



# Alabama Medicaid 2021 Budget Hearing

January 23, 2020

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STEPHANIE MCGEE AZAR  
COMMISSIONER  
ALABAMA MEDICAID AGENCY



# AGENDA

- Overview
- 2021 Budget
- Medicaid Quality Initiatives



# Medicaid Overview

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# Who Does Alabama Medicaid Serve?



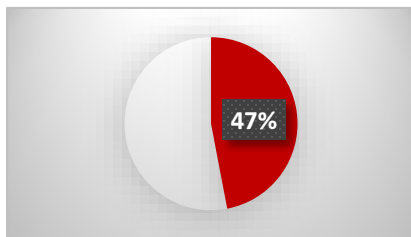
## FY 2018 by Date of Service

### Disabled and Blind

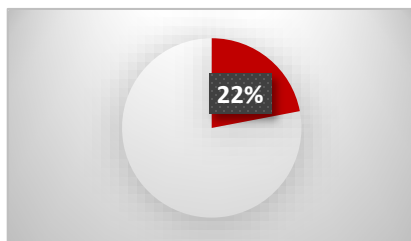
#### Any Age

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

#### % of Expenditures



#### % of Members



**\$11,804**

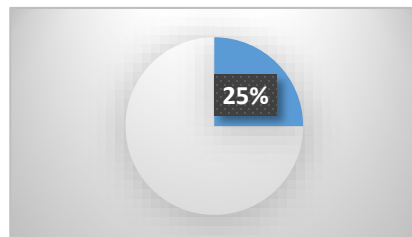
Per Member Per Year

### Children

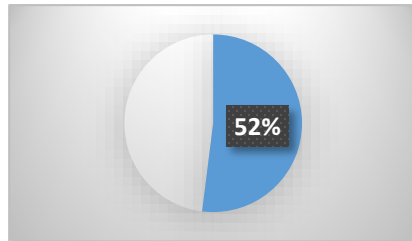
#### Age 0-18

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

#### % of Expenditures



#### % of Members



**\$2,614**

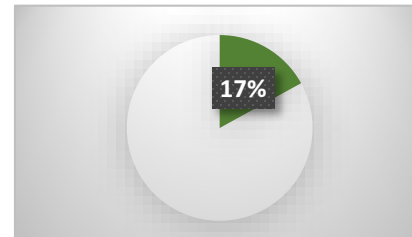
Per Member Per Year

### Aged

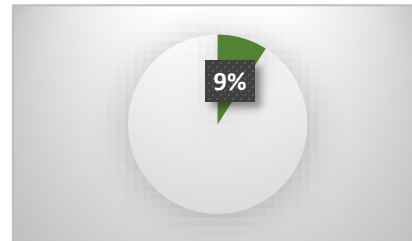
#### Age 65 and Over

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

#### % of Expenditures



#### % of Members



**\$10,457**

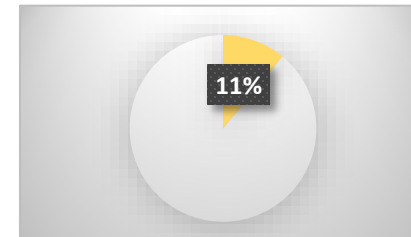
Per Member Per Year

### Other Categories

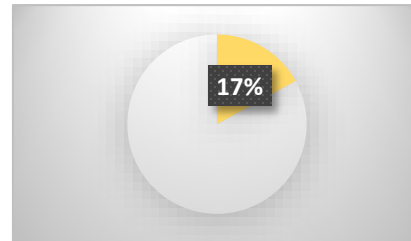
#### Age 19-64

Other adults including pregnant women, parent caretakers, and family planning services.

