

**Alabama Medicaid
Agency**

**FY 2019
ANNUAL
REPORT**





Alabama Medicaid Agency

501 Dexter Avenue
P.O. Box 5624
Montgomery, Alabama 36103-5624
www.medicaid.alabama.gov
e-mail: almedicaid@medicaid.alabama.gov



KAY IVEY
Governor

Telecommunication for the Deaf: 1-800-253-0799
334-242-5000 1-800-362-1504

STEPHANIE MCGEE AZAR
Commissioner

Dear Governor Ivey,

It is my pleasure to submit to you the Alabama Medicaid Agency’s Annual Report for fiscal year (FY) 2019. The Agency takes great pride in providing essential healthcare services to the state of Alabama, and our focus remains on facilitating the delivery of quality and cost-efficient health care to Medicaid recipients.

Throughout the FY 2019, Medicaid continued to utilize innovation in healthcare programs focusing on improving health outcomes. The Integrated Care Network (ICN), introduced October 1, 2018, promotes a person-centered approach to care delivery that better integrates the medical and long-term services, supports (LTSS) needs of beneficiaries, and allows them to receive LTSS in the least restrictive setting of their choice.

Medicaid developed plans throughout 2019 to obtain approval from the Centers for Medicare and Medicaid Services (CMS) for the Alabama Coordinated Health Network (ACHN). This program creates a single care coordination delivery system that effectively links patients, providers and community resources to achieve optimal health outcomes.

Alabama Medicaid is grateful for the unwavering support of the Governor’s Office in caring for Alabama’s most vulnerable residents through strong, collaborative partnerships and innovative ideas, amidst a rapidly evolving health care landscape.

Sincerely,

Stephanie McGee Azar
Commissioner
Alabama Medicaid Agency



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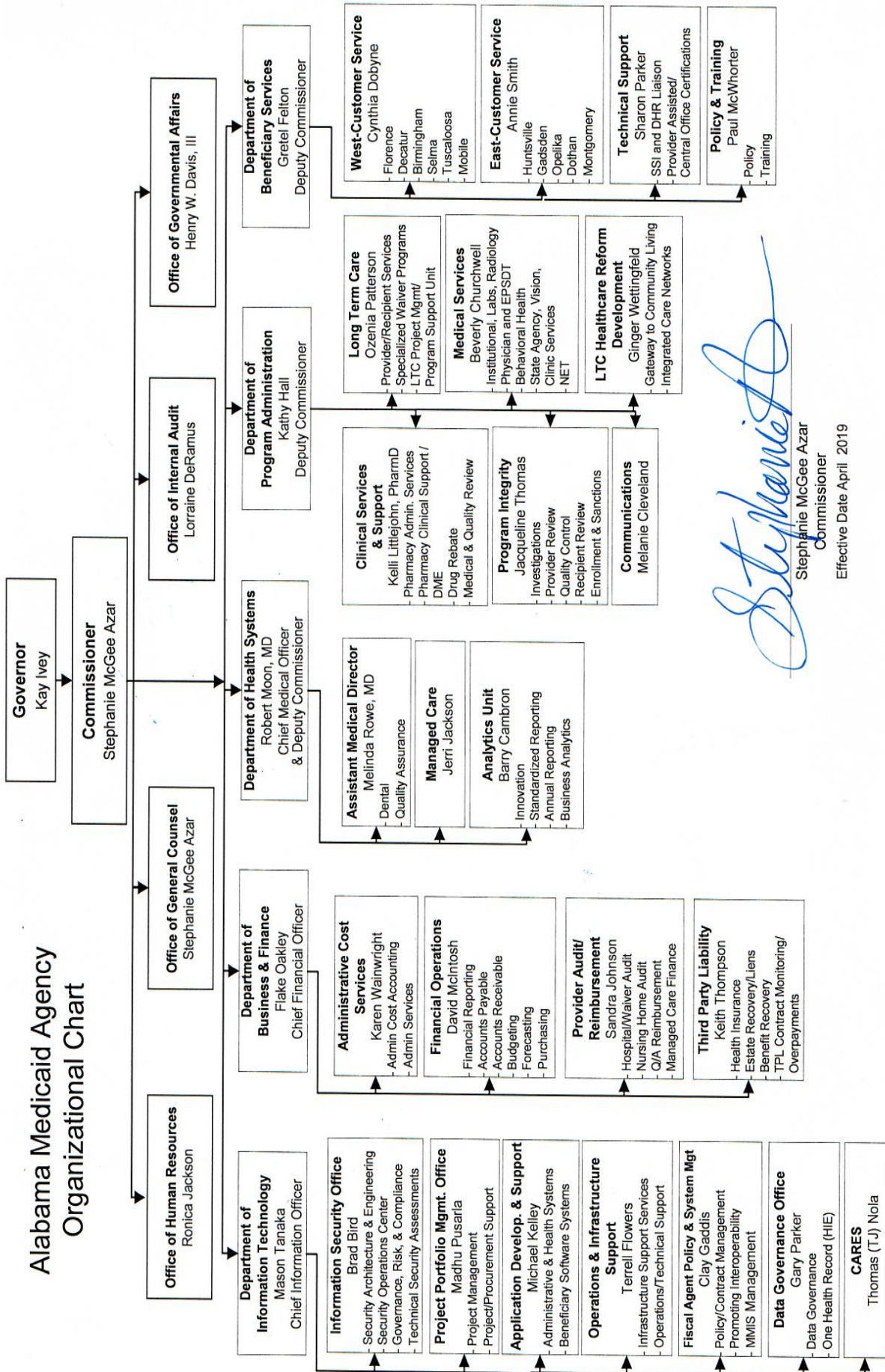
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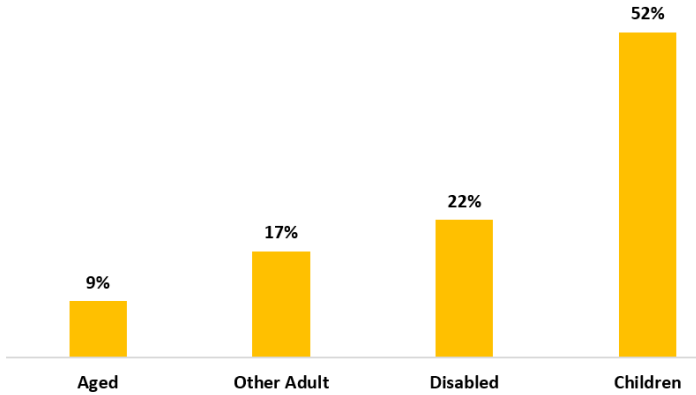
Alabama Medicaid Agency Organizational Chart



Stephanie McGee Azar
Stephanie McGee Azar
Commissioner
Effective Date April 2019

FISCAL YEAR 2019 ALABAMA MEDICAID AGENCY AT A GLANCE

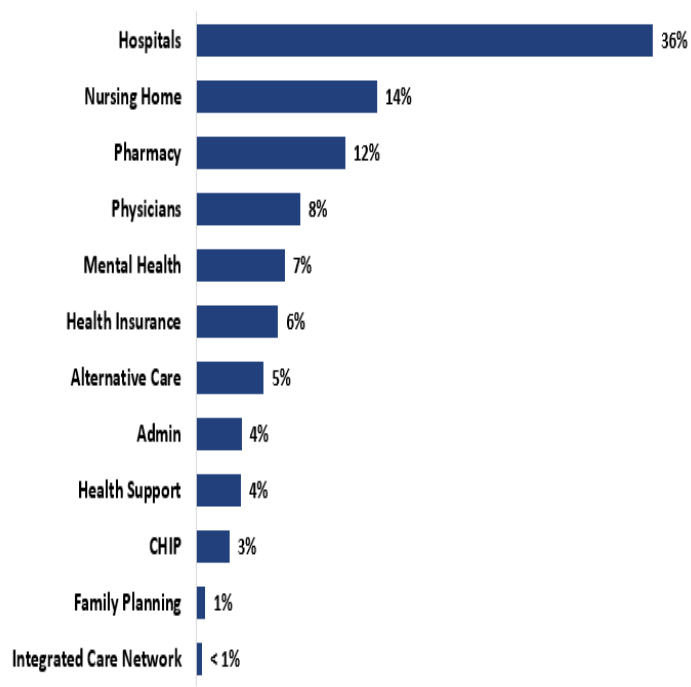
Distribution of Recipients



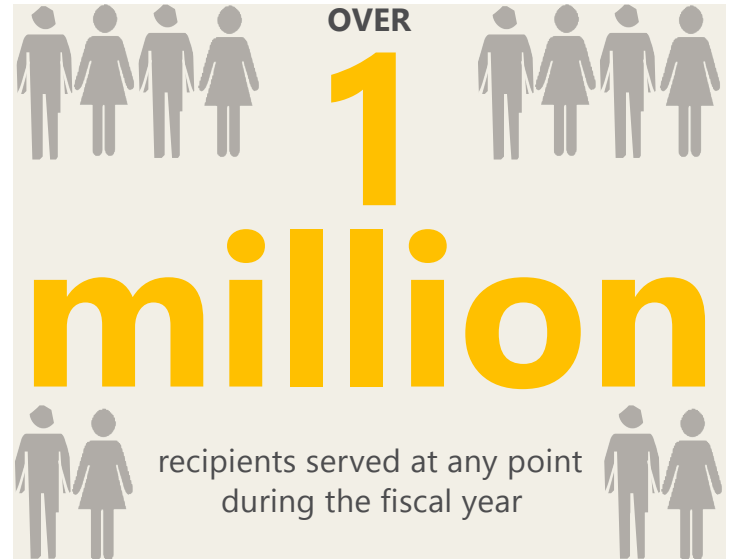
25% of Alabama citizens are eligible for Medicaid at least one month of the year

\$6.2 billion in medical benefits

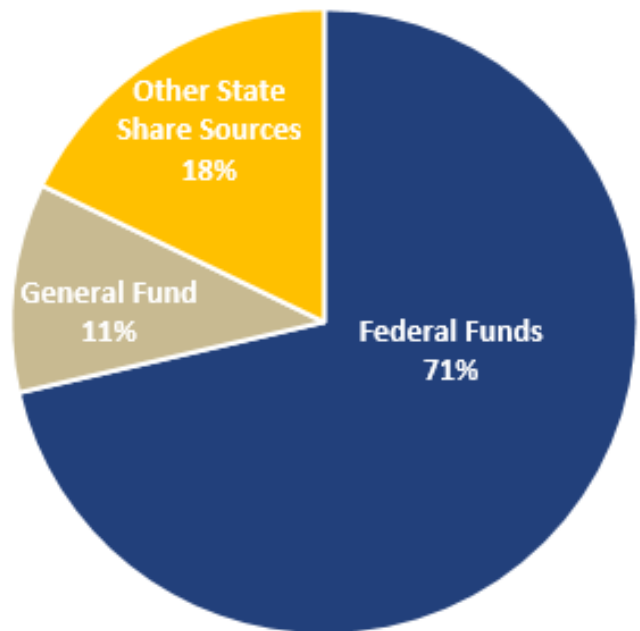
Medicaid Use of Funds



Total Expenditures: **\$6.99 Billion**



Medicaid Source of Funds



Medicaid patients accounted for **61%** of total nursing home bed days

50%+ of all Alabama births are paid by Medicaid

FY 2019 Eligibility

Eligibles

Even though the Alabama Medicaid program is limited, it still covered over 25 percent of all Alabama citizens at some point during Fiscal Year 2019, including nearly 53 percent of all children.

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



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

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

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

Qualifying Agencies

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).

