Alabama Medicaid
2027 Budget Overview

January 29, 2026

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Commissioner
Alabama Medicaid Agency

Medicaid Impacts on Alabama

- As of December 2025, Alabama Medicaid serves 1,051,920 Alabamians
- More than 50% of Alabama births are covered by Medicaid
- More than 50% of Alabama children are covered by Medicaid
- Approximately 25% of Alabama residents are covered by Medicaid at one point during the year
- Medicaid provides funding for essential medical and dental services for disabled and low-income Alabamians and is a valuable resource to Alabamians that need extra assistance through our Integrated Care Network (ICN) and Alabama Coordinated Health Network (ACHN) programs
- There are almost 36,000 providers
- Medicaid patient days accounted for a significant portion of total days at children's hospitals as well as nursing homes

National Medicaid Landscape and its Application to Alabama

State's Responsibilities under the One Big Beautiful Bill Act (OBBBA)

By January 1, 2027

- Have a process to regularly obtain address information for enrollees
- No less than quarterly, review the Death Master File for deceased enrollees
- Only provide two months of retroactive coverage

By January 1, 2028

- No less than quarterly, review the Death Master File for deceased providers

By October 1, 2029

- Utilize the CMS established verification system to prevent simultaneous enrollment in multiple state Medicaid Programs
- CMS PERM Audit allowances reduced

Program Integrity

- **Enrollment and Sanction Unit** –Ensures compliance with provider enrollment credentialing guidelines and provider/beneficiary suspension programs
- **Provider Review Unit** –Conducts post-payment audits using medical records and claims data, works with investigators and/or Attorney General's office on open cases, and coordinates with program staff to identify opportunities to correct or improve billing policies and system problems to avoid misspent dollars
- **Beneficiary Review Unit** – Monitors service use to ensure appropriate care, and assign providers, locking into one pharmacy/doctor, as necessary.
- **Quality Control Unit** –Audits eligibility determinations for correctness and coordinates with other states through Public Assistance Reporting Information System (PARIS)
- **Investigations Unit** – Investigates potential fraud by conducting preliminary investigations of providers and complete fraud investigations of beneficiaries

Medicaid Impact: Who we Serve

Who Does Alabama Medicaid Serve?

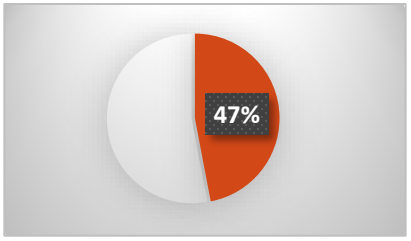
FY 2024 by Date of Service

Disabled and Blind

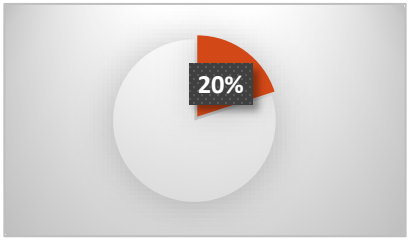
Any Age

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

% of Expenditures



% of Members



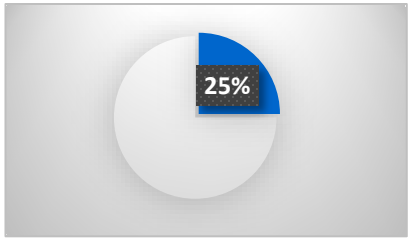
$16,824
Per Member Per Year

Children

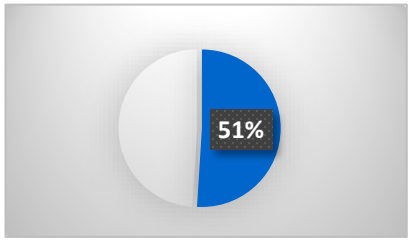
Age 0-18

Children in families below 146%[1] of the Federal Poverty Rate.

