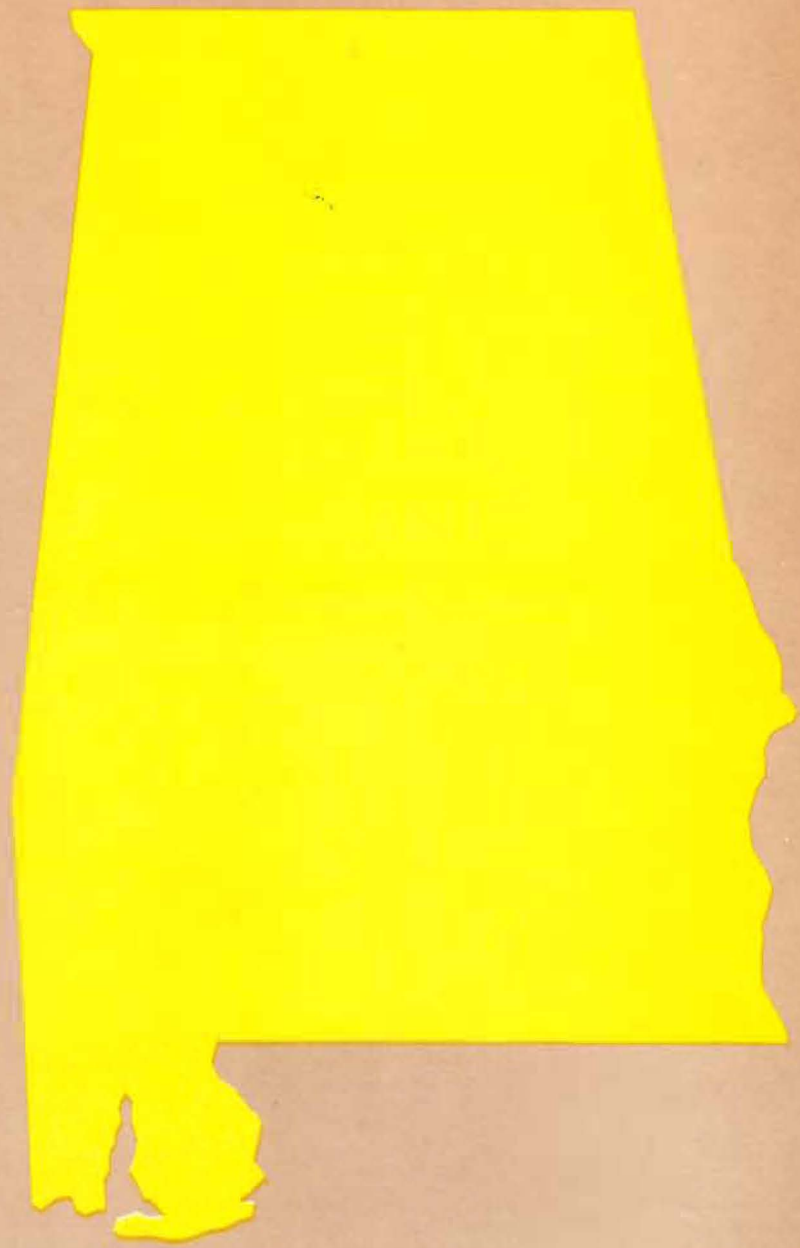


*Walter P. ...*

# ALABAMA MEDICAID

AFY '76



MEDICAL SERVICES ADMINISTRATION  
DEPARTMENT OF PUBLIC HEALTH

*File 1*

# **ALABAMA MEDICAID**

**ALABAMA FISCAL YEAR 1976**

Prepared by:

James F. Adams  
Chief, Research Analysis

Ronald E. Jones  
Statistician

**MEDICAL SERVICES ADMINISTRATION**

**DEPARTMENT OF PUBLIC HEALTH**

**MONTGOMERY, ALABAMA**

**Robert H. Holzworth, M.D., Director**

## TABLE OF CONTENTS

	PAGE
OVERVIEW	
1. MAJOR EVENTS FOR MEDICAID IN AFY '76 . . . . .	1
2. STATE COMPARISONS . . . . .	2
ADMINISTRATIVE TOPICS	
3. REVENUE . . . . .	8
4. ORGANIZATION . . . . .	10
5. TERMINOLOGY . . . . .	12
6. POPULATION . . . . .	14
STATISTICAL TOPICS—measures of activity	
7. PAYMENTS . . . . .	16
8. ELIGIBLES . . . . .	22
9. RECIPIENTS . . . . .	32
10. PRICE . . . . .	35
11. USE . . . . .	37
12. COST . . . . .	39
HEALTH CARE TOPICS—details about 8 of Medicaid's health care programs	
13. LONG-TERM CARE . . . . .	44
14. HOSPITAL PROGRAM . . . . .	48
15. PHYSICIANS' PROGRAM . . . . .	51
16. DENTAL PROGRAM . . . . .	54
17. EYE CARE PROGRAM . . . . .	56
18. PHARMACEUTICAL PROGRAM . . . . .	58
19. FAMILY PLANNING . . . . .	61
20. EPSDT . . . . .	63
SOURCES OF DATA . . . . .	66

## LIST OF ILLUSTRATIONS

Below each statistical table is a brief reference to the source(s) of data used in the table. The complete bibliography appears at the end of the report.

### STATE COMPARISONS

Plate 1 – Administrative cost as percent of total Medicaid budget. Alabama compared to other states. First six months of FFY '76. . . . .	2
Plate 2 – Average monthly payment per recipient . . . . .	3
Plate 3 – Cost per recipient, Alabama compared to other states . . . . .	3
Plate 4 – Cost per recipient for inpatient hospital services, Alabama compared to other states . . . . .	4
Plate 5 – Cost per recipient for skilled nursing home services, Alabama compared to other states . . . . .	5
Plate 6 – Cost per recipient for ICF services, Alabama compared to other states . . . . .	5
Plate 7 – Cost per recipient for physicians' services, Alabama compared to other states . . . . .	6
Plate 8 – Cost per recipient for prescribed drugs, Alabama compared to other states . . . . .	6
Plate 9 – Average cost per recipient for prescribed drugs, by region . . . . .	7
Plate 10 – Average length of stay in skilled nursing home, Alabama compared to Region IV and U.S. . . . .	7

### REVENUE

Plate 11 – Receipts and expenses . . . . .	8
Plate 12 – Percent from Federal government . . . . .	9
Plate 13 – Medicaid's portion of total state expenditures . . . . .	9

### ORGANIZATION

Plate 14 – Organization of the Alabama Department of Public Health . . . . .	10
--	----

### POPULATION

Plate 15 – Eligibles as percent of Alabama population, by year, 1970 to 1976 . . . . .	14
Plate 16 – 1974 Bureau of Census Population Estimates of Alabama counties . . . . .	15

### PAYMENTS

Plate 17 – By type of service . . . . .	16
Plate 18 – By type of service, graphically . . . . .	17
Plate 19 – Year's total by category, race, sex, and age . . . . .	18
Plate 20 – By Alabama county (in millions) . . . . .	19
Plate 21 – By county and type of service . . . . .	20

### ELIGIBLES

Plate 22 – All categories. Three ways to count eligibles (Tabular) . . . . .	22
Plate 23 – All categories. Three ways to count eligibles (Graphic) . . . . .	22
Plate 24 – By category, sex, race, age. Total number for year. Average number per month . . . . .	23
Plate 25 – Year's total by category, sex, race, age . . . . .	24
Plate 26 – By category. Monthly average. Annual number . . . . .	24
Plate 27 – Percent change during year. By category, sex, race, age . . . . .	25
Plate 28 – By category, sex, race, age. Total MME used by each group. Average MME used by each person. . . . .	26
Plate 29 – Annual turnover rates . . . . .	26
Plate 30 – Annual turnover rate by category, sex, race, age . . . . .	27
Plate 31 – Annual changes in expected duration of eligibility . . . . .	28
Plate 32 – Number and percent of population eligible for Medicaid, by county . . . . .	29

Plate 33 — Percent of population eligible for Medicaid, by race and sex, by county . . . . .	30
Plate 34 — Percent of population eligible for Medicaid, by age, by county . . . . .	31
<b>RECIPIENTS</b>	
Plate 35 — All categories. Three ways to count the number of recipients . . . . .	32
Plate 36 — Ratio of recipients to nonrecipients . . . . .	32
Plate 37 — By category, sex, race, age. Number of recipients during year . . . . .	33
Plate 38 — By category, sex, race, age. Monthly counts. Year's total. MMS per category, and per recipient . . . . .	34
<b>PRICE</b>	
Plate 39 — Quarterly changes in unit price per service . . . . .	35
Plate 40 — Alabama nursing home prices compared to Region IV and U.S. (Second quarter of FFY '76 compared to second quarter of FFY '75). . . . .	36
Plate 41 — Alabama hospital prices compared to Region IV and U.S. (Second quarter of FFY '76 compared to second quarter of FFY '75). . . . .	36
<b>USE</b>	
Plate 42 — Utilization rate by category . . . . .	37
Plate 43 — MMS per recipient frequency-of-service rate . . . . .	37
Plate 44 — MMS per eligible ratio of actual use to potential use . . . . .	37
Plate 45 — Percent of eligibles who became recipients, by county . . . . .	38
<b>COST</b>	
Plate 46 — Cost per eligible . . . . .	39
Plate 47 — Annual changes in cost per eligible . . . . .	40
Plate 48 — Cost per recipient, by county . . . . .	41
Plate 49 — Year's cost per service by category, Year's total number of recipients by service and category. Year's cost per recipient by service and category. Utilization rates by service and category. . . . .	42
<b>LONG-TERM CARE</b>	
Plate 50 — Beds, admissions, residents . . . . .	44
Plate 51 — Medicaid patients and payments per month . . . . .	44
Plate 52 — Cost to Medicaid per patient per year, by type of care . . . . .	45
Plate 53 — Recipients by sex, race, age . . . . .	45
Plate 54 — Payments by sex, race, age . . . . .	46
Plate 55 — Beds in existence, by month. Beds used by Medicaid, by month . . . . .	46
Plate 56 — Available nursing facility beds . . . . .	47
Plate 57 — Percent of available beds used by Medicaid . . . . .	47
Plate 58 — Number of recipients . . . . .	47
<b>HOSPITAL CARE</b>	
Plate 59 — Medicaid hospital patients compared to other patients . . . . .	48
Plate 60 — Use and costs of inpatient hospital care . . . . .	48
Plate 61 — Cost per recipient . . . . .	50
Plate 62 — The growing rate by which outpatients exceed inpatients . . . . .	50
Plate 63 — Outpatient utilization rates by category . . . . .	50
Plate 64 — Annual outpatient costs and inpatient costs compared . . . . .	50
<b>PHYSICIANS' PROGRAM</b>	
Plate 65 — Services and payments . . . . .	51

Plate 66 – Use and cost . . . . .	52
Plate 67 – Supply of physicians in Alabama . . . . .	53
Plate 68 – Demand of physicians' services by Medicaid recipients . . . . .	53

**DENTAL CARE**

Plate 69 – Number of dentists by state health area . . . . .	54
Plate 70 – Number of available and participating dentists . . . . .	55
Plate 71 – Recipients and payments of dental services . . . . .	55

**EYE CARE PROGRAM**

Plate 72 – Number of ophthalmologists and optometrists . . . . .	56
Plate 73 – Claims and payments . . . . .	57

**PHARMACEUTICAL PROGRAM**

Plate 74 – Types of provider by number . . . . .	58
Plate 75 – Eligibles, recipients, claims, and expenditures. Monthly totals and averages . . . . .	58
Plate 76 – Monthly averages of eligibles, expenditures, and claims . . . . .	59
Plate 77 – Recipients and expenditures by category . . . . .	60

**FAMILY PLANNING**

Plate 78 – Year's total number of recipients by category . . . . .	61
Plate 79 – Recipients of private physicians' services. By type of procedure, race and age . . . . .	62

**EPSDT**

Plate 80 – Average cost per screening, percent change in FFY '76, Alabama compared to other states . . . . .	63
Plate 81 – Number eligible, number screened, percent screened, by county . . . . .	64

## MAJOR EVENTS FOR MEDICAID IN AFY '76

For Medicaid the most important event this year was that expenditures rose less steeply than in the preceding years.

In AFY '73 expenditures rose 17% to \$ 90,000,915.

In AFY '74 expenditures rose 27% to \$114,571,119.

In AFY '75 expenditures rose 42% to \$162,336,851.

In AFY '76 expenditures rose 12% to \$182,052,013.

This deceleration in the rise of expenditures was accomplished in spite of the fact that the number of eligibles and recipients remained almost stable and unit prices of medical services continued to rise. Unit prices rose more than the 12% that expenditures rose. This can only mean that Medicaid's eligibles are using fewer medical services in '76 than in preceding years.

In addition to the deceleration in expenditures there were three other events in '76 that made this year different from other years:

1. The FY '77 Legislative appropriation for Medicaid was smaller than the FY '76 appropriation. This has never happened before. The result of this cutback, especially since unit prices are continuing to rise, is that Medicaid may be forced to reduce program benefits further.

2. A new fiscal intermediary was awarded the contract for FY '77. Contracts with fiscal intermediaries are for one year and by law are awarded to the low bidder. Blue Cross and Blue Shield of Alabama has been the contractor for the past four years, but this year Electronic Data Systems, Federal, was the low bidder and was awarded the contract for FY '77.
3. First steps were taken toward four new systems for detecting fraud and abuse:

A Professional Standards Review Organization (PSRO).

Program Review Teams.

Computer searches for exceptional prices or practices among providers.

Specially marked Medicaid cards for recipients found to be buying excessive quantities of drugs or otherwise abusing Medicaid privileges. People issued these cards must select one pharmacist and one physician and are not to seek services from other pharmacists or physicians except in emergencies.

As the year ended these four systems were in experimental stages, and reports on their work would, at this time, be premature. Their development will be among Medicaid's major events for the next year.

# STATE COMPARISONS

FFY '76 PLATE 1  
**STATE COMPARISONS**

Administrative cost as percent of total Medicaid budget. Alabama compared to other states. First six months of FFY '76.

Rank	State	Administrative Cost As Percent of Budget	% Change in FFY '76
1.	Nebraska	12.9	+3.3
2.	Alaska	10.9	+2.5
3.	Nevada	10.1	-0.5
4.	Wyoming	9.6	+4.7
5.	Utah	9.5	-0.6
6.	Oklahoma	8.0	+0.6
7.	District of Columbia	7.5	+0.9
8.	Michigan	7.2	+1.8
9.	Montana	7.1	+1.7
10.	New Mexico	6.9	+2.0
11.	Vermont	6.8	+1.2
12.	Washington	6.7	+0.7
13.	New Hampshire	6.7	-2.8
14.	West Virginia	6.6	-1.2
15.	Indiana	6.5	+0.6
16.	Oregon	6.5	-3.1
17.	Mississippi	6.4	-1.1
18.	North Dakota	6.2	-0.5
19.	Kentucky	6.1	+0.8
20.	Iowa	6.0	+0.3
21.	Idaho	6.0	+0.6
22.	Ohio	5.8	-1.4
23.	South Dakota	5.6	-4.9
24.	California	5.5	-0.3
25.	South Carolina	5.3	+0.7
26.	Hawaii	5.1	+0.8
27.	Maryland	5.0	-1.0
28.	Kansas	4.9	-0.3
29.	Colorado	4.8	-0.2
30.	Virginia	4.8	+0.1
31.	Florida	4.7	-0.7
32.	Massachusetts	4.7	-0.9
33.	New Jersey	4.6	+0.3
34.	Delaware	4.6	-0.4
	<b>U.S. AVERAGE</b>	4.4	<b>NO CHANGE</b>
35.	Texas	4.4	+0.9
36.	<b>ALABAMA</b>	4.2	-0.6
37.	Missouri	4.0	+0.7
38.	Rhode Island	4.0	-0.5
39.	North Carolina	3.9	-2.3
40.	Connecticut	3.6	-0.2
41.	Arkansas	3.6	+1.3
42.	Pennsylvania	3.5	-0.1
43.	Illinois	3.4	+0.3
44.	Georgia	3.4	+0.8
45.	Minnesota	3.3	-0.6
46.	Maine	3.2	+0.3
47.	Louisiana	2.8	-0.5
48.	New York	2.6	-0.1
49.	Tennessee	2.5	-1.6
50.	Wisconsin	1.6	-0.4
51.	Arizona	N/A*	

\*Not Available

Source: Nos. 8 & 21

Comparisons of the Alabama Medicaid program with those of other states are presented in the following tables. The information was taken from 1973 data on payments for selected services to Medicaid recipients. The data were published in May 1976 by the National Center for Social Statistics, DHEW, and are the latest national statistics available.

## RACIAL DATA ON MEDICAID RECIPIENTS

In fiscal year 1973, 10.6 million recipients were classified according to race (a little more than half the recipients). About 4.6 million (44% of those whose race was told) were nonwhites. This represents an increase over 1972 when nonwhites comprised 39% of those whose race was reported. For fiscal 1973, 57% of Alabama Medicaid recipients were nonwhites. For most services white recipients were more numerous, with their majority being greatest in long-term care facilities (skilled nursing homes, mental hospitals, and intermediate-care facilities). Payments for whites accounted for 70% of the reported expended funds, a much larger proportion than their number.

## COST PER RECIPIENT BY SERVICE

In FFY '76, substantial amounts of data were made available by DHEW ranking jurisdictions in terms of payments and number of recipients. Some of the information is for previous years but is the most recent available. As Plate 1 shows, in FFY '76 Alabama ranked just below the national average in cost of administering the Medicaid program. Also, in FFY '76 Alabama spent \$78.74 per month per recipient. This is a steep increase over FFY '73 when Alabama spent \$25.66 (or \$308 per year) per recipient per month (see Plate 2). Despite the steep increase, Alabama dropped from 40th in FFY '73 to 44th in FFY '76 in cost per recipient.



AFY '76 PLATE 2

### STATE COMPARISONS

Average monthly payment per recipient

Rank	State	Average	% of U.S. Averages
1.	Alaska	\$284.79	218
2.	Pennsylvania	240.66	185
3.	New York	239.97	184
4.	Minnesota	215.54	165
5.	Oklahoma	213.57	164
6.	North Dakota	205.27	157
7.	Wisconsin	185.11	142
8.	Nevada	181.48	139
9.	Kansas	162.03	124
10.	Montana	157.71	121
11.	Indiana	152.73	117
12.	Connecticut	152.34	117
13.	Nebraska	146.42	112
14.	Texas	144.42	111
15.	South Dakota	143.47	110
16.	Rhode Island	140.13	107
17.	Utah	137.20	105
18.	Michigan	134.52	103
19.	Idaho	132.35	101
20.	Oregon	130.59	100
	<b>U.S. AVERAGE</b>	<b>130.38</b>	<b>100</b>
21.	New Hampshire	130.36	100
22.	Maine	130.09	99
23.	New Jersey	126.75	97
24.	Washington	124.31	97
25.	Massachusetts	123.35	95
26.	Iowa	121.12	93
27.	Vermont	119.98	92
28.	Colorado	118.35	90
29.	California	115.34	88
30.	Virginia	115.15	88
31.	Maryland	113.29	87
32.	District of Columbia	111.66	86
33.	Ohio	110.40	85
34.	North Carolina	104.64	80
35.	Hawaii	103.38	79
36.	Florida	101.30	78
37.	Georgia	100.74	70
38.	Tennessee	91.69	69
39.	Louisiana	88.11	68
40.	New Mexico	87.01	67
41.	Delaware	83.52	64
42.	South Carolina	82.90	64
43.	Illinois	82.69	64
44.	<b>ALABAMA</b>	<b>78.74</b>	<b>60</b>
45.	West Virginia	77.92	60
46.	Arkansas	76.00	58
47.	Kentucky	63.11	48
48.	Missouri	62.72	48
49.	Mississippi	61.64	47
50.	Arizona	N/A*	—
51.	Wyoming	N/A*	—

\*Not Available

Source: No. 8

FFY '73 PLATE 3

### STATE COMPARISONS

Cost per recipient, Alabama compared to other states.

Rank	State	Average	% of U.S. Average
1.	New York	\$811	188
2.	Minnesota	755	175
3.	Connecticut	668	154
4.	Wisconsin	605	140
5.	Nebraska	596	138
6.	Michigan	570	132
7.	Alaska	571	132
8.	Indiana	561	130
9.	Vermont	563	130
10.	South Dakota	544	126
11.	Nevada	545	126
12.	Rhode Island	535	124
13.	North Dakota	535	124
14.	Massachusetts	523	121
15.	Oklahoma	512	118
16.	Texas	500	116
17.	Kansas	496	115
18.	Maine	487	113
19.	Colorado	487	113
20.	Washington	475	110
21.	Montana	473	109
22.	Idaho	469	108
23.	New Jersey	467	108
24.	District of Columbia	450	104
	<b>U.S. AVERAGE</b>	<b>\$432</b>	<b>100%</b>
25.	Wyoming	426	99
26.	Arkansas	417	97
27.	Utah	417	96
28.	Maryland	412	95
29.	Georgia	399	92
30.	Illinois	392	91
31.	Virginia	384	89
32.	Hawaii	381	88
33.	North Carolina	368	85
34.	California	362	84
35.	Tennessee	318	74
36.	Louisiana	320	74
37.	Florida	314	73
38.	Pennsylvania	317	73
39.	New Mexico	309	72
40.	<b>ALABAMA</b>	<b>308</b>	<b>71</b>
41.	Iowa	298	69
42.	New Hampshire	283	65
43.	South Carolina	274	63
44.	Oregon	242	56
45.	Delaware	233	54
46.	Mississippi	219	51
47.	Kentucky	216	50
48.	Missouri	211	49
49.	West Virginia	185	43

Source: No. 9

## A FEW SERVICES USE MOST OF MEDICAID'S MONEY

In fiscal year 1973, inpatient hospital care, skilled nursing home care, ICF care, physician services, and prescribed drugs accounted for 84% of Medicaid payments in all reported jurisdictions. In Alabama, 93.7% of all Medicaid payments were for these services.

Plate 3 compares the annual cost per recipient in Alabama with the cost in other states. Plates 4, 5, 6, 7, and 8 show the average annual cost per recipient for inpatient hospital services, skilled nursing home care, intermediate nursing home care, physicians' services, and prescribed drugs, respectively. Only in the case of prescribed drugs did Alabama rank above the national average. However, Region IV (See Plate 9) also ranked above the national average for prescribed drugs, the only service for which this was true in FFY '73.