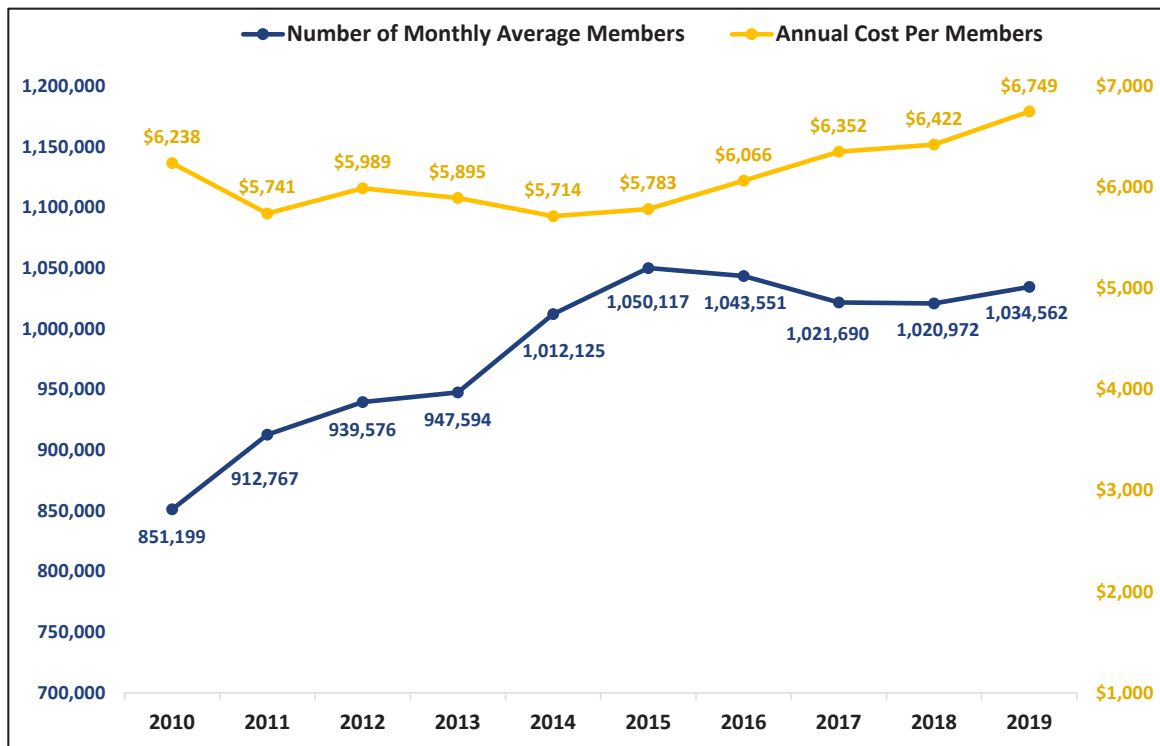
The Social Security Administration certifies aged, blind and disabled persons who have very low income and qualify for cash assistance through the SSI program.

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.

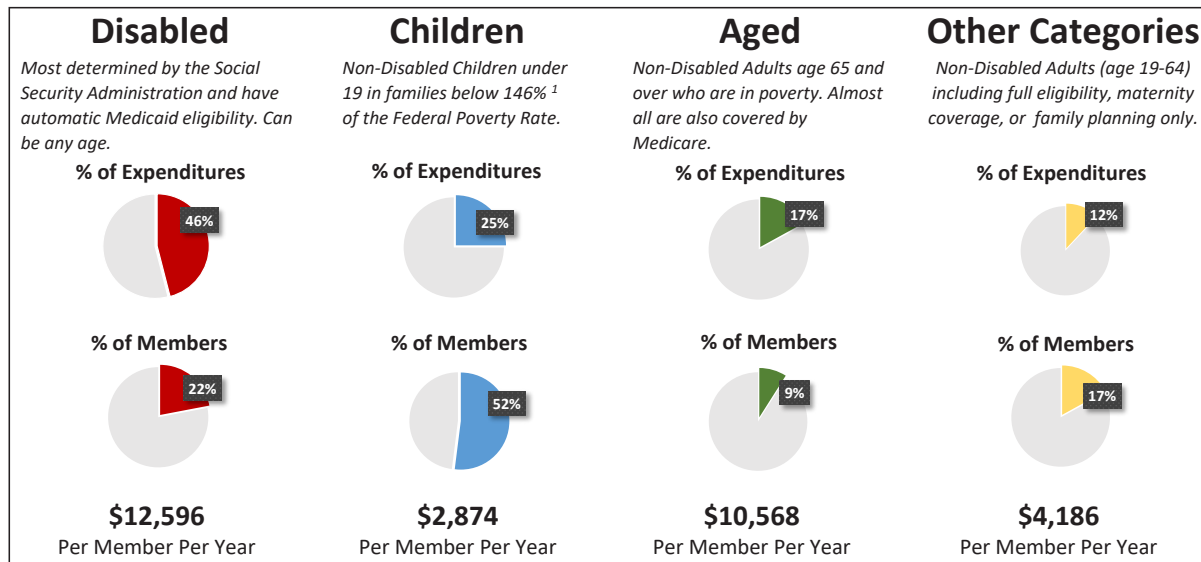


Alabama Medicaid and the Alabama Department of Public Health's ALL Kids program are responsible for certification of the following eligibility groups: Parents and Other Caretaker Relatives (formerly known as MLIF); Children under age 19 eligible for Medicaid or ALL Kids; pregnant women; Plan First (Family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

FY 2010-2019 Enrollment and Annual Cost Per Enrollee



FY 2019 Who Does Alabama Medicaid Serve?



Expenditures, dates of service, include claims, capitations, and access payments based on dates of service in FY 2019.

Per Member Per Year calculations not for the purpose of determining managed care rates and do not align to date paid numbers.

¹The income limit for this group is 141% of the Federal Poverty Level, but in cases of excess income, a Federal Poverty Level disregard of 5% then applies.

FY 2019 Medicaid and Alabama Overview

Expenditures and Funding Sources	FY 2017	FY 2018	FY 2019
Expenditures			
Medicaid Agency Expenditures ¹	\$6,489,979,058	\$6,557,068,823	\$6,982,221,485
Percent Change from Prior Year	2.5%	1.0%	6.5%
Medicaid Medical Services Expenditures ²	\$5,730,687,262	\$5,826,543,865	\$6,241,982,596
Percent Change from Prior Year	2.1%	1.7%	7.1%
Average Medicaid Medical Services Expenditures per Monthly Average Eligible ³	\$5,609	\$5,707	\$6,033
Percent Change from Prior Year	4.3%	1.7%	5.7%
Medicaid Medical Services Expenditures per Capita ⁴	\$1,176	\$1,192	\$1,273
Funding Sources (Receipts)			
Overall Federal Funding Percentage	70.2%	70.0%	71.4%
Overall State Funding Percentage	29.8%	30.0%	28.6%
State General Fund Percentage	11.1%	10.6%	10.8%
Utilization			
Alabama Population⁵			
Total	4,874,747	4,887,871	4,903,185
Adults	3,586,723	3,605,549	3,622,329
Children ⁶	1,288,024	1,282,322	1,280,856
As a Percent of the Alabama Population	26.4%	26.2%	26.1%
Eligibles			
Monthly Average Medicaid Eligibility⁷			
Monthly Average Eligibles	1,021,690	1,020,972	1,034,562
Percent Change from Prior Year	-2.1%	-0.1%	1.3%
As a Percent of the Alabama Population	21.0%	20.9%	21.1%
Monthly Average Adult Eligibles	454,718	451,695	455,971
As a Percent of the Alabama Population	12.7%	12.5%	12.6%
Monthly Average Child Eligibles ⁶	566,971	569,276	578,591
As a Percent of the Alabama Population	44.0%	44.4%	45.2%
Annual Medicaid Eligibility⁸			
Annual Eligibles	1,208,471	1,206,830	1,199,951
Percent Change from Prior Year	-0.9%	-0.1%	-0.6%
As a Percent of the Alabama Population	24.8%	24.7%	24.5%
Annual Eligible Adults	533,974	529,349	527,449
As a Percent of the Alabama Adult Population	14.9%	14.7%	14.6%
Annual Eligible Children ⁶	674,497	677,481	672,502
As a Percent of the Alabama Child Population	52.4%	52.8%	52.5%

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.

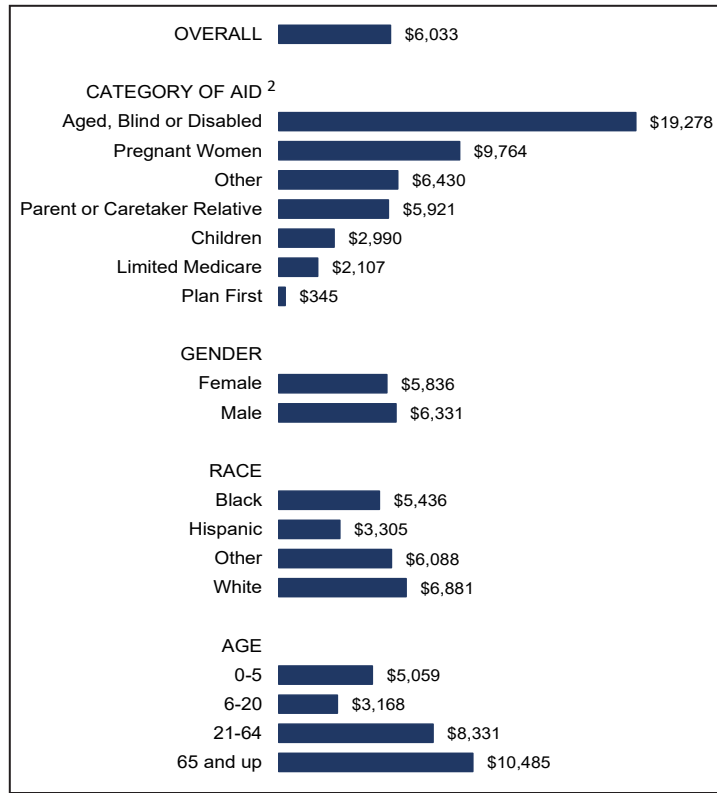
⁵ Population figures are extrapolated from the 2010 U.S. Census data by the Center for Business and Economic Research at the University of Alabama.

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 2019 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 \$6,241,982,596 in FY 2019 divided by the annual average of monthly eligibles of 1,034,562. 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 Specified Low-Income Medicare Beneficiary (SLMB) and Qualifying Individual (1) (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.