#### % of Expenditures



#### % of Members



**\$3,772**

Per Member Per Year

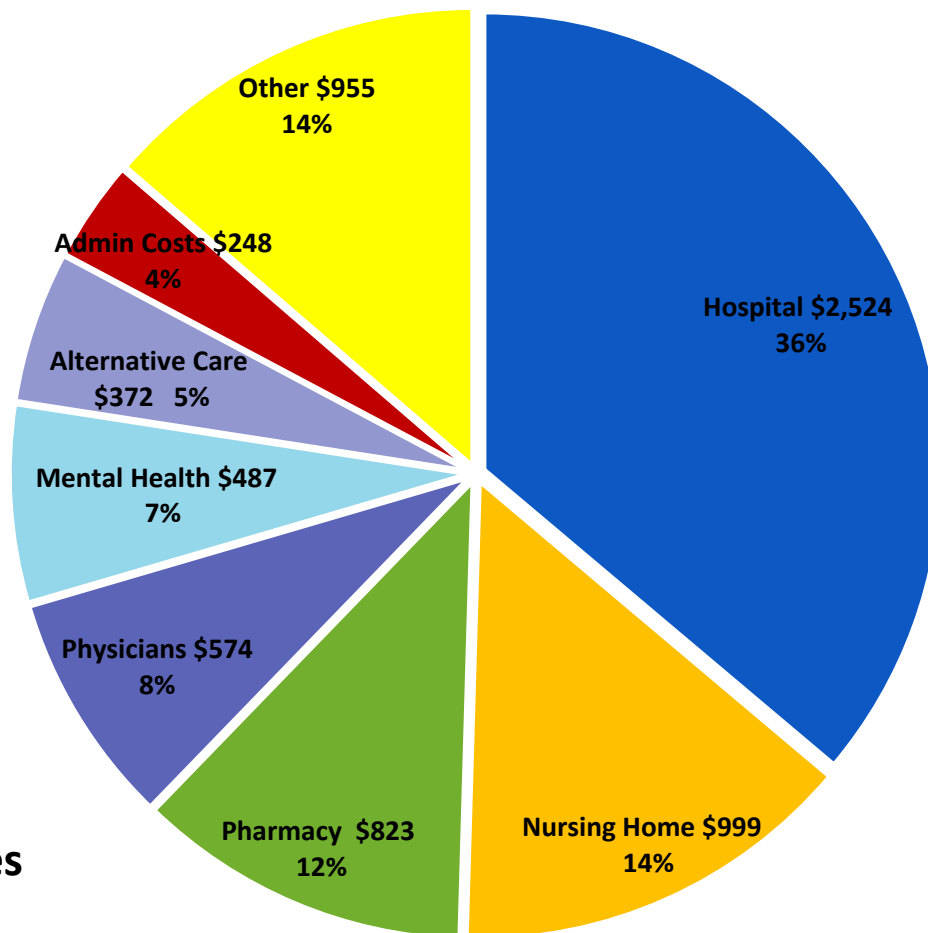
Expenditures, dates of service, include claims, capitations, and access payments based on dates of service in FY 2018.