FFY '73		PLATE 4	
<b>STATE COMPARISONS</b>			
Cost per recipient for inpatient hospital services, Alabama compared to other states.			
Rank	State	Average	% of U.S. Average
1.	Ohio	\$1176	183
2.	District of Columbia	1155	180
3.	Maryland	1016	158
4.	Minnesota	962	150
5.	Connecticut	889	139
6.	Michigan	851	133
7.	Illinois	844	131
8.	New Jersey	803	125
9.	Alaska	780	122
10.	California	773	120
11.	Delaware	759	118
12.	North Carolina	711	110
13.	Wisconsin	683	106
14.	Nevada	678	106
15.	Maine	678	106
16.	Washington	673	105
17.	Utah	671	104
18.	Indiana	670	104
19.	Kansas	658	102
20.	Vermont	654	102
	<b>U.S. AVERAGE</b>	<b>\$642</b>	<b>100%</b>
21.	Pennsylvania	630	98
22.	West Virginia	601	94
23.	Georgia	574	89
24.	North Dakota	570	89
25.	Nebraska	568	88
26.	New Mexico	561	87
27.	Virginia	561	87
28.	Hawaii	556	87
29.	New Hampshire	554	86
30.	Idaho	541	84
31.	Florida	538	84
32.	Oklahoma	514	80
33.	South Carolina	511	80
34.	Oregon	510	79
35.	Montana	489	76
36.	South Dakota	455	71
37.	Texas	406	63
38.	Kentucky	406	63
39.	Iowa	397	63
40.	Tennessee	392	61
41.	Louisiana	391	61
42.	Missouri	369	57
43.	Wyoming	355	55
44.	<b>ALABAMA</b>	<b>327</b>	<b>51</b>
45.	Arkansas	314	49
46.	Mississippi	302	47

Source: No. 9

FFY '73

PLATE 5

**STATE COMPARISONS**Cost per recipient for skilled nursing home services,  
Alabama compared to other states.

Rank	State	Average	% of U.S. Average
1.	District of Columbia	\$5341	228
2.	Hawaii	4910	210
3.	Alaska	4424	189
4.	New Jersey	4121	176
5.	Connecticut	3859	165
6.	Ohio	3615	155
7.	Michigan	3605	154
8.	Delaware	3317	142
9.	Vermont	3236	138
10.	Indiana	3163	135
11.	Wisconsin	3014	129
12.	Nevada	2985	128
13.	Pennsylvania	2729	117
14.	North Carolina	2707	116
15.	Kentucky	2706	116
16.	Minnesota	2680	115
17.	Maryland	2644	113
18.	Utah	2475	106
19.	Georgia	2351	100
20.	Idaho	2350	100
	<b>U.S. AVERAGE</b>	<b>\$2340</b>	<b>100%</b>
21.	North Dakota	2270	97
22.	Mississippi	2259	97
23.	South Dakota	2253	96
24.	ALABAMA	2235	96
25.	Maine	2172	93
26.	Wyoming	2169	93
27.	Florida	2163	92
28.	Montana	2110	90
29.	Missouri	2105	90
30.	Louisiana	2023	86
31.	Washington	2011	86
32.	South Carolina	1840	79
33.	Texas	1724	74
34.	Kansas	1705	73
35.	Nebraska	1704	73
36.	New Hampshire	1656	71
37.	California	1607	68
38.	New Mexico	1396	60
39.	Illinois	1359	58
40.	Arkansas	1312	56
41.	Oregon	1057	45
42.	Iowa	971	41
43.	Virginia	943	40
44.	Tennessee	912	39
45.	West Virginia	875	37
46.	Oklahoma	738	32

Source: No. 9

FFY '73

PLATE 6

**STATE COMPARISONS**Cost per recipient for ICF services, Alabama  
compared to other states.

Rank	State	Average	% of U.S. Average
1.	District of Columbia	\$6914	334
2.	Wisconsin	6682	323
3.	Maine	5129	247
4.	Vermont	3067	148
5.	Indiana	3057	148
6.	Maryland	2905	140
7.	Virginia	2874	139
8.	Minnesota	2830	137
9.	Idaho	2315	112
10.	Wyoming	2310	112
11.	Utah	2292	110
12.	Tennessee	2247	108
13.	Texas	2210	106
14.	Georgia	2156	104
15.	New Mexico	2154	104
	<b>U.S. AVERAGE</b>	<b>\$2072</b>	<b>100%</b>
16.	ALABAMA	1995	96
17.	Oklahoma	1976	95
18.	Arkansas	1947	94
19.	Kansas	1904	92
20.	Nebraska	1893	91
21.	South Dakota	1865	90
22.	Louisiana	1780	86
23.	Illinois	1745	84
24.	Nevada	1731	84
25.	Montana	1695	82
26.	Ohio	1547	75
27.	Delaware	1380	66
28.	Florida	1198	58
29.	Pennsylvania	1158	56
30.	South Carolina	1028	49
31.	Iowa	983	47
32.	Washington	949	46
33.	Oregon	868	42
34.	California	848	41
35.	Kentucky	683	33
36.	Alaska	611	30
37.	Mississippi	538	26

Source: No. 9

FFY '73

PLATE 7

**STATE COMPARISONS**

Cost per recipient for physicians' services, Alabama compared to other states.

Rank	State	Average	% of U.S. Average
1.	District of Columbia	\$122.80	182
2.	Alaska	112.82	167
3.	Nevada	110.43	163
4.	Virginia	100.23	148
5.	Idaho	94.36	140
6.	Georgia	92.99	138
7.	Hawaii	89.80	133
8.	Michigan	89.40	132
9.	Vermont	88.97	132
10.	Nebraska	88.31	131
11.	California	88.11	130
12.	Washington	87.64	130
13.	Minnesota	85.25	126
14.	Maine	85.16	126
15.	Wisconsin	84.75	125
16.	Oklahoma	84.21	125
17.	New Jersey	81.13	120
18.	Ohio	81.03	120
19.	New Hampshire	80.87	120
20.	Texas	79.63	118
21.	Illinois	77.23	115
22.	South Dakota	75.62	112
23.	Wyoming	75.49	112
24.	North Carolina	74.50	110
25.	Connecticut	73.22	108
26.	Indiana	72.95	108
27.	North Dakota	72.72	107
28.	Montana	71.91	106
29.	Missouri	71.22	105
	<b>U.S. AVERAGE</b>	<b>\$67.57</b>	<b>100%</b>
30.	Iowa	66.18	98
31.	New Mexico	65.52	97
32.	South Carolina	64.17	95
33.	Tennessee	62.99	93
34.	Delaware	62.90	93
35.	West Virginia	57.92	86
36.	Arkansas	57.43	85
37.	<b>ALABAMA</b>	<b>55.88</b>	<b>83</b>
38.	Mississippi	55.35	82
39.	Louisiana	55.18	82
40.	Kansas	50.74	75
41.	Maryland	48.24	71
42.	Florida	46.97	69
43.	Kentucky	45.60	67
44.	Pennsylvania	38.98	58
45.	Oregon	38.70	57

Source: No. 9

FFY '73

PLATE 8

**STATE COMPARISONS**

Cost per recipient for prescribed drugs, Alabama compared to other states.

Rank	State	Average	% of U.S. Average
1.	North Dakota	\$90.29	184
2.	Louisiana	88.94	182
3.	Texas	83.40	170
4.	Nebraska	82.46	168
5.	North Carolina	81.98	167
6.	Minnesota	78.84	161
7.	New Hampshire	69.19	141
8.	Virginia	69.13	141
9.	Kansas	67.32	137
10.	Indiana	66.63	136
11.	Ohio	65.99	135
12.	Vermont	65.18	133
13.	Tennessee	63.28	130
14.	Illinois	62.16	127
15.	Wisconsin	61.36	125
16.	Iowa	60.45	123
17.	Mississippi	60.20	123
18.	Georgia	58.40	119
19.	Nevada	56.19	115
20.	Michigan	54.65	112
21.	Maryland	52.99	108
22.	<b>ALABAMA</b>	<b>51.69</b>	<b>106</b>
23.	Connecticut	50.69	103
24.	Idaho	49.11	100
	<b>U.S. AVERAGE</b>	<b>\$48.99</b>	<b>100%</b>
25.	Missouri	47.90	98
26.	South Carolina	47.50	97
27.	New Mexico	47.13	96
28.	Florida	46.96	96
29.	Washington	46.85	96
30.	Kentucky	46.76	95
31.	Utah	44.79	91
32.	New Jersey	43.06	88
33.	Pennsylvania	42.77	87
34.	West Virginia	42.19	86
35.	Maine	41.72	85
36.	District of Columbia	41.71	85
37.	Montana	40.63	83
38.	California	39.62	81
39.	Hawaii	37.14	76
40.	Delaware	36.38	74
41.	Oregon	34.72	71
42.	Oklahoma	5.46	11

Source: No. 9

FFY '73

PLATE 9

**STATE COMPARISONS**

Average cost per recipient for prescribed drugs, by region.

RANK	REGION	RECIPIENTS	PAYMENTS	AVERAGE PER RECIPIENT
1.	II	2,826,361	99,054,872	\$35
2.	IX	1,934,823	76,845,958	40
3.	X	299,076	13,100,097	44
4.	III	1,367,587	66,655,384	49
	U.S. AVERAGE			\$49
5.	VIII	225,045	11,849,994	53
6.	I	749,456	40,488,431	54
7.	IV	1,733,840	99,540,496	57
8.	VII	468,054	27,453,984	59
9.	V	2,119,439	132,879,768	63
10.	VI	555,838	42,990,067	77

Source: No. 9

**AVERAGE LENGTH OF STAY  
IN NURSING HOMES**

Plate 10 indicates the average length of stay in a skilled nursing home. Almost half (47.9%) of Alabama's Medicaid nursing home recipients stayed in

nine months or longer. Nationally in FFY '73, however, less than one-third (30.3%) continued as nursing home recipients for nine months or longer.

FFY '73

PLATE 10

**STATE COMPARISONS**

Average length of stay in skilled nursing home, Alabama compared to Region IV and U.S.

NO. OF DAYS	NATIONAL BY % (CUMULATIVE %)	REGION IV BY % (CUMULATIVE %)	ALABAMA BY % (CUMULATIVE %)
1-6	2.6	5.0	.9
7-13	2.6 ( 5.2)	2.4 ( 7.4)	.7 ( 1.6)
14-20	2.3 ( 7.5)	1.9 ( 9.3)	.8 ( 2.4)
21-27	2.2 ( 9.7)	1.7 ( 11.0)	.7 ( 3.1)
28-60	14.4 ( 24.1)	10.4 ( 21.4)	12.5 ( 15.6)
61-120	15.0 ( 39.1)	13.8 ( 35.2)	14.7 ( 30.3)
121-180	13.1 ( 52.2)	9.7 ( 44.9)	10.8 ( 41.1)
181-270	15.5 ( 67.7)	11.3 ( 56.2)	12.0 ( 53.1)
271-366	30.3 (100.0)	43.8 (100.0)	47.9 (100.0)

Source: No. 9

## REVENUE

Medicaid's funds come from three sources, as shown in Plate 11, and totaled just under \$184 million in AFY '76. The same plate also shows how the money was used.

For some of Medicaid's activities the federal government pays half the cost. For other activities the federal contribution is 75%, 90%, or other fractions. For all purposes combined, the federal contribution in AFY '76 was 73.26%. See Plate 12.

Because the Medicaid program is extensive and provides costly services, Medicaid's expenditures can be misinterpreted. While it is true that Medicaid's appropriation from the Alabama Legislature is more than one-fourth of the General Fund, emphasis on this is misleading. To put Medicaid's portion in per-

spective it is necessary to look at some other figures from the budget of Alabama's state government.

In AFY '76 Alabama's total expenditure for state government was \$3.519 billion, or in more familiar terms, \$3,519 million. Medicaid's portion of this total was \$184 million, of which \$133 million came from federal funds. See Plate 13.

The \$51 million Medicaid received from state funds was 1.7% of total expenditures from state funds or approximately 25% of the General Fund. The \$184 million Medicaid spent from all sources amounts to 5% of the total state expenditures from all current revenues. All three percentages are needed to give a complete picture of the relative size of Medicaid's expenditures.

AFY '76		PLATE 11
<b>REVENUE</b>		
Receipts and expenses		
Balance left from AFY '75	\$ 443,186.50	
State appropriations	50,273,500.00	
Federal funds	132,957,390.71	
Miscellaneous receipts	156,575.54	
<b>Total receipts</b>	<b>\$183,830,652.75</b>	
Gross payments to providers	\$176,161,977.73	
Refunds from providers and third parties	<u>1,439,041.55</u>	
Net payments to providers	\$174,722,936.18	
Administrative costs	<u>7,329,076.57</u>	
Net disbursement	\$182,052,012.75	
Encumbered but not paid	<u>1,778,640.00</u>	
<b>Total Expenses</b>	<b>\$183,830,652.75</b>	

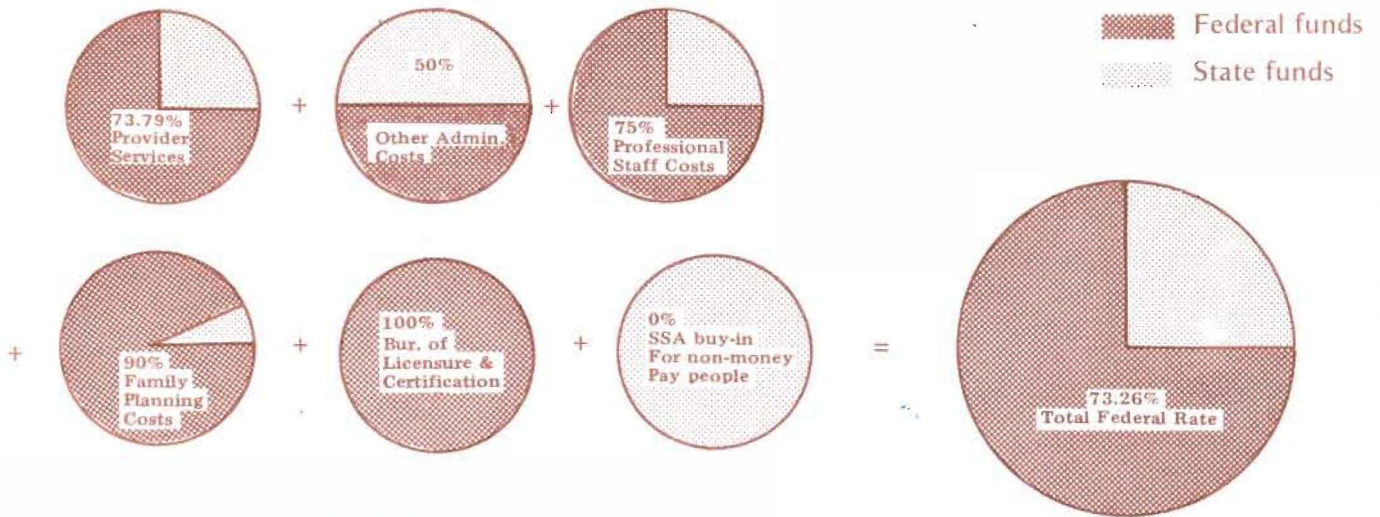
Source: No. 11

AFY '76

PLATE 12

**REVENUE**

Percent from Federal government



Source: No. 11

AFY '76

PLATE 13

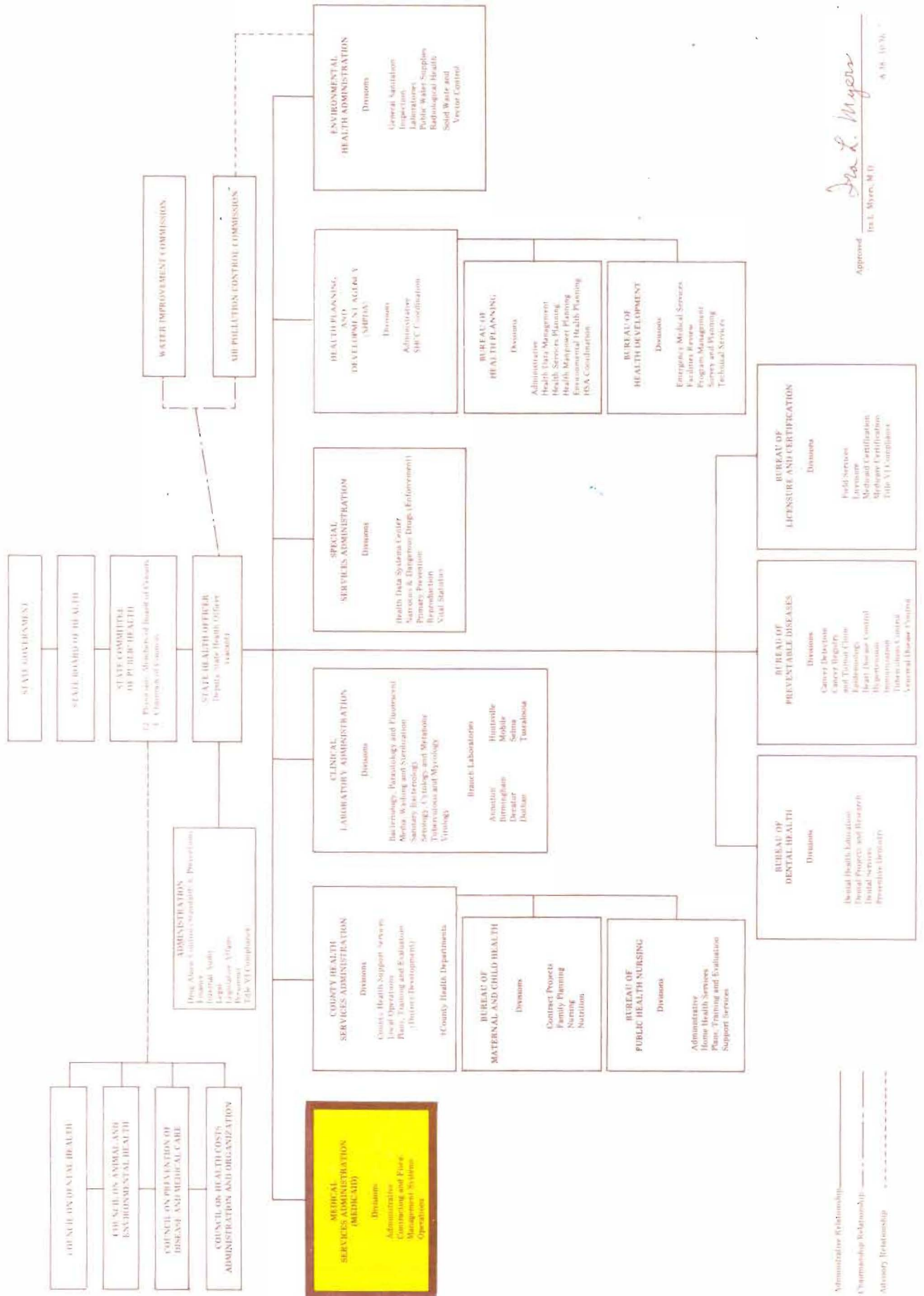
**REVENUE**

Medicaid's portion of total state expenditures

	Expenditures From State Funds	Expenditures From Federal Funds	Total Expenditures From Current Revenues
All Expenditures of Alabama's State Government	\$3,087,000,000	\$432,000,000	\$3,519,000,000
Medicaid Program	\$ 51,000,000	\$133,000,000	\$ 184,000,000
All Other Programs	\$3,046,000,000	\$299,000,000	\$3,337,000,000

Source: No. 6

ORGANIZATION OF THE ALABAMA DEPARTMENT OF PUBLIC HEALTH



Approved: *Dr. L. Myers*  
 Dr. L. Myers, M.D.  
 A.M. 10/76

Administrative Relationship  
 Chairmanship Relationship  
 Advisory Relationship



## ORGANIZATION

Alabama Medicaid is administered by Medical Services Administration, one of the ten major bureaus of the Alabama Department of Public Health. The Medicaid Director, thus, reports to the Alabama State Health Officer, who is appointed by the State Committee of Public Health. See Plate 14. Both the Committee and the Health Officer work under the direction of the State Board of Health, which consists of all members of the State Medical Association of the State of Alabama—over 2,000 physicians.

The number of people employed directly by MSA this year was 119, a small number considering the services afforded the 330,000 eligibles per month who comprise MSA's clientele. The small staff is possible because MSA makes extensive use of outside contractors, each equipped to provide some necessary service more economically than MSA could perform the same service for itself. The major contractors this year were Blue Cross-Blue Shield, Central Computer Service, the Alabama Beverage Control Board (Computer Section), Alabama Department of Pensions & Security, and the U.S. Social Security Administration.

MSA's work can be classified under the following tasks:

1. To determine each month who, under the law, is eligible for Medicaid benefits in the coming month.
2. To send Medicaid cards to eligible people.
3. To make decisions on the medical services for which Alabama Medicaid will reimburse providers. MSA's discretionary powers in this area are limited, for most decisions on this question are determined by laws passed by Congress.
4. To make decisions about the maximum MSA will pay for each kind of service. Again, MSA's discretionary powers in this area are limited.

5. To pay providers for the medical services they perform for Medicaid eligibles. Payment is not routine or automatic; some bills are rejected while others are paid only in part.
6. To collect money from third parties which are obligated to pay all or part of the health care expenses of some Medicaid eligibles.
7. To detect fraud or abuse and eliminate it.

To perform these tasks, MSA has four divisions:

1. Operations Division, which supervises the dozen programs of health care.
2. Fiscal Division.
3. Management Systems Division, which supervises all computer work done for MSA.
4. Administrative Division.

There are also three special offices that direct and monitor medical and pharmacy activity: Director of Medical Care, Director of Dental Care, and Director of Pharmacy Program.

The detail work in determining eligibility and paying providers is handled by outside contractors. The U.S. Social Security Administration and the Alabama Department of Pensions and Security are used to determine medical eligibility. Two other contractors have been used to pay providers: Blue Cross-Blue Shield and Central Computer Service.

Because of its small staff and use of contractors, MSA has been able to keep its administrative costs below the median for Medicaid programs. The median state during the first half of FFY '76 was Hawaii, which spent 5.1% of its budget on administration. Alabama spent 4.2% during these months.

# TERMINOLOGY

## MEDICAID and MEDICARE

Medicaid and Medicare are two governmental programs which exist to pay for health care for two different, but overlapping, groups of Americans. Medicaid buys medical care for several low-income groups, including people of all ages.

Medicare buys medical care for most aged people, including some people from all income groups.

Many aged people who have low incomes are eligible for both Medicaid and Medicare, and those who are eligible for both can get both a Medicaid card and a Medicare card. For these people Medicare pays most of their medical bills, and Medicaid pays the balance, or most of it.

Medicaid is administered by the state governments, and thus there is not one Medicaid program, but 54, (Puerto Rico, Guam, the Virgin Islands, and Washington, DC, run the total to 54). All 54 programs are different.

Medicare is administered by the federal government, and the coverage provided is uniform throughout the nation.

## ELIGIBLES and RECIPIENTS

Eligibles, in this report, are people who have Medicaid cards and thus are eligible for health care services paid for by Medicaid.

Recipients, in this report, are people who used their Medicaid eligibility this year, and actually received one or more medical services for which Medicaid paid all or part of the bill.

## PROVIDERS

All physicians, dentists, hospitals, nursing homes, and other individuals or businesses that provide medical care are called providers.

## CATEGORY

In normal usage the word "category" is used interchangeably with "kind" or "type." In Medicaid's usage, "Category" has a special meaning. In Medicaid there are four major bases for eligibility, and the eligibles in each of the resulting groups form a "Category," with a capital C. In this book when eligibles are grouped by age, race, or sex, the divisions that result are spoken of as different groups of eligibles or different kinds of eligibles but never as different categories.

The four major categories are:

- Category 1—aged people with low incomes,
- Category 2—blind people with low incomes,
- Category 4—disabled people with low incomes,
- Category 3—low-income families with dependent children.

PAYMENTS,  
CHARGES,  
EXPENDITURES,  
PRICES,  
and  
COST

A charge is the amount of money the provider asks for a service when he submits his bill to Medicaid.

A payment is the amount Medicaid pays for a service. Medicaid rules limit payments; so sometimes a provider cannot be paid as much as he asks.

Price, in this report, means "average unit price" or the average price Medicaid paid this year for a unit of care, such as:

1 day in a hospital . . . . .	\$107.25
1 day in a skilled nursing home . . . . .	16.54
1 visit to a physician . . . . .	14.86
1 prescription . . . . .	5.11

Cost, in this report, means "average cost per person." Examples of different contexts in which this term is used include:

- average cost per eligible for hospital care per month,
- average cost per recipient for hospital care per month,
- average cost per eligible for prescriptions per year.

Expenditures, in this report, is a more inclusive term than payments. Payments, as stated above, means the amount paid for medical care. The term expenditure also includes money spent for administration.