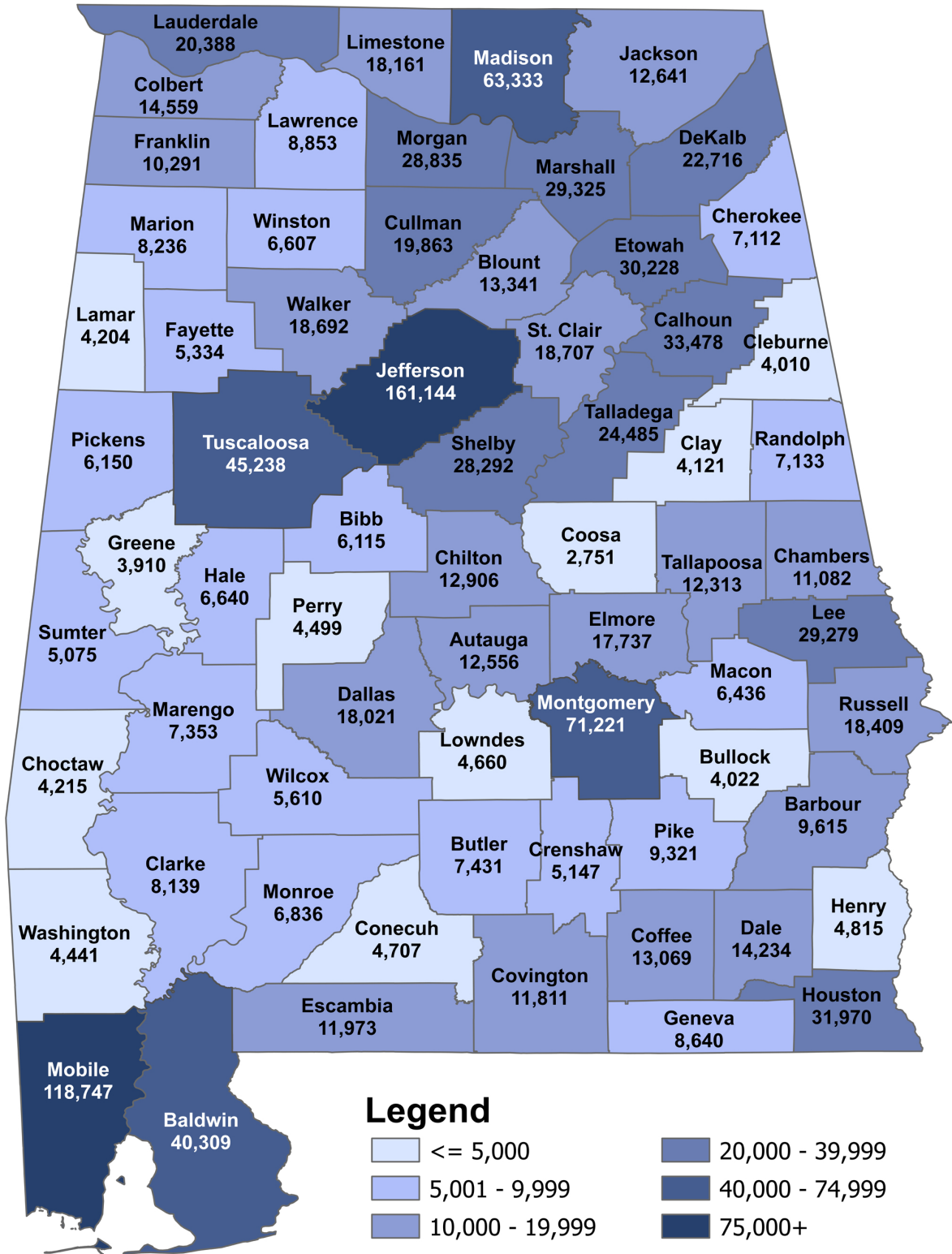
Monthly Average Eligibles

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

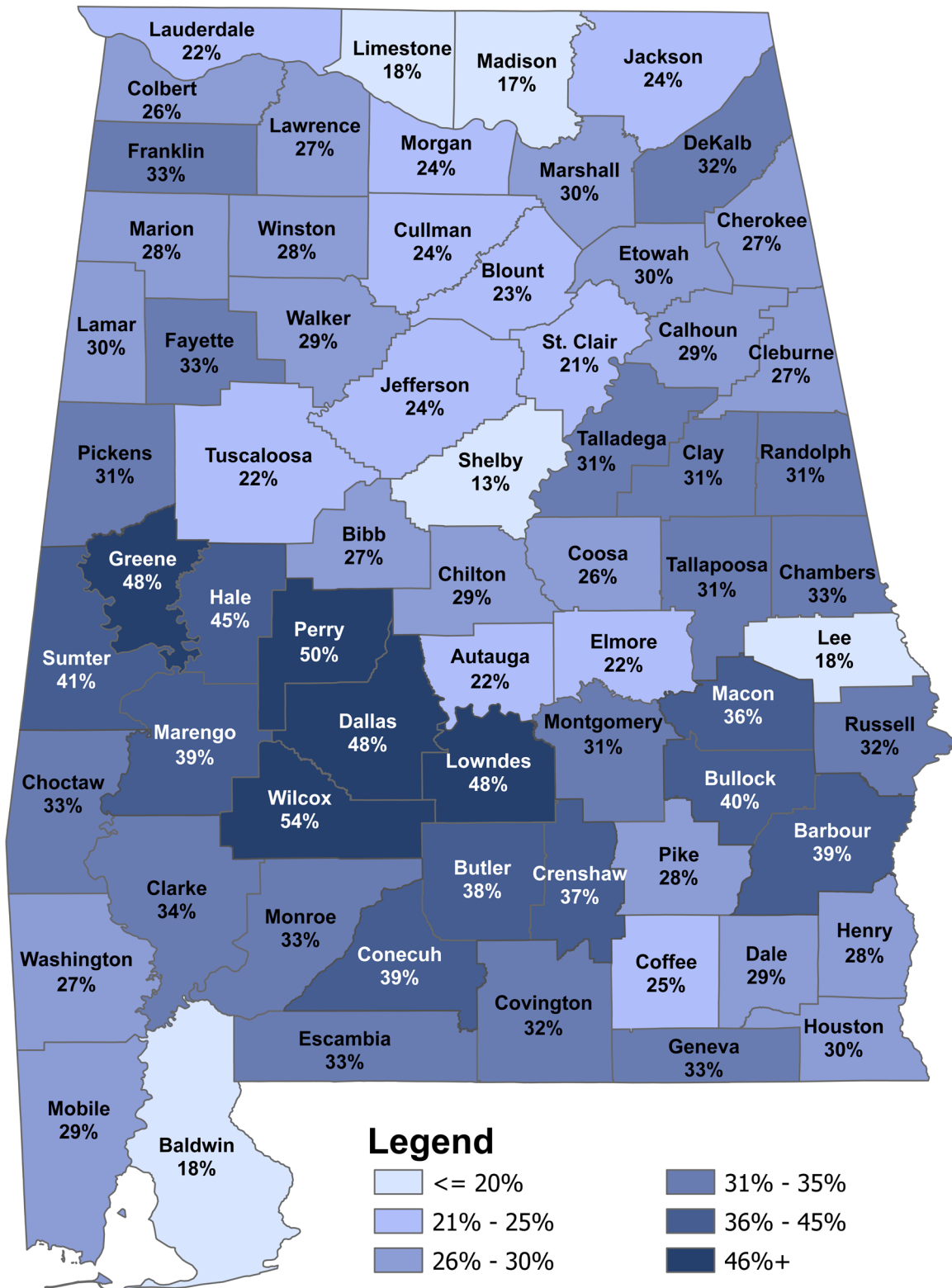
The arithmetic average of the unduplicated number of Medicaid eligibles in each month of the fiscal year who received at least one medical service that Medicaid paid for during the month. This excludes SLMB and QI-1 recipients who only receive the benefit of having their Medicare Part B premiums paid,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

FY 2019 Medicaid Annual Eligibles¹ - 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 2019 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 2010-2019 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 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%
FY 2019	4,903,185	1,999,951	24.5%	1,034,562	21.1%

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 2010-2019 Monthly and Average Annual Medicaid Eligibles¹

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
October	834,747	894,496	949,808	933,907	972,720	1,047,882	1,050,054	1,031,957	1,019,025	1,030,891
November	828,165	890,932	938,776	930,019	973,349	1,050,254	1,048,868	1,030,995	1,019,035	1,029,480
December	825,655	891,327	934,512	930,965	972,173	1,049,711	1,044,969	1,027,611	1,017,469	1,026,849
January	832,160	897,984	939,100	935,580	997,545	1,055,938	1,047,141	1,021,443	1,020,587	1,030,869
February	835,136	902,351	939,021	941,429	1,000,824	1,044,093	1,046,710	1,018,716	1,018,967	1,033,903
March	842,963	911,268	941,197	945,267	1,014,931	1,047,623	1,045,433	1,019,760	1,022,959	1,033,512
April	851,089	913,068	941,707	949,439	1,020,802	1,050,432	1,045,963	1,016,805	1,024,662	1,030,917
May	855,952	914,397	940,538	953,232	1,024,358	1,053,532	1,041,933	1,016,227	1,020,672	1,033,498
June	862,949	922,321	937,851	955,355	1,034,955	1,044,251	1,038,991	1,017,414	1,021,657	1,035,250
July	872,501	930,736	935,778	959,607	1,041,588	1,050,989	1,037,037	1,021,681	1,019,417	1,039,621
August	883,443	939,943	935,901	966,066	1,047,957	1,053,898	1,038,571	1,019,631	1,021,951	1,043,767
September	889,627	944,375	940,722	970,267	1,044,302	1,052,800	1,036,942	1,018,034	1,025,250	1,046,192
Annual Avg.	851,199	912,767	939,576	947,594	1,012,125	1,050,117	1,043,551	1,021,690	1,020,972	1,034,562

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 2019 Medicaid Annual Eligibles by Aid¹ Category and County

County ³	ABD*	Children	Limited Medicare	Other	POCR**	Plan First	Pregnant Women	GRAND TOTAL ²
Autauga	2,100	6,667	1,415	81	1,382	990	377	12,556
Baldwin	4,945	22,876	4,663	795	3,972	3,371	1,053	40,309
Barbour	1,859	4,889	1,243	82	826	869	211	9,615
Bibb	1,240	3,041	774	58	582	461	132	6,115
Blount	2,048	7,381	1,766	216	1,103	880	346	13,341
Bullock	770	2,064	504	62	356	315	77	4,022
Butler	1,422	3,691	932	29	723	757	204	7,431
Calhoun	5,911	17,173	4,046	287	3,549	2,862	942	33,478
Chambers	2,028	5,554	1,481	83	1,082	952	246	11,082
Cherokee	1,337	3,451	1,195	32	688	470	147	7,112
Chilton	1,979	7,231	1,460	227	1,238	871	318	12,906
Choctaw	1,029	1,834	608	8	438	359	80	4,215
Clarke	1,718	3,750	1,016	31	914	824	169	8,139
Clay	758	2,027	654	21	374	353	114	4,121
Cleburne	723	2,102	517	19	380	300	111	4,010
Coffee	2,078	7,089	1,412	181	1,380	1,039	325	13,069
Colbert	2,677	7,090	2,066	106	1,370	1,390	381	14,559
Conecuh	973	2,209	686	27	475	398	99	4,707
Coosa	569	1,226	526	6	258	189	53	2,751
Covington	2,202	5,816	1,672	41	1,262	1,005	282	11,811
Crenshaw	908	2,555	741	17	532	445	121	5,147
Cullman	3,762	10,353	2,969	210	1,260	1,346	595	19,863
Dale	2,632	7,200	1,649	76	1,530	1,316	410	14,234
Dallas	4,561	7,979	2,452	57	1,721	1,660	294	18,021
DeKalb	3,131	13,220	2,706	707	1,814	1,218	495	22,716
Elmore	2,865	9,572	1,981	133	1,817	1,484	515	17,737
Escambia	1,818	6,494	1,451	38	1,238	1,062	343	11,973
Etowah	5,848	14,999	4,276	391	2,727	2,223	799	30,228
Fayette	1,176	2,573	700	20	536	368	121	5,334
Franklin	1,508	5,896	1,156	374	749	656	236	10,291
Geneva	1,649	4,276	1,217	51	882	645	205	8,640
Greene	931	1,733	504	23	492	317	66	3,910
Hale	1,348	2,998	843	36	948	576	137	6,640
Henry	879	2,296	763	26	470	432	99	4,815
Houston	5,740	16,673	3,704	195	3,229	2,782	920	31,970
Jackson	2,091	6,428	1,977	139	1,269	849	313	12,641
Jefferson	29,864	84,594	18,298	2,726	14,373	13,351	3,748	161,144
Lamar	867	2,030	617	24	414	318	82	4,204
Lauderdale	3,603	10,123	2,973	187	1,671	2,033	569	20,388
Lawrence	1,675	4,475	1,151	60	941	624	207	8,853
Lee	4,165	16,662	2,642	512	2,789	2,683	797	29,279
Limestone	2,801	10,164	2,040	388	1,636	1,240	390	18,161
Lowndes	1,029	2,098	724	15	477	384	87	4,660
Macon	1,380	2,996	827	33	692	601	136	6,436
Madison	9,319	36,165	6,007	1,016	5,942	5,278	1,813	63,333
Marengo	1,872	3,233	956	27	735	675	144	7,353
Marion	1,463	4,052	1,272	49	854	610	224	8,236
Marshall	3,973	17,480	3,013	1,234	2,280	1,363	647	29,325
Mobile	19,554	63,421	12,847	971	12,005	11,964	3,235	118,747
Monroe	1,360	3,355	880	25	727	627	137	6,836
Montgomery	12,242	38,130	6,919	1,157	7,130	6,703	2,038	71,221
Morgan	4,957	16,149	2,910	703	2,217	2,146	745	28,835
Perry	1,256	1,847	643	14	492	362	66	4,499
Pickens	1,416	2,901	755	24	524	583	127	6,150
Pike	1,888	4,541	1,121	49	881	943	213	9,321
Randolph	1,192	3,807	875	44	731	549	171	7,133
Russell	2,867	10,124	1,907	91	2,012	1,596	418	18,409
St. Clair	2,804	10,120	2,297	122	2,083	1,395	489	18,707
Shelby	3,478	17,137	2,386	885	2,671	1,830	643	28,292
Sumter	1,303	2,040	572	36	779	496	96	5,075
Talladega	4,910	11,901	3,612	96	2,377	1,796	622	24,485
Tallapoosa	2,457	6,060	1,844	64	1,108	964	235	12,313
Tuscaloosa	8,449	24,036	4,340	844	3,788	4,090	1,414	45,238
Walker	4,121	8,845	2,729	200	1,484	1,452	440	18,692
Washington	889	2,183	551	10	485	382	85	4,441
Wilcox	1,600	2,368	673	11	558	529	76	5,610
Winston	1,286	3,267	1,106	32	586	359	142	6,607
DYS	1	450						451
STATEWIDE²	211,164	629,681	144,596	16,121	113,060	100,794	29,922	1,199,951

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. See definitions of aid categories descriptions on page 15.

² Rows/columns do not equal the overall unduplicated count of eligibles (1,199,951) because during the year some persons lived in multiple counties and some qualified for benefits under different aid categories.