% of Expenditures



% of Members



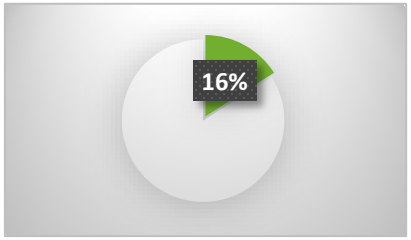
$3,453
Per Member Per Year

Aged

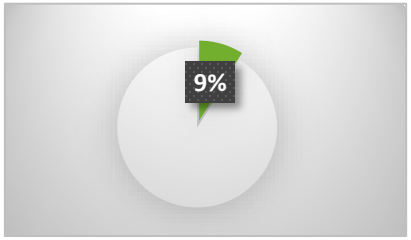
Age 65 and Over

Almost all are also covered by Medicare.

% of Expenditures



% of Members



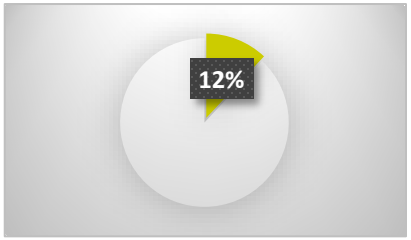
$12,350
Per Member Per Year

Other Categories

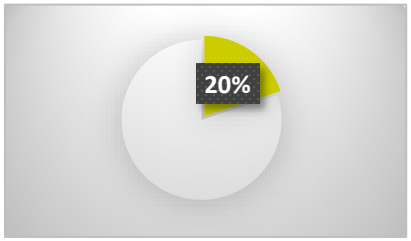
Age 19-64

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

% of Expenditures

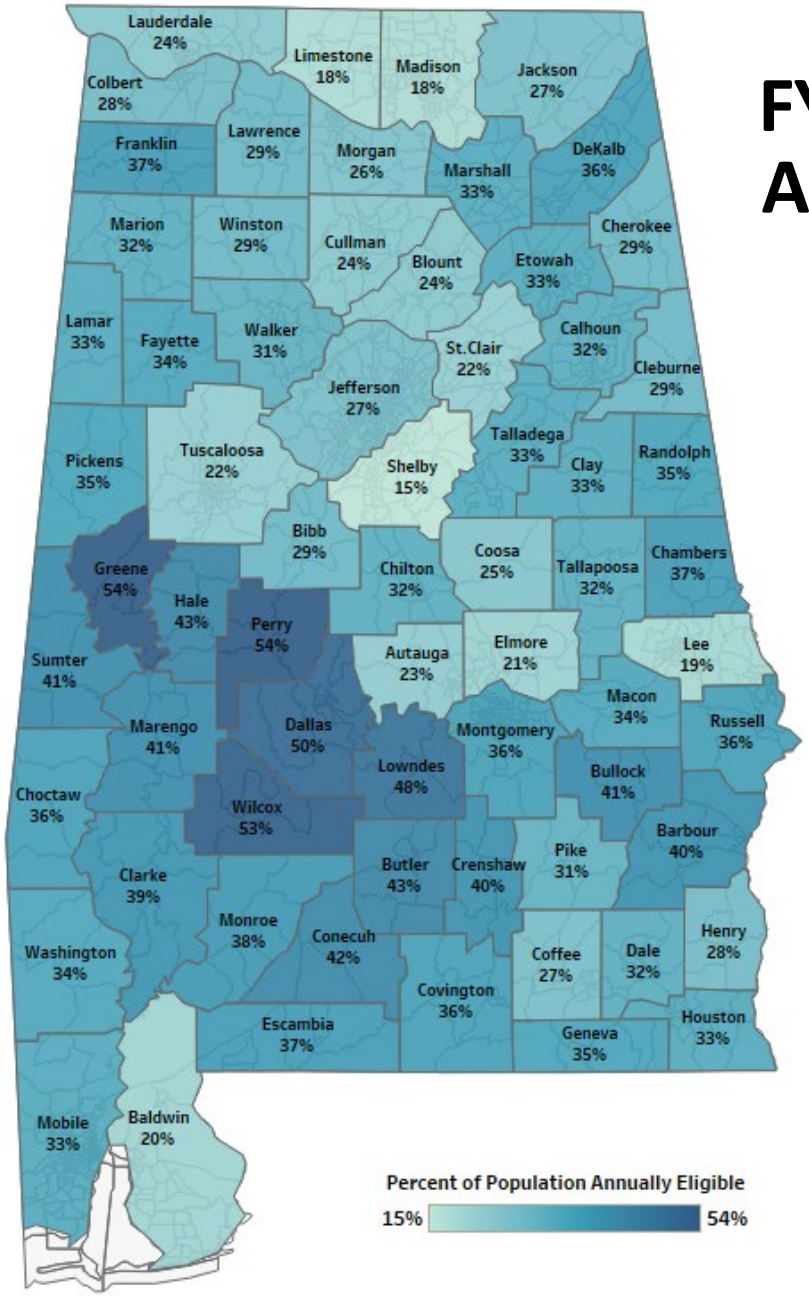


% of Members



$4,484
Per Member Per Year