HEALTH CARE  
SERVICES

Medicaid pays for the following health care services:

- nursing home care,
- hospital care,
- physicians' services,
- dental services,
- eye care, including glasses,
- hearing care, including hearing aids,
- drugs,
- laboratory work and X-rays,
- family planning services,
- screening and referral services (EPSDT),
- home health care,
- transportation required for medical purposes.

BUY-IN INSURANCE

Many Medicaid eligibles are also eligible for Medicare. As Medicare eligibles they get Medicare hospital insurance without payment. Medicare insurance to cover physicians' bills, however, must be paid for. It costs \$7.20 a month. Medicaid buys this insurance for all Medicaid eligibles whose applications are approved by Social Security. Medicaid calls this insurance "buy-in insurance."

# POPULATION

From January, 1970, (year of the most recent U.S. Census of Population) to July, 1974, the population of Alabama grew from 3,444,165 to about 3,577,000 (Bureau of Census estimate). This amounts to an annual increase of about 33,000 persons, or 1% per year. See Plate 16.

Changes in population and economic conditions affect Medicaid. Any growth in the total population means that there are more people who might become eligible. This is especially true if the greatest amount

of population growth takes place in those parts of the population which are heavily represented in the Medicaid eligibles. Changes in the relative size of various age groups in the population also have an effect. The national and state trend toward a larger percentage of the population over the age 65 means more aged will be eligible. Economic conditions as well affect the Medicaid program. During slow economic periods more people are likely to go on welfare, thus qualifying for Medicaid benefits.

AFY '70-'76

PLATE 15

## POPULATION

Eligibles as percent of Alabama population, by year, 1970 to 1976.

YEAR	POPULATION	MONTHLY AVERAGE ELIGIBLES	PERCENT
1970	3,444,165 <sup>†</sup>	N/A*	N/A*
1971	3,477,373 (est.)	299,679	8.61
1972	3,510,581 (est.)	291,437	8.30
1973	3,543,789 (est.)	303,344	8.55
1974	3,577,000 <sup>††</sup>	303,310	8.47
1975	3,610,000 (est.)	323,887	8.97
1976	3,643,000 (est.)	324,920	8.91

<sup>†</sup> U.S. Bureau of Census count.

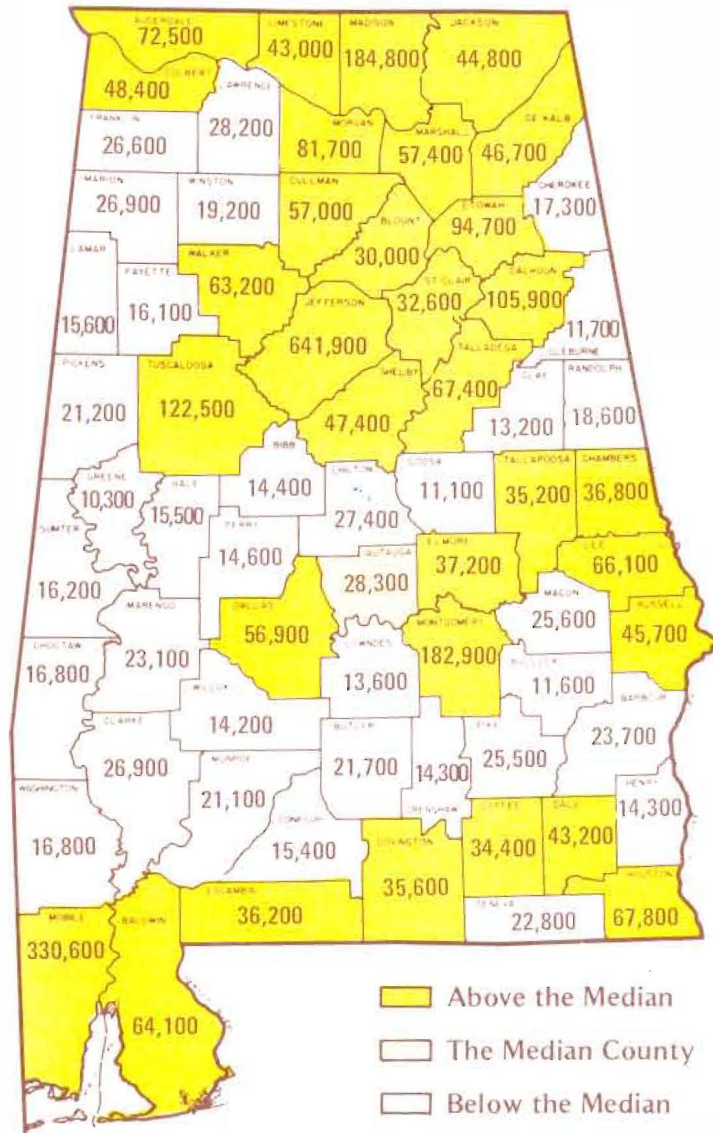
<sup>††</sup> U.S. Bureau of Census official estimate.

\*Not Available

Source: No. 7

POPULATION

1974 POPULATION ESTIMATES OF ALABAMA COUNTIES



Source: No. 7

As indicated in Plate 15, the percentage of Alabama's population eligible for Medicaid has remained fairly stable since the inception of the program in 1970.

# PAYMENTS

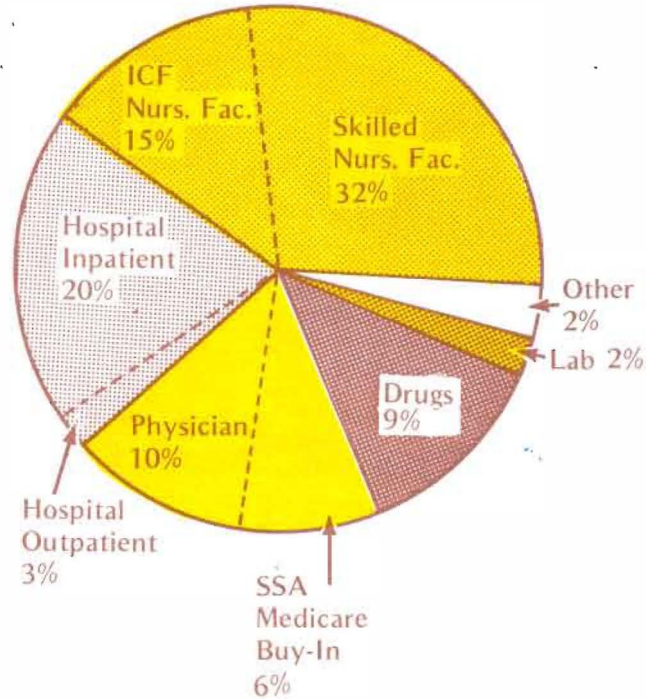
In AFY '76, Medicaid paid \$174,722,936 for health care services for Medicaid recipients. This net cost would have been \$1,439,042 more had it not been for refunds and recoveries from third parties. See page 8.

AFY '74 - '76		PLATE 17		
<b>PAYMENTS</b>				
By type of service				
SERVICE	PAYMENTS	PERCENT OF PAYMENTS BY SERVICE AFY '76	PERCENT OF PAYMENTS BY SERVICE AFY '75	PERCENT OF PAYMENTS BY SERVICE AFY '74
Skilled Nursing Care	\$ 51,455,906	29.49%	28.70%	28.1%
Intermediate Nursing Care	26,121,079	15.00%	13.74%	12.6%
Hospital Inpatients	37,355,764	21.40%	20.40%	19.7%
Hospital Outpatients	5,224,216	3.00%	2.00%	2.5%
Physicians' Services	17,734,378	10.10%	12.50%	11.5%
Medicare Buy-In Insurance	10,518,320	6.00%	6.70%	8.6%
Drugs	15,410,563	8.79%	10.50%	11.5%
Dental Services	2,935,345	1.70%	1.70%	1.4%
Lab & X-Ray	3,511,931	2.00%	1.30%	1.8%
Family Planning Care	1,048,338	.60%	.90%	1.3%
Eye Care	1,397,783	.80%	.80%	.4%
Screening	803,725	.50%	.40%	.3%
Home Health	733,836	.35%	.30%	.2%
Transportation	87,361	.05%	.04%	
Hearing Care	34,945	.02%	.02%	
Other Care	349,446	.20%		.1%
<b>Total For Medical Care</b>	<b>\$174,722,936</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.0%</b>
Administrative Costs	7,329,077			
<b>Net Payments</b>	<b>\$182,052,013</b>			

Source: No. 32

**PAYMENTS**

By type of service



Included in this net cost is \$10,518,320 which Alabama Medicaid paid to the federal government for Medicare (Part B) health insurance—called “buy-in” insurance. This year about 45% of Medicaid’s eligibles participated in both programs.

Although “buy-in” payments rose slightly in AFY '76, they continued to decrease as a percentage of Medicaid’s budget, down to 6% for this last year.

Plates 17 and 18 show that nursing home payments, both skilled and intermediate care, continued to increase in absolute dollars and percentage of total expenditures. Since AFY '74, when the two programs accounted for 40.7% of the payments, nursing home care has risen to 44.5% of all

payments. Much of the increase in nursing facility reimbursement costs is due to stringent federal staffing requirements, inflation, increase in minimum wage, and building costs. At the same time, however, length of nursing home stay tends to be longer in Alabama than in other states, thus driving the costs up.

Hospital services ranked second in percentage of total Medicaid expenditure. In AFY '76, inpatient and outpatient hospital service costs consumed 24.4% of total payments, up from 22.2% in AFY '74. Physicians' payments ranked third, at 10.1%, down from AFY '75. Prescribed drugs ranked fourth by claiming 8.8%, down for the second straight year.

AFY '74 - '76 <b>PAYMENTS</b> Year's total By category, race, sex, age				PLATE 19
KIND OF SUBGROUP	PAYMENTS AFY '76	PERCENT AFY '76	PERCENT AFY '75	PERCENT AFY '74
AGED, Category 1	\$ 95,577,716	54.70%	57.10%	60.00%
BLIND, Category 2	1,293,594	.74%	.80%	.90%
DISABLED, Category 4	39,844,103	22.80%	19.80%	15.10%
DEPENDENT, Categories 3&7	38,007,523	21.76%	22.30%	24.00%
Children	17,443,206	9.98%	10.00%	10.80%
Adults	20,564,317	11.78%	12.30%	13.20%
WHITES	107,192,521	61.35%	61.80%	64.50%
NONWHITES	67,530,415	38.65%	38.20%	35.50%
MALES	47,489,694	27.18%	27.10%	26.80%
FEMALES	127,233,242	72.82%	72.90%	73.20%
AGE 0 - 5	8,386,700	4.76%	4.00%	3.90%
AGE 6 - 20	17,122,847	9.85%	9.40%	9.20%
AGE 21 - 64	45,078,517	25.80%	25.30%	25.10%
AGE 65 & Over	104,134,872	59.59%	61.30%	61.80%
ALL RECIPIENTS	\$174,722,936	100.00%	100.00%	100.00%

Source: No. 32







Dentists	Family Planning	Optometrists	Home Health	Screening	Transportation	Other
\$ 44,055	\$ 8,158	\$ 11,804	\$ 9,696	\$ 13,712	\$ 285	\$ 1,025
59,912	8,935	14,352	2,191	6,145	692	5,546
20,365	9,241	20,657	10,196	4,170	979	1,198
9,724	2,281	5,905	4,049	3,945	266	551
13,615	3,602	10,817	4,341	2,509	152	3,688
4,014	3,311	15,549	115	2,875	879	999
17,955	6,339	23,288	4,702	7,599	554	2,463
48,690	18,684	32,846	4,229	24,976	269	5,574
20,154	6,880	11,301	1,320	3,904	1,320	1,030
4,147	627	8,660	3,780	210	73	3,654
29,679	3,138	9,543	1,649	3,186	972	2,572
6,264	8,919	15,745	432	1,994	730	616
26,598	6,466	13,451	3,347	5,722	1,696	6,673
4,447	2,503	5,867	105	1,727	34	1,230
13,581	157	3,093	3,346	962	25	804
50,846	3,493	24,393	4,362	8,363	156	2,447
8,202	10,630	14,410	40,673	5,880	138	2,693
61,827	6,278	25,517	2,571	3,101	372	2,410
8,463	4,659	6,020	7,055	7,626	330	270
25,097	5,239	31,710	5,598	11,611	1,210	2,148
12,537	4,759	17,384	5,836	5,170	53	1,411
20,015	2,996	20,615	6,033	6,651	2,306	4,516
28,439	3,854	14,625	3,795	2,678	50	1,656
216,316	30,733	23,845	34,101	27,712	2,401	2,684
31,454	1,200	28,490	2,274	9,602	765	5,833
67,165	6,431	16,196	10,347	7,824	369	3,986
22,080	9,982	20,544	4,144	9,322	1,443	6,469
89,389	22,877	38,544	13,955	17,200	3,181	11,071
1,004	1,676	9,277	1,873	962	529	1,310
12,602	3,096	17,476	9,661	3,966	518	1,227
21,245	3,122	17,076	4,373	4,233	20	4,454
6,323	7,794	10,042	3,431	5,427	171	1,486
29,072	5,941	7,816	472	3,941	772	1,850
26,404	3,006	14,018	37	8,588	89	1,103
75,135	16,449	29,262	3,790	13,731	411	5,621
14,763	2,025	22,727	3,941	4,684	1,050	5,469
582,236	195,998	95,499	70,228	99,598	12,351	21,668
1,785	1,072	9,273	3,630	1,019	260	475
42,649	8,931	11,763	41,545	10,829	1,625	2,177
21,745	6,374	12,811	13,657	7,952	2,215	1,933
12,595	11,993	9,194	5,367	5,444	370	2,806
28,580	10,281	21,288	6,098	10,747	1,849	888
29,756	12,819	14,070	21,055	8,909	696	767
15,714	8,079	29,020	3,190	12,515	205	749
189,677	32,291	25,931	1,889	14,091	4,230	10,246
26,310	11,405	14,719	1,160	13,941	894	2,130
12,378	1,586	17,007	1,696	2,746	152	1,395
23,634	6,350	39,085	10,129	6,362	1,605	13,719
214,701	79,632	112,043	32,490	80,440	10,765	13,350
6,657	2,761	17,439	9,274	2,170	592	2,113
61,544	32,638	33,191	45,370	25,171	7,543	9,669
47,721	8,291	21,503	7,550	15,681	1,834	8,526
58,336	8,796	12,676	525	13,671	594	1,111
18,668	13,214	18,193	108	6,418	1,177	3,958
65,224	11,117	31,984	5,329	10,321	2,144	2,324
9,835	1,800	13,854	6,821	2,266	257	874
16,707	5,039	11,141	950	7,161	1,203	926
18,768	4,998	20,261	2,748	6,443	185	2,398
36,738	5,023	10,565	10,730	3,475	658	4,809
5,792	11,022	16,529	1,992	5,960	212	631
25,768	37,159	37,162	9,336	13,427	2,246	5,756
14,879	13,667	16,344	4,380	3,486	342	2,438
73,495	35,413	42,753	19,122	28,682	4,626	5,459
24,290	10,236	23,541	16,095	13,419	4,256	7,223
7,155	2,107	6,226	1,926	2,875	1,497	1,626
29,108	8,370	12,029	140	8,967	1,033	1,306
5,170	1,431	11,867	17,068	2,881	1,544	1,775
\$2,879,193	\$845,374	\$1,381,866	\$593,418	\$698,975	\$95,314	\$242,962

# ELIGIBLES

To get a complete picture of eligibility one needs to make three kinds of counts:

- current counts,
- cumulative counts,
- average counts.

The cumulative count shows that during the year 406,497 persons were eligible and remained eligible for at least one month. But in no single month did the number run this high. The highest count was November's 328,120 (See Plate 22). The monthly average was almost 325,000—up only slightly from the 324,000 of the previous year.

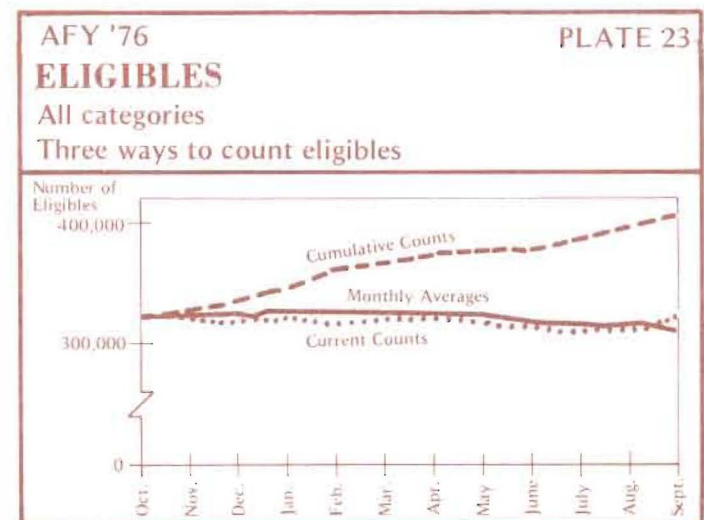
Each type of count has a different use with the most useful and most informative being the monthly average for the whole year. This is the number that should be used for making comparisons between eligibles in different states, different years, or different sexes, races, ages, or categories.

For example, how does the number of eligibles in Alabama compare with the number in Mississippi? If one compares monthly averages (325,000 in Alabama and 314,000 in Mississippi) he sees that Alabama has 3.5% more. If annual counts are compared (406,000 in Alabama and 378,000 in Mississippi) it looks as if Alabama has 7% more.

The 7% figure is misleading since Alabama's count is inflated by a high turnover rate. In Mississippi the average eligible person remained eligible for 10 months of the year, but in Alabama the average person was eligible only 9.5 months. Thus, a comparison of the number of man-months of eligibility that the two states paid for reveals that Alabama paid for 3.5% more. This is the significant comparison and it confirms the 3.5% difference found by comparing the monthly average number of eligibles.

AFY '76		PLATE 22	
<b>ELIGIBLES</b>			
All Categories			
Three ways to count the number of eligibles			
	-1-	-2-	-3-
	CURRENT COUNTS	CUMULATIVE COUNTS	MONTHLY AVERAGES
Oct.	327,892	327,892	327,892
Nov.	328,120	331,990 est.	328,006
Dec.	327,405	336,071	327,806
Jan.	326,443	348,016 est.	327,465
Feb.	325,864	359,961 est.	327,144
Mar.	325,997	371,924	326,953
Apr.	325,392	377,543 est.	326,730
May	320,152	383,162 est.	325,908
June	321,085	388,782	325,372
July	320,463	394,687 est.	324,881
Aug.	324,089	400,592 est.	324,809
Sept.	326,138	406,497	324,920

Source: No. 21



Source: No. 21

AFY '76

PLATE 24

**ELIGIBLES**

By category, sex, race, age  
 Total number for year  
 Average number per month

	FIRST MONTH	NUMBER ADDED DURING YEAR	TOTAL NUMBER FOR YEAR	NUMBER DROPPED DURING YEAR	FINAL MONTH	AVERAGE NUMBER PER MONTH	ANNUAL TURNOVER RATE
ALL CATEGORIES	327,892	78,605	406,497	80,359	326,138	324,920	25.1%
AGED, Category 1	112,525	13,123	125,648	18,483	107,165	109,108	15.1%
BLIND, Category 2	2,135	217	2,352	362	1,990	2,047	14.9%
DISABLED, Category 4	44,116	15,995	60,111	11,921	48,190	45,846	31.1%
DEPENDENT, Categories 3&7	169,116	49,270	218,386	49,593	168,793	167,919	30.0%
MALES	120,205	30,274	150,479	29,776	120,703	119,635	25.8%
FEMALES	207,687	48,331	256,018	50,583	205,435	205,285	24.7%
WHITES	122,599	32,158	154,757	30,597	124,160	122,559	26.3%
NONWHITES	205,293	46,447	251,740	49,762	201,978	202,361	24.4%
AGE 0 - 5	37,348	17,394	54,742	17,204	37,538	37,171	47.3%
AGE 6 - 20	98,531	23,543	122,074	26,157	95,917	96,566	24.3%
AGE 21 - 64	75,054	21,985	97,039	22,550	74,489	74,244	30.7%
AGE 65 & Over	116,959	15,683	132,642	14,448	118,194	116,939	13.4%

Source: No. 21

## SEX, RACE, AGE, AND CATEGORY OF ELIGIBLES

Plate 24 shows how this year's eligibles were divided in regard to category, sex, race, and age. It also shows the number in each group at the beginning and the end of the year, indicating the amount of change. It also gives monthly averages and cumulative (unduplicated) counts for each group for the whole

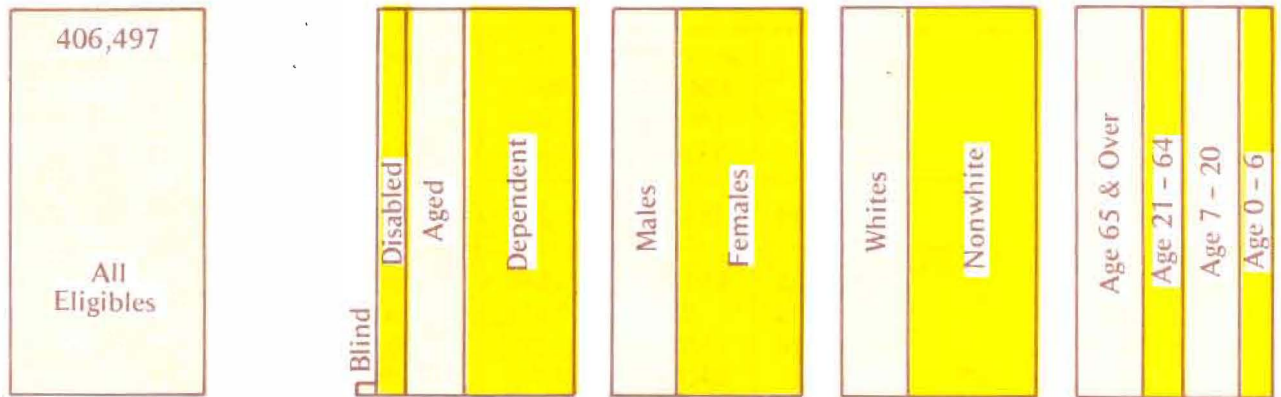
year. The average and cumulative counts allow three more measures to be calculated for each group:

number of new eligibles added in the year,  
 number of old eligibles dropped in the year,  
 the turnover rate.

AFY '76  
**ELIGIBLES**

PLATE 25

Year's total  
By category, sex, race, age



Source: No. 21

Plate 25 uses a bar chart to show how twelve different but overlapping groups of eligibles differed in size. The counts represented by these areas are the year's totals, the counts listed in Column 3 in Plate

24. By category, dependents constitute the largest number of eligibles, followed by the aged, the disabled and the blind, respectively. There are more females than males and more nonwhites than whites.

AFY '72 - '76  
**ELIGIBLES**

PLATE 26

By category  
Monthly average  
Annual number

		AFY '72	AFY '73	AFY '74	AFY '75	AFY '76
MONTHLY AVERAGES	AGED, Category 1	119,109	117,713	118,757	115,942	109,108
	BLIND, Category 2	1,935	2,014	2,190	2,150	2,047
	DISABLED, Category 4	18,516	20,290	27,613	39,604	45,846
	DEPENDENT, Categories 3&7	151,877	163,327	154,750	166,191	167,919
	ALL CATEGORIES	291,437	303,344	303,310	323,887	324,920
YEARLY TOTALS	AGED, Category 1		131,041	138,453	132,735	125,648
	BLIND, Category 2		2,206	2,574	2,461	2,352
	DISABLED, Category 4		24,157	38,010	52,219	60,111
	DEPENDENT, Categories 3&7		211,302	201,723	218,043	218,386
	ALL CATEGORIES		368,706	380,760	405,458	406,497

Source: Nos. 3 & 21

## ANNUAL CHANGES IN THE NUMBER OF ELIGIBLES

The total number of Alabama citizens eligible for Medicaid increased 1,039 in AFY '76. Plate 26 shows that the number of eligibles changed each year during the past five years and that between AFY '73 and AFY '75 monthly averages rose more rapidly than yearly totals. Specifically, from AFY '75 to AFY '76 the monthly average for all categories rose from 323,887 to 324,920, an increase of .3%; however, during the same time the yearly totals rose from 405,458 to 406,497 for a .25% increase. This

different rate of change between the two counts is normal. Monthly change outpacing annual change means that turnover is accelerating.