³ There were 236 eligibles whose county was unknown due to recipient change of address. * Aged, Blind, Disabled ** Parent or Caretaker Relative

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 Individuals (1) (QI-1s)** – 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.
- **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 2019 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	\$60,535,845	10,050	\$6,024	Houston	\$163,991,795	26,409	\$6,210
Baldwin	\$178,933,285	32,656	\$5,479	Jackson	\$63,332,478	10,316	\$6,139
Barbour	\$47,767,378	8,051	\$5,933	Jefferson	\$913,713,357	136,144	\$6,711
Bibb	\$30,498,994	4,907	\$6,216	Lamar	\$25,661,355	3,544	\$7,240
Blount	\$62,840,858	10,785	\$5,827	Lauderdale	\$101,831,165	16,798	\$6,062
Bullock	\$19,468,830	3,381	\$5,759	Lawrence	\$39,264,592	7,290	\$5,386
Butler	\$35,477,581	6,291	\$5,639	Lee	\$100,821,523	23,815	\$4,234
Calhoun	\$164,724,952	27,525	\$5,985	Limestone	\$68,667,241	14,498	\$4,736
Chambers	\$50,631,973	9,233	\$5,484	Lowndes	\$20,171,553	3,873	\$5,208
Cherokee	\$36,279,032	5,796	\$6,259	Macon	\$27,697,535	5,378	\$5,150
Chilton	\$59,580,760	10,531	\$5,657	Madison	\$306,885,758	51,443	\$5,966
Choctaw	\$20,389,400	3,604	\$5,657	Marengo	\$40,617,899	6,330	\$6,417
Clarke	\$38,113,389	6,943	\$5,489	Marion	\$40,964,059	6,639	\$6,170
Clay	\$20,755,808	3,323	\$6,246	Marshall	\$125,954,148	23,789	\$5,295
Cleburne	\$21,077,470	3,295	\$6,398	Mobile	\$627,135,637	101,114	\$6,202
Coffee	\$68,605,128	10,459	\$6,559	Monroe	\$34,467,815	5,622	\$6,131
Colbert	\$68,118,656	11,872	\$5,738	Montgomery	\$317,523,550	59,776	\$5,312
Conecuh	\$22,667,642	3,881	\$5,841	Morgan	\$158,662,544	23,121	\$6,862
Coosa	\$10,202,815	2,203	\$4,631	Perry	\$26,271,548	3,816	\$6,885
Covington	\$63,312,195	9,833	\$6,439	Pickens	\$32,517,301	5,238	\$6,207
Crenshaw	\$24,242,839	4,217	\$5,748	Pike	\$48,957,905	7,716	\$6,345
Cullman	\$101,538,534	15,820	\$6,418	Randolph	\$32,665,689	5,930	\$5,509
Dale	\$72,676,534	11,380	\$6,386	Russell	\$57,513,212	14,895	\$3,861
Dallas	\$94,723,042	15,732	\$6,021	St. Clair	\$115,404,125	22,325	\$5,169
DeKalb	\$112,565,410	18,740	\$6,007	Shelby	\$87,472,346	15,158	\$5,771
Elmore	\$79,964,987	14,068	\$5,684	Sumter	\$20,954,422	4,136	\$5,067
Escambia	\$48,293,715	9,975	\$4,842	Talladega	\$125,517,330	20,436	\$6,142
Etowah	\$195,366,746	25,014	\$7,810	Tallapoosa	\$65,206,352	10,354	\$6,298
Fayette	\$33,924,681	4,338	\$7,821	Tuscaloosa	\$236,735,311	37,196	\$6,364
Franklin	\$49,309,503	8,415	\$5,860	Walker	\$118,887,521	15,578	\$7,632
Geneva	\$43,062,119	7,010	\$6,143	Washington	\$21,654,173	3,625	\$5,973
Greene	\$16,406,654	3,277	\$5,006	Wilcox	\$27,449,228	4,887	\$5,617
Hale	\$32,066,518	5,368	\$5,974	Winston	\$35,603,871	5,357	\$6,646
Henry	\$25,452,466	3,883	\$6,555	Youth Services	\$2,232,517	142	\$15,778
				Statewide	\$6,241,982,596	1,034,562	\$6,033

¹ Benefit payments for medical care in FY 2019 exclude administrative expenses of the Medicaid Agency, expenses of the Health Information Exchange (HIE) and Disproportionate Share Hospital (DSH) payments.

² The annual average of monthly eligibles.

FY 2019 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	\$9,430	\$5,352	\$7,286	\$3,335	\$10,024	\$3,919	\$3,939	\$43,286
Baldwin	\$36,597	\$24,171	\$21,852	\$20,484	\$13,295	\$11,088	\$16,463	\$143,950
Barbour	\$2,535	\$10,128	\$3,173	\$1,613	\$0	\$3,880	\$2,575	\$23,904
Bibb	\$2,357	\$5,691	\$2,477	\$132	\$0	\$2,558	\$7,099	\$20,314
Blount	\$4,005	\$7,932	\$3,944	\$1,389	\$189	\$4,559	\$3,944	\$25,961
Bullock	\$3,853	\$6,840	\$3,046	\$930	\$0	\$1,530	\$1,699	\$17,898
Butler	\$2,671	\$12,329	\$4,328	\$1,290	\$0	\$2,992	\$2,853	\$26,463
Calhoun	\$47,020	\$26,875	\$19,891	\$17,200	\$8,431	\$11,359	\$9,109	\$139,884
Chambers	\$3	\$16,450	\$3,768	\$1,630	\$3,109	\$4,276	\$1,137	\$30,374
Cherokee	\$3,438	\$8,604	\$3,725	\$1,630	\$0	\$3,003	\$1,197	\$21,598
Chilton	\$3,333	\$8,635	\$4,517	\$2,149	\$125	\$3,995	\$3,903	\$26,656
Choctaw	\$1,696	\$5,183	\$1,900	\$348	\$0	\$2,207	\$1,534	\$12,869
Clarke	\$6,257	\$8,829	\$4,801	\$1,633	\$5	\$3,469	\$3,457	\$28,451
Clay	\$3,223	\$7,808	\$1,785	\$694	\$0	\$1,742	\$580	\$15,832
Cleburne	\$0	\$3,885	\$1,232	\$114	\$0	\$1,418	\$604	\$7,252
Coffee	\$15,746	\$16,610	\$6,346	\$5,606	\$0	\$4,209	\$19,488	\$68,004
Colbert	\$23,579	\$11,323	\$8,469	\$7,818	\$4,523	\$5,698	\$4,985	\$66,395
Conecuh	\$3,072	\$3,714	\$1,610	\$720	\$0	\$2,137	\$1,045	\$12,298
Coosa	\$0	\$3,269	\$427	\$644	\$0	\$1,302	\$161	\$5,801
Covington	\$12,200	\$17,600	\$6,666	\$4,163	\$4,815	\$4,863	\$2,972	\$53,279
Crenshaw	\$7,252	\$5,962	\$1,643	\$309	\$0	\$2,059	\$721	\$17,944
Cullman	\$17,615	\$24,892	\$9,819	\$12,188	\$2,578	\$8,139	\$3,944	\$81,175
Dale	\$7,066	\$13,087	\$5,991	\$3,235	\$1,015	\$4,893	\$2,281	\$37,567
Dallas	\$20,581	\$16,849	\$8,054	\$7,969	\$5,197	\$8,530	\$7,470	\$74,650
DeKalb	\$9,635	\$21,285	\$11,334	\$4,593	\$1,820	\$7,393	\$10,593	\$66,654
Elmore	\$5,997	\$14,960	\$7,421	\$1,857	\$17,687	\$5,454	\$3,009	\$56,385
Escambia	\$12,890	\$12,171	\$5,078	\$2,644	\$1	\$4,045	\$2,801	\$39,630
Etowah	\$61,910	\$38,761	\$15,091	\$18,285	\$30,771	\$12,064	\$11,335	\$188,217
Fayette	\$2,902	\$6,848	\$1,817	\$906	\$4,951	\$2,474	\$802	\$20,700
Franklin	\$9,141	\$11,752	\$3,813	\$2,106	\$0	\$3,217	\$1,742	\$31,771
Geneva	\$5,832	\$7,513	\$2,795	\$798	\$0	\$3,436	\$1,125	\$21,499
Greene	\$1,689	\$3,007	\$550	\$92	\$0	\$1,927	\$831	\$8,097
Hale	\$2,575	\$7,488	\$1,693	\$222	\$0	\$2,887	\$2,916	\$17,782
Henry	\$0	\$5,734	\$1,160	\$189	\$0	\$2,075	\$2,516	\$11,675
Houston	\$95,513	\$25,078	\$30,948	\$31,178	\$10,229	\$11,006	\$13,790	\$217,742
Jackson	\$8,640	\$14,420	\$5,283	\$3,996	\$9,768	\$4,918	\$5,754	\$52,780
Jefferson	\$1,008,098	\$160,071	\$154,052	\$222,734	\$76,716	\$54,170	\$66,371	\$1,742,213
Lamar	\$0	\$6,818	\$1,932	\$239	\$0	\$1,843	\$2,076	\$12,908
Lauderdale	\$22,486	\$22,195	\$9,102	\$9,331	\$10,509	\$7,982	\$7,310	\$88,914
Lawrence	\$6,719	\$5,768	\$3,498	\$240	\$14	\$3,348	\$2,937	\$22,524
Lee	\$54,249	\$10,713	\$12,474	\$16,351	\$16,384	\$7,596	\$16,373	\$134,141
Limestone	\$11,071	\$11,130	\$6,314	\$3,179	\$79	\$5,490	\$5,845	\$43,107
Lowndes	\$0	\$4,307	\$380	\$0	\$0	\$2,182	\$684	\$7,553
Macon	\$1,268	\$6,110	\$1,171	\$513	\$326	\$2,668	\$1,637	\$13,693
Madison	\$171,331	\$45,810	\$33,322	\$61,512	\$38,233	\$16,772	\$19,988	\$386,969
Marengo	\$6,617	\$10,350	\$2,934	\$1,931	\$2,869	\$3,582	\$1,913	\$30,197
Marion	\$5,955	\$12,794	\$3,627	\$1,261	\$378	\$3,390	\$3,200	\$30,606
Marshall	\$26,175	\$23,336	\$15,899	\$10,117	\$7,839	\$8,439	\$11,328	\$103,133
Mobile	\$272,356	\$84,987	\$75,839	\$78,978	\$98,797	\$37,135	\$45,693	\$693,786
Monroe	\$4,870	\$9,166	\$2,879	\$1,271	\$3,100	\$2,763	\$2,179	\$26,228
Montgomery	\$175,430	\$60,410	\$37,975	\$102,546	\$21,858	\$20,871	\$56,660	\$475,751
Morgan	\$28,602	\$26,209	\$13,695	\$12,602	\$31,348	\$8,882	\$9,986	\$131,324
Perry	\$0	\$8,512	\$1,155	\$0	\$0	\$2,315	\$1,223	\$13,206
Pickens	\$3,586	\$8,128	\$2,227	\$849	\$0	\$2,900	\$1,235	\$18,925
Pike	\$6,783	\$9,880	\$5,511	\$3,075	\$3,813	\$3,600	\$3,456	\$36,119
Randolph	\$984	\$11,650	\$2,693	\$883	\$209	\$2,407	\$2,370	\$21,197
Russell	\$1,235	\$15,309	\$5,136	\$3,717	\$10	\$4,914	\$2,542	\$32,863
Shelby	\$23,916	\$17,238	\$79,788	\$10,843	\$3,007	\$6,471	\$14,984	\$156,247
St. Clair	\$4,804	\$16,793	\$10,491	\$4,039	\$1,412	\$5,846	\$3,670	\$47,056
Sumter	\$5,224	\$4,764	\$1,277	\$252	\$0	\$2,467	\$1,552	\$15,535
Talladega	\$17,297	\$23,621	\$12,201	\$6,808	\$2,504	\$9,946	\$8,306	\$80,684
Tallapoosa	\$14,049	\$22,066	\$7,796	\$3,845	\$0	\$5,174	\$2,833	\$55,763
Tuscaloosa	\$112,348	\$37,189	\$23,182	\$27,258	\$25,346	\$15,138	\$12,937	\$253,399
Walker	\$20,316	\$24,309	\$19,654	\$7,734	\$19,083	\$8,219	\$8,207	\$107,520
Washington	\$1,965	\$4,795	\$1,160	\$103	\$89	\$1,854	\$2,569	\$12,536
Wilcox	\$1,138	\$4,750	\$1,168	\$220	\$0	\$2,931	\$1,130	\$11,337
Winston	\$3,377	\$8,706	\$3,157	\$1,609	\$0	\$2,928	\$1,487	\$21,263
STATEWIDE TOTAL	\$2,462,504	\$1,158,921	\$775,422	\$758,130	\$492,456	\$428,945	\$485,057	\$6,561,436
OUT-OF-STATE TOTAL	\$26,092	\$0	\$43,666	\$22,783	\$0	\$0	\$80,385	\$172,925
GRAND TOTAL	\$2,488,596	\$1,158,921	\$819,087	\$780,913	\$492,456	\$428,945	\$565,442	\$6,734,361

¹ Benefit payments for medical care in FY 2019 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.

