

Alabama Medicaid 2025 Budget Hearing

February 5, 2024
2:30 p.m.

Stephanie McGee Azar
Commissioner
Alabama Medicaid Agency



Medicaid Overview



Who Does Alabama Medicaid Serve?

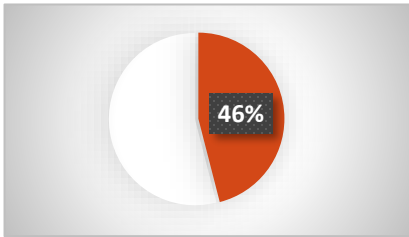
FY 2022 by Date of Service

Disabled and Blind

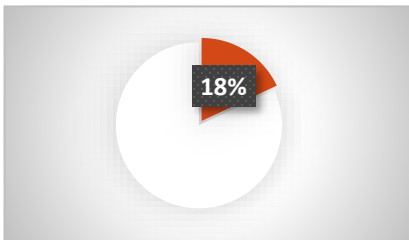
Any Age

Most determined by the Social Security Office and have automatic Medicaid eligibility.

% of Expenditures



% of Members



\$14,296

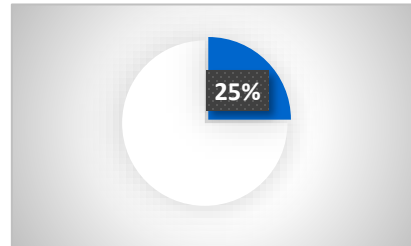
Per Member Per Year

Children

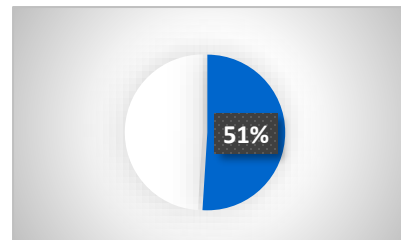
Age 0-18

Children in families below 146% of the Federal Poverty Rate.

% of Expenditures



% of Members



\$2,940

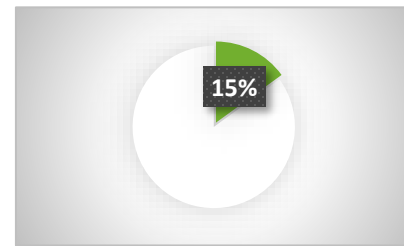
Per Member Per Year

Aged

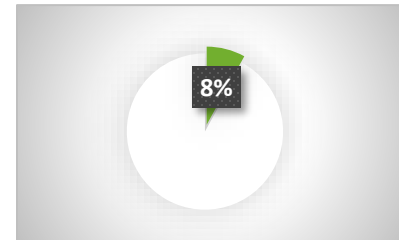
Age 65 and Over

Adults who are in poverty. Almost all are also covered by Medicare.

% of Expenditures



% of Members



\$10,545

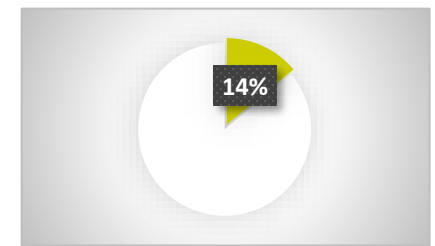
Per Member Per Year

Other Categories

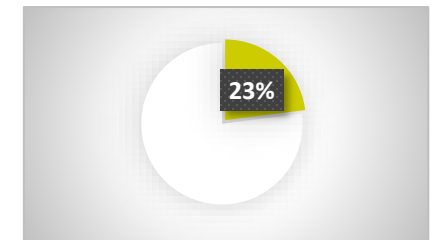
Age 19-64

Other adults including pregnant women, parent caretakers, and Plan First recipients.