Plate 27 depicts graphically the changes of each group of eligibles between AFY '75 and AFY '76. Two categories experienced a decline in numbers during AFY '76: Category 1 (aged) and Category 2 (blind). Conversely, Category 4 (disabled) increased rapidly. Nonwhites dropped slightly in AFY '76, as did the age group 0-5 and the age group 65 and over.

AFY '75 - '76  
**ELIGIBLES**, Percent change during year  
 By category, sex, race, age

PLATE 27



Source: Nos. 3 & 21

## MAN-MONTHS OF ELIGIBILITY

Although 406,497 people were eligible for Medicaid in AFY '76, only about three-fourths were eligible all year. The others ranged from one month of eligibility to eleven months.

To find the total amount of time all these people were eligible in AFY '76 one should add the total number of eligibles in each of the twelve months. Thus, the total number of man-months of eligibility (MME) used by the entire group all year was 3,899,040, producing an average of 9.6 MME per person.

Plate 28 shows the total number of MME used by each category, sex, race, and age group, and gives the average number of MME used by each person in each group.

AFY '76		PLATE 28
ELIGIBLES		
By category, sex, race, age		
Total MME used by each group		
Average MME used by each person		
	TOTAL MME USED IN YEAR	AVERAGE MME PER PERSON
ALL ELIGIBLES	3,899,040	9.6
AGED, Category 1	1,309,296	10.4
BLIND, Category 2	24,564	10.4
DISABLED, Category 4	550,152	9.2
DEPENDENT, Categories 3&7	2,015,028	9.2
MALES	1,435,620	9.5
FEMALES	2,463,420	9.6
WHITES	1,470,708	9.5
NONWHITES	2,428,332	9.7
AGE 0 - 5	446,052	8.2
AGE 6 - 20	1,158,792	9.5
AGE 21 - 64	890,928	9.2
AGE 65 & Over	1,403,268	10.6

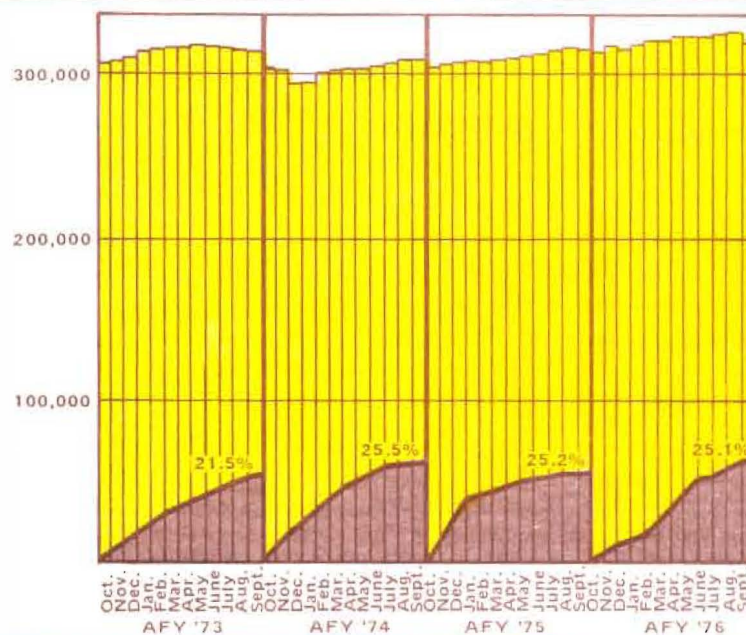
Source: No. 21

AFY '73-'76

PLATE 29

## ELIGIBLES

Annual turnover rates



Source: Nos. 3 & 21



## ANNUAL TURNOVER RATE

There is a constant turnover among Medicaid eligibles which in Alabama has averaged about 23% per year. The annual turnover rate points out that "old" eligibles were replaced by "new" eligibles during the year. Plate 29 indicates the annual turnover rate for each of the past four years.

Each category, sex, race, and age group has a different turnover rate as exemplified in Plate 30. In AFY '76 the disabled and the dependent categories had the highest turnover rates while the aged and the blind had the lowest rates.

AFY '76		PLATE 30
<b>ELIGIBLES</b>		
Annual turnover rate by category, sex, race, age		
	ANNUAL TURNOVER RATE	
ALL ELIGIBLES	25.1%	
AGED, Category 1	15.1%	
BLIND, Category 2	14.9%	
DISABLED, Category 4	31.1%	
DEPENDENT, Categories 3&7	30.0%	
MALES	25.8%	
FEMALES	24.7%	
WHITES	26.3%	
NONWHITES	24.4%	
AGE 0 - 5	47.3%	
AGE 6 - 20	24.3%	
AGE 21 - 64	30.7%	
AGE 65 & Over	13.4%	

Source: No. 21

## EXPECTED DURATION OF ELIGIBILITY

The number of months a group takes for 100% turnover also discloses the number of months the average member of that group will remain eligible. Plate 31 shows that the expected duration of eligibility varies from one group to another and that it decreased by several months in recent years as turnover has become more rapid. In AFY '76, the aged and the blind had the longest expected eligibility periods although both decreased in the past fiscal year. The disabled and AFDC categories had the shortest periods; conversely they both increased in the past year.

**ELIGIBLES**

Annual changes in expected duration of eligibility

	EXPECTED DURATION OF ELIGIBILITY			
	BASED ON TURNOVER IN AFY '74	BASED ON TURNOVER IN AFY '75	BASED ON TURNOVER IN AFY '76	PERCENT CHANGE AFY '75- AFY '76
ALL ELIGIBLES	47 Months	48 Months	48 Months	No Change
AGED, Category 1	72 Months	83 Months	80 Months	- 3.61%
BLIND, Category 2	68 Months	83 Months	81 Months	- 2.40%
DISABLED, Category 4	32 Months	38 Months	39 Months	+ 2.63%
DEPENDENT, Categories 3&7	40 Months	38 Months	40 Months	+ 5.26%
MALES	*N/A	43 Months	47 Months	+ 9.30%
FEMALES	*N/A	50 Months	49 Months	- 2.00%
WHITES	*N/A	46 Months	46 Months	No Change
NONWHITES	*N/A	49 Months	49 Months	No Change
AGE 0 - 6	*N/A	40 Months	25 Months	- 37.50%
AGE 7 - 20	*N/A	40 Months	49 Months	+ 22.50%
AGE 21 - 64	*N/A	38 Months	39 Months	+ 2.63%
AGE 65 & Over	*N/A	75 Months	90 Months	+ 20.00%

\*Not Available

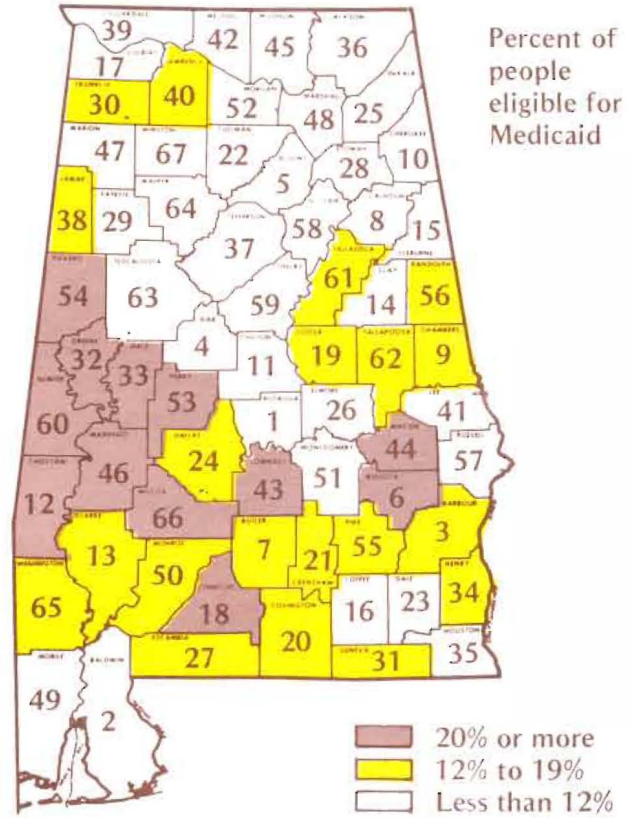
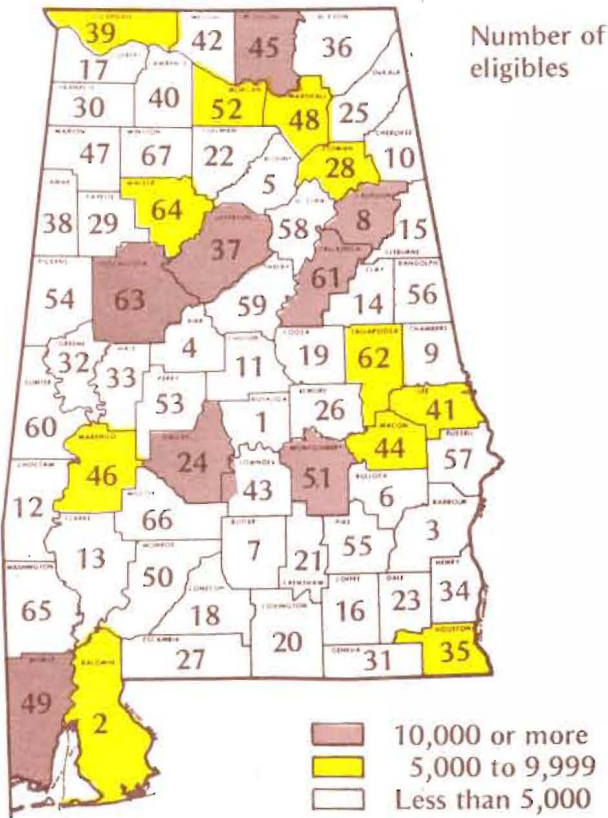
Source: Nos. 3 &amp; 21

**ELIGIBLES BY COUNTY**

Plates 32, 33, and 34 show the distribution of Medicaid eligibles among the counties by race, sex, and age. Plate 32 provides the number of eligibles by county and eligibles as a percentage of county population. Plates 33 and 34 indicate how each county's total number of eligibles is divided by race, sex, and age.

**ELIGIBLES**

Number and percent of population eligible for Medicaid, by county



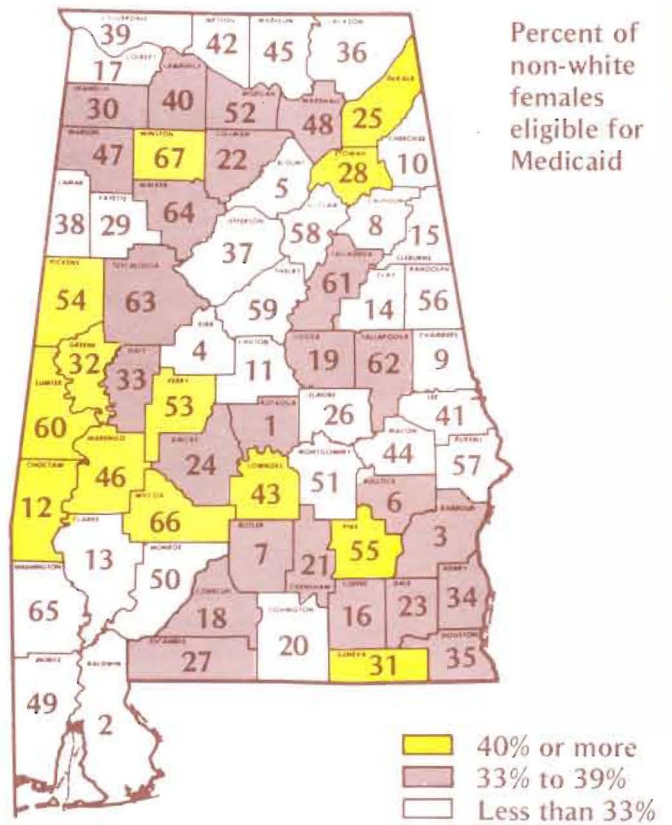
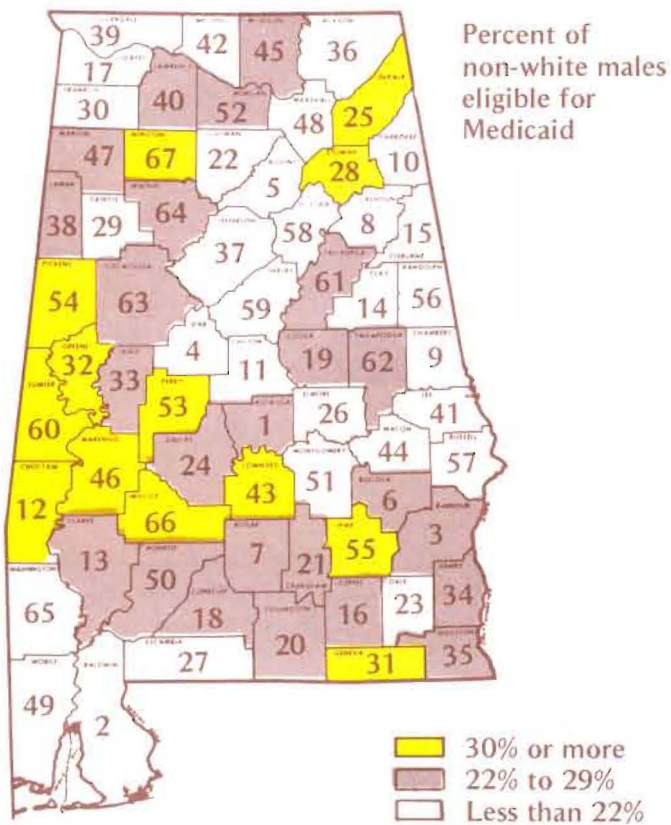
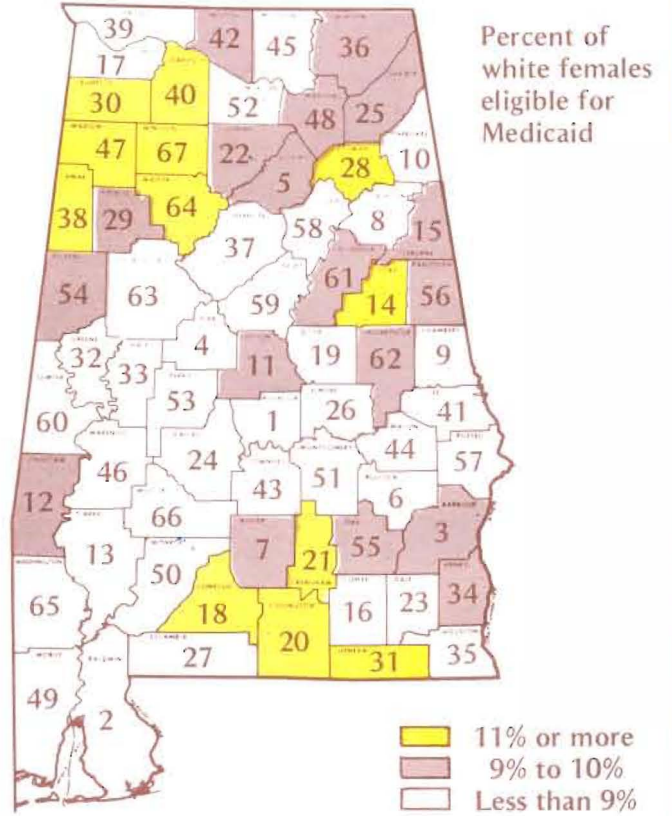
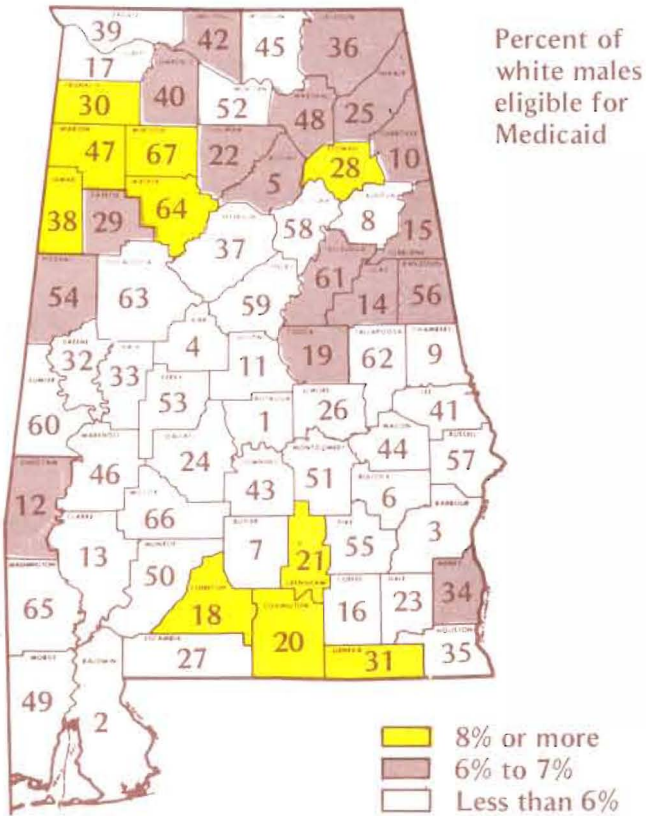
Source: Nos. 7 & 21

The number printed in each county is a substitute for the county name. Use the list below to translate numbers into county names.

- |              |               |                |                 |
|--------------|---------------|----------------|-----------------|
| 1. Autauga   | 18. Conecuh   | 35. Houston    | 52. Morgan      |
| 2. Baldwin   | 19. Coosa     | 36. Jackson    | 53. Perry       |
| 3. Barbour   | 20. Covington | 37. Jefferson  | 54. Pickens     |
| 4. Bibb      | 21. Crenshaw  | 38. Lamar      | 55. Pike        |
| 5. Blount    | 22. Cullman   | 39. Lauderdale | 56. Randolph    |
| 6. Bullock   | 23. Dale      | 40. Lawrence   | 57. Russell     |
| 7. Butler    | 24. Dallas    | 41. Lee        | 58. Saint Clair |
| 8. Calhoun   | 25. DeKalb    | 42. Limestone  | 59. Shelby      |
| 9. Chambers  | 26. Elmore    | 43. Lowndes    | 60. Sumter      |
| 10. Cherokee | 27. Escambia  | 44. Macon      | 61. Talladega   |
| 11. Chilton  | 28. Etowah    | 45. Madison    | 62. Tallapoosa  |
| 12. Choctaw  | 29. Fayette   | 46. Marengo    | 63. Tuscaloosa  |
| 13. Clarke   | 30. Franklin  | 47. Marion     | 64. Walker      |
| 14. Clay     | 31. Geneva    | 48. Marshall   | 65. Washington  |
| 15. Cleburne | 32. Greene    | 49. Mobile     | 66. Wilcox      |
| 16. Coffee   | 33. Hale      | 50. Monroe     | 67. Winston     |
| 17. Colbert  | 34. Henry     | 51. Montgomery |                 |

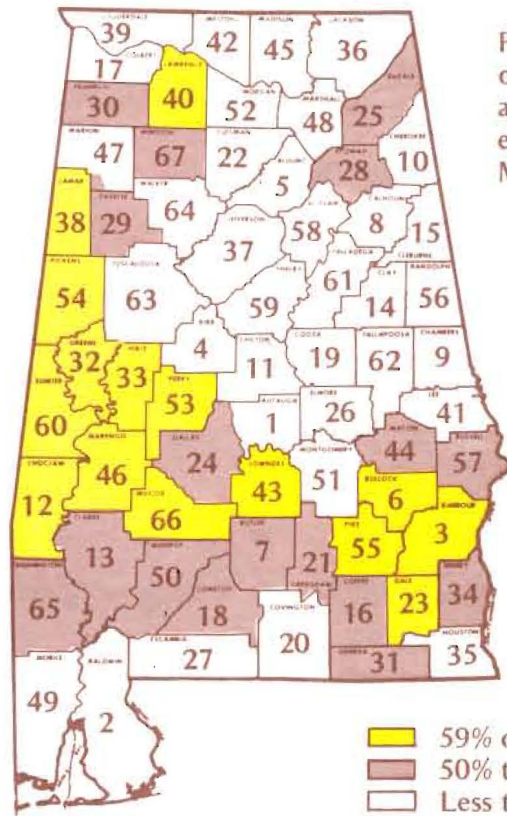
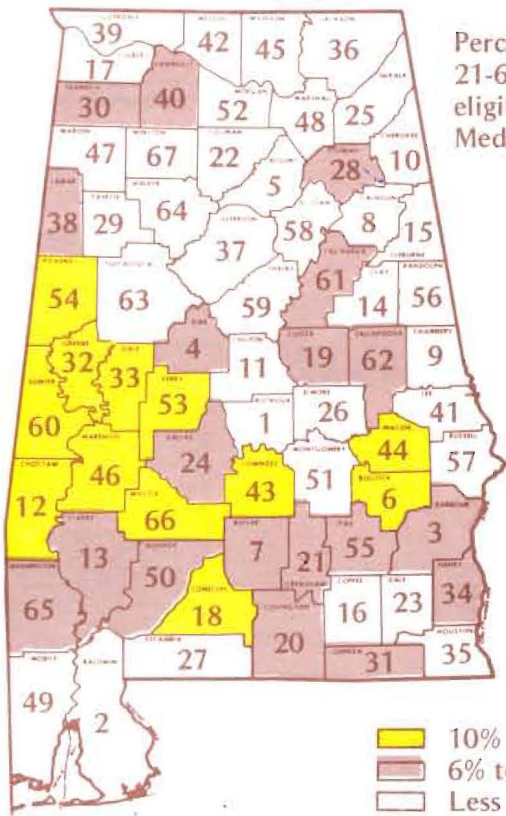
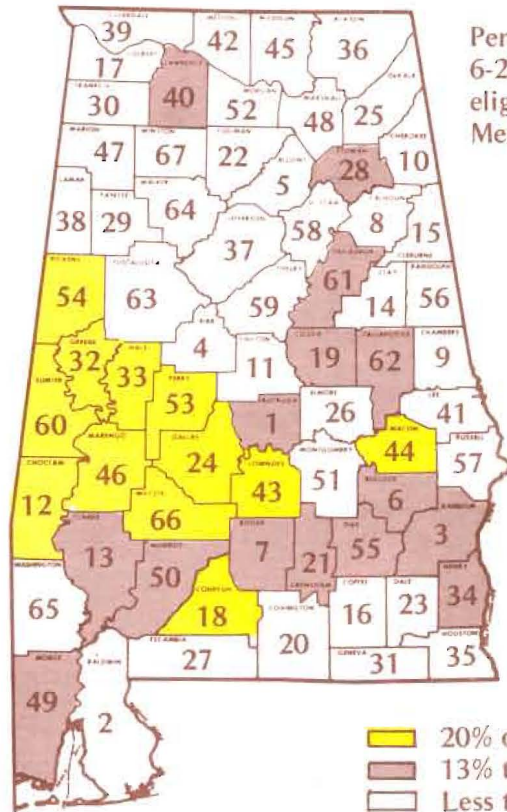
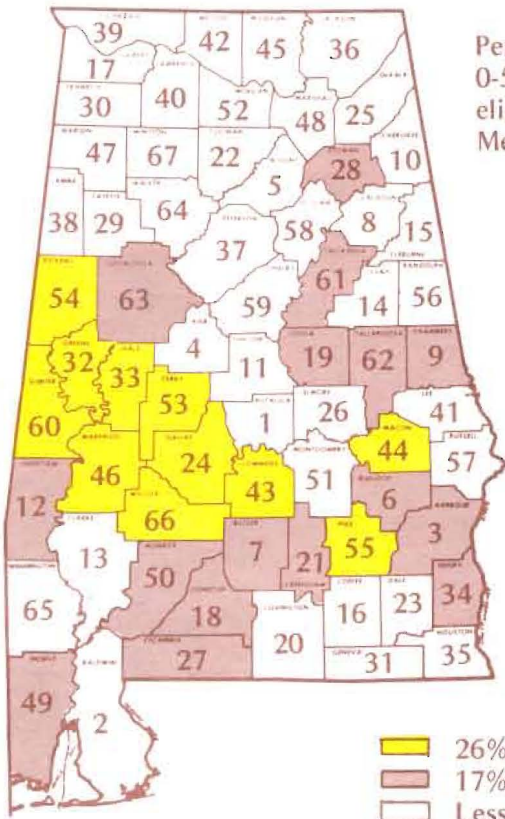
**MEDICAID ELIGIBLES**

Percent of population eligible for Medicaid, by race and sex, by county



# MEDICAID ELIGIBLES

Percent of population eligible for Medicaid, by age, by county



Source: Nos. 7 & 21

# RECIPIENTS

AFY '76

PLATE 35

## RECIPIENTS

All categories

Three ways to count the number of recipients

	-1-	-2-	-3-
	CURRENT COUNTS	CUMULATIVE COUNTS	MONTHLY AVERAGES
Oct.	123,082	123,082	123,082
Nov.	135,000 est.	144,334	149,061
Dec.	147,000 est.	165,586	155,291
Jan.	152,058	186,838	154,483
Feb.	167,338	208,090	157,054
Mar.	177,330	229,342	160,433
Apr.	164,118	250,594	160,959
May	199,265	271,846	165,747
June	146,645	293,102	163,625
July	141,779	302,246	161,440
Aug.	146,042	311,390	160,040
Sept.	143,030	320,536	158,625

Source: Nos. 31 & 32

Of the 406,497 Alabama citizens who had Medicaid cards in AFY '76, 320,536 actually used them (78.9%). These people are called "recipients." The other 21.1%, called "nonrecipients," though eligible for benefits, incurred no medical bills paid for by Medicaid.