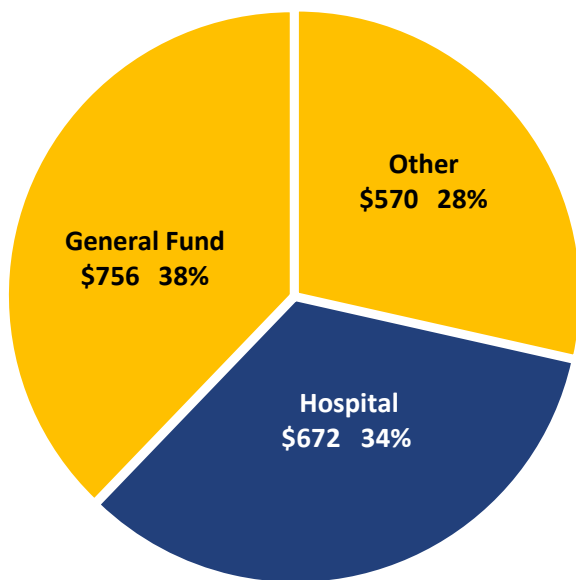
Programs and Services

Alabama Medicaid provided \$6.2 billion in medical benefits to more than one million enrollees in FY 2019. 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 \$492 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 2019 Hospital Contribution to State Share (in Millions)*



*Total State Share based on Total State Funds Used is approximately \$1.998 Billion.

Hospitals are essentially self-funded. Hospital funding sources – including provider taxes, CPEs and IGTs – contributed \$672 million, or 34 percent, to the Agency’s state share used to match federal dollars.

The Alabama Medicaid program reimbursed hospitals a total of \$2.5 billion (including DSH payments) in FY 2019. 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 2019, approximately 536,000 unique recipients received approximately 6.4 million prescriptions at a total cost of \$750 million. Management tools, such as the preferred drug program monthly prescription limits for adults, maximum unit limits, and system edits are used to limit the cost of the program.

A major component of the pharmacy budget is the Part D “clawback” which is a federally required payment made by the state to the federal government for Medicare Part D. Alabama paid approximately \$73 million in FY 2019.

Funding sources for the pharmacy 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 2019, or about 6 percent of total state share funding.

Physicians

Physician services mandated by the federal government are available to Medicaid recipients. In FY 2019, over 691,000 unique recipients received physician program services at a total cost of \$438 million.



Approximately 20 percent of participating physicians receive 80 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 enhanced fees based on commercial rates.

Mental Health and Waivers

Mental Health services, provided through the Alabama Department of Mental 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 \$487 million of expenditures; approximately 72 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 is among the original services offered to Medicaid recipients and currently represents a significant percentage of Medicaid expenditures.

Two-hundred-twenty two Alabama nursing facilities with 25,973 beds accepted Medicaid reimbursement in FY 2019, while Medicaid patient days accounted for 61% of total bed days. A total of 23,722 recipients received nursing home care at a cost of \$999 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).

Four HCBS waivers make it possible for approximately 8,225 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 that meets the nursing facility level of care was \$12,625 versus the average annual cost of nursing home care of \$63,000 in FY 2019 (does not include all costs).

The Agency spent approximately \$104 million on HCBS waiver services with the state share primarily funded by other state agencies.



Integrated Care Network (ICN)

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 2019, these services represented \$245 million in expenditures for the Agency. Unlike other budget categories, most are funded by General Fund dollars except for approximately \$35 million allocated through tobacco settlement funds in FY 2019.



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 2019 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 2019, there were 100,794 unique recipients and expenditures of \$49 million for family planning services.

Managed Care Programs

In FY 2019, approximately 665,319 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 offered four managed care programs in fiscal year 2019: Maternity Care, Patient 1st, Health Home and Program of All-Inclusive Care for the Elderly (PACE).

Maternity Care

Alabama Medicaid's Maternity Care program provided 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 allowed Medicaid to establish locally-coordinated systems of care which provided maternity care in environments that emphasize quality, access and cost-effective care.

In FY 2019, 22,366 deliveries occurred through this program, 73 percent of all Alabama Medicaid-funded deliveries.

In FY 2019, Medicaid had 14 maternity care districts, 12 of which had primary contractors who were paid a capitated, or set, rate to cover prenatal services, delivery, post-partum services and care coordination. (The remaining two districts operated on a fee-for-service basis.) Primary contractors were required to provide maternity care services to eligible women in the specified district.

Patient 1st

In FY 2019, 642,779 Alabama recipients participated in Patient 1st, a statewide primary care case management (PCCM) program. The Patient 1st program began in 1997 and continued to serve children, low-income families and individuals who are aged, blind or disabled through 2019. Patient 1st recipients were assigned to contracting primary care providers who were paid a case management fee to coordinate care and referrals to specialty care.

Health Home

Medicaid's Health Home program integrated and coordinated 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 coordinators in the Health Home program connected patients with needed resources, taught patient self-management skills, provided transitional care after hospital discharge, and linked medical and behavioral health services, while supporting physicians in caring for their patients. During FY 2019, 240,175 recipients participated in this program.



PACE

The Program of All-Inclusive Care for the Elderly (PACE) continues to provide community-based care and services to elderly and disabled adults in Mobile and Baldwin counties who would otherwise need nursing home care. During FY 2019, the PACE program offered to 173 recipients 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 allowing 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 Networks (ACHN) are 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

A condition known as Neonatal Abstinence Syndrome (NAS) is found primarily in infants who have been exposed to opioids during pregnancy. Infants not only experience painful and dangerous withdrawal symptoms, but they may also have lifelong cognitive, physical and behavioral health issues. Infants with NAS cost Alabama Medicaid approximately three times more in services than those without NAS.

An estimated 24 percent of NAS-affected newborns are born to mothers who had an opioid prescription paid by Medicaid. Much work remains to be done, however, early efforts to address the issue of opioid use have been encouraging.

There has been a 24 percent decrease in the number of babies born to mothers with an opioid prescription from CY 2018 to CY 2019.



In the last two years, Alabama Medicaid Agency officials have implemented policies and programs to address substance abuse in Alabama. On November 1, 2018, the Agency began implementing limits on short-acting opiates for opioid naïve recipients (recipients with no opioid claim in the past 180 days). Limits for maximum morphine milligram equivalents (MME) allowed per day on claims for opioid naïve recipients were incrementally reduced throughout FY 2018. System edits were put in place to monitor and restrict total daily morphine intake.

In planning for the ACHN program, one of the three areas chosen for quality improvement is substance abuse. In the FY 2018 Annual Report, the Agency reported that Alabama has significant need to address substance abuse in the state, particularly opioid abuse. These quality improvement projects will not only bring awareness to the opioid crisis, but they will address the problem on a personal level through care coordination.

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 2019, Alabama had the third highest infant mortality rate in the nation after Mississippi and Louisiana with 7.89 infant deaths per 1,000 live births according to the Centers for Disease Control and Prevention (CDC).

This represents 449 infant deaths. When compared to the 2019 national rate of 5.58 infant deaths per 1,000 live births, Alabama still has room for improvement in this area. The five leading causes of infant death according to the CDC include birth defects, preterm deliveries, high risk pregnancies, sudden infant death syndrome, and injuries (i.e. suffocation).



Obesity

Obesity is a leading cause of preventable years of life lost among Americans. According to 2019 CDC data, Alabama's rate of adult obesity is 36.1%, which places the state in the seventh 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 17.3%, and the state is ranked 12th for children ages 10-17 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, as well as working with families to encourage healthier lifestyle choices including nutritious recipes with fresh fruits and vegetables.

FY 2017-2019 Inpatient Hospital Program¹ Recipients and Amounts Paid² Based on Date of Service

	Recipients ¹			Amounts Paid ²			Annual Average Cost Per Recipient		
	FY 2017	FY 2018	FY 2019	FY 2017	FY 2018	FY 2019	FY 2017	FY 2018	FY 2019
By Gender									
Female	78,493	75,771	74,633	\$763,308,443	\$748,079,877	\$821,069,173	\$9,725	\$9,873	\$11,001
Male	33,382	33,353	33,056	\$581,585,191	\$587,851,520	\$672,740,620	\$17,422	\$17,625	\$20,352
Total	111,875	109,124	107,689	\$1,344,893,634	\$1,335,931,397	\$1,493,809,793	\$12,021	\$12,242	\$13,872
By Race									
Black	44,194	42,737	41,052	\$526,018,582	\$530,171,472	\$568,439,012	\$11,902	\$12,405	\$13,847
Hispanic	4,732	4,278	3,973	\$46,323,528	\$43,508,896	\$43,973,624	\$9,789	\$10,170	\$11,068
White	51,646	49,271	46,909	\$540,823,280	\$526,457,975	\$529,642,875	\$10,472	\$10,685	\$11,291
Other Race	3,191	3,459	3,769	\$32,468,732	\$32,105,133	\$42,932,905	\$10,175	\$9,282	\$11,391
Unknown ³	8,112	9,379	11,986	\$199,259,512	\$203,687,921	\$308,821,377	\$24,564	\$21,717	\$25,765
Total	111,875	109,124	107,689	\$1,344,893,634	\$1,335,931,397	\$1,493,809,793	\$12,021	\$12,242	\$13,872
By Age									
0-5	15,491	15,791	15,418	\$361,767,396	\$365,465,966	\$411,258,011	\$23,353	\$23,144	\$26,674
6-20	17,097	17,072	16,446	\$259,348,822	\$252,917,208	\$277,030,881	\$15,169	\$14,815	\$16,845
21-64	64,766	62,355	62,298	\$663,877,196	\$658,502,204	\$740,008,908	\$10,250	\$10,561	\$11,879
65+	14,521	13,906	13,527	\$59,900,221	\$59,046,019	\$65,511,993	\$4,125	\$4,246	\$4,843
Total	111,875	109,124	107,689	\$1,344,893,634	\$1,335,931,397	\$1,493,809,793	\$12,021	\$12,242	\$13,872
By Dual Status									
Non-Dual	86,136	84,996	84,720	\$1,267,452,297	\$1,262,009,415	\$1,402,625,334	\$14,715	\$14,848	\$16,556
Dual ⁴	25,739	24,128	22,969	\$77,441,337	\$73,921,982	\$91,184,459	\$3,009	\$3,064	\$3,970
Total	111,875	109,124	107,689	\$1,344,893,634	\$1,335,931,397	\$1,493,809,793	\$12,021	\$12,242	\$13,872
Total Paid Based on Date of Service				\$1,344,893,634	\$1,335,931,397	\$1,493,809,793			
Average Eligibles (excluding Plan First)				940,923	945,616	1,128,298			
Annual Cost Per Average Eligible				\$1,435	\$1,423	\$1,341			
Actual Paid During Fiscal Year				\$1,350,309,802	\$1,345,388,719	\$1,512,683,275			

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 2017-2019 Outpatient Hospital Program¹ Recipients and Amounts Paid² Based on Date of Service

Recipients ¹				Amounts Paid ²			Annual Average Cost Per Recipient		
	FY 2017	FY 2018	FY 2019	FY 2017	FY 2018	FY 2019	FY 2017	FY 2018	FY 2019
By Gender									
Female	295,781	301,927	289,904	\$228,823,925	\$266,360,459	\$284,687,856	\$774	\$882	\$982
Male	190,145	194,532	187,522	\$131,662,101	\$158,914,777	\$168,364,871	\$692	\$817	\$898
Total	485,926	496,459	477,426	\$360,486,026	\$425,275,236	\$453,052,727	\$742	\$857	\$949
By Race									
Black	203,566	205,542	189,699	\$142,459,206	\$163,198,344	\$172,830,768	\$700	\$794	\$911
Hispanic	24,387	23,635	18,139	\$12,924,531	\$15,505,814	\$13,173,984	\$530	\$656	\$726
White	215,602	212,453	192,977	\$164,888,044	\$191,130,748	\$187,222,828	\$765	\$900	\$970
Other Race	14,542	16,513	19,444	\$9,171,658	\$11,619,577	\$14,990,324	\$631	\$704	\$771
Unknown ³	27,829	38,316	57,167	\$31,042,587	\$43,820,753	\$64,834,823	\$1,115	\$1,144	\$1,134
Total	485,926	496,459	477,426	\$360,486,026	\$425,275,236	\$453,052,727	\$742	\$857	\$949
By Age									
0-5	107,791	113,040	107,933	\$53,642,153	\$65,646,416	\$69,945,864	\$498	\$581	\$648
6-20	167,684	174,017	166,905	\$108,599,108	\$131,502,688	\$131,066,031	\$648	\$756	\$785
21-64	173,395	173,252	167,938	\$196,566,154	\$226,489,860	\$249,163,196	\$1,134	\$1,307	\$1,484
65+	37,056	36,150	34,650	\$1,678,610	\$1,636,272	\$2,877,636	\$45	\$45	\$83
Total	485,926	496,459	477,426	\$360,486,026	\$425,275,236	\$453,052,727	\$742	\$857	\$949
By Dual Status									
Non-Dual	411,076	424,761	410,150	\$359,685,215	\$424,656,114	\$447,779,713	\$875	\$1,000	\$1,092
Dual ⁴	74,850	71,698	67,276	\$800,811	\$619,122	\$5,273,014	\$11	\$9	\$78
Total	485,926	496,459	477,426	\$360,486,026	\$425,275,236	\$453,052,727	\$742	\$857	\$949
Total Paid Based on Date of Service				\$360,486,026	\$425,275,236	\$453,052,727			
Average Eligibles (excluding Plan First)				940,923	945,616	1,128,298			
Annual Cost Per Average Eligible				\$383	\$450	\$402			
Actual Paid During Fiscal Year				\$361,200,112	\$403,064,281	\$452,729,057			