% of Expenditures



% of Members



\$3,601

Per Member Per Year

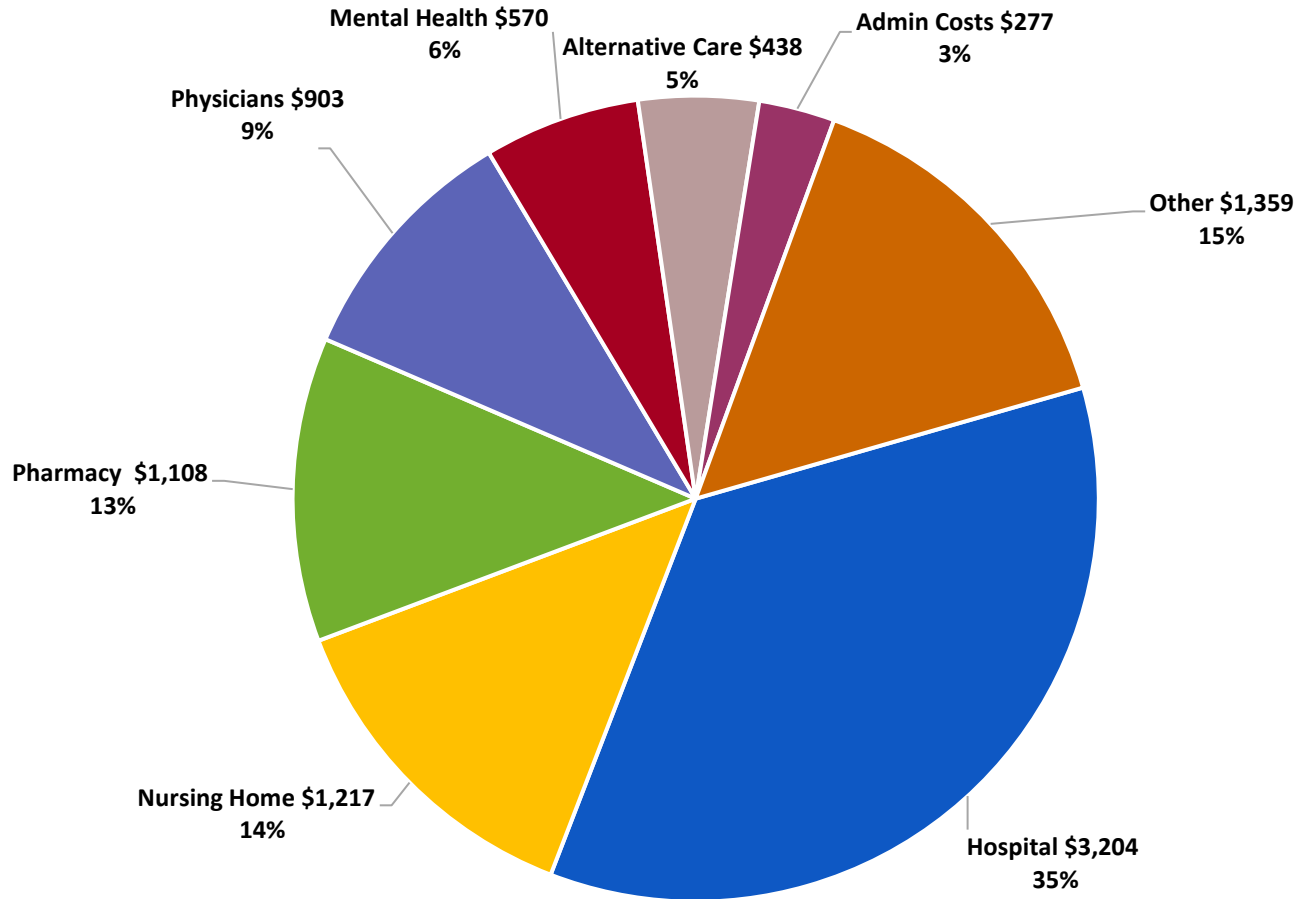
Expenditures, based on dates of service, include claims, capitations, and access payments based on dates of service in FY 2022.

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



FY 2023 Medicaid Expenditure Analysis

Benefit Payments and Administrative Costs (in millions)