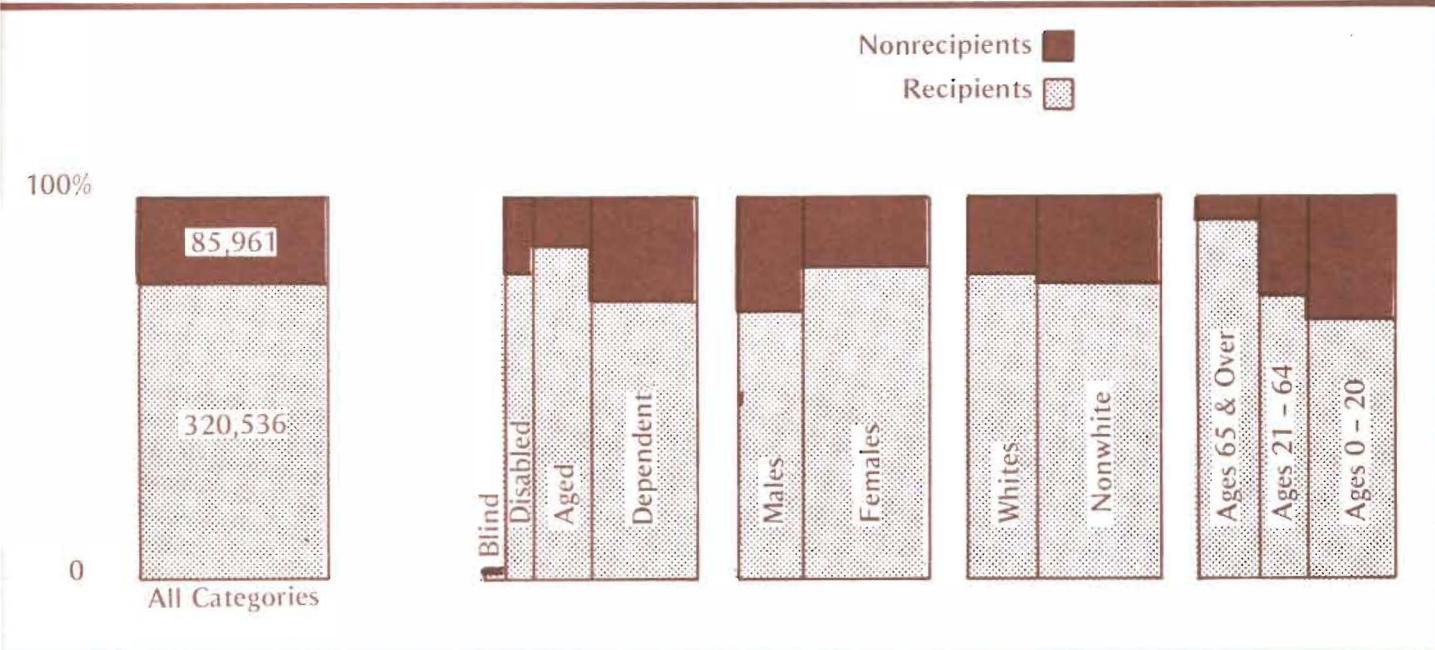
Plate 36 shows the ratio of recipients to nonrecipients by category, sex, race, and age. Among the aged only 7% were nonrecipients. Among the young (0 to 20) in the program, almost 30% did not use medical services. A slightly larger percent of females used Medicaid services than males, as was also the case with whites as compared with nonwhites.

AFY '76

PLATE 36

## RECIPIENTS. Year's total

Ratio of recipients to nonrecipients



Source: Nos. 21, 31 & 32

Plate 37 gives the exact numbers of the groups depicted and compared in Plate 36.

**Three Ways to Count Recipients:** For recipients, as well as for eligibles, three kinds of counts are needed:

- current counts (each month),
- cumulative counts (at least once a year),
- monthly averages.

Plate 35 shows monthly counts in Column 1 and cumulative counts in Column 2 and thus reveals how much the cumulative total increased each month. The cumulative figure for December is the total for the first quarter, but cumulative figures for the second and third quarters are not shown. (The cumulative counts at the end of the second quarter and the third quarter are not counts of quarters; rather they are

counts for the first six months and the first nine months.) The September cumulative total is the unduplicated count for the entire year. Current monthly counts ranged from October's 123,082 to September's 143,030, an increase of 16.2% in eleven months.

In addition to current monthly counts and cumulative monthly counts, Plate 35 also shows running monthly averages. Each of these different measures has its uses. The best figure to measure the number of recipients in AFY '76 would be 159,000—the rounded monthly average for the entire 12 months of the year. The corresponding figure for AFY '75 was 143,000. Comparison of these two figures offers the simplest and most accurate way of measuring the change in the number of recipients between AFY '75 and AFY '76—an 11% increase.

AFY '76		PLATE 37	
<b>RECIPIENTS</b>			
By category, sex, race, age			
Number of recipients and nonrecipients during year			
	TOTAL RECIPIENTS IN YEAR	NON-RECIPIENTS	PERCENT RECIPIENTS OF ELIGIBLES
AGED, Category 1	110,125	15,523	87.6%
BLIND, Category 2	1,869	483	79.5%
DISABLED, Category 4	48,501	11,610	80.7%
DEPENDENT, Categories 3&7	160,041	58,345	73.3%
MALES	109,784	40,695	80.0%
FEMALES	210,752	45,266	82.3%
WHITES	127,541	27,216	82.4%
NONWHITES	192,995	58,745	76.6%
AGE 0 - 20	126,452	50,364	71.5%
AGE 21 - 64	70,967	26,072	73.1%
AGE 65 & Over	123,117	9,525	92.8%
<b>ALL CATEGORIES</b>	<b>320,536</b>	<b>85,961</b>	<b>78.9%</b>

Source: Nos. 31 & 32

**Number of Recipients Each Month:** Plate 38 demonstrates how the monthly counts of recipients compared with the year's total. The ratio is about 1 to 2. This is an indication that almost half of the year's recipients sought medical care each month. Stated differently, the average recipient in the program asked for medical care approximately every other month. Some recipients, of course, sought medical care more often and others hardly at all. To find more precisely how often each kind of recipient used Medicaid benefits, a unit of measure called man-months of medical service (MMS) is used.

**Man-Months of Medical Service:** The total number of MMS that Medicaid pays for in a month is equal to the number of recipients that month,

regardless of the dollar amount spent on each respective recipient. The total MMS Medicaid paid for all year is found by adding the MMS paid for in each of the 12 months.

**Frequency of Use:** Total MMS used by the 320,536 recipients in AFY '76 was 1,903,476 (Plate 38). This amounts to an average of 5.93 MMS per recipient, up 9% from the 5.37 MMS per recipient in AFY '75.

As Plate 38 shows the aged received medical care more frequently than other groups—9.37 MMS per aged. This is a 25% increase during AFY '76 (from 7.51). The disabled increased 37% from 5.54 to 7.63. The greatest increase during AFY '76 was in the blind category—180% (from 2.59 MMS to 7.35 MMS).

AFY '76						PLATE 38
<b>RECIPIENTS</b>						
By category, sex, race, age						
Monthly counts						
Year's total						
MMS per category, and per recipient						
	RECIPIENTS FIRST MONTH	RECIPIENTS FINAL MONTH	RECIPIENTS AVERAGE MONTH	TOTAL MAN-MONTHS OF MEDICAL SERVICE	TOTAL RECIPIENTS DURING YEAR	MMS PER RECIPIENT
AGED, Category 1	66,999	65,136	78,868	946,416	101,034	9.37
BLIND, Category 2	978	293	1,135	13,620	1,853	7.35
DISABLED, Category 4	27,066	16,570	30,157	361,884	47,429	7.63
DEPENDENT, Categories 3&7	47,987	41,083	48,553	582,636	159,141	3.66
MALES	*N/A	*N/A	*N/A	*N/A	109,784	*N/A
FEMALES	*N/A	*N/A	*N/A	*N/A	210,752	*N/A
WHITES	*N/A	*N/A	*N/A	*N/A	127,541	*N/A
NONWHITES	*N/A	*N/A	*N/A	*N/A	192,995	*N/A
AGE 0 - 20	*N/A	*N/A	*N/A	*N/A	126,452	*N/A
AGE 21 - 64	*N/A	*N/A	*N/A	*N/A	70,967	*N/A
AGE 65 & Over	*N/A	*N/A	*N/A	*N/A	123,117	*N/A
ALL CATEGORIES	143,030	123,082	158,623	1,903,476	320,536	5.93

\*Not Available

Source: Nos. 31 & 32



## PRICE

Many different factors contribute to rising costs in medical care. One factor is the price of units of medical service. Plate 39 shows quarterly change in unit prices during '76 for each of the six major health services Medicaid buys. As in recent years, all unit prices continued to rise. The largest price increases were the charges for hospital care. See Plate 39. Physicians' care accounted for the next largest increase. The smallest increases were in daily rates for nursing home care, both skilled and intermediate. The

relatively small rise in these two prices was important because nursing home care consumes nearly half of Medicaid's budget. The reason for the less rapid rise in nursing home prices was, in large part, that Medicaid imposed price ceilings.

National data on health care prices are sketchy, but some comparisons between prices in Alabama and in other states are possible. Plates 40 and 41 compare Alabama to other states in Region IV and to average prices in the nation as a whole.

AFY '76					PLATE 39
<b>PRICE</b>					
Quarterly changes in unit price per service					
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
Nursing Home Days					
Skilled	\$15.94	\$ 16.99	\$ 16.79	\$ 16.54	+\$ .81
ICF	14.28	14.88	14.91	14.66	+\$ .55
Inpatient Days	95.08	104.85	104.33	107.25	+\$15.13
Physicians' Visits	12.94	13.28	13.13	14.86	+\$ 2.51
Prescriptions	4.51	4.61	4.75	5.11	+\$ .72
Outpatient Visits	27.61	37.19	37.33	41.08	+\$14.27
Skilled Care Days	+1.3%*	+ 6.6%	-1.0%	- 1.5%	+ 5.1%
ICF Days	+1.2%	+ 4.2%	-0.1%	- 0.2%	+ 3.9%
Inpatient Days	+3.2%	+10.3%	-0.1%	+ 3.0%	+16.4%
Physicians' Visits	+4.8%	+ 2.6%	-1.1%	+13.2%	+20.3%
Prescriptions	+2.7%	+ 2.2%	+3.0%	+ 7.6%	+16.4%
Outpatient Visits	+3.0%	+34.7%	+0.4%	+10.1%	+53.2%

\*Percent change from last quarter of AFY '75.

Source: No. 36

FFY '75 &amp; '76

PLATE 40

**PRICE**

Alabama nursing home prices compared to Region IV and U.S.  
(Second quarter of '76 compared to second quarter of '75)

AREA	COST PER DAY	PERCENT CHANGE OVER FFY '75	NUMBER OF DAYS	PERCENT CHANGE OVER FFY '75
TN	\$25.83	+22%	39,000	- 3%
KY	24.25	+38%	942,000	-16%
US	22.69	+20%	96,956,000	-13%
SC	21.46	+32%	1,315,000	+ 2%
NC	19.89	+13%	1,502,000	+ 5%
AL	16.93	+27%	3,017,000	+ 1%
MS	16.32	+ 5%	1,960,000	+12%
FL	15.32	+10%	4,260,000	+ 7%
GA	14.16	+15%	4,678,000	-26%

Source: No. 8

In the first half of FFY '76 Alabama paid substantially below the U.S. average per day for nursing home care; \$16.93 as compared to \$22.69 per day. Alabama's advantage in price trends, however, was partially offset by a disadvantage in demand for nursing home care. In Alabama demand rose by 1% while the nation experienced a 13% decline.

Plate 41 compares Alabama with other states in

Region IV in cost per day for inpatient hospital care. Again, as with nursing home care, the price in Alabama (\$102.55) is below the \$110.56 national average. In FFY '76, however, Alabama purchased 23% more days of hospital care than in FFY '75. This rising demand is contrary to the national pattern. The average for all states showed an 18% drop in number of hospital days purchased by Medicaid.

FFY '75 &amp; '76

PLATE 41

**PRICE**

Alabama hospital prices compared to Region IV and U.S.  
(Second quarter of '76 compared to second quarter of '75)

AREA	COST PER DAY	PERCENT CHANGE OVER FFY '75	NUMBER OF DAYS	PERCENT CHANGE OVER FFY '75
FL	\$126.33	+12%	439,000	+26%
US	110.56	+15%	28,285,000	-18%
SC	107.65	+22%	246,000	- 7%
TN	105.15	+19%	374,000	+11%
KY	102.95	+25%	391,000	-12%
AL	102.55	+21%	335,000	+23%
NC	98.07	+13%	591,000	- 4%
MS	97.05	+31%	326,000	+ 1%
GA	78.80	+15%	815,000	+ 8%

Source: No. 8

# USE

Three measures of use are significant:

- utilization rate,
- frequency-of-service rate,
- ratio of actual use to potential use.

**Utilization Rate:** This rate is calculated by dividing the number of recipients by the number of eligibles. The result is the percent of the eligibles who received medical care during the year. This year, as usual, the rate was approximately four persons out of five, with 78.9% being the exact figure. (Plate 42)

**Frequency-of-Service Rate:** Adding the number of recipients from each of the year's 12 months gives the number of man-months of Medicaid service. Then dividing the total MMS by the year's unduplicated count of recipients gives the frequency-of-service rate. The rate this year was 5.93, which means that the average recipient received medical care at least 5.93 times during the year. Literally, it means that he received service during 5.93 months. This calculation does not specify how many services he received each month—only that he received a total of at least 5.93 during the year.

Plate 43 shows that the average aged person received at least 9.37 services per year while the average dependent person received a minimum of only 3.66 services per year. This statement, though true, must be used with care, for its implications can be misleading.

MMS figures do not measure the amount of service used per member of each category. They measure only the frequency of service and, in measuring frequency, they measure the number of months in which service was used rather than the number of services used.

AFY '74 - '76		PLATE 42	
<b>USE</b>			
Utilization rate by category			
	AFY '74	AFY '75	AFY '76
AGED, Category 1	84.9%	87.8%	87.6%
BLIND, Category 2	82.3%	86.0%	79.5%
DISABLED, Category 4	74.4%	80.9%	80.7%
DEPENDENT, Categories 3&7	73.4%	73.0%	73.3%
<b>ALL CATEGORIES</b>	<b>78.2%</b>	<b>78.9%</b>	<b>78.9%</b>

Source: Nos. 21 & 32.

AFY '74 - '76		PLATE 43	
<b>USE</b>			
Frequency-of-service rate (MMS per recipient)			
	AFY '74	AFY '75	AFY '76
AGED, Category 1	7.25 MMS	7.51 MMS	9.37 MMS
BLIND, Category 2	2.59 MMS	2.59 MMS	7.35 MMS
DISABLED, Category 4	6.13 MMS	5.54 MMS	7.63 MMS
DEPENDENT, Categories 3&7	3.64 MMS	3.81 MMS	3.66 MMS
<b>ALL CATEGORIES</b>	<b>5.29 MMS</b>	<b>5.37 MMS</b>	<b>5.93 MMS</b>

Source: Nos. 21 & 32

AFY '76		PLATE 44	
<b>USE</b>			
MMS per eligible Ratio of actual use to potential use			
AGED, Category 1	7.53 MMS		
BLIND, Category 2	5.79 MMS		
DISABLED, Category 4	6.02 MMS		
DEPENDENT, Categories 3&7	2.67 MMS		
<b>ALL CATEGORIES</b>	<b>4.68 MMS</b>		

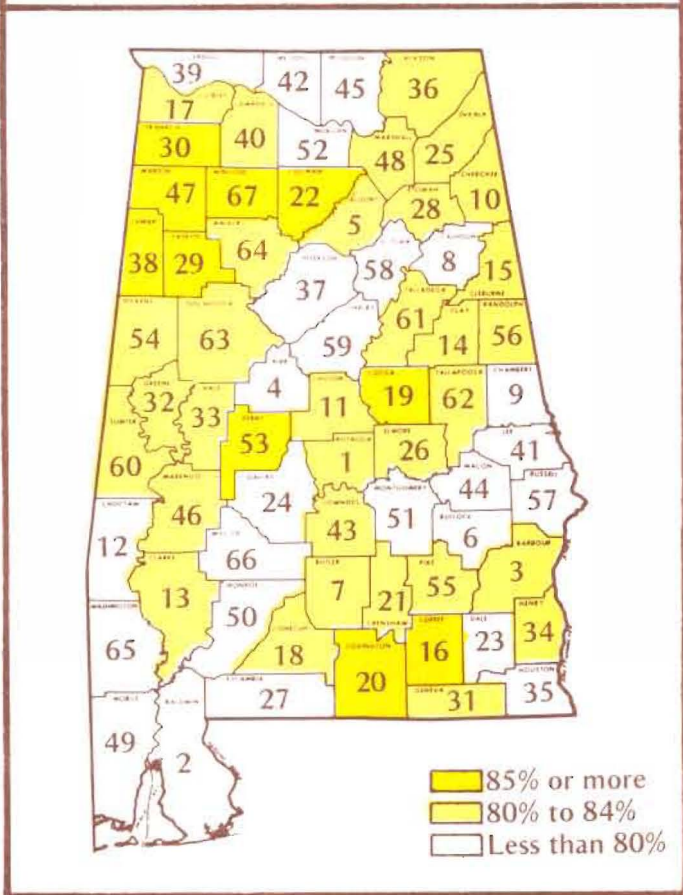
Source: Nos. 21 & 32

AFY '76

PLATE 45

**USE**

Percent of eligibles who became recipients



The number printed in each county is a substitute for the county name. Use the list on page 29 to translate numbers into county names.

Source: Nos. 21 & 32

**Ratio of Actual Use to Potential Use:** The maximum demand for medical care would exist if every eligible person asked for medical care every month. This, "fortunately, does not happen. Only about 80% of Medicaid's eligibles ask for medical care each year. This 80% does not need care every month. The average recipient asks for medical care on an average of once every other month, or 50% of the time. In other words, the actual demand for care is only about 40% (50% of 80%) of the potential demand.

A more precise measure of the ratio of actual use to potential use is provided by calculating the number of MMS per eligible. Plate 44 shows this calculation, by category, for AFY '76. Plate 45 shows the ratio of recipients to eligibles by county for AFY '76.

# COST

Cost per person can be measured in two ways, cost per eligible or cost per recipient. Cost per recipient is measured in all states and is the cost figure needed to compare Alabama costs to similar costs elsewhere.

Cost per eligible is not measured in other states and thus cannot be used for comparison. It is useful, however, for budgeting purposes. Data on costs per eligible help predict how much more money will be needed as the number of eligibles increases each year.

## COST PER ELIGIBLE

Plate 46 shows the variation in cost per eligible from one group to another. An aged person, for example, costs Medicaid nearly five times as much per year as a young eligible. The variations in cost per eligible can be attributed to the fact that different groups use different kinds of services in different amounts.

AFY '76		PLATE 46	
<b>COST</b>			
Cost per eligible			
	COST PER MONTH	COST PER YEAR	COST PER PERIOD OF ELIGIBILITY
AGED 65 & Over	\$ 75	\$ 795	\$6,750
AGED, Category 1	69	759	5,840
BLIND, Category 2	73	551	4,293
WHITES	73	693	3,358
DISABLED, Category 4	72	662	2,808
FEMALES	52	500	2,548
ALL ELIGIBLES	45	432	2,160
AGE 21 - 64	51	469	1,989
MALES	33	314	1,551
NONWHITES	28	272	1,372
DEPENDENT, Categories 3 & 7	19	175	760
AGE 6 - 20	15	143	735
AGE 0 - 5	19	156	475

Source: Nos. 21 & 32

AFY '74 - '76

PLATE 47

**COST**

Annual changes in cost per eligible

	AFY '74	AFY '75	AFY '76	CHANGE FROM '74 TO '76
AGED, 65 & Over	\$ 480	\$ 718	\$ 795	up 65%
AGED, Category 1	476	670	759	up 59%
WHITES	496	622	693	up 40%
DISABLED, Category 4	435	589	662	up 52%
BLIND, Category 2	389	521	551	up 42%
FEMALES	332	445	500	up 51%
AGE 21 - 64	351	412	469	up 34%
ALL ELIGIBLES	288	384	432	up 50%
MALES	211	281	314	up 49%
NONWHITES	162	237	272	up 63%
DEPENDENTS, Categories 3&7	135	160	175	up 30%
AGE 6 - 20	N/A*	N/A*	143	N/A*
AGE 0 - 5	N/A*	N/A*	156	N/A*

\*Not Available

Source: Nos. 21 &amp; 32

In an aged eligible's period of eligibility, he costs nearly fourteen times as much as the younger eligible. In addition to using services more often and using more expensive services, the aged person remains eligible longer than the child.

Plate 47 confirms that the payments per eligible have risen for all groups in the past three years. The largest increases have been for the aged (up 65%) and nonwhites (up 63%). The smallest increases have been for the dependents (up 30%) and females (up 34%).