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 2016-2019 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 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
FY 2019	15,828	\$63,101	\$999	8,225	\$12,625	\$104

¹ The overall total in expenditures in FY 2016-2019 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 2015-2019 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 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 2019	\$1,891,832	25	330	\$229	\$75,673

FY 2015-2019 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 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	5,747,595	-2.7%	26,680	0.3%	59%
FY 2018	24,092	-4.1%	239	5,746,318	0.0%	26,303	-1.4%	60%
FY 2019	23,722	-1.5%	244	5,777,070	0.5%	25,973	-1.3%	61%

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 2015-2019 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 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 2019	15,828	0.5%	5,777,070	0.5%	\$998,738,999	3.5%	\$63,101	3.0%	14.8%	\$173

FY 2017-2019 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 2017	FY 2018	FY 2019	FY 2017	FY 2018	FY 2019	FY 2017	FY 2018	FY 2019
By Gender									
Female	17,104	15,961	15,517	\$642,316,362	\$643,920,738	\$657,731,992	\$37,554	\$40,344	\$42,388
Male	8,016	8,131	8,205	\$303,271,943	\$320,819,412	\$341,007,007	\$37,833	\$39,456	\$41,560
By Race									
African Am.	7,695	7,613	7,565	\$305,964,206	\$321,973,920	\$335,420,505	\$39,761	\$42,293	\$44,338
Am. Indian	25	26	25	\$728,051	\$956,526	\$909,742	\$29,122	\$36,789	\$36,390
Asian	67	67	71	\$2,754,523	\$2,880,782	\$2,979,547	\$41,112	\$42,997	\$41,965
Hispanic	69	64	68	\$2,459,641	\$2,668,300	\$2,925,411	\$35,647	\$41,692	\$43,021
Other	19	22	26	\$699,625	\$847,148	\$1,181,148	\$36,822	\$38,507	\$45,429
Unknown	613	634	675	\$21,248,479	\$22,252,795	\$26,098,276	\$34,663	\$35,099	\$38,664
White	16,632	15,666	15,292	\$611,733,779	\$613,160,679	\$629,224,369	\$36,781	\$39,140	\$41,147
By Age									
0-5	18	14	16	\$1,114,837	\$654,787	\$928,089	\$61,935	\$46,770	\$58,006
6-20	80	67	75	\$5,037,949	\$4,873,768	\$4,942,206	\$62,974	\$72,743	\$65,896
21-64	5,686	5,237	5,167	\$222,506,703	\$212,485,272	\$224,619,576	\$39,132	\$40,574	\$43,472
65-74	5,343	5,277	5,391	\$205,204,724	\$213,438,743	\$228,905,814	\$38,406	\$40,447	\$42,461
75-84	6,716	6,428	6,324	\$254,323,975	\$257,446,459	\$264,236,283	\$37,868	\$40,051	\$41,783
85 & Over	7,277	7,069	6,749	\$257,400,116	\$275,841,120	\$275,107,031	\$35,372	\$39,021	\$40,763
Statewide	25,120	24,092	23,722	\$945,588,305	\$964,740,150	\$998,738,999	\$37,643	\$40,044	\$42,102

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

² The overall total in expenditures in FY 2017-2019 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.

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

FY 2015-2019 Pharmacy Program Expenditures¹

Expenditures				Clawback Payments as % of Pharmacy Expenditures
Year	Benefit Payments ²	Clawback Payments ³	Pharmacy Expenditures	
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 2019	\$749,616,410	\$72,991,345	\$822,607,755	8.9%

FY 2015-2019 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 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 2019	748,436	535,717	72%	6,421,852	11.99

FY 2015-2019 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 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
FY 2019	\$749,616,410	\$116.73	\$1,002	\$1,399

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 2015-2019 Physician Program Cost and Utilization by Age Category

Benefit Payments¹					
Age	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
0 to 5	\$125,213,434	\$123,024,124	\$114,446,373	\$124,136,173	\$126,590,626
6 to 20	\$90,887,966	\$91,319,115	\$92,044,227	\$97,179,497	\$99,784,506
21 to 64	\$163,376,921	\$171,860,168	\$181,298,321	\$188,407,928	\$197,889,839
65 and up	\$11,247,886	\$10,478,014	\$13,340,356	\$13,582,947	\$13,415,537
All Ages	\$390,726,207	\$396,681,422	\$401,129,276	\$423,306,545	\$437,680,508

Recipients²					
Age	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
0 to 5	199,719	198,788	167,652	184,563	170,016
6 to 20	270,079	270,259	260,186	288,881	267,387
21 to 64	195,821	198,366	197,640	207,362	202,423
65 and up	53,075	49,850	50,651	53,082	51,299
All Ages	706,198	711,714	679,043	733,888	691,125

Cost Per Recipient					
Age	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
0 to 5	\$627	\$619	\$683	\$673	\$745
6 to 20	\$337	\$338	\$354	\$336	\$373
21 to 64	\$834	\$866	\$917	\$909	\$978
65 and up	\$212	\$210	\$263	\$256	\$262
All Ages	\$553	\$557	\$591	\$577	\$633

¹ Payment amounts exclude lump sum payments made retroactively to physicians at paid 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 2019

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 other liable payers.



Third Party

During Fiscal Year 2019 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 (\$177,421,402 – commercial insurance; \$186,752,081 – Medicare);
- 2) Health insurance recovery from primary payers (\$11,934,683);
- 3) Medicare recoupments (\$3,477,777);
- 4) Casualty/tort recovery (\$4,003,641);
- 5) Liens and estate recovery (\$13,692,972);
- 6) Credit balance recovery (\$439,308); and
- 7) Recipient overpayment recoveries (\$612,858).

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 2019, reviews of 209 medical providers resulted in \$5,087,028 in identified recoupments and \$4,561,380 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 2019, the Recipient Review Unit conducted 3,042 reviews.

As a result, 472 recipients were restricted or "locked-in" to one doctor resulting in \$135,119 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 2019 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 2019 sanctions against providers and recipients resulted in cost savings of \$5,616,449.

In all, 73 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 2017-2019 Collections (in millions)

		FY 2017	FY 2018	FY 2019
Third Party Liability				
	Includes retroactive Medicare recoupments from providers, collections due to health insurance and casualty subrogation, estate recovery, and recovery of misspent funds resulting from eligibility errors.	\$35.0	\$30.5	\$34.2
Program Integrity Division				
	Provider Recoupment			
	Medical Provider Recoupment Collected	\$4.5	\$1.3	\$4.6
	Enrollment and Sanctions	\$0.3	\$1.3	\$1.1
	Recovery Audit Contractor	\$0.1	\$0.1	-
	Investigations	\$0.1	\$0.1	\$0.0
Pharmacy Program				
	In-House Processed Claims Corrections	\$0.1	\$0.1	\$0.2
Total Collections		\$40	\$33	\$40

FY 2017-2019 Measureable Cost Avoidance (in millions)

	FY 2017	FY 2018	FY 2019
Third Party Claim Cost Avoidance Savings			
Medicare Cost Avoidance*	\$147.9	\$137.0	\$186.8
Health Insurance Cost Avoidance*	\$164.3	\$164.1	\$177.4
Third Party Cost Avoidance Savings	\$312.2	\$301.1	\$364.2
Program Integrity Cost Avoidance			
Provider Review Cost Avoidance	\$8.0	\$3.2	\$4.8
Recipient Review Cost Avoidance	\$0.1	\$0.1	\$0.1
Investigations Cost Avoidance	\$0.1	\$0.2	\$0.5
Sanctioned Provider and Recipients	\$0.6	\$0.6	\$5.6
Program Integrity Cost Avoidance	\$8.8	\$4.1	\$11.1
Total Measureable Cost Avoidance	\$321	\$305	\$375

* 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 or secondary.

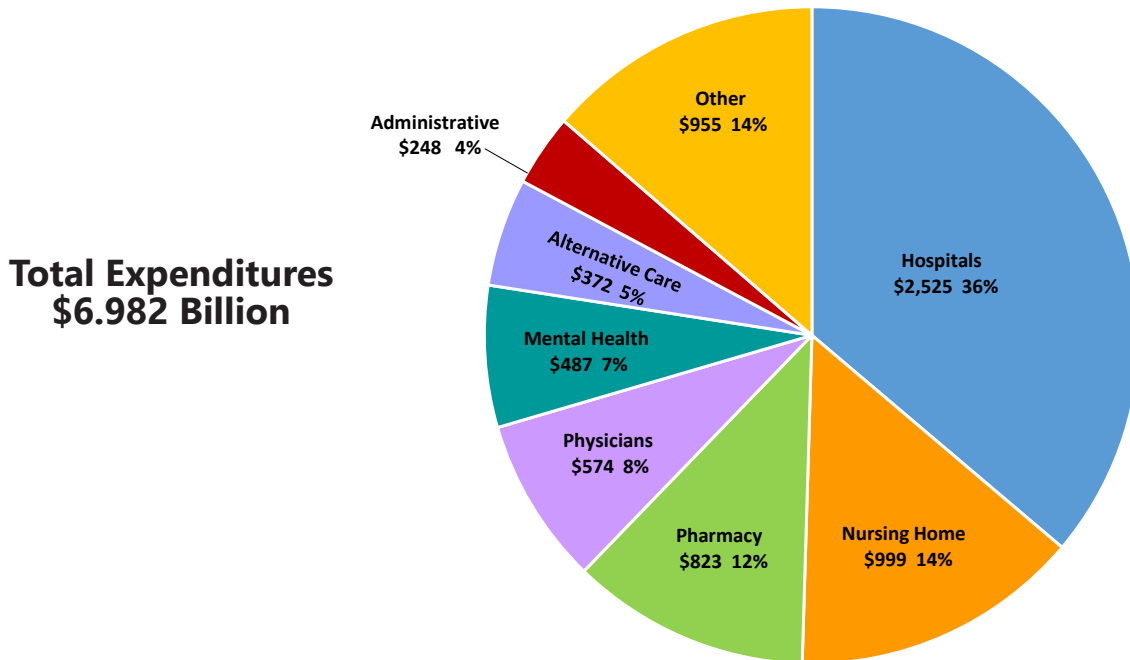
FY 2017-2019 Program Integrity Activity

PROVIDER REVIEWS			
	FY 2017	FY 2018	FY 2019
Medical Providers	230	286	209
Medical Providers Recoupments-Identified	\$5,502,154	\$3,498,584	\$5,087,028
Medical Providers Recoupments-Collected	\$4,514,466	\$1,284,398	\$4,561,380
Recovery Audit Contractor	10	0	0
Recoupments - Identified	\$18,285	0	0
Recoupments - Collected	\$58,115	\$90,200	0
RECIPIENT REVIEWS			
	FY 2017	FY 2018	FY 2019
Reviews Conducted	2,192	3,030	3,042
Restricted Recipients	758	606	472
Recipient Review Cost Avoidance	\$72,928	\$54,480	\$135,119
INVESTIGATIONS			
	FY 2017	FY 2018	FY 2019
Provider & Recipient Recoupments - Identified	\$260,491	\$145,741	\$198,160
Provider & Recipient Recoupments - Collected	\$68,140	\$63,485	\$33,570
ENROLLMENT & SANCTIONS			
	FY 2017	FY 2018	FY 2019
Tax Intercept Receipts	\$96,047	\$62,396	\$10,048
Settlement Agreements & Restitutions	\$246,132	\$1,259,340	\$1,070,614