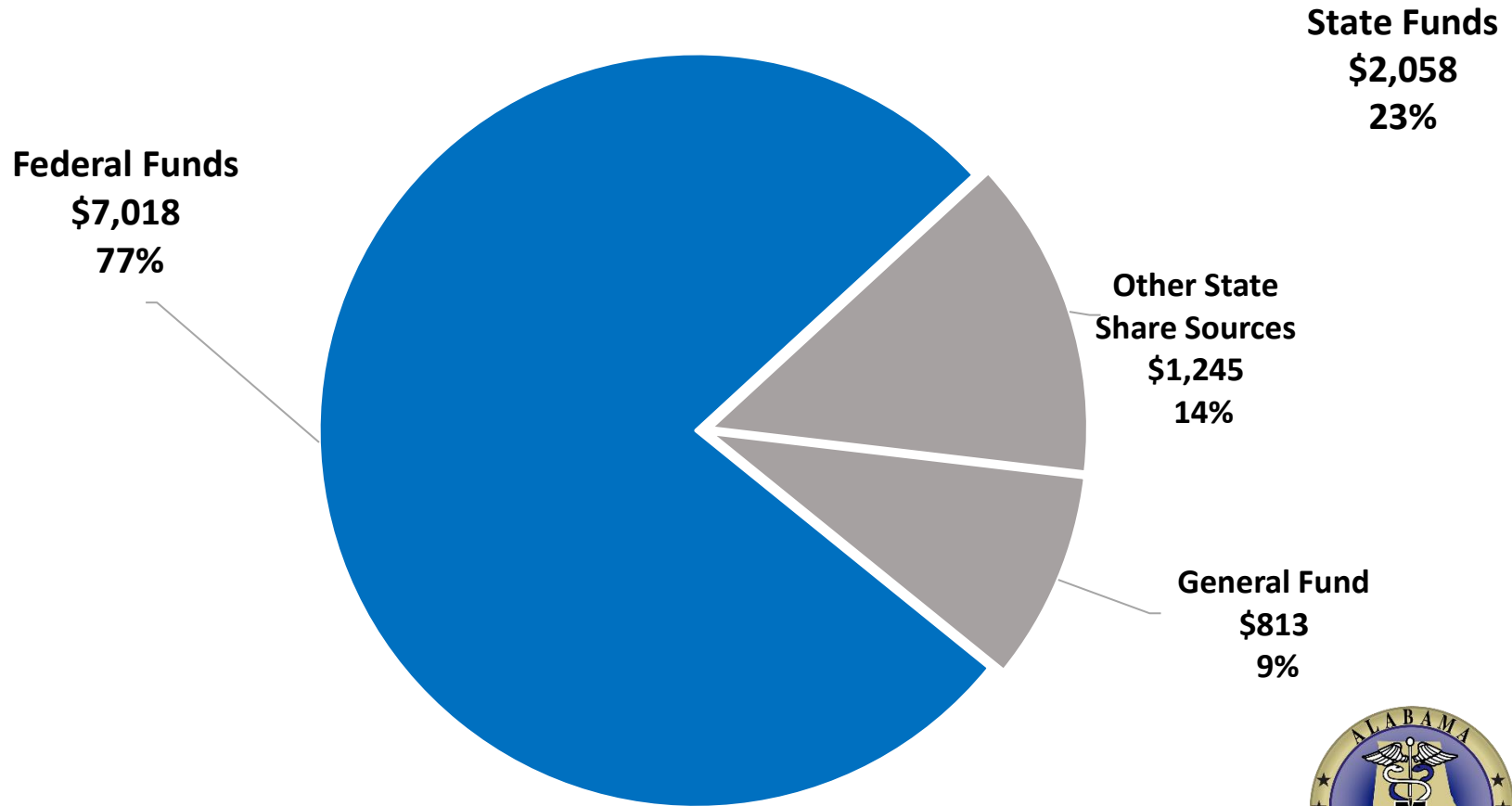
**Total Expenditures
\$9.076 Billion**



FY 2023 Medicaid Funding Analysis

State and Federal Funding (in millions)