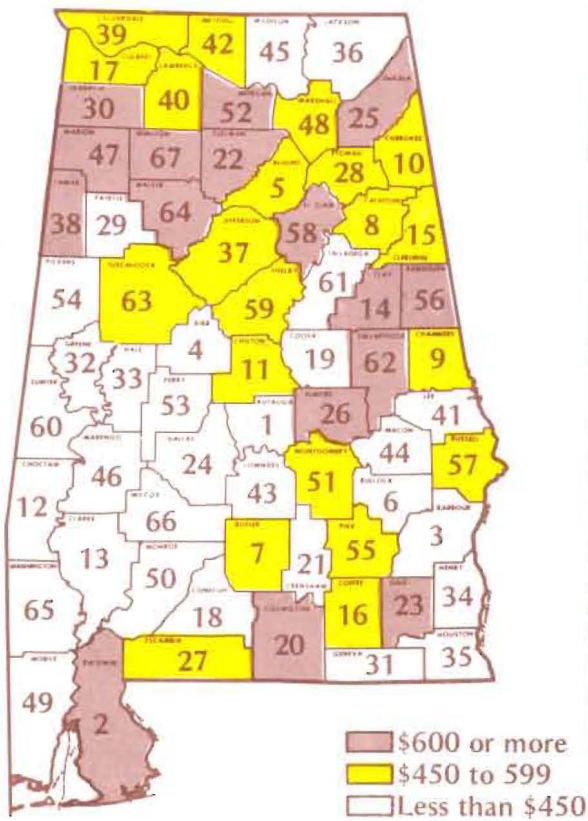
In AFY '74 payments per eligible declined in three groups, but in AFY '75 and AFY '76 the amount spent per person rose for all groups.

AFY '76

PLATE 48

**COST**

Cost per recipient, by county.



The number printed in each county is a substitute for the county name. Use the list on page 29 to translate numbers into county names.

Source: No. 38

**COST PER RECIPIENT**

Section 3 of Plate 49 discloses that Medicaid averaged paying \$1,047 for each disabled person who became a hospital patient but only \$197 per aged inpatient. The average that Medicaid paid for aged was low because Medicare paid the major part of the bill.

Over 90% of the aged people on Medicaid were also eligible for Medicare. Smaller percentages of Medicaid's blind and disabled qualified for Medicare. In AFY '76 approximately 155,000 Medicaid patients had this double protection.

Medical bills for these 155,000 people were paid jointly by Medicaid and Medicare. For hospital care Medicare paid for more than half of each bill. For five other services listed in Plate 49 Medicare also paid significant, but smaller, fractions of each bill, thus saving Medicaid millions of dollars. For this coverage Medicaid paid to Medicare a "buy-in" fee or premium of \$7.20 (effective July 1, 1976) per month per person for each Medicaid eligible who was also on Medicare. Medicaid's total payment to Medicare for these buy-in premiums in AFY '76 was \$10,518,320. Medicare spent considerably more than \$10.5 million in partial payments of medical bills incurred by Alabama citizens on Medicaid.

Plate 48 shows the cost per recipient by county in Alabama for fiscal year 1976.

AFY '75

## USE AND COST

Year's cost per service by category

Year's total number of recipients by service and category

Year's cost per recipient by service and category

Utilization rates by service and category

		SERVICES WHOSE COSTS ARE SHARED WITH MEDICARE								
		PHYSICIANS' SERVICES	LAB & X RAY	HOSPITAL INPATIENTS†	HOSPITAL OUTPATIENTS	HOME HEALTH	TRANSPOR- TATION	DRUGS	NURSING HOMES, SKILLED††	
SECTION 1  YEAR'S COST	ALL CATEGORIES	\$17,734,378	\$3,511,931	\$37,355,764	\$5,224,216	\$733,836	\$87,361	\$15,410,563**	\$51,455,906	
	Category 1 Aged	4,203,048	948,221	5,603,365	909,013	352,241	3,333	9,369,622	44,658,582	
	Category 2 Blind	195,078	38,631	410,913	41,794	22,015	1,579	154,106	162,600	
	Category 4 Disabled	4,806,016	1,025,485	13,634,854	1,441,884	345,637	41,991	3,852,641	6,628,550	
	Categories 3&7 Dependent Children	3,653,282	646,195	6,910,816	1,598,610	2,935	10,115	785,939	4,116	
	Category 3 Dependent Adults	4,876,954	853,399	10,795,816	1,232,915	11,008	30,343	1,248,255	2,058	
SECTION 2  YEAR'S TOTAL NUMBER OF RECIPIENTS	ALL CATEGORIES	236,233	164,624	67,402	93,335	1,979	*N/A	234,505	13,932	
	Category 1 Aged	84,428	58,694	28,392	25,484	1,180	*N/A	93,955	12,235	
	Category 2 Blind	1,505	960	444	589	38	*N/A	1,549	42	
	Category 4 Disabled	36,425	24,702	13,028	14,659	699	*N/A	40,104	1,648	
	Categories 3&7 Dependent Children	74,226	52,752	10,392	34,036	15	*N/A	62,461	3	
	Category 3 Dependent Adults	39,649	27,516	15,146	18,567	47	*N/A	36,436	4	
SECTION 3  YEAR'S COST PER RECIPIENT	ALL CATEGORIES	\$ 75.07	\$ 21.33	\$ 554.22	\$ 55.97	\$ 370.81	*N/A	\$ 65.72	\$ 3,693.36	
	Category 1 Aged	49.78	16.16	197.35	35.67	298.51	*N/A	99.72	3,650.07	
	Category 2 Blind	129.62	40.24	925.48	70.96	579.34	*N/A	99.49	3,871.43	
	Category 4 Disabled	131.94	41.51	1,046.58	98.36	494.47	*N/A	96.07	4,022.18	
	Categories 3&7 Dependent Children	49.22	12.25	665.01	46.97	195.67	*N/A	12.58	1,372.00	
	Category 3 Dependent Adults	123.00	31.01	712.78	66.40	234.21	*N/A	34.26	514.50	
SECTION 4  UTILIZATION RATES	ALL CATEGORIES	58.1%	40.5%	16.6%	23.0%	.48%	*N/A	57.7%	3.427%	
	Category 1 Aged	67.2%	46.7%	22.6%	20.3%	.94%	*N/A	74.8%	9.737%	
	Category 2 Blind	64.0%	40.8%	18.9%	25.0%	1.62%	*N/A	65.9%	1.786%	
	Category 4 Disabled	60.6%	41.1%	21.7%	24.4%	1.16%	*N/A	66.7%	2.741%	
	Categories 3&7 Dependents	52.1%	36.8%	11.7%	24.1%	.03%	*N/A	45.3%	.003%	

† Includes patients in mental hospitals.

†† A small part of the cost of skilled care is paid by Medicare, but the amount is insignificant.

Source: Nos. 21 & 32



SERVICES WHOSE COSTS ARE NOT SHARED WITH MEDICARE						ALL SERVICES		
NURSING HOMES, ICF	DENTAL CARE	FAMILY PLANNING	OTHER PRACTITIONERS	SCREENING	MEDICARE BUY-IN	PAID FOR ENTIRELY BY MEDICAID	PAID FOR BY MEDICAID & MEDICARE	MEDICAID'S TOTALS
\$26,121,079	\$2,935,345	\$1,048,338	\$1,782,174	\$803,725	\$10,518,320	\$110,075,450	\$64,647,486	\$172,936
20,505,047	0	0	714,652	0	8,310,592	83,558,495	12,019,221	95,577,716
208,969	881	2,097	10,693	0	44,238	583,584	710,010	1,293,594
5,407,063	88,060	37,740	370,692	0	2,163,490	18,548,236	21,295,867	39,844,103
0	2,534,964	93,302	399,207	803,725	0	4,621,253	12,821,953	17,443,206
0	311,440	915,199	286,930	0	0	2,763,882	17,800,435	20,564,317
7,162	35,511	17,471	37,086	37,824	*N/A	*N/A	*N/A	320,536
5,825	0	2	14,521	0	*N/A	*N/A	*N/A	110,125
48	15	42	257	0	*N/A	*N/A	*N/A	1,869
1,289	948	590	7,146	0	*N/A	*N/A	*N/A	48,501
0	31,934	2,423	8,970	37,824	*N/A	*N/A	*N/A	110,273
0	2,614	14,414	6,192	0	*N/A	*N/A	*N/A	49,768
\$ 3,647.18	\$ 82.66	\$ 60.00	\$ 48.06	\$ 21.25	*N/A	*N/A	*N/A	\$ 545.09
3,520.18	0	0	49.22	0	*N/A	*N/A	*N/A	867.90
4,353.52	58.73	47.66	41.61	0	*N/A	*N/A	*N/A	692.13
4,194.77	92.89	63.97	51.87	0	*N/A	*N/A	*N/A	821.51
0	79.38	38.51	44.50	21.95	*N/A	*N/A	*N/A	158.18
0	119.14	63.49	46.34	0	*N/A	*N/A	*N/A	413.20
1.76%	8.7%	4.3%	9.1%	9.3%	*N/A	*N/A	*N/A	78.9%
4.63%	0.0%	0.0%	11.6%	0.0%	*N/A	*N/A	*N/A	87.7%
2.04%	.6%	1.9%	10.9%	0.0%	*N/A	*N/A	*N/A	79.5%
2.14%	1.6%	1.0%	11.9%	0.0%	*N/A	*N/A	*N/A	80.7%
0.00%	15.8%	7.7%	6.9%	17.3%	*N/A	*N/A	*N/A	73.3%

\* Not available  
 \*\* Excludes family planning drugs

# LONG-TERM CARE

In terms of people served, the nursing home program is small. This year 1 eligible in 23 used nursing home care.

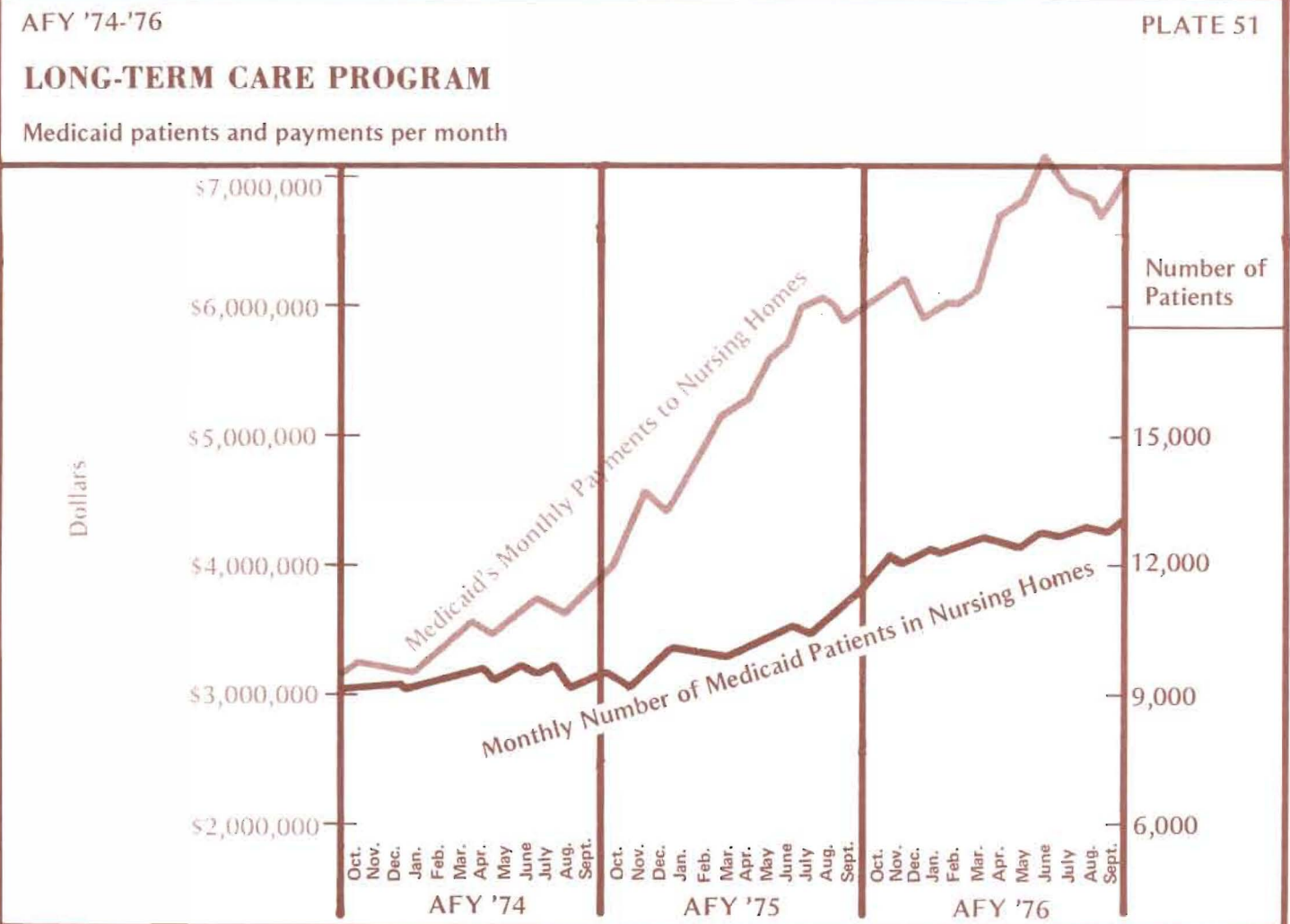
In terms of expenditure, it is the largest program. This year 44% of Medicaid funds went for nursing home care.

During AFY '76 Medicaid spent \$77.6 million to provide nursing home care for approximately 21,000 patients. This is an increase of \$11.3 million over AFY '75. Part of this increasing cost came from a 5% increase in the number of patients, but most of the cost rise came from higher prices per day of care.

Two policies, one promulgated by the State Board of Health, the other by the Department of Pensions and Security, both in effect throughout fiscal 1975, have helped to hold the cost of long-term

AFY '76		PLATE 50	
LONG-TERM CARE PROGRAM			
Beds, admissions, residents			
	SKILLED	ICF	TOTAL
Available Beds (9/76)	13,090	5,680	18,770
Admissions Approved	7,464	3,264	10,728
Recipients Admission Origins:			
From Home	1,418	1,376	2,794
From Hospital	5,289	1,361	6,650
From Nursing Facility	703	422	1,125
From Mental Facility	54	105	159
Medicaid Residents as of 9/76	8,326	4,747	13,073

Source: Nos. 13 & 43



Source: No. 32

AFY '75 &amp; '76

PLATE 52

**LONG-TERM CARE PROGRAM**

Cost to Medicaid per patient per year, by type of care

	PER PATIENT COST AFY '75	PER PATIENT COST AFY '76	CHANGE
Skilled Care	\$3,363	\$3,693	+ 9.8%
ICF Care	3,198	3,647	+14.0%
Both Kinds of Care	3,308	3,678	+11.2%

Source: Nos. 21 &amp; 32

care down. In 1975 the State Board of Health set price ceilings on nursing home care. Throughout AFY '76 the ceilings were \$21.50 per day for skilled care and \$19.35 for ICF care. Beginning October 1, 1975, individuals who were certified as eligible for Medicaid had their personal need allowance while in a nursing home reduced from \$45 to \$25.

Nursing facility care has always been the most expensive item in Medicaid's budget. In AFY '73 nursing home care accounted for over 38%; in AFY

'74 it rose to 40%; in AFY '75 to 42%. In AFY '76, nursing home care accounted for over 44% of the total Medicaid budget. Plate 51 shows graphically that costs have risen faster than the number of patients for three years, particularly in AFY '75. Medicaid's average payment per patient rose \$330 in AFY '76, from \$3,363 to \$3,693, for a 9.8% increase. (See Plate 52) The average is only for a portion of a year. A full twelve months of long-term care costs over \$5,000 per year.

AFY '76

PLATE 53

**LONG-TERM CARE PROGRAM**

Recipients, by sex, by race, by age

	SKILLED	ICF	TOTAL	PERCENT
All Recipients	13,932	7,162	21,094	100 %
By Sex				
Female	10,449	4,956	15,405	73 %
Male	3,483	2,206	5,689	27 %
By Race				
White	11,146	5,615	16,761	79.5%
Nonwhite	2,786	1,547	4,333	20.5%
By Age				
65 & Over	12,769	6,266	19,035	90.2%
21 - 64	1,017	866	1,883	9.0%
7 - 20	120	27	147	.7%
0 - 6	26	3	29	.1%

Source: Nos. 21 &amp; 32

AFY '76

PLATE 54

**LONG-TERM CARE PROGRAM**

Payments, by sex, by race, by age

	SKILLED	ICF	TOTAL	PERCENT
All Recipients	\$51,455,906	\$26,121,079	\$77,576,985	100.0%
By Sex				
Female	40,675,894	18,242,962	58,918,856	76.0%
Male	10,780,012	7,878,117	18,658,129	24.0%
By Race				
White	41,910,835	20,149,800	62,060,635	80.0%
Nonwhite	9,545,071	5,971,279	15,516,350	20.0%
By Age				
65 & Over	46,629,343	22,145,628	68,774,971	88.6%
21 - 64	4,008,415	3,852,859	7,861,274	10.1%
6 - 20	710,091	121,354	831,445	1.1%
0 - 5	108,057	1,238	109,295	0.2%

Source: Nos. 21 &amp; 32

The greatest change in the characteristics of nursing home patients was in the percent of nonwhites admitted. Nonwhite admissions decreased from 22% to 20.5% during AFY '76.

The percentage of patients over age 65 remained stable during AFY '76 as did the percentage of males and females. There was a slight increase in nursing facility patients within the 21-64 age group. See Plate 53 for AFY '76 figures.

The ratio of money to patients varies according

to the group. In AFY '74 the average cost for a white was \$383 greater than the cost for a nonwhite nursing home recipient. In AFY '75, this decreased to a difference of \$359. In AFY '76, there was little difference in the average cost for a nursing home patient on the basis of race. Plate 54 shows payments by sex, race and age for AFY '76.

Plates 55, 56, and 57 show the number and percentage of nursing home beds used by Medicaid. During AFY '76, there was a 3.5% increase in the

AFY '76

PLATE 55

**LONG-TERM CARE PROGRAM**

Beds in existence, by month

Beds used by Medicaid, by month

	SKILLED CARE BEDS			ICF BEDS			ALL BEDS		
	NUMBER IN EXISTENCE	NUMBER USED BY MEDICAID	PERCENT USED BY MEDICAID	NUMBER IN EXISTENCE	NUMBER USED BY MEDICAID	PERCENT USED BY MEDICAID	NUMBER IN EXISTENCE	NUMBER USED BY MEDICAID	PERCENT USED BY MEDICAID
Oct. 1975	12,377	7,996	64.6%	5,456	4,214	77.2%	17,833	12,210	68.5%
Nov.	12,369	8,016	64.8%	5,424	4,260	78.5%	17,793	12,276	70.0%
Dec.	12,347	8,032	65.1%	5,444	4,305	79.1%	17,791	12,337	69.3%
Jan. 1976	12,429	8,053	64.8%	5,530	4,355	78.8%	17,959	12,408	69.1%
Feb.	12,495	8,073	64.6%	5,584	4,398	78.8%	18,079	12,471	70.0%
Mar.	12,561	8,095	64.4%	5,638	4,443	78.8%	18,199	12,538	68.9%
Apr.	12,656	8,111	64.0%	5,589	4,489	80.3%	18,245	12,600	69.1%
May	12,967	8,133	62.7%	5,637	4,535	80.5%	18,604	12,668	68.1%
June	12,863	8,141	63.3%	5,462	4,582	83.9%	18,325	12,723	69.4%
July	13,012	8,158	62.7%	5,697	4,628	81.2%	18,709	12,786	68.3%
Aug.	13,090	8,188	62.5%	5,680	4,674	82.3%	18,770	12,862	68.5%
Sept.	13,244	8,326	62.9%	5,508	4,747	86.2%	18,752	13,073	69.7%

Source: No. 43

number of beds in existence. Also, during the year Medicaid used 2% more of the available beds.

As AFY '76 ended there were over 13,000 Medicaid patients in nursing facilities. During the

year, however, the unduplicated count was over 21,000. This gives an average of 6.7 months of nursing care for each recipient, a decrease from AFY '75.

AFY '74-'76

PLATE 56

### LONG-TERM CARE PROGRAM

Available nursing facility beds

	SEPTEMBER 1974	SEPTEMBER 1975	'74-'75 CHANGE	SEPTEMBER 1976	'75-'76 CHANGE
Total Beds	15,636	18,089	+16%	18,752	+3.5%
Skilled Beds	10,757	12,533	+17%	13,244	+5.7%
ICF Beds	4,879	5,556	+14%	5,508	-0.8%

Source: No. 16

AFY '74-'76

PLATE 57

### LONG-TERM CARE PROGRAM

Percent of available beds used by Medicaid

	SEPTEMBER 1974	SEPTEMBER 1975	'74-'75 CHANGE	SEPTEMBER 1976	'75-'76 CHANGE
Total Beds	71%	68%	-3%	70%	+2%
Skilled Beds	68%	63%	-5%	63%	-
ICF Beds	79%	77%	-2%	86%	+9%

Source: Nos. 16 & 43

AFY '74-'76

PLATE 58

### LONG-TERM CARE PROGRAM

Number of recipients

	SKILLED			ICF			TOTAL		
	'74	'75	'76	'74	'75	'76	'74	'75	'76
Monthly average	6,985	7,410	7,563	3,733	3,950	4,179	10,717	11,360	11,743
Yearly total	11,210	13,323	13,932	5,648	6,719	7,162	16,858	20,042	21,094
Months of care per recipient	7.5	6.7	6.5	7.9	7.1	7.0	7.6	6.8	6.7
Annual turnover rate	60.4%	79.7%	46.0%	51.3%	70.1%	42.0%	57.3%	76.4%	56.0%
Estimated Length of Stay	19.6 Mo.	15.1 Mo.	N/A	23.4 Mo.	17.1 Mo.	N/A	20.9 Mo.	15.7 Mo.	N/A

Source: No. 32

# HOSPITAL PROGRAM

One eligible in six became a hospital inpatient this year. One in four became an outpatient.

For three years in a row outpatients have outnumbered inpatients.

If Medicaid's experience is typical, less than half of the hospital patients are inpatients. Furthermore, in the past three years the percent who were inpatients has declined each year. In AFY '74, 43.6% of Medicaid hospital patients were inpatients. In AFY '75, this declined to 43.4%, and in AFY '76 to 41.9%.

**Inpatients:** Among Medicaid eligibles approximately 16%, or one in six, became an inpatient in AFY '76. Plate 59 suggests that among other Alabama citizens a smaller percent used hospital beds, but no count of non-Medicaid patients was made to confirm this or to measure the difference exactly.

Counts of hospital admissions for all Alabamians and for three categories of Medicaid eligibles were made. Medicaid had the higher admission rate; therefore, the percent who became patients must be higher for the Medicaid group. Admission rates and use rates are closely correlated, but they are not identical because some patients were admitted more than once during the year.

Plate 59 shows an admission rate of 19.4% for Medicaid and a slightly lower rate for all Alabama citizens. It is probable that the admission rates for all Medicaid eligibles would be higher than the 19.4% for Medicaid-only eligibles because the eligibles whose admission rate is not known are mostly from the aged category. It is also probable that among Alabamians not on Medicaid one person in seven used a hospital bed in AFY '76, about the same as AFY '75. Whatever measures are used, it appears that Medicaid eligibles utilize hospital services more than the non-Medicaid population in Alabama. Since many people become eligible as a direct result of needed and costly medical service, this is not surprising.

AFY '76

## HOSPITAL PROGRAM

Medicaid hospital patients compared to other patients

	Total Number In 1976	Inpatients
Medicaid-Medicare Eligibles	150,000	29,813
Medicaid Only Eligibles	256,497	37,589
All Alabama Residents	3,577,000	*N/A

Source: Nos. 32 & 40

AFY '76

## HOSPITAL PROGRAM

Use and costs of inpatient hospital care

	Number of People Eligible For Hospital Care
Aged—Category 1	125,648
Blind—Category 2	2,352
Disabled—Category 4	60,111
Dependent Children and Adults—Categories 3&7	218,386
All Categories	406,497

Source: Nos. 21, 32 & 40

The average length of stay for the two groups was approximately the same. The Medicaid figure of 5.9 days (down from 6.2 days in AFY '75) shown in Plate 60 would easily rise to or pass the 6.9 day average stay for all Alabama patients if the aged were included in the Medicaid calculations.