Expenditures, based on dates of service, include claims, capitations, and access payments based on dates of service in FY 2024.
PMPY calculations are not for the purpose of determining managed care rates and do not align to date paid numbers.
[1] The 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 2024 Percent of Population Annually Eligible for Medicaid by County

Highest Percentage

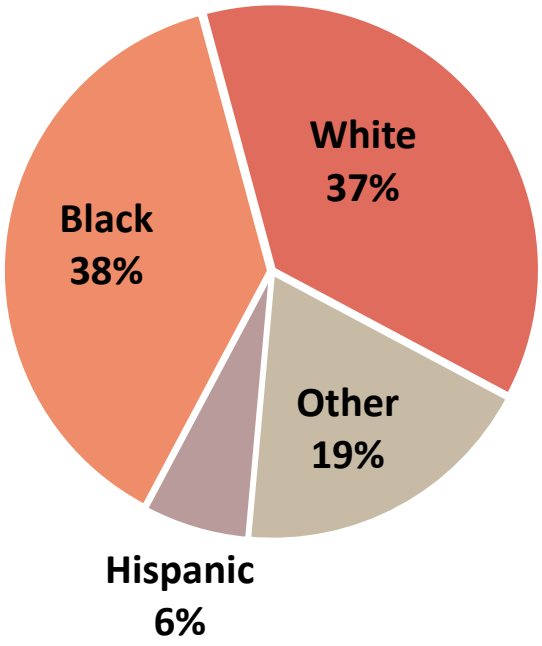
- Greene – 54%
- Perry – 54%
- Wilcox – 53%
- Dallas – 50%
- Lowndes – 48%

Lowest Percentage

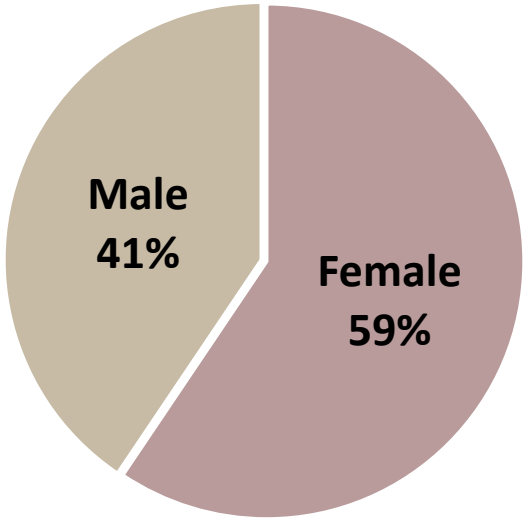
- Shelby – 15%
- Madison – 18%
- Limestone – 18%
- Lee – 19%
- Baldwin – 20%