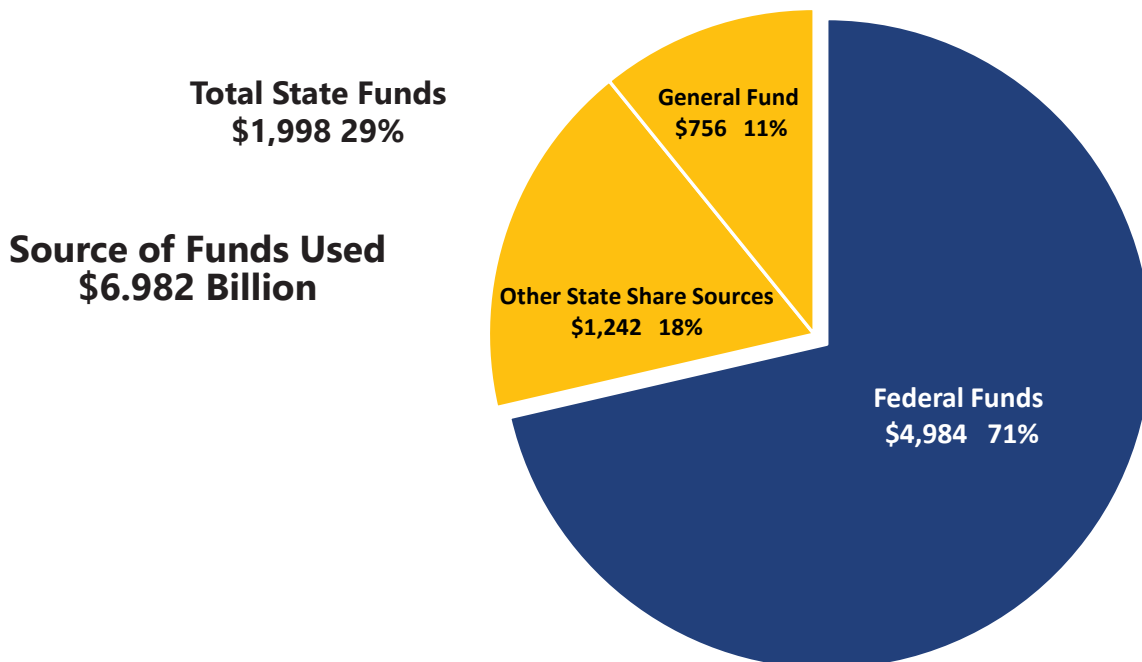
FY 2019 Fiscal

Alabama Medicaid total expenditures totaled \$6.982 billion in FY 2019. A state match of \$1.998 billion was paired with \$4.984 billion in federal matching funds to cover the cost. The state General Fund provided 11 percent, or \$756 million, of the total cost.

FY 2019 Medicaid Use of Funds (in Millions)



FY 2019 Medicaid Source of Funds¹(in Millions)



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

FY 2015-2019 Total State Share Funding Received¹

						As a % of Total State Share Funding				
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
General Fund										
Current Year Appropriation	\$685,125,607	\$685,125,607	\$700,463,607	\$701,133,407	\$755,204,019	35.8%	34.7%	36.3%	35.3%	37.7%
Adjustments	\$78,208	\$70,000,000	\$20,169,800	\$204,019	\$336,927	0.0%	3.5%	1.0%	0.0%	0.0%
Total General Fund²	\$685,203,815	\$755,125,607	\$720,633,407	\$701,337,426	\$755,540,946	35.8%	38.3%	37.3%	35.4%	37.7%
Certified Public Expenditures										
Hospitals & Admin. Assistance	\$152,373,253	\$120,363,468	\$4,060,384	\$4,292,804	\$3,697,403	8.0%	6.1%	0.2%	0.2%	0.2%
School-Based Services	\$31,044,132	\$32,873,301	\$39,594,333	\$33,602,742	\$33,078,868	1.6%	1.7%	2.1%	1.7%	1.7%
Total CPEs	\$183,417,385	\$153,236,769	\$43,654,717	\$37,895,546	\$36,776,271	9.6%	7.8%	2.3%	1.9%	1.8%
Ala. Health Care Trust Fund										
Hospital Provider Tax	\$257,442,043	\$258,944,672	\$264,746,042	\$256,136,221	\$275,588,476	13.5%	13.1%	13.7%	12.9%	13.8%
Nursing Home Provider Tax	\$103,762,829	\$112,467,742	\$111,788,119	\$111,952,310	\$112,116,641	5.4%	5.7%	5.8%	5.6%	5.6%
Pharmacy Provider Tax	\$8,776,161	\$19,927,265	\$946,143	\$5,932,602	\$8,385,541	0.5%	1.0%	0.0%	0.3%	0.4%
Total Ala. Health Care Trust Fund	\$369,981,033	\$391,339,679	\$377,480,304	\$374,021,133	\$396,090,658	19.3%	19.8%	19.5%	18.9%	19.8%
Intergovernmental Transfers										
State Agencies										
Dept. of Mental Health	\$155,444,620	\$154,689,227	\$151,968,413	\$149,504,441	\$145,493,481	8.1%	7.8%	7.9%	7.5%	7.3%
Dept. of Human Resources	\$34,972,503	\$33,636,169	\$36,498,898	\$34,474,404	\$31,254,057	1.8%	1.7%	1.9%	1.7%	1.6%
Dept. of Public Health	\$29,695,927	\$24,252,808	\$20,397,584	\$20,014,568	\$28,762,536	1.6%	1.2%	1.1%	1.0%	1.4%
Dept. of Senior Services	\$21,303,522	\$22,446,268	\$22,644,328	\$23,876,697	\$24,903,619	1.1%	1.1%	1.2%	1.2%	1.2%
Dept. of Rehabilitation Services	\$7,372,483	\$5,605,052	\$6,546,678	\$6,060,081	\$7,925,999	0.4%	0.3%	0.3%	0.3%	0.4%
Dept. of Youth Services	\$6,590,924	\$6,490,554	\$5,727,961	\$5,370,213	\$5,399,876	0.3%	0.3%	0.3%	0.3%	0.3%
Total State Agencies	\$255,379,979	\$247,120,078	\$243,783,862	\$239,300,404	\$243,739,568	13.3%	12.5%	12.6%	12.1%	12.2%
Hospital IGTs	\$229,065,567	\$229,663,566	\$372,710,608	\$349,308,926	\$393,144,297	12.0%	11.6%	19.3%	17.6%	19.6%
Other Governmental Bodies	\$28,472,932	\$37,952,744	\$7,666,495	\$8,254,753	\$6,930,407	1.5%	1.9%	0.4%	0.4%	0.3%
Total Intergovernmental Transfers	\$512,918,478	\$514,736,388	\$624,160,965	\$596,864,083	\$643,814,272	26.8%	26.1%	32.3%	30.1%	32.2%
Other Funding Sources										
Drug Rebates	\$97,943,098	\$109,582,842	\$109,205,705	\$124,629,348	\$125,260,977	5.1%	5.6%	5.7%	6.3%	6.3%
Medicaid Trust Fund - Tobacco	\$30,034,161	\$29,686,098	\$30,668,155	\$36,179,197	\$34,914,566	1.6%	1.5%	1.6%	1.8%	1.7%
BP Oil Spill Funds			\$15,000,000	\$105,000,000				0.8%	5.3%	0.0%
Other Miscellaneous Receipts	\$33,920,207	\$19,014,117	\$10,122,198	\$8,042,574	\$9,223,250	1.8%	1.0%	0.5%	0.4%	0.5%
Total Other Funding Sources	\$161,897,466	\$158,283,057	\$164,996,058	\$273,851,119	\$169,398,793	8.5%	8.0%	8.5%	13.8%	8.5%
Total State Funds Received	\$1,913,418,177	\$1,972,721,500	\$1,930,925,451	\$1,983,969,307	\$2,001,620,940	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 2015-2019 Expenditures by Type of Service (total Federal and State dollars)¹

Service	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Nursing Facilities	\$945,274,066	\$953,240,983	\$945,588,305	\$964,740,150	\$998,738,999
Hospital Care	\$1,665,967,742	\$1,729,975,664	\$1,755,632,257	\$1,808,338,267	\$2,033,014,256
Physicians	\$516,999,078	\$534,225,768	\$554,794,353	\$550,288,533	\$573,726,844
Pharmacy	\$685,455,763	\$767,262,195	\$719,826,955	\$782,548,297	\$822,607,755
Health Support	\$222,112,501	\$244,677,959	\$203,245,365	\$207,467,298	\$244,612,315
Alternative Care	\$363,469,312	\$378,712,160	\$364,581,074	\$372,211,884	\$371,636,941
Mental Health Facilities	\$2,060,211	\$2,055,858	\$1,887,447	\$2,033,302	\$1,891,832
Mental Health Waivers	\$324,170,321	\$345,823,195	\$349,628,814	\$351,460,375	\$352,781,144
Mental Health Other	\$135,967,879	\$135,058,792	\$127,384,780	\$130,077,357	\$132,447,929
Medicaid - CHIP	\$80,481,377	\$70,424,528	\$247,016,706	\$173,704,703	\$181,151,044
ACHNs					-
Integrated Care Network					\$29,797,155
Health Insurance	\$334,802,957	\$385,044,056	\$417,634,796	\$438,663,884	\$450,901,533
Family Planning	\$59,054,810	\$65,691,965	\$43,466,410	\$45,009,815	\$48,674,849
Total Medicaid Medical Benefits	\$5,335,816,017	\$5,612,193,123	\$5,730,687,262	\$5,826,543,865	\$6,241,982,596
Disproportionate Share for Hospitals ²	\$480,211,247	\$480,845,150	\$480,408,568	\$483,800,080	\$492,378,713
Total Medical Benefits	\$5,816,027,264	\$6,093,038,273	\$6,211,095,830	\$6,310,343,945	\$6,734,361,309
General Administrative Costs	\$183,673,196	\$175,531,329	\$194,298,203	\$177,719,248	\$185,093,339
School-Based Administrative Costs	\$45,762,171	\$51,430,047	\$62,257,996	\$52,080,143	\$53,385,276
Total Medicaid & DSH Expenditures	\$6,045,462,631	\$6,319,999,649	\$6,467,652,029	\$6,540,143,336	\$6,972,839,924
Health Information Exchange ³	\$27,817,399	\$10,410,909	\$22,327,029	\$16,925,487	\$9,381,561
Agency Total Expenditures	\$6,073,280,030	\$6,330,410,558	\$6,489,979,058	\$6,557,068,823	\$6,982,221,485