Plate 59 shows the average cost to Medicaid per day and per stay for some patients, and per patient for all Medicaid patients. Per day, per stay, and per patient costs for all Alabamians should be close to the figure for Medicaid patients without Medicare.

Plate 59 divides Medicaid hospital inpatients into two groups, defined in terms of who pays their medical bills. Plate 60 shows the same patients divided by category and provides evidence of the variations in cost and use among categories. The aged, blind, and disabled use hospitals much more than the dependents. However, the total that Medicaid pays for high-utilization groups is about equal to what it spends on low-utilization groups. This anomaly occurs because Medicare pays 80% of each hospital bill for the high-utilization groups.

PLATE 59

Hospital Admissions	Admissions As a Percent Of Total Number In Column 1	Days In Hospital	Days Per Stay	Total Cost	Cost Per Day	Cost Per Stay	Cost Per Patient
*N/A	*N/A	*N/A	*N/A	\$ 7,300,580	*N/A	*N/A	\$245
49,784	19.4%	293,587	5.9	\$30,055,184	\$102	\$604	\$800
609,381	17.0%	4,190,450	6.9	*N/A	*N/A	*N/A	*N/A

PLATE 60

Number of People Who Became Inpatients	Percent Who Became Inpatients	Total Cost to Medicaid	Cost Per Recipient To Medicaid	Average Length Of Stay
28,392	22.6%	\$ 5,603,365	\$ 197.35	7.98
444	18.9%	410,913	925.48	7.45
13,028	21.7%	13,634,854	1,046.58	7.92
25,538	11.7%	6,910,816	693.35	4.76
67,402	16.6%	\$37,355,764	554.22	5.90

AFY '76		PLATE 61	
<b>HOSPITAL PROGRAM</b>			
Cost per recipient			
	Number of Recipients of Hospital Inpatient Care	Total Medicaid Payments for Hospital Inpatient Care	Cost Per Recipient To Medicaid
Medicaid recipients with Medicare	29,813	\$ 7,300,580	\$245
Medicaid recipients without Medicare	37,589	\$30,055,184	\$800
All Medicaid Recipients	67,402	\$37,355,764	\$554

Source: 21, 32 & 40

AFY '73 - '76		PLATE 62		
<b>HOSPITAL PROGRAM</b>				
The growing rate by which outpatients exceed inpatients				
	1973 - 1975 AVERAGE		1976	
	Number	Utilization Rate	Number	Utilization Rate
Inpatients	58,903	15.4%	67,402	16.6%
Outpatients	74,109	19.2%	93,335	23.0%

Source: No. 32

AFY '76		PLATE 63
<b>HOSPITAL PROGRAM</b>		
Outpatient utilization rates by category		
	Number of Outpatients	Utilization Rates
Aged	28,392	22.6%
Blind	444	18.9%
Disabled	13,028	21.7%
Dependent	25,538	11.7%
All Categories	67,402	16.6%

Source: No. 32

AFY '76		PLATE 64
<b>HOSPITAL PROGRAM</b>		
Annual outpatient costs and inpatient costs compared		
	Average Cost Per Outpatient	Average Cost Per Inpatient
Aged	\$35.67	\$ 197.35
Blind	70.96	925.48
Disabled	98.36	1,046.58
Dependent	53.83	693.35
All Categories	\$55.97	\$ 554.22

Source: No. 32



# PHYSICIANS' PROGRAM

Among Medicaid eligibles 6 persons in 10 saw a physician this year.

Medicaid paid physicians an average of \$75 for each patient.

In Alabama doctors of medicine or osteopathy initiate most medical care. They either provide it directly or prescribe or arrange for additional health benefits. These benefits may include drugs, nursing care, laboratory tests or devices. Physicians may also admit patients to medical institutions and direct the medical care therein.

Physicians in Alabama may participate in the Medicaid Program as general medical practitioners or specialists. In the Screening Program physicians must

sign agreements with the Medical Services Administration to provide child screening services because of cost limitation; however, in the other programs, physicians are not required to sign agreements. They may provide medically necessary care to any eligible person.

Plate 65 lists the kinds of services that physicians provide most often for Medicaid patients. The services are ranked according to the amount Medicaid spent for each in '76.

AFY '76

PLATE 65

## PHYSICIANS' PROGRAM

Services and payments

	NUMBER OF SERVICES (estimated)	PAYMENTS (estimated)
Surgery & Anesthesia	465,962	\$ 6,098,223
Hospital visits	187,879	1,820,380
Office visits (adults)	273,295	2,213,011
Child care & screening	171,025	2,070,236
Maternity care	16,279	1,499,136
Pathology	264,103	1,195,740
Eye Care (other than eyeglasses)	6,500	112,484*
Machine tests & radiology	136,360	1,035,118
Lab & X-ray	59,753	553,253
Drugs	143,064	392,631
Psychiatric services	26,238	321,244
Intensive care	17,428	178,469
Consultations	3,064	89,234
Nursing home visits	5,746	35,694
Miscellaneous	16,854	232,009
	1,793,550	\$17,846,862

\*If the cost of eyeglasses were shown here the total cost of eye care would place eye care at this level in the ranking.

Source: No. 42

**PHYSICIANS' PROGRAM**

Use and cost

CATEGORY	COST PER RECIPIENT PER YEAR, FOR PHYSICIANS' SERVICES			
	AFY '73	AFY '74	AFY '75	AFY '76
AGED, Category 1	\$ 49	\$ 40	\$ 56	\$ 50
BLIND, Category 2	\$ 85	\$ 95	\$138	\$130
DISABLED, Category 4	\$127	\$107	\$148	\$132
DEPENDENT CHILDREN, Cats. 3&7	\$ 46	\$ 43	\$ 55	\$ 49
DEPENDENT ADULTS, Cats. 3&7	\$108	\$105	\$139	\$123
ALL CATEGORIES	\$ 64	\$ 58	\$ 82	\$ 75
	NUMBER OF MEDICAID RECIPIENTS TREATED BY PHYSICIANS			
	AFY '73	AFY '74	AFY '75	AFY '76
AGED, Category 1	96,628	87,905	89,620	84,428
BLIND, Category 2	1,613	1,618	1,643	1,505
DISABLED, Category 4	17,547	19,273	30,507	36,425
DEPENDENT CHILDREN, Cats. 3&7	58,832	70,203	76,152	74,226
DEPENDENT ADULTS, Cats. 3&7	33,423	37,029	39,785	39,649
ALL CATEGORIES	208,043	216,038	237,707	236,233
	PERCENT OF ELIGIBLES WHO BECAME RECIPIENTS OF PHYSICIANS' CARE			
	AFY '73	AFY '74	AFY '75	AFY '76
AGED, Category 1	63%	63.5%	67.5%	67.2%
BLIND, Category 2	64%	62.9%	66.8%	64.0%
DISABLED, Category 4	59%	50.7%	58.4%	60.0%
DEPENDENT CHILDREN, Cats. 3&7	37%	53.2%	53.2%	52.1%
DEPENDENT ADULTS, Cats. 3&7	63%			
ALL CATEGORIES	51%	56.7%	58.6%	58.1%

Source: No. 32

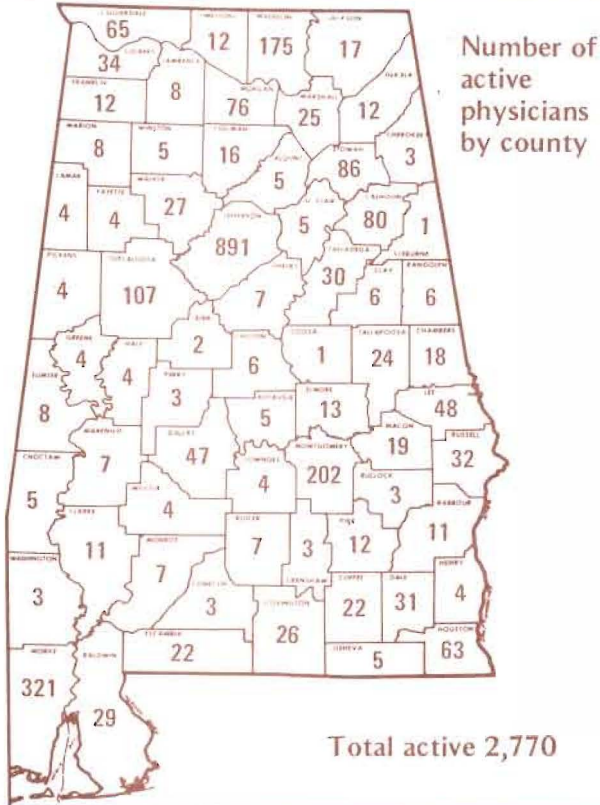
For Medicaid, physicians' care costs less per person for the aged than it costs for other adults. See Plate 66 above. This surprising situation is explained by the fact that most of Medicaid's aged also have Medicare coverage. Medicare pays the larger part of

their bills for physicians' care.

Note above that fewer patients saw physicians this year and that the cost per patient declined. The unit cost per service, however, rose. See Plate 39 on page 35.

**PHYSICIANS' PROGRAM**

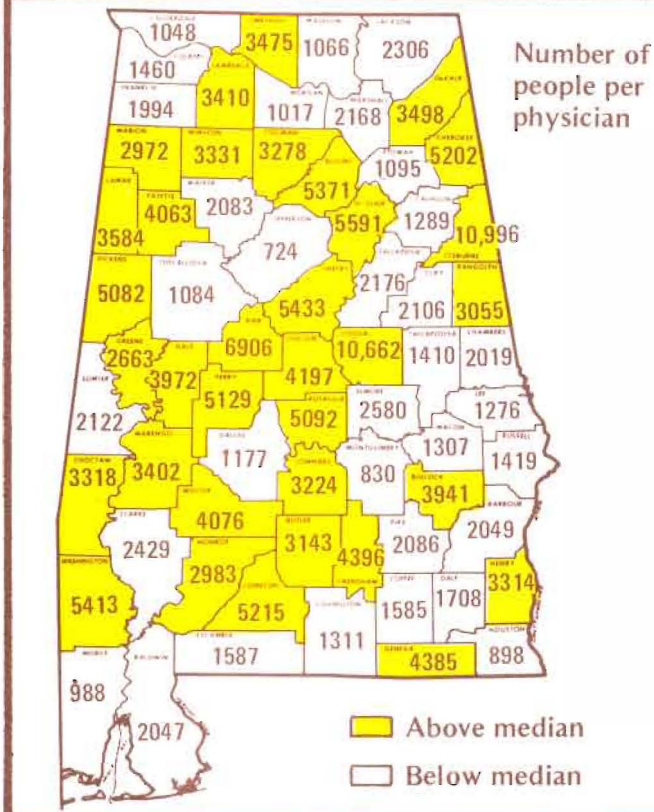
Supply



**PHYSICIANS' PROGRAM**

Demand

Counties of Alabama	Percent of Eligibles Who Used Physicians' Services
Sumter	76.4%
Fayette	74.6%
Covington	73.8%
Franklin	73.7%
Marion	72.9%
Coosa	72.7%
Winston	72.3%
Perry	72.1%
Lamar	72.1%
Clay	71.9%
Greene	70.8%
Hale	70.3%
Tallapoosa	70.3%
Pickens	69.2%
Choctaw	69.2%
Lawrence	68.1%
Butler	68.0%
Blount	67.5%
Lowndes	67.1%
Marengo	66.6%
Talladega	66.5%
Coffee	66.1%
Washington	65.8%
Crenshaw	65.5%
Jackson	65.4%
Chilton	65.3%
Walker	64.6%
Tuscaloosa	63.9%
Barbour	63.5%
Elmore	63.3%
Randolph	62.7%
Pike	62.4%
Geneva	62.2%
Clarke	62.2%
Colbert	62.0%
Lauderdale	61.0%
Macon	59.5%
Wilcox	59.3%
Calhoun	59.0%
Shelby	58.7%
Chambers	58.7%
Dallas	58.2%
Conecuh	58.1%
Henry	58.1%
Mobile	57.6%
Madison	56.8%
Cullman	56.2%
Escambia	55.6%
Autauga	55.2%
Montgomery	55.1%
Cherokee	54.9%
Baldwin	53.5%
DeKalb	53.4%
Etowah	53.1%
Morgan	52.1%
Saint Clair	51.2%
Houston	50.7%
Jefferson	49.5%
Cleburne	49.3%
Marshall	48.7%
Lee	48.6%
Monroe	48.3%
Bullock	47.9%
Bibb	47.7%
Dale	46.9%
Limestone	45.2%
Russell	44.7%



Source: No. 4

Source: No. 38

# DENTAL PROGRAM

Among Medicaid eligibles 1 person in 12 saw a dentist this year.

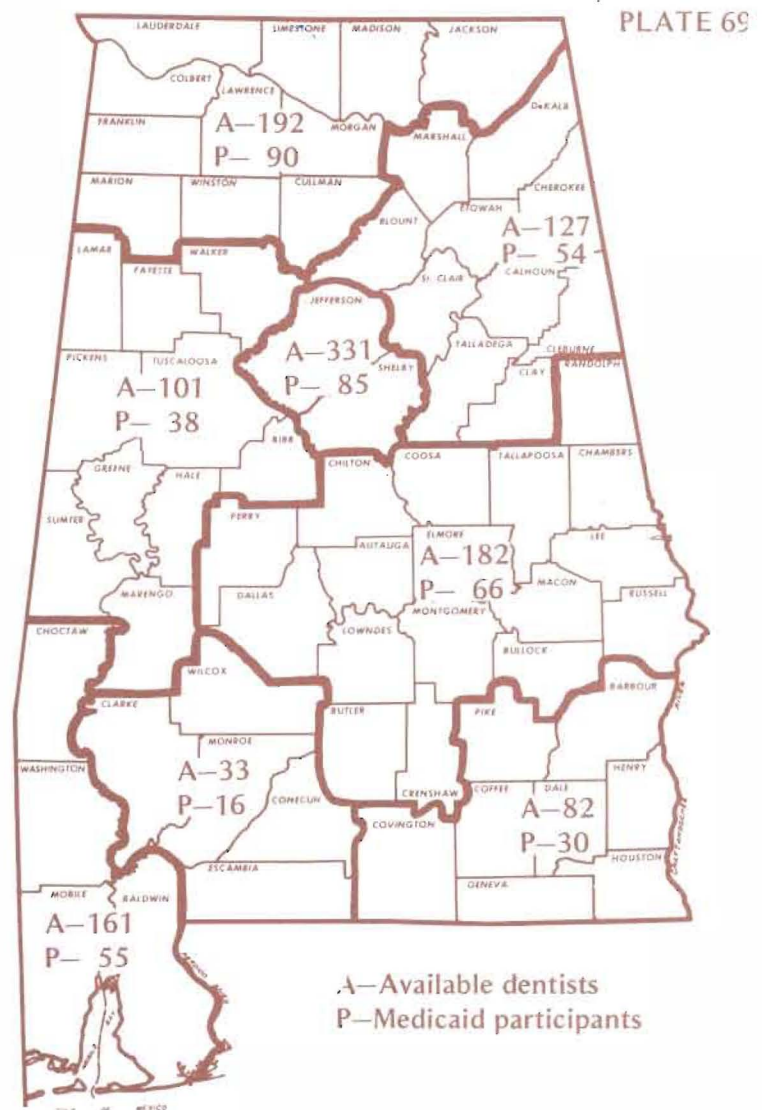
Medicaid averaged paying dentists \$83 for each of these patients.

The Dental Program was initiated in October, 1972, for all eligible persons under 12 years of age and effective April 1, 1973, was extended to eligible persons under 21 years of age.

A provider for the Dental Program must be a

Doctor of Dentistry, licensed in the state in which the service is provided, and must be in the private practice of dentistry or in a dental clinic approved to render care for Medicaid patients. Under Medicaid, dental health care is provided as part of the Early and

AFY '76  
**DENTAL PROGRAM**  
 Number of dentists by area



Source: No. 4

Periodic Screening, Diagnosis and Treatment Program. Effective in August, 1973, every person who had not had a dental checkup within the calendar year of his screening examination was to be referred to a dentist.

Eligible persons in the over 21 age group are limited to dental procedures which are considered as (a) surgery related to the jaw, (b) the reduction of

any fracture related to the jaw or facial bones, or (c) surgery within the oral cavity for removal of lesions or the correction of congenital defects.

Dental activity in the Medicaid program increased significantly in AFY '76. Plates 70 and 71 give comparative figures for recipients and procedures during AFY '75 and AFY '76, and tells the rate of change.

AFY '74 - '76				PLATE 70
<b>DENTAL PROGRAM</b>				
	1974	1975	1976	CHARGE THIS YEAR
Available Dentists	1,224	1,181	1,207	+ 2%
Participating Dentists	369	436	434	- .5%
Participation Rate	30%	37%	35.9%	- 3%
Outpatients Treated	19,634	29,686	35,565	+20%
Inpatients Treated	34	33	44	+33%
Health Department Patients	665	490	508	+ 4%
Health Department Payments	\$15,830	\$ 8,567	\$ 8,866	+ 3%

Source: No. 4

AFY '75 & '76						PLATE 71
<b>DENTAL PROGRAM</b>						
TYPE OF SERVICE	NUMBER OF RECIPIENTS		AMOUNT OF PAYMENTS		NUMBER OF SERVICES	
	1975	1976	1975	1976	1975	1976
Diagnostic Services	23,353	29,511	\$ 323,787	\$ 422,731	70,152	95,938
Preventive Care	21,956	28,024	366,315	453,859	52,226	65,255
Oral Surgery	10,854	10,544	195,195	194,555	22,884	21,530
Endodontics	3,377	3,625	199,330	211,197	6,692	7,418
Operative	17,601	19,727	1,270,737	1,349,433	110,679	115,778
Crown & Bridge	2,755	2,955	188,164	203,719	6,751	6,863
Orthodontics	566	618	33,802	39,112	790	852
Emergency Services	9,502	9,462	127,257	127,171	15,579	15,026

Source: Nos. 33 & 41

# EYE CARE PROGRAM

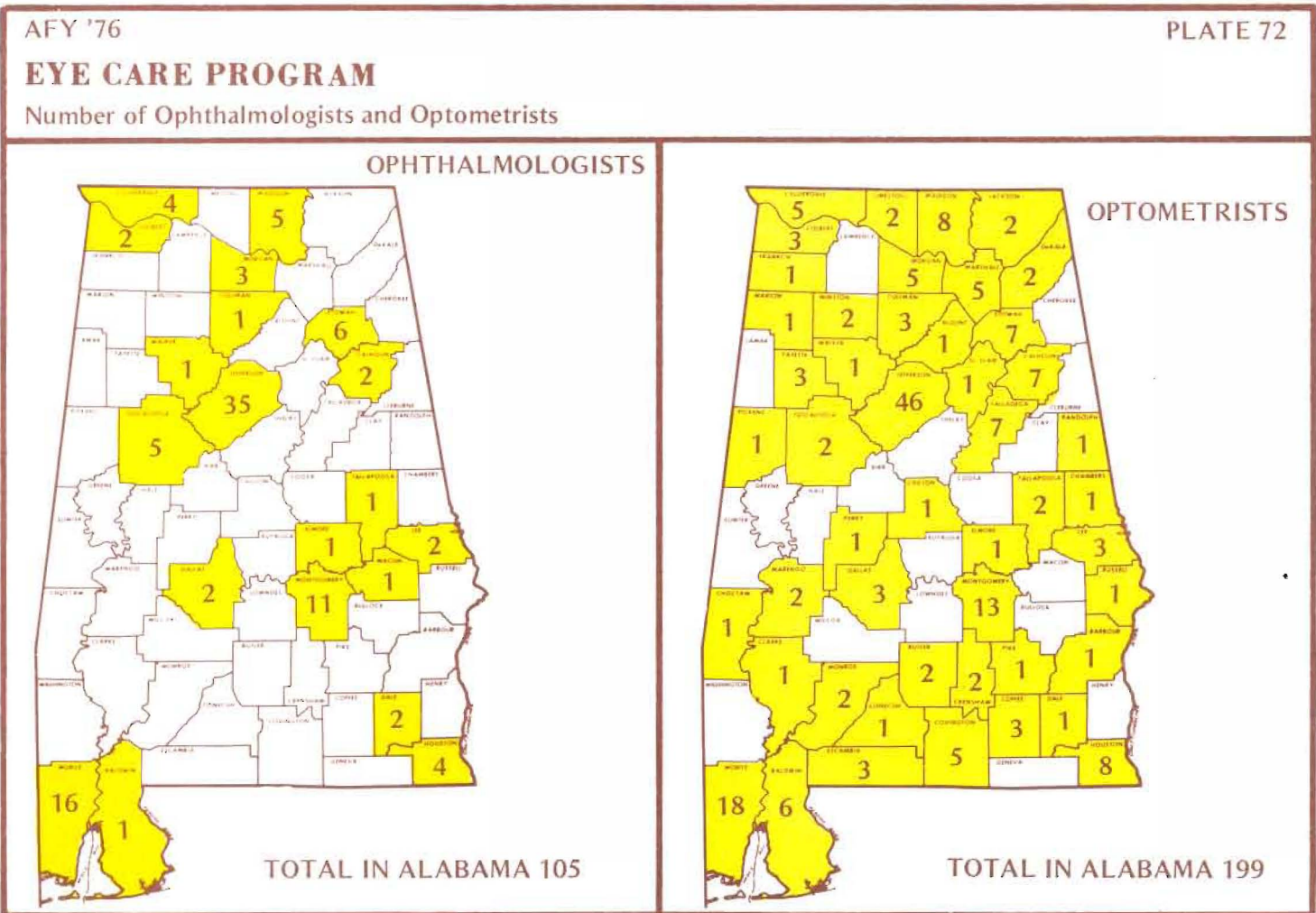
Among Medicaid eligibles approximately 1 person in 10 was fitted for glasses this year.

For each pair of glasses, Medicaid paid approximately \$10, plus the cost of examination and fitting.

Medicaid patients needing eyeglasses may have the work done by any licensed ophthalmologist, optometrist, or optician of their choice.

At present Alabama has 5.37 optometrists per

100,000 population. The national average is 10 per 100,000. According to standards set by the Department of Health, Education and Welfare the minimum needed is 6.67 per 100,000.



AFY '75 &amp; '76

PLATE 73

**EYE CARE PROGRAM**

Claims and payments

	AFY '75		AFY '76		PERCENT CHANGE
	Claims	Payments	Claims	Payments	
Ophthalmologists	10,193		10,393		+ 2 %
Examinations		\$ 122,300		\$ 140,817	+15 %
Fittings		16,303		15,330	- 6 %
Optometrists & Opticians	52,963		50,546		- 4 %
Examinations		600,102		603,158	+ .5%
Fittings		228,414		259,085	+ 13 %
Providers of Eyeglasses	28,301		26,805		- 5 %
Frames		96,736		97,361	+ 1 %
Lenses		192,478		169,548	-12 %
<b>TOTAL CLAIMS</b>	<b>91,457</b>		<b>87,744</b>		<b>- 4 %</b>
<b>TOTAL PAYMENTS</b>		<b>\$1,256,333</b>		<b>\$1,285,299</b>	<b>+ 2 %</b>

Source: No. 43

Plate 73, above, shows how much Medicaid spent for examinations, fittings, and glasses this year—\$1,285,299.

Other kinds of eye care cost an additional \$112,484 as reported in Plate 65 on page 51.