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



# FY 2019 Medicaid Expenditure Analysis

## Benefit Payments and Administrative Costs (in millions)



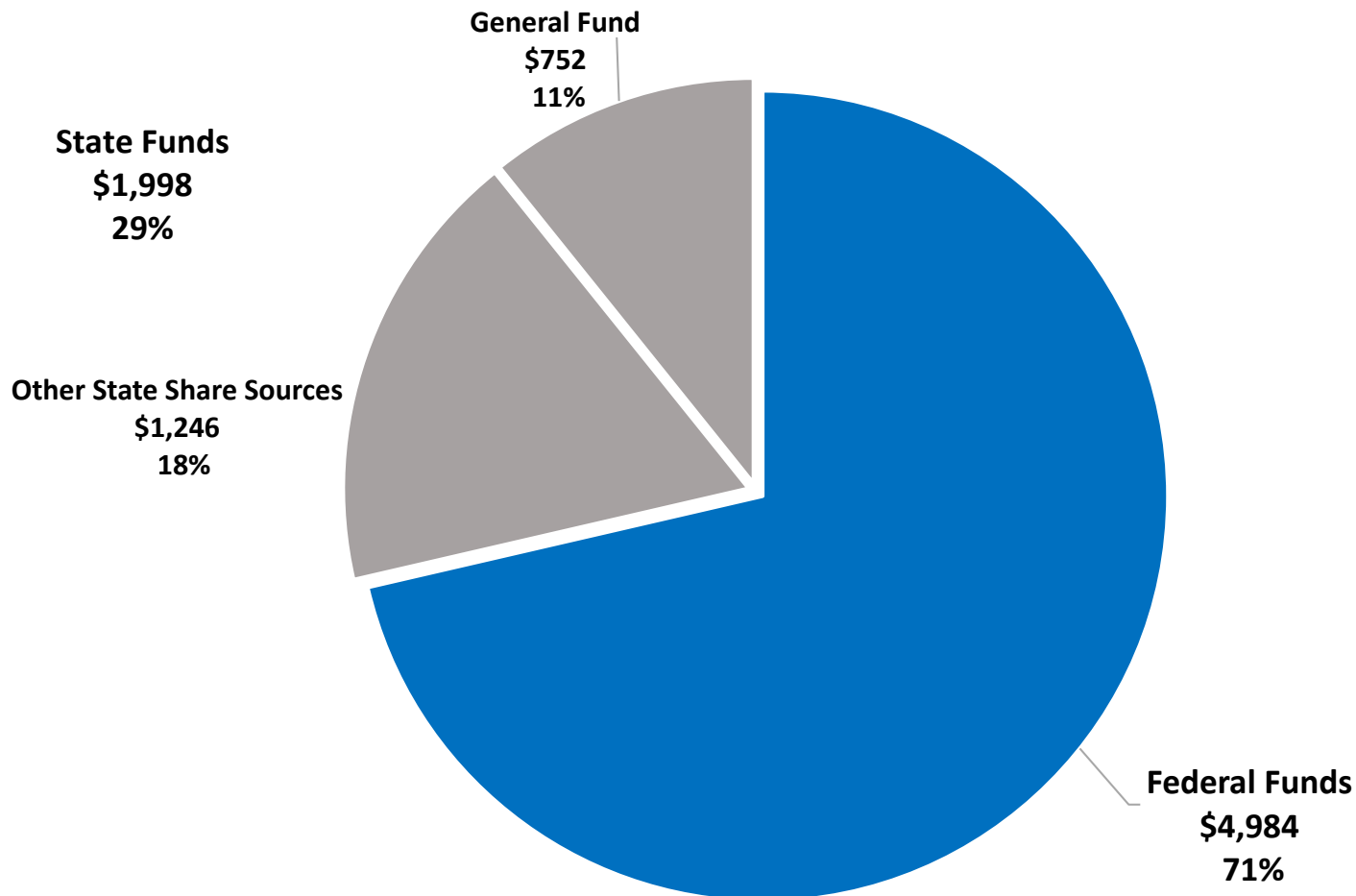
**Total Expenditures**  
**\$6.982 Billion**



