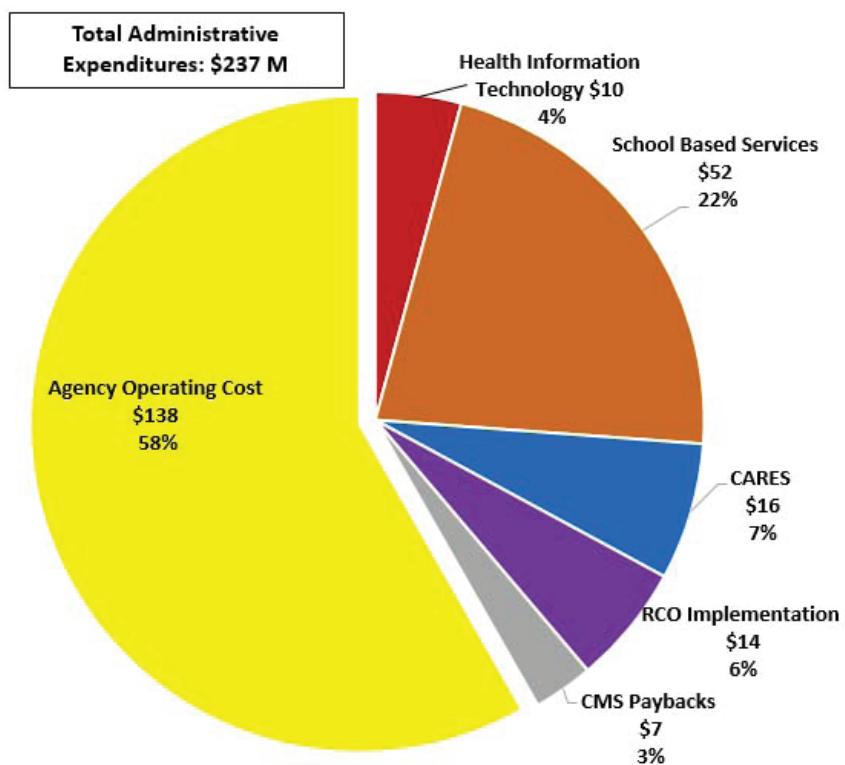


¹Data is based on the Executive Budget Office Form 1 for the Medicaid Agency and includes expenditures, purchase orders and year-end encumbrances.

²Federal 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 73% 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 2016 Medicaid Expenditure Budget Administrative Expenses by Major Functional Areas (in millions)

Virtually all of the Alabama Medicaid budget goes to fund services for eligible recipients. In FY 2016, administrative expenditures accounted for approximately \$237 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 Administrative Claiming, the eligibility system project, and costs associated with the implementation of Regional Care Organizations. The 2017 Medicaid General Fund Budget was projected to be \$803 million, consisting of a combination of General Fund appropriations (\$720 million), 2016 carryover funds from one-time sources (\$50 million), BP funds allocated in 2017 (\$15 million), and 2016 cash carryover from operations (\$18 million).





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Statistical data provided by the Alabama Medicaid Quality Analytics Division

This report can be viewed at
www.medicaid.alabama.gov/newsroom