# PHARMACEUTICAL PROGRAM

This year the cost per eligible per prescription declined in spite of the increasing drug prices.

The reason is that recipients were required to pay a small part of the cost of each prescription.

Modern medical treatment relies heavily on the use of drugs. Drugs are used against pain, infection, allergies, chemical imbalances, dietary deficiencies, muscle tension, high blood pressure, vascular diseases, and many other health problems. Illnesses which cannot be treated by drugs usually require hospitalization or surgery. Drugs have advantages over these alternative treatments and modern medicine has been very successful in finding medicines which make the more expensive alternatives unnecessary.

This year, as in all previous years, approximately 60% of Alabama's Medicaid eligibles had at least one prescription filled. The only other medical service used by as many eligibles was physicians' care.

AFY '75 & '76		PLATE 74	
<b>PHARMACEUTICAL PROGRAM</b>			
Types of provider by number			
TYPE OF PROVIDER	NUMBER		
	AFY '75	AFY '76	
In-State Retail Pharmacies	950	964	
Institutional Providers	32	35	
Dispensing Physicians	5	4	
Out-Of-State Pharmacies	36	41	
<b>TOTAL</b>	<b>1,023</b>	<b>1,044</b>	

Source: No. 54

AFY '76		PLATE 75					
<b>PHARMACEUTICAL PROGRAM</b>							
Eligibles, recipients, claims, and expenditures—Monthly totals and averages							
MONTH	NUMBER OF ELIGIBLES	NUMBER OF DRUG RECIPIENTS	AVERAGE # CLAIMS PER RECIPIENT	AVERAGE COST PER RECIPIENT	AVERAGE COST PER CLAIM	CLAIMS PER MONTH*	DRUG EXPENDITURES PER MONTH*
OCT. 1975	329,715	35,477	2.31	\$10.27	\$4.45	82,248	\$ 366,710
NOV. 1975	330,957	101,689	3.37	\$15.12	\$4.49	342,595	\$1,537,210
DEC. 1975	332,308	98,553	2.99	\$13.59	\$4.54	294,919	\$1,339,600
JAN. 1976	327,405	93,031	2.89	\$13.04	\$4.51	267,194	\$1,213,593
FEB. 1976	325,864	102,051	2.92	\$13.27	\$4.54	298,367	\$1,354,398
MAR. 1976	329,572	111,998	3.20	\$14.70	\$4.59	354,185	\$1,627,237
APR. 1976	330,874	98,171	2.80	\$13.00	\$4.65	274,656	\$1,276,479
MAY 1976	332,355	105,513	3.03	\$14.22	\$4.69	319,708	\$1,500,428
JUNE 1976	329,754	101,625	2.90	\$14.29	\$4.92	294,960	\$1,451,738
JULY 1976	326,500	94,067	2.67	\$13.52	\$5.06	251,479	\$1,271,305
AUG. 1976	327,195	96,173	2.78	\$14.04	\$5.09	265,397	\$1,350,693
SEPT. 1976	326,138	96,369	2.69	\$13.83	\$5.15	259,038	\$1,333,041
<b>AVERAGE</b>		94,559			\$4.74		
<b>TOTAL</b>						3,304,746	\$15,622,432

\*Includes family planning drugs

Source: No. 54



**PHARMACEUTICAL PROGRAM**

Eligibles, expenditures, and claims compared

	ELIGIBLES (Ave. Per Mo.)		EXPENDITURES (Year's Total)		CLAIMS (Year's Total)		CLAIMS PER ELIGIBLE		COST PER ELIGIBLE	
	1975	1976	1975*	1976*	1975*	1976*	1975	1976	1975	1976
All Categories	323,887	324,920	\$16,451,118	\$15,622,432	3,683,311	3,304,746	11	10	\$51	\$48
Category 1—Aged	115,942	109,108	10,383,504	8,462,672	2,317,857	1,994,745	20	18	90	78
Category 2—Blind	2,150	2,047	168,151	148,413	35,615	29,743	17	15	78	73
Categories 3&7—AFDC	166,191	167,919	2,413,783	3,238,529	593,601	517,192	4	3	15	19
Category 4—Disabled	39,604	45,846	3,485,680	3,772,818	736,238	763,066	19	17	88	83

\*Includes family planning drugs

Source: No. 21

Physicians writing prescriptions for Medicaid patients have a choice of more than 3,000 drugs in more than 50 therapeutic categories. These drugs are listed in the Alabama Drug Code Index (ADCI). Additions are made to the ADCI periodically to keep the drug list correct and effective.

Southeastern states spend more per year per recipient on drugs than do states in other parts of the country. Alabama spends an amount above the average in the southeast. The reason is not known, but opinion among qualified people is that drugs are more often used as an alternative to institutional care in the southeast.

Per person expenditure for drugs declined this year. This is true whether average cost is measured per recipient per month (Plate 75), per eligible per year (Plate 76), or per recipient per year (Plate 77). This decline per person occurred in spite of the fact the unit price for prescriptions rose. The reason is that Medicaid no longer pays the full price for prescriptions. Since June 1975, when Alabama Medicaid introduced the principle of "co-pay" in its pharmaceutical program, the patient must pay \$.50 for each prescription and each refill. This has reduced the number of prescriptions filled and has saved Medicaid several million dollars.

AFY '75 &amp; '76

PLATE 77

**PHARMACEUTICAL PROGRAM**

Recipients and expenditures by category

	RECIPIENTS			EXPENDITURES		
	1975*	1976*	%Change	1975	1976	%Change
ALL CATEGORIES	240,465	239,339	- 0.4%	\$16,451,118	\$15,622,432	- 5.0%
BY CATEGORY	240,465	239,339	- 0.4%	\$16,451,118	\$15,622,432	- 5.0%
Category 1—Aged	99,558	95,439	- 4.1%	\$10,393,026	8,462,672	- 18.6%
Category 2—Blind	1,759	1,637	- 6.9%	167,102	148,413	- 11.2%
Categories 3&7	104,170	102,480	- 1.6%	2,412,821	3,238,529	+ 34.2%
All AFDC						
Adults	37,618	37,566	- 0.2%	1,471,164	1,300,359	- 11.6%
Children	66,553	64,914	- 2.5%	941,657	1,938,170	+105.8%
Category 4—Disabled	34,977	39,783	+13.7%	3,478,169	3,772,818	+ 8.5%
BY AGE						
Under 6 Years	28,976	32,215	+11.2%	451,858	440,552	- 2.5%
6-20 Years	46,188	44,756	- 3.1%	662,943	757,687	+ 14.3%
21-64 Years	55,790	56,531	+ 1.3%	3,703,406	3,771,255	+ 1.8%
65-Over	109,511	105,837	- 3.4%	11,632,911	10,652,938	- 8.4%
BY SEX						
Male	76,578	76,253	- 0.4%	4,585,594	4,333,911	- 5.4%
Female	163,887	163,837	- 0.5%	11,632,911	11,282,521	- 4.9%
BY RACE						
White	97,646	100,904	+ 3.3%	9,451,325	9,118,813	- 3.5%
Nonwhite	142,819	138,435	- 3.1%	7,000,293	6,503,619	- 7.1%

\*Includes family planning drugs

Source: No. 54

# FAMILY PLANNING

Family planning is offered by physicians, pharmacists and family planning clinics.

This year the services of pharmacists and clinics remained stable, but the number seeking help from physicians increased more than 400%.

In April 1974, federal regulations prohibited Medicaid's paying for sterilization of persons under 21 years of age and those mentally incompetent to give informed consent and required that persons eligible for sterilization procedures wait a minimum of 72 hours after the giving of informed consent before the surgery was performed. More than 500 persons chose sterilization for birth control purposes in 1975 and the number increased to over 600 in 1976. Medically necessary surgical procedures having a secondary effect of sterilization are not subject to age and mental capacity restrictions which pertain to nontherapeutic sterilization for family planning purposes.

Medicaid purchases family planning services provided by the Statewide Family Planning Project, Bureau of Maternal and Child Health, State Health Department, in clinics under its supervision. These services include physical examination, Pap smears, pregnancy and V.D. testing, counseling, oral contraceptives, other drugs, supplies and devices, and referral for other needed services. The Medicaid Family Planning Program cooperates with the Statewide Family Planning Project and the Bureau of Nursing in training programs designed to upgrade quality and quantity of services available through the clinics. Medicaid also pays for family planning services provided by physicians, pharmacists, hospitals and other private providers.

This year 17,500 Medicaid patients received family planning services, including 35,000 prescriptions for oral contraceptives. Plate 78 shows a count of these patients by category. This count includes recipients of oral contraceptives.

Plate 79 provides a breakdown by age and race of recipients who received family planning services from physicians. This count excludes recipients who did not see physicians but sought family planning help from clinics, hospitals, or pharmacists.

AFY '75 & '76		PLATE 78	
<b>FAMILY PLANNING PROGRAM</b>			
Year's total number of recipients by category			
CATEGORY	RECIPIENTS		
	1975	1976	
Category 2—Blind	70	42	
Category 4—Disabled	551	592	
Category 3—AFDC Children	2,574	2,423	
AFDC Adults	14,429	14,414	
<b>TOTAL</b>	<b>17,624</b>	<b>17,471</b>	

Source: No. 35

In March 1973, federal law made family planning services a required part of all Medicaid programs. To insure that the new family planning programs be given priority, the federal government agreed to pay 90% of the cost. Before this time Alabama Medicaid had offered some family planning services as incidental parts of its pharmaceutical and physicians' programs, but until then there was no separate program. Using the additional funds, Alabama launched its full scale family planning program, including clinic services, counseling, patient education, supplies and devices, sterilization, and abortion.

AFY '76

PLATE 79

**FAMILY PLANNING PROGRAM**

Recipients of private physicians' services  
By type of procedure, race and age

TYPE OF PROCEDURE	AGE 0 - 20			AGE 21 - 45			AGE 46 & OVER			TOTAL		
	W	N-W	U	W	N-W	U	W	N-W	U	W	N-W	U
1. Vasectomy	0	0	0	5	1	0	1	1	0	6	2	0
2. Abortion—A. Saline	31	119	0	12	65	1	0	5	0	43	189	1
B. Suction	32	314	0	65	335	0	1	1	1	98	650	1
C. D & C	0	2	0	1	2	0	0	0	0	1	4	0
3. Salpingectomy	1	4	0	11	69	0	0	0	0	12	73	0
4. Salpingoplasty	0	0	0	1	2	0	0	0	0	1	2	0
5. Tubal Ligation (Abdominal)	0	0	0	0	2	0	0	0	0	0	2	0
6. Ligation of Fallopian Tubes	2	7	0	90	321	0	0	3	0	92	331	0
7. Tracheloplasty	0	1	0	2	3	0	0	0	0	2	4	0
8. Hysterectomy	0	0	0	1	0	0	0	0	0	1	0	0
9. Panhysterectomy	1	1	0	9	22	0	2	4	0	12	27	0
10. Vaginal Hysterectomy	0	1	0	4	9	0	0	1	0	4	11	0
11. Panhysterectomy—Bilat. S&O	0	0	0	10	10	0	4	4	0	14	14	0
12. I. U. D. Insertion	28	185	0	45	240	0	0	3	0	73	428	0
13. Initial Office Visit	7	40	0	12	78	0	2	0	0	21	118	0
14. Follow-Up Office Visit	25	190	0	52	230	0	2	2	0	79	422	0
15. Lab	2	3	0	10	39	0	0	1	0	12	43	0
16. X-Ray	56	920	0	153	1,382	3	2	16	2	211	2,318	5
17. Other Procedures	80	857	0	300	1,619	0	13	44	2	393	2,520	2
<b>TOTAL</b>	<b>265</b>	<b>2,644</b>	<b>0</b>	<b>783</b>	<b>4,429</b>	<b>4</b>	<b>27</b>	<b>85</b>	<b>5</b>	<b>1,075</b>	<b>7,158</b>	<b>9</b>

Source: No. 31 &amp; 35

During 1976, a federal law was passed prohibiting the use of Medicaid funds for abortions. A United States district court judge issued a preliminary injunction barring enforcement of the ban and directed DHEW to continue to provide Medicaid

reimbursement for abortion. Should the ban on abortion payments ultimately be upheld, the judge has ruled that DHEW may not sue abortion providers to recover the money received while the injunction was in effect.

# EPSDT

Nearly half the children screened in Alabama need treatment.

EPSDT offers persons, from birth through age 20, preventive care with periodic examinations and referral and treatment when needed.

EPSDT (Early and Periodic Screening, Diagnosis and Treatment) is a program of preventive medicine. It is designed to provide preventive health services and early detection and treatment of diseases so that young people can receive medical care before health problems become chronic and disabling. It offers this kind of health care to all Medicaid eligibles under age 21.

Each year since AFY 1972, there have been approximately 175,000 eligibles in this age group. Medicaid's goal is to screen each one at periodic intervals from birth until he reaches age 21 if he remains eligible during all these years. To achieve this goal, it is necessary to screen about 40% a year.

This year it was estimated that 73,458 should be screened. Plate 81 shows how this statewide quota for the year was apportioned among the counties. A major effort was made in some counties to attain the goal of providing the services to all eligible persons within the county, and a remarkable degree of success was achieved. Eight counties in the state reached or exceeded 100% of the estimated number of persons to be screened and referred for any needed diagnosis or treatment.

Although it is obvious that the estimates were somewhat low for the counties achieving 100% or better, it is nevertheless fitting that their achievement be recognized. Autauga, Cherokee, Coosa, Covington, Cullman, DeKalb, Henry and Russell counties fall within the 100% category with Blount and Perry counties running a close second with 98%, Marengo with 96% and Coffee with 94%. (Plate 81)

Statewide, 51% of persons eligible for screening during the year were reported to have been examined. Of the 37,628 examined, 45% were referred for diagnosis or treatment. Of the children referred, 71% were referred to dental care; 71% were referred to the health departments for immunization or treatment of minor problems; 18% were referred to physicians; and

FFY '76

PLATE 80

## EPSDT

Average cost per screening, percent change over FFY '75, by state.

STATE	AVERAGE COST FFY '76	CHANGE OVER FFY '75
1. Florida	\$ 7.82	- 48.1%
2. Rhode Island	8.10	+ 59.2%
3. Indiana	9.35	0.0%
4. Illinois	9.80	+ 0.3%
5. Tennessee	9.93	+ 0.8%
6. Kentucky	12.08	+ 12.9%
7. Connecticut	12.10	+ 16.7%
8. Virginia	12.43	+ 5.6%
9. Iowa	13.78	+ 6.8%
10. Oklahoma	14.45	+ 31.9%
11. Colorado	14.92	- 3.1%
12. South Carolina	14.97	+ 24.9%
13. Wyoming	15.00	0.0%
14. Vermont	15.20	- 52.0%
15. North Carolina	15.30	+ 2.0%
16. ALABAMA	15.40*	+ 54.0%
17. Mississippi	16.14	+ 7.7%
18. Oregon	17.25	+ 18.9%
19. Utah	17.61	+ 10.0%
20. South Dakota	17.93	- 18.0%
21. New York	18.60	+237.4%
22. Maine	18.77	- 24.4%
23. New Mexico	19.44	+ 73.4%
24. West Virginia	19.46	+ 2.1%
25. New Jersey	20.10	- 11.8%
26. Nebraska	21.34	+ 53.2%
27. District of Columbia	21.57	0.0%
28. Delaware	21.89	- 20.6%
29. Kansas	22.98	+ 41.8%
30. New Hampshire	23.15	- 12.1%
U.S. AVERAGE	23.16	+ 20.9%
31. Hawaii	24.34	+ 11.1%
32. Montana	25.02	+161.5%
33. California	26.24	+129.2%
34. Nevada	26.85	- 14.8%
35. Arkansas	28.52	+ 97.1%
36. Maryland	36.48	0.0%
37. Ohio	37.08	+ 17.7%
38. Idaho	37.80	- 57.5%
39. Alaska	50.00	0.0%
40. Louisiana	53.54	- 9.5%
41. Texas	153.65	+ 47.8%

\*Alabama increased screening from \$10.00 to \$23.50 during FFY '76.  
Source: No. 31

**EPSDT**

Number eligible, number screened, percent screened, by county

COUNTY	NUMBER SCREENED	SCREENING QUOTA	PERCENT OF QUOTA	0%-----20%-----40%-----60%-----80%-----100%
1. Autauga	755	655	100%	
2. Cherokee	129	127	100%	
3. Coosa	382	339	100%	
4. Covington	556	531	100%	
5. Cullman	322	296	100%	
6. DeKalb	456	319	100%	
7. Henry	476	343	100%	
8. Russell	450	381	100%	
9. Blount	239	244	98%	
10. Perry	778	795	98%	
11. Marengo	1,023	1,061	96%	
12. Coffee	497	525	94%	
13. Randolph	137	163	84%	
14. Bibb	240	290	83%	
15. Cleburne	75	90	83%	
16. Lamar	147	181	81%	
17. Marshall	416	520	80%	
18. Geneva	292	372	78%	
19. Dallas	1,596	2,120	75%	
20. Calhoun	1,264	1,727	73%	
21. Morgan	728	994	73%	
22. Chilton	196	279	70%	
23. Macon	884	1,274	69%	
24. St. Clair	292	424	69%	
25. Butler	405	601	67%	
26. Lauderdale	602	906	66%	
27. Walker	807	1,232	65%	
28. Crenshaw	246	400	62%	
29. Lawrence	409	654	62%	
30. Clay	103	167	61%	
31. Jackson	198	331	60%	
32. Marion	175	291	60%	
33. Winston	142	236	60%	
34. Lowndes	621	1,052	59%	
35. Limestone	452	794	57%	
36. Tuscaloosa	1,743	3,032	57%	
37. Pike	527	933	56%	
38. Barbour	402	732	55%	
39. Etowah	849	1,532	55%	
40. Elmore	383	708	54%	
41. Houston	711	1,403	50%	
42. Mobile	4,472	9,300	48%	
43. Franklin	167	348	47%	
44. Montgomery	1,305	2,774	47%	
45. Sumter	379	862	44%	
46. Colbert	376	863	43%	
47. Pickens	414	949	43%	
48. Greene	282	665	42%	
49. Escambia	362	871	41%	
50. Clarke	237	617	38%	
51. Washington	129	337	38%	
52. Baldwin	254	880	35%	
53. Jefferson	4,023	12,883	35%	
54. Shelby	213	632	34%	
55. Dale	166	479	34%	
56. Chambers	259	792	33%	
57. Bullock	122	383	32%	
58. Conecuh	176	554	32%	
59. Hale	211	656	32%	
60. Fayette	62	213	29%	
61. Talladega	644	2,297	29%	
62. Wilcox	281	1,018	28%	
63. Monroe	178	675	26%	
64. Madison	684	2,748	25%	
65. Choctaw	145	698	20%	
66. Tallapoosa	167	813	20%	
67. Lee	199	1,097	18%	
<b>TOTAL</b>	<b>37,628</b>	<b>73,458</b>	<b>51%</b>	

Source: No. 31

6% were referred to other providers. It is, therefore, apparent that many of the children screened were referred for follow-up of multiple problems.

Approximately a third of those screened were in age group 0-5 and the remainder were in age group 6-20. Hypertension, rheumatic fever, other abnormal heart conditions, diabetes, neurological disorders, venereal disease, skin problems, anemia, urinary tract infections, visual and hearing problems, and child abuse are among the health problems discovered and treated.

Eighty-five percent of persons screened during the year were examined for the first time. Fifteen percent had been through the screening process previously and returned for the periodic checkup which is scheduled to occur at ages 2, 4, 6, 9, 13, and 17 years.

Of those referred to sources of diagnosis and treatment, approximately 70% received treatment within 60 days; 21% refused treatment during the reporting period; 7% were found to need no

treatment; and no provider was available during the reporting period for a small group of persons who had been referred. If this program is to be effective, Medicaid must do more than simply offer treatment to these reluctant patients. An effort must be made to help them see the value of early medical care.

County health departments account for the majority of screening activity in the state. However, several physicians, community health centers and child development centers have entered the program during the year and have made significant contribution to the screening program in several counties.

The state and local offices of the Department of Pensions and Security made a tremendous contribution to the EPSDT program during the year through their outreach efforts, person-to-person contacts, provision of social services, and help with follow-up of referrals to assure that children and young people in need of medical or dental services were able to receive them on a timely basis.

## SOURCES OF DATA USED IN THIS PUBLICATION

### PUBLISHED MATERIALS

1. Alabama Department of Public Health. Medical Services Administration. *Alabama Medicaid AFY '73*. Montgomery, Alabama. July, 1974.
2. Alabama Department of Public Health. Medical Services Administration. *Alabama Medicaid AFY '74*. Montgomery, Alabama. August, 1975.
3. Alabama Department of Public Health. Medical Services Administration. *Alabama Medicaid AFY '75*. Montgomery, Alabama. April, 1976.
4. Alabama Department of Public Health. *A Plan of Action for Selected Health Manpower: A Supplementary Manpower Report to Alabama Comprehensive Health Planning*. Montgomery, Alabama. October, 1975.
5. Alabama Department of Public Health. Bureau of Health Facilities Construction. *Alabama Master Hospital Plan, FY '75*. (Hill-Burton Plan). Montgomery, Alabama.
6. Alabama Department of Finance. *Annual Report. Fiscal Year Ending September 30, 1976*. Montgomery, Alabama. February, 1977.
7. U. S. Department of Commerce. *General Population Characteristics: Alabama*. Washington, D.C. August, 1971.
8. U.S. Department of HEW. *Medicaid Management Reports, Second Quarter, FFY '76*. Washington, D.C. June, 1976.
9. U. S. Department of HEW. *Medicaid Recipient Characteristics and Units of Selected Medical Services for Fiscal 1973*. Washington, D.C. May, 1976.

### UNPUBLISHED REPORTS, RECORDS

11. MSA, Fiscal Division. Statements of Expenditures. October, 1976.
12. MSA, Research Analysis. *Alabama Medicaid AFY '72*. May, 1973.
13. MSA, Long Term Care Division. Monthly Admission Report.
14. MSA, Management Systems Report. Prepared for Alabama Medicaid.

15. MSA, Pharmaceutical Program Report. Prepared for Alabama Medicaid.
16. MSA, Manager for Facility Compliance. Monthly Nursing Home Certification Report.

### COMPUTER PRINTOUTS MADE FOR ALABAMA MEDICAID

- (from the computer of Alabama Beverage Control in Montgomery)
21. Monthly, quarterly, and annual counts of eligibles.
22. Monthly Printout of Payments for Buy-In (from the computer of Alabama Blue Cross in Birmingham)
31. SRS-NCSS-120 Statistical Report on Numbers of Recipients and Amounts of Assistance under Public Assistance Programs (monthly).
32. SRS-NCSS-2082 Statistical Report on Medical Care: Recipient Payments and Services (annual).
33. Report #R507060M1, Dental Utilization Report.
34. Report #R507056R, Physician Procedure Code Summary.
35. Report #R507085M1, Family Planning Report by Provider.
36. Monthly Disbursement Summary.
37. Report #R501021R1, Hospital Diagnoses Summary.
38. Report #R506024Y2-Y9, Patient Benefits by County of Recipient and by Type of Service.
39. Monthly Recaps of Expenditures by Type of Service.
40. Report #R5010171, Monthly Hospital Summary.
41. Report #1099, Provider Earnings.
42. Report #R507055R01, Procedure Code Summary.
43. Reports #R507154MO1-MO3, Monthly Recap of Ophthalmology, Optometry, and Eyeglasses. (from the computer of Central Computer Services in Birmingham)
51. Monthly Disbursement Summary.
52. Monthly Recaps of Expenditures by Type of Service.
53. Monthly Nursing Home Management Data.
54. Daily Pharmacy Report.