FY 2025 Medicaid Eligibility by Race and Gender

Medicaid Eligibles By Race

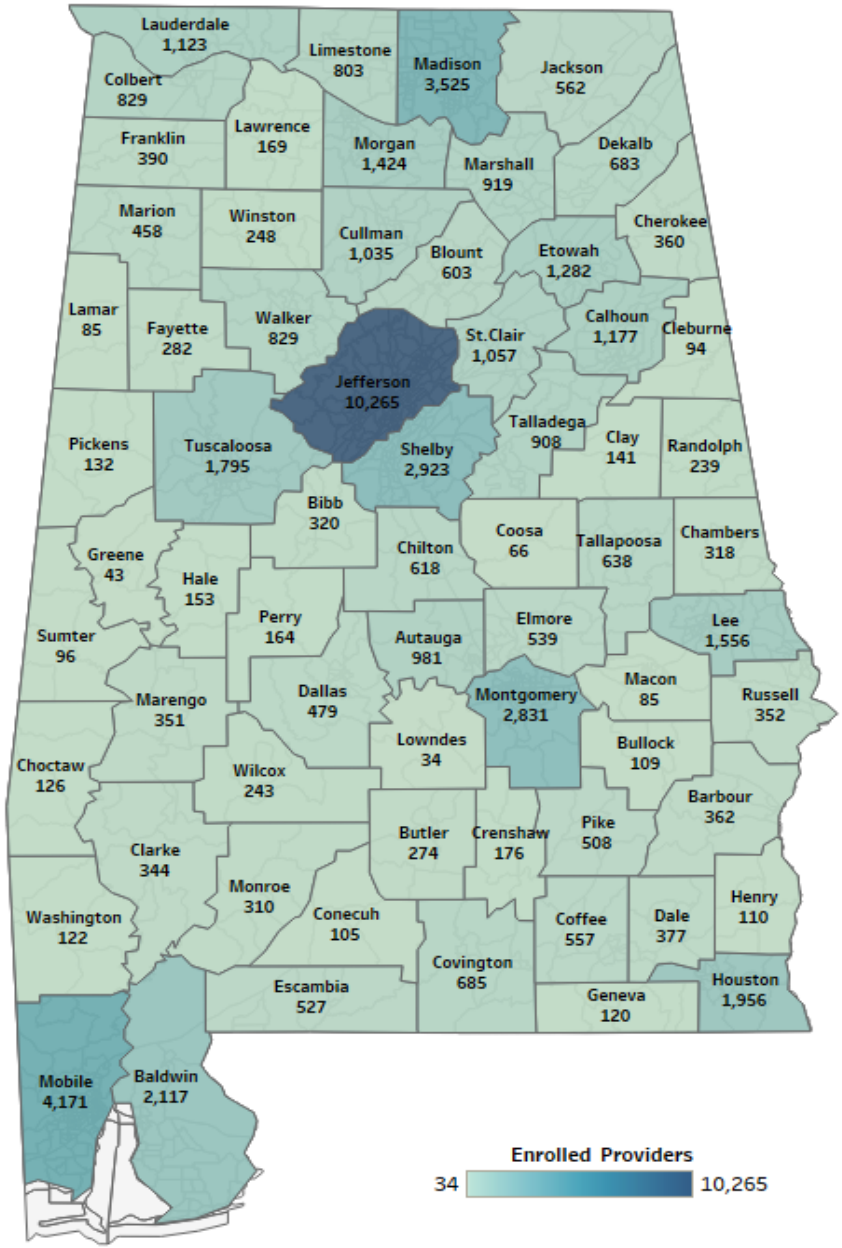


Medicaid Eligibles By Gender



NOTE: Based on monthly average eligibility in FY 2025

Medicaid Impact: Enrolled Providers



FY 2025 Medicaid Enrolled Providers

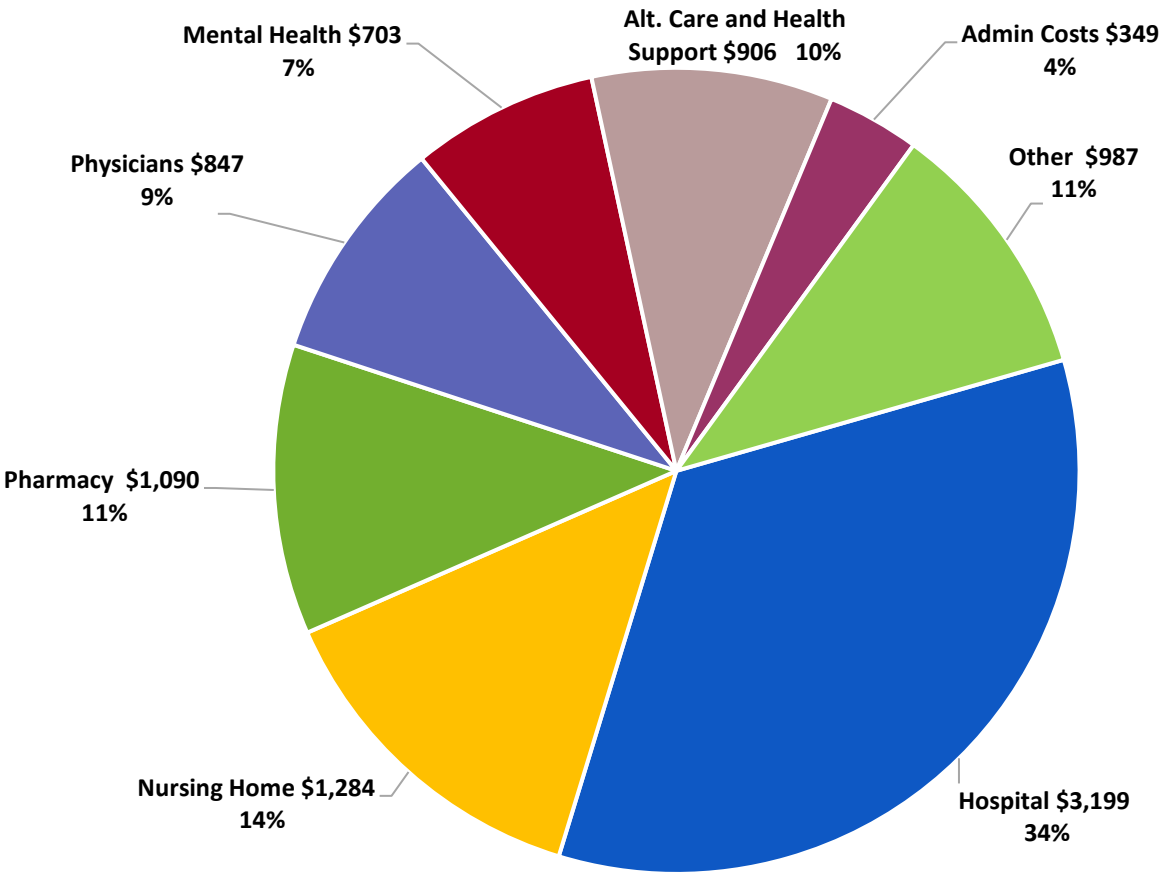
Provider Type	# of Providers
Physician	14,757
Hospital	108
Laboratory	177
Nursing Home	233
Dentist	1,043
Pharmacy	1,269
Nurse Practitioner	8,460
Therapists	3,148
Other	**9,024**
Unduplicated Count	**35,850***

Note:

- In-state providers only
- *Number of providers will not sum to the total unique providers due to providers having more than one provider type

Medicaid Impact: Budget

FY 2025 Medicaid Expenditure Analysis
Benefit Payments and Administrative Costs (in millions)

