



Alabama Medicaid 2019 Budget Hearing

January 4, 2018

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COMMISSIONER
ALABAMA MEDICAID AGENCY



AGENDA

- Overview
- 2019 Budget
- Medicaid Cost Management
- Medicaid Moving Forward
- Federal Healthcare Unknowns



Medicaid Overview



Who Does Alabama Medicaid Serve?

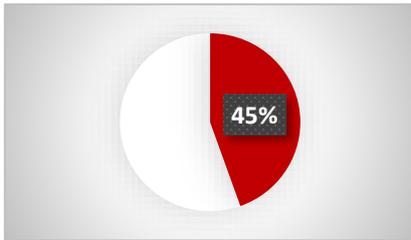
FY 2016 by Date of Service

Disabled and Blind

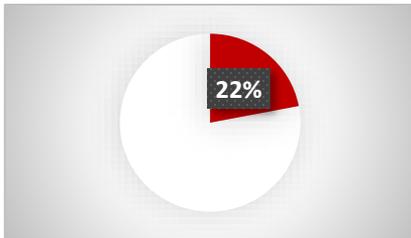
Any Age

Determined by the Social Security Office and have automatic Medicaid eligibility.

% of Expenditures



% of Members



\$10,644

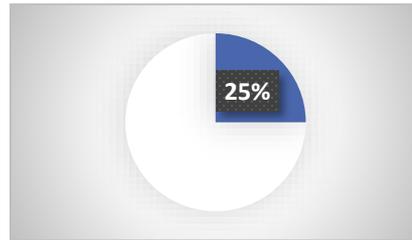
Per Member Per Year

Children

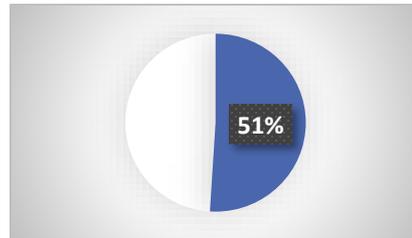
Age 0-18