FY 23 Source of Funds: \$9.076 Billion



Medicaid Unwinding

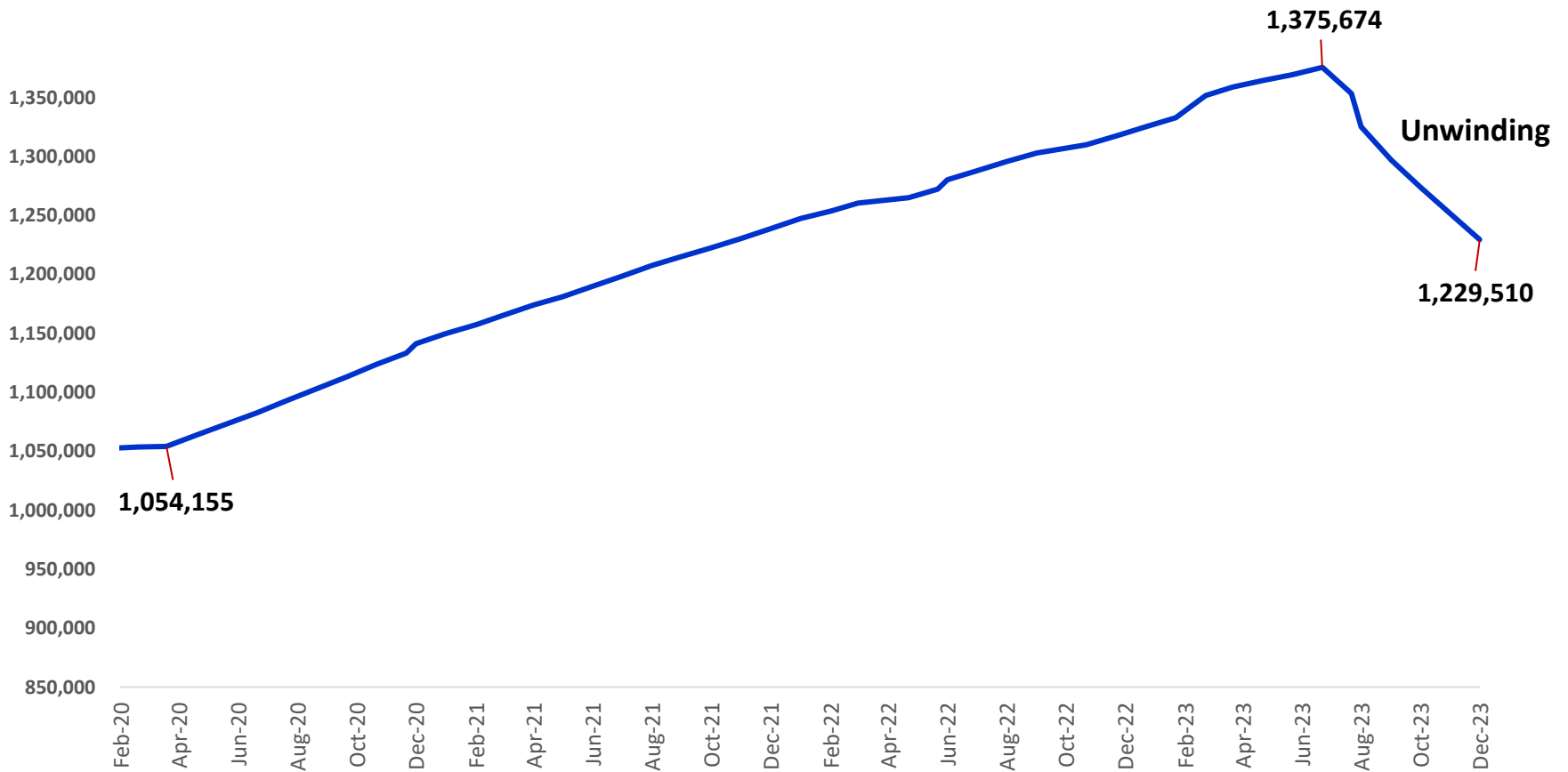


Medicaid Unwinding

- “Unwinding” is the process of redetermining Medicaid eligibility at the end of the Public Health Emergency.
- The unwinding period lasts for 12 months, during which states had to initiate and complete the renewal process on all Medicaid eligibles.
- Alabama began unwinding in April 2023 with the initiations for renewals due in June 2023. The Agency will finish initiations as part of the Unwinding process in April 2024 for renewals due in June 2024.
- Medicaid will have the final number of citizens that are no longer enrolled through the unwinding process by September 30,2024.



Medicaid Monthly Total Enrollment FY 2020 - FY 2024 YTD*



- Medicaid Monthly Total Enrollment for FY 2024 is through December 2023.
- Enrollment has decreased by 146,164 since June 2023.



FY 2025 Budget



Significant Factors Affecting 2025 Funding Need

Normal Factors:

- Carryforward
- Recurring inflationary increases
 - Nursing Homes 5%
 - Pharmacy 5%
 - Medicare Advantage 6%

Other Factors:

- Increased FMAP ended on December 31, 2023
- Utilization increases
- Unwinding and enrollment considerations



Alabama Medicaid 2025 State Funding Need

- Total Funding Need \$ 1.135 billion
- Projected Carryforward \$ 192 million
- Medicaid Emergency Reserve Fund \$ 12 million
- Less Carryforward used in 2024 -\$ 180 million
- General Fund Request \$ 955 million

FY 2024 Appropriation \$863 million



Questions