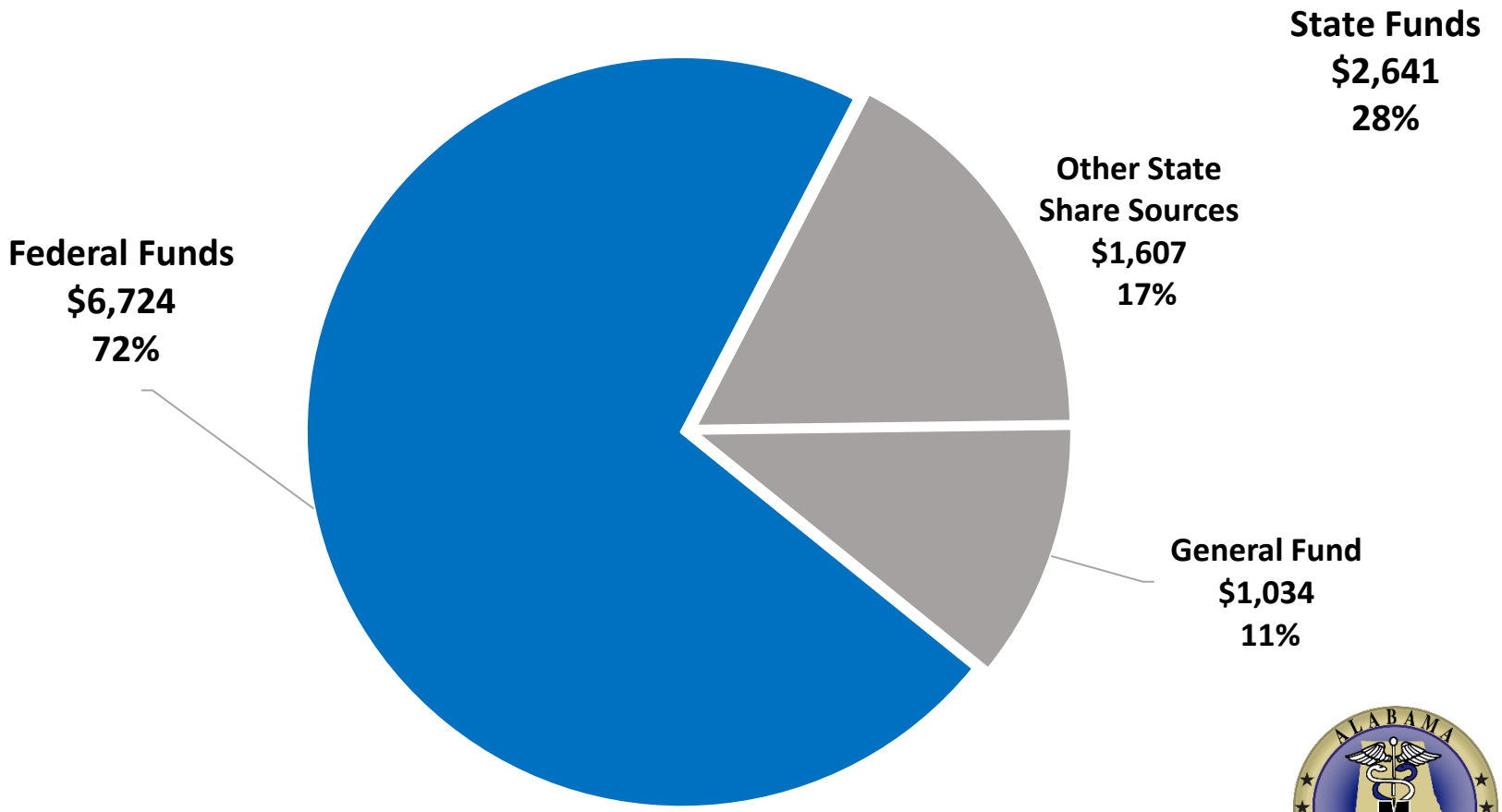


Total Expenditures
$9.365 Billion

FY 2025 Medicaid Funding Analysis

State and Federal Funding (in millions)

FY 25 Source of Funds: $9.365 Billion



Alabama Medicaid
2027 State Funding Need

- Projected Funding Need $ 1.273 billion
- Projected Carryforward -$94 million
- General Fund Request $ 1.179 billion

Questions