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

% of Expenditures



% of Members



\$2,556

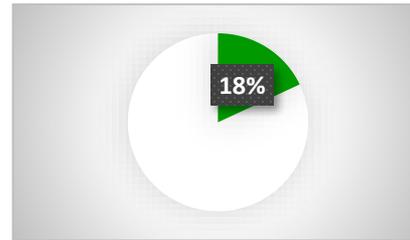
Per Member Per Year

Aged

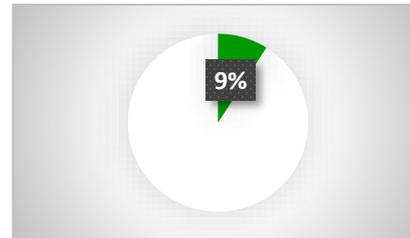
Age 65 and Over

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

% of Expenditures



% of Members



\$10,440

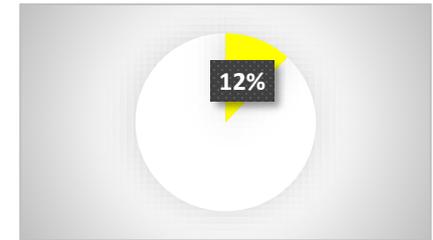
Per Member Per Year

Other Categories

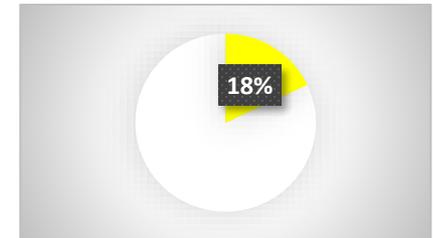
Age 19-64

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

% of Expenditures



% of Members

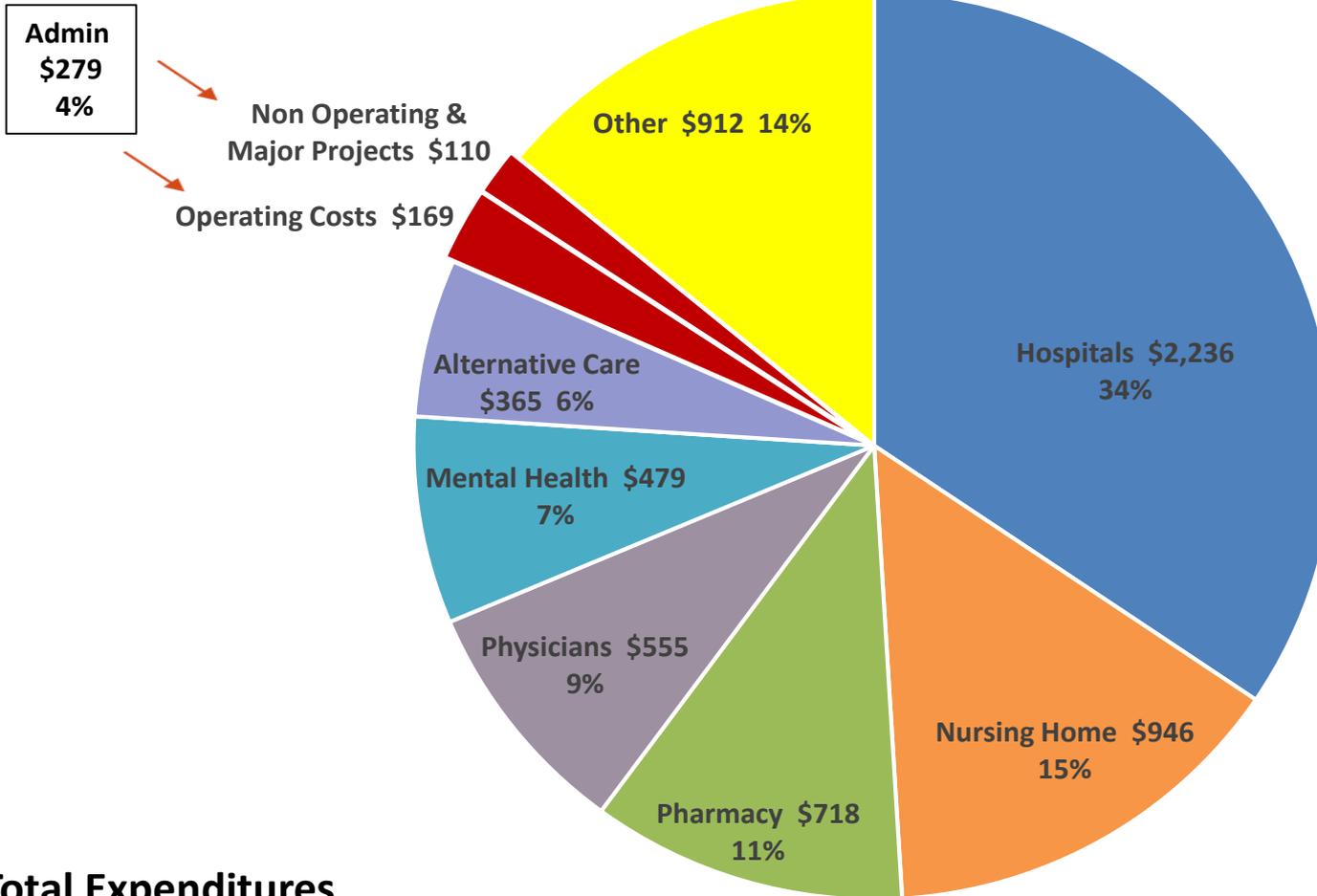


\$3,456

Per Member Per Year

FY 2017 Medicaid Expenditure Analysis

Benefit Payments and Administrative Costs (in millions)