FY 2015-2019 Expenditures by Type of Service (as percent of total)¹

Service	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Nursing Facilities	15.6%	15.1%	14.6%	14.8%	14.3%
Hospital Care	27.6%	27.4%	27.1%	27.6%	29.2%
Physicians	8.6%	8.5%	8.6%	8.4%	8.2%
Pharmacy	11.3%	12.1%	11.1%	12.0%	11.8%
Health Support	3.7%	3.9%	3.1%	3.2%	3.5%
Alternative Care	6.0%	6.0%	5.6%	5.7%	5.3%
Mental Health Facilities	0.0%	0.0%	0.0%	0.0%	0.0%
Mental Health Waivers	5.4%	5.5%	5.4%	5.4%	5.1%
Mental Health - Other	2.2%	2.1%	2.0%	2.0%	1.9%
Medicaid - CHIP	1.3%	1.1%	3.8%	2.7%	2.6%
ACHNs	0.0%	0.0%	0.0%	0.0%	0.0%
Integrated Care Network	0.0%	0.0%	0.0%	0.0%	0.4%
Health Insurance	5.5%	6.1%	6.5%	6.7%	6.5%
Family Planning	1.0%	1.0%	0.7%	0.7%	0.7%
Total Medicaid Medical Benefits	88.3%	88.8%	88.6%	89.1%	89.5%
Disproportionate Share for Hospitals ²	7.9%	7.6%	7.4%	7.4%	7.1%
Total Medical Benefits	96.2%	96.4%	96.0%	96.5%	96.6%
General Administrative Costs	3.0%	2.8%	3.0%	2.7%	2.6%
School-Based Administrative Costs	0.8%	0.8%	1.0%	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 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 2019 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	Other Prof Servcs.	Pharmacy ⁴	Dental	Medicare Premiums ⁵	Managed Care Networks ⁶	Grand Total ⁷	FY 19 % of Total	FY 18 % of Total
Dual Eligibles													
Full Medicaid Dual Eligible													
Aged and Non-Disabled (65+)	\$14.2	\$72.0	\$684.6	\$3.2	\$19.9	\$24.4			\$63.2		\$881.8	14.1%	14.7%
Blind or Disabled (all ages)	\$42.9	\$17.1	\$206.5	\$10.5	\$245.3	\$43.6	\$2.6		\$177.0		\$745.6	11.9%	12.5%
Non-Disabled Adults (21-64)	\$0.8	\$0.9					\$1.4		\$0.9		\$5.2	0.1%	0.1%
Total Full Medicaid Dual Eligible	\$58.0	\$89.9	\$891.4	\$14.1	\$265.5	\$68.2	\$4.3		\$241.2		\$1,632.6	26.2%	27.3%
Partial Medicaid Dual Eligible													
QMB/SLMB (all ages) ²	\$13.8	\$0.9	\$6.4	\$9.4		\$3.4			\$238.3		\$272.3	4.4%	4.5%
Total Dual Eligibles	\$71.7	\$90.9	\$897.9	\$23.4	\$265.5	\$71.7	\$4.3		\$479.5		\$1,904.9	30.5%	31.8%
Non-Dual Eligibles													
Full Medicaid													
Aged and Non-Disabled (65+)	\$0.5		\$1.9								\$3.0	0.0%	0.1%
Blind or Disabled (all ages)	\$716.1	\$208.9	\$114.4	\$198.6	\$191.4	\$108.9	\$459.7	\$4.3		\$12.3	\$1,791.3	28.7%	30.7%
Non-Disabled Children (0-20)	\$475.7	\$170.6		\$273.2	\$33.0	\$292.8	\$260.6	\$84.8		\$22.9	\$1,613.6	25.9%	26.4%
Non-Disabled Adults (21-64)	\$246.1	\$114.6		\$90.5	\$10.0	\$86.1	\$102.5			\$5.7	\$655.7	10.5%	10.2%
Total Full Medicaid	\$1,438.5	\$494.3	\$116.4	\$562.4	\$234.4	\$487.8	\$823.1	\$89.1		\$40.9	\$4,286.9	68.7%	67.4%
Partial Medicaid													
Non-Disabled Adults (21-64) ³	\$18.9	\$1.8		\$4.0							\$25.0	0.4%	0.3%
Plan First (all ages) ⁴	\$1.4	\$0.5				\$21.0	\$2.0				\$24.9	0.4%	0.4%
Total Partial Medicaid	\$20.3	\$2.3		\$4.1		\$21.1	\$2.0				\$50.1	0.8%	0.8%
Total Non-Dual Eligibles	\$1,458.8	\$496.6	\$116.4	\$566.5	\$234.4	\$508.9	\$825.0	\$89.1		\$40.9	\$4,337.0	69.5%	68.2%
Total Expenditures	\$1,530.5	\$587.5	\$1,014.3	\$590.0	\$499.9	\$580.6	\$829.3	\$89.1	\$479.7	\$40.9	\$6,242.0	100.0%	100.0%
FY 2019 % of Total	24.5%	9.4%	16.2%	9.5%	8.0%	9.3%	13.3%	1.4%	7.7%	0.7%	100.0%		
FY 2018 % of Total	23.3%	9.4%	16.7%	9.6%	8.4%	8.9%	13.4%	1.6%	8.0%	0.7%	100.0%		

¹ The overall total of \$6,241,982,596 in expenditures in FY 2019 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.

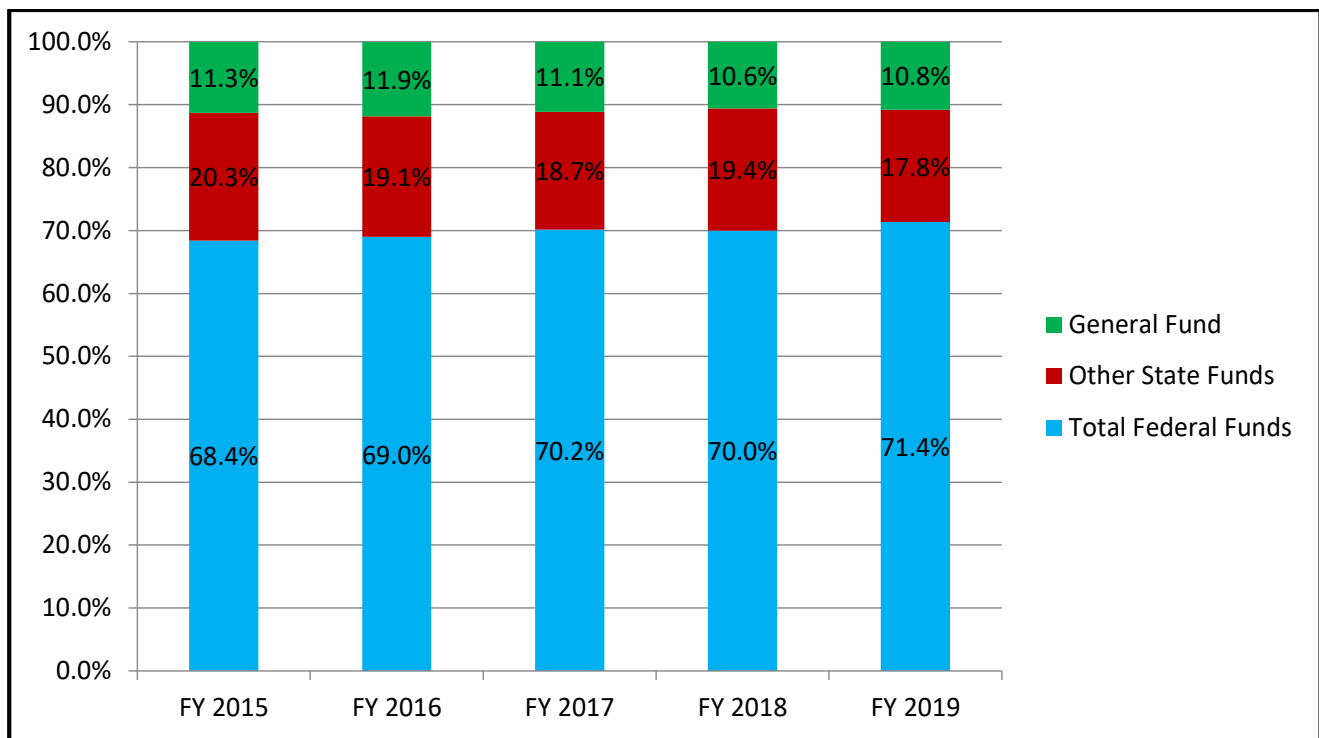
⁵ Clawback payments are the amounts states pay to the federal government as required by the Medicare Prescription Drug Improvement and Modernization Act of 2003 to share the cost of Medicare Part D coverage. In this schedule the amount is shown as Medicare Premiums.

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 2015-2019 Total Sources of Medicaid Funding (Receipts)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Federal Funds					
Match FMAP ¹	\$4,112,422,744	\$4,379,160,509	\$4,522,609,931	\$4,610,944,691	\$4,983,787,837
Stimulus Funds	-	-	-	-	-
Health Information Exchange	\$28,235,800	\$10,206,026	\$20,061,170	\$15,990,845	\$7,227,280
Total Federal Funds	\$4,140,658,544	\$4,389,366,535	\$4,542,671,101	\$4,626,935,536	\$4,991,015,117
State Funds Received					
General Fund	\$685,203,815	\$755,125,607	\$720,633,407	\$701,337,426	\$755,540,946
Other State Funds	\$1,228,214,362	\$1,217,595,893	\$1,195,292,044	\$1,177,631,881	\$1,246,079,994
Other State Funds - BP Oil			\$15,000,000	\$105,000,000	
Total State Funds	\$1,913,418,177	\$1,972,721,500	\$1,930,925,451	\$1,983,969,307	\$2,001,620,940
Total Funding Received	\$6,054,076,721	\$6,362,088,035	\$6,473,596,552	\$6,610,904,843	\$6,992,636,057

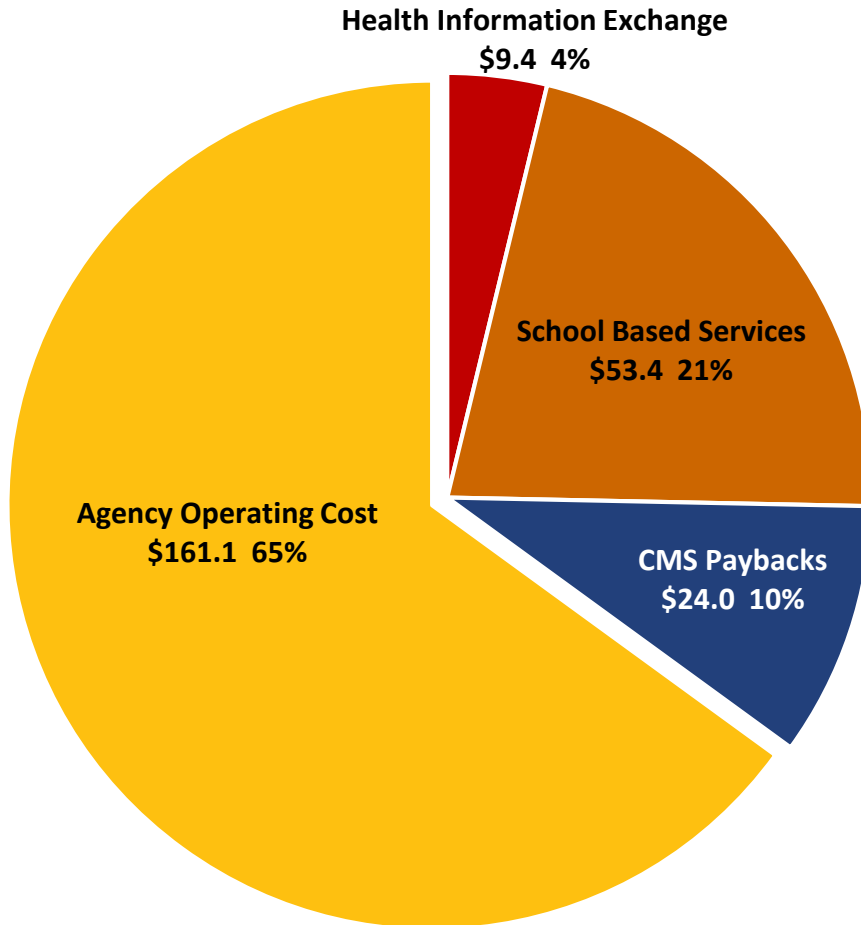


¹ Federal Medical Assistance Percentage (FMAP) is the share of the cost of Medicaid that the federal government incurs. That share varies by state depending on a state's per capita income. The average state FMAP is 59%, but ranges from 50% in wealthier states, up to 74% in states with lower per capita 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 2019 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 2019, administrative expenditures accounted for approximately \$248 million, or four percent, of the Agency's total budget. Of this amount, 65 percent represented agency operating expenses. Other administrative budget categories included Health Information Technology, School-Based Services and CMS Paybacks.

Total Administrative Expenditures \$247.9



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.



ALABAMA TERRITORY

In 1817, the present-day states of Alabama and Mississippi were both part of one Mississippi Territory. When Congress designated Mississippi as a new state in 1817, it provided that the eastern half of the territory would become the new Territory of Alabama.

Alabama's territorial capital was St. Stephens, a busy frontier town located on the Tombigbee River, north of Mobile. There, the territorial legislature wrote the first laws for Alabama. The territorial governor was William Wyatt Bibb, a doctor and former U.S. senator from Georgia.

The population boomed as settlers arrived overland from the north and east. Many planters brought enslaved workers with them, but most of the new settlers were small farmers. Fewer numbers of merchants and professionals, some of them from New England, helped build new towns.

The territory's 1818 census counted nearly 68,000 residents, well above the 60,000 needed to write a constitution and seek statehood.

PATH TO STATEHOOD

In July 1819, forty-four delegates convened in Huntsville to draft a state constitution. They signed the document on August 2 and sent a copy to Congress.

While awaiting action by the federal government, Alabama conducted the first elections for state officials in September. The new state legislature met in Huntsville that fall to take up important business, including setting county boundaries, creating roads, and establishing the court system. William Wyatt Bibb, now the state's first elected governor, made plans for moving the government to Cahawba, a new town located where the Cahawba and Alabama rivers met, near Selma.

On December 14, 1819, President James Monroe signed a congressional resolution accepting the new Alabama constitution, thereby formally admitting Alabama as the 22nd state of the United States.

On August 5, Huntsville residents had their first opportunity to read the new constitution as copies were circulated from the print shop of John Boardman.





**FY 2019 Annual Report
October 1, 2018 - September 30, 2019
Alabama Medicaid Agency
PO Box 5624 (501 Dexter Avenue)
Montgomery, AL 36103-5624**

Statistical data is provided by the Alabama Medicaid Analytics Division.

**This report is available at
https://medicaid.alabama.gov/content/2.0_Newsroom/2.3_Publications.aspx.**