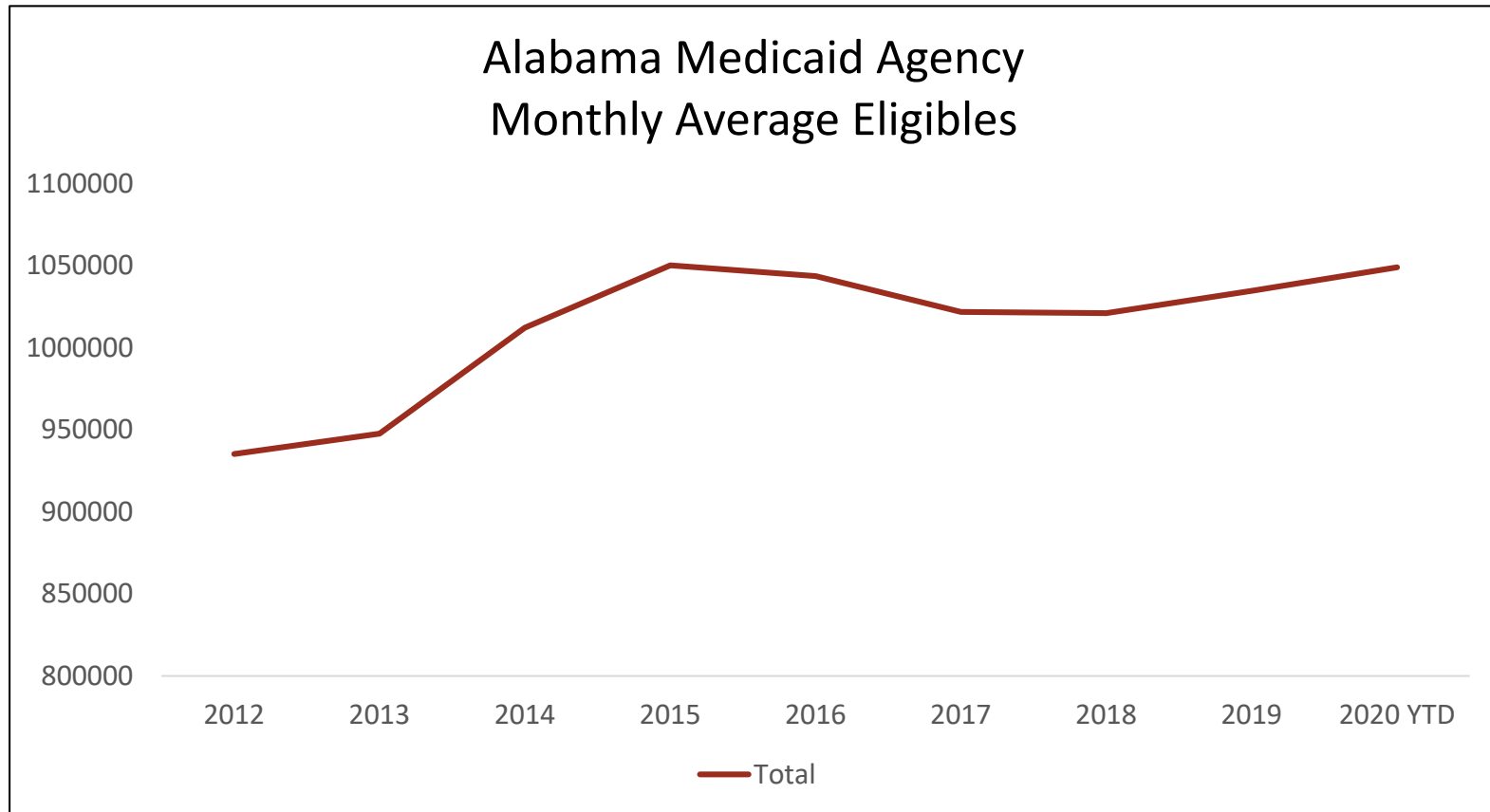
# FY 2019 Medicaid Funding Analysis

## State and Federal Funding (in millions)

FY 19 Source of Funds: \$6.982 Billion



# Monthly Average Eligibles 2012-2020\*



\* Fiscal Year 2020 YTD through October, 2019



# 2021 Budget

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# Alabama Medicaid 2021 State Funding Need

- Total Funding Need \$842 million
  - Less Projected Carryforward \$ 37 million
  - General Fund Request \$805 million
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# Inflationary Increases

(In millions)

## 2021 vs. 2020

### Recurring inflation increases

Pharmacy including Clawback	5
Nursing Homes	9
Insurance	7
<b>Total Benefit Cost</b>	<b>21</b>



# Factors Affecting 2021 vs. 2020 Request

- Carryforward
- Recurring inflationary increases
  - Pharmacy
  - Nursing Homes
  - Medicare Part B Insurance
- FMAP changes – reduces state share requirement
  - Impact shared with existing state share funding, such as hospitals; other state agencies; and teaching hospitals
- Paybacks
- CHIP state share increase
- Hospital conditional funding
- Quality initiatives



# Medicaid Quality Initiatives

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# Medicaid Quality Initiatives



## Alabama Coordinated Health Network (ACHN)

- Implemented October 1, 2019; Case management began November 1, 2019.
- Single care coordination delivery system combining Health Home and Maternity programs while also serving the Plan First population.
  - Affects approximately 750,000 recipients.
  - Rewards the achievement of quality benchmarks in the areas of childhood obesity, reduction of infant mortality, and substance use disorder.
- Quality improvement projects, submitted by the networks, are currently being reviewed by the Agency.

## Integrated Care Network (ICN)

- Implemented October 1, 2018.
- A unique system of care management for the Long Term Care (LTC) population that helps prepare for the population growth in LTC that is expected due to the aging of baby boomers.
- Manages the population and determines if the recipient is better served with home and community-based services (HCBS) or in a nursing home.
- Allows for more comprehensive and integrative Case Management that drives person-centered planning, enhances quality of life and improves health outcomes.



# Questions

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