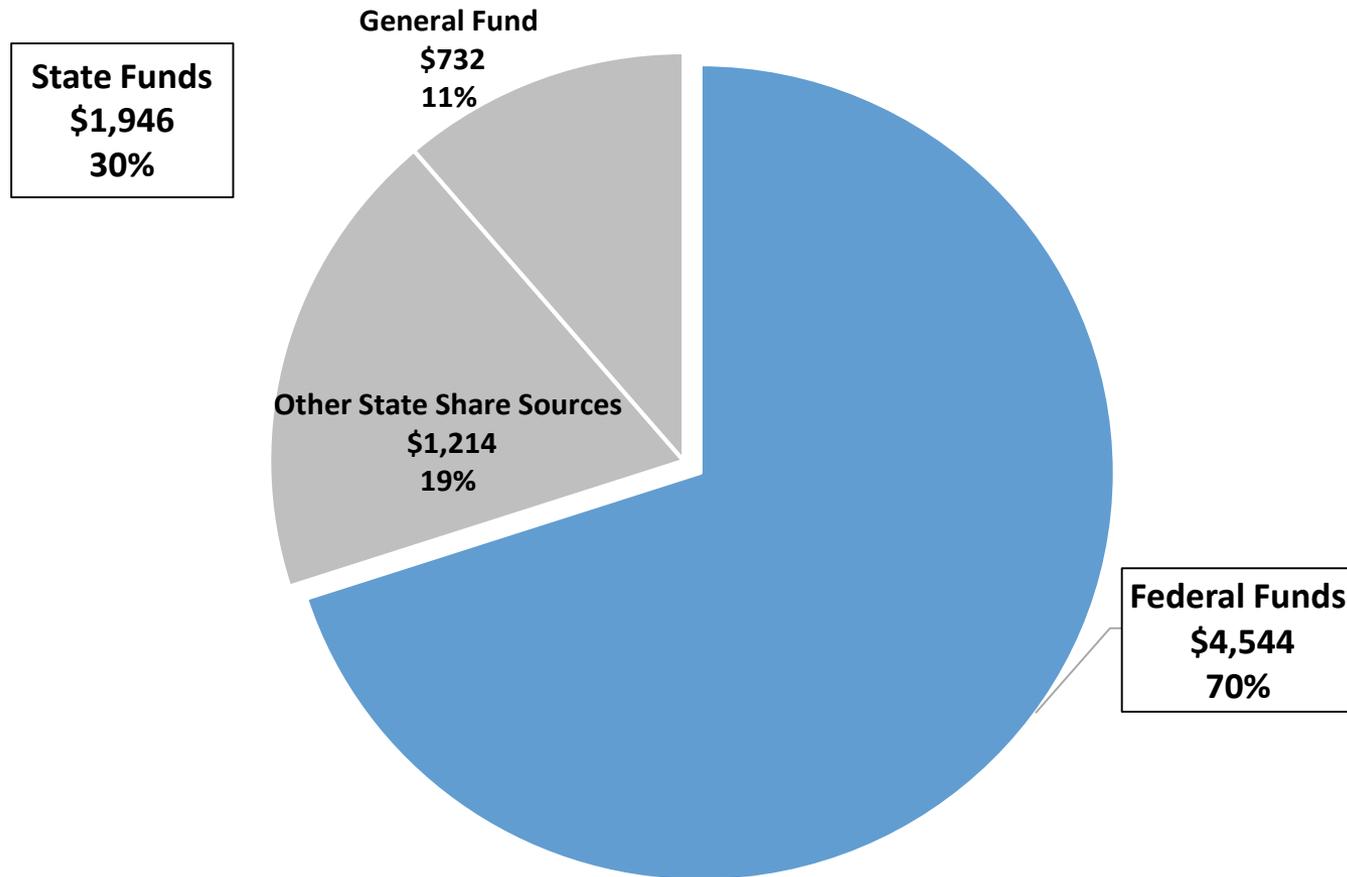
Total Expenditures
\$6.490 Billion

FY 2017 Medicaid Funding Analysis

State and Federal Funding (in millions)



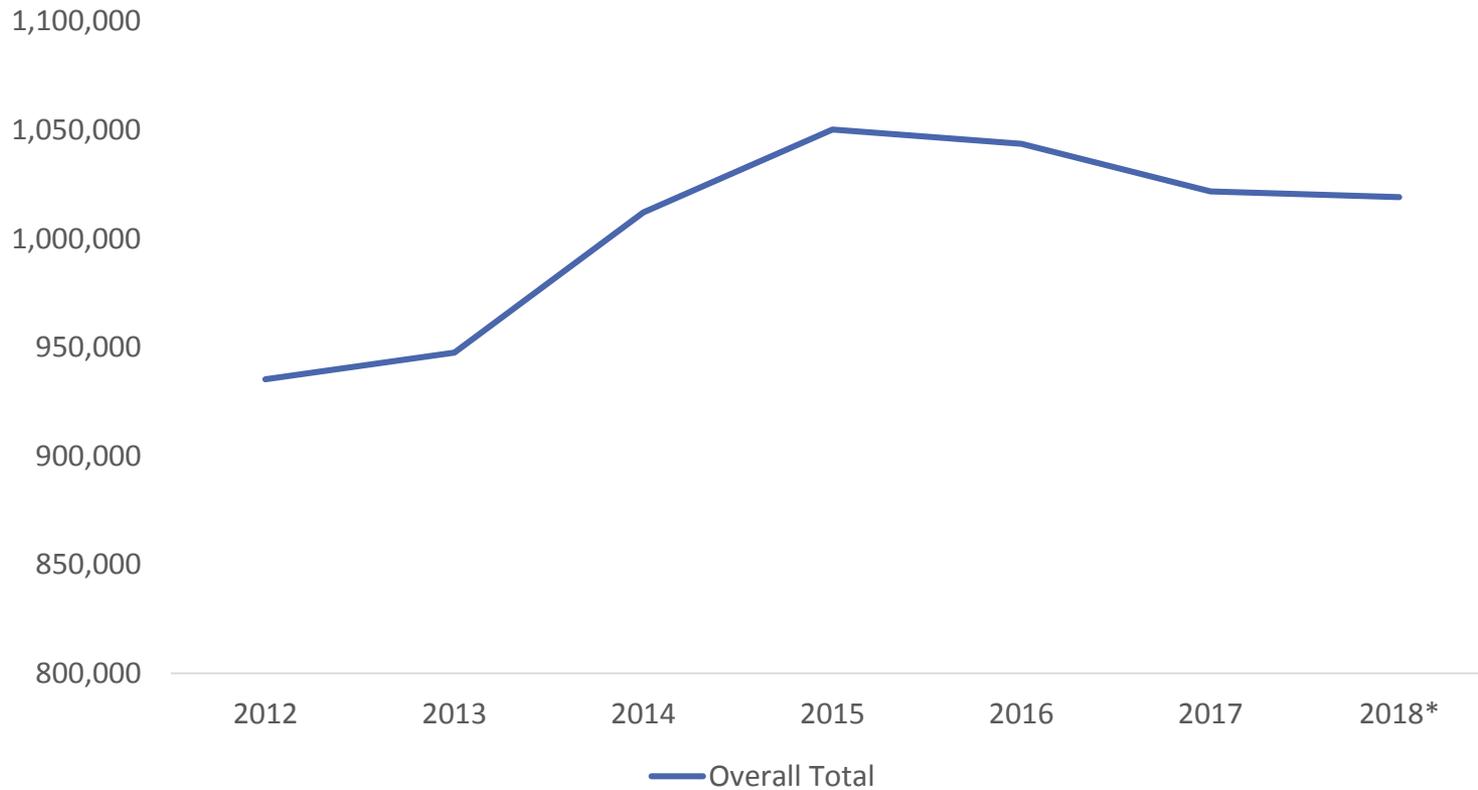
FY 17 Source of Funds: \$6.490 Billion





Monthly Average Eligibles 2012-2018*

Alabama Medicaid Agency
Monthly Average Eligibles



- Fiscal Year to date through October, 2017



2019 Budget



Alabama Medicaid 2019 State Funding Need

- Total Funding Need \$810 million
 - Less Projected Carryforward \$ 53 million
 - General Fund Request \$757 million
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Factors Affecting 2019 Funding Need

- Carryforward
- Inflationary increases
 - Nursing Homes
 - Pharmacy
 - Medicare Part B Insurance
- FMAP changes – reduces state share requirement
 - Impact shared with existing state share funding, such as hospitals; other state agencies; and teaching hospitals
- Paybacks
- Provider funding



FY 2019 Budget Request Summary		In millions
2018 General Fund Need		\$773
Increase in General Fund Demand:		
Inflation, utilization increases, new federal requirements	33	
Increase in program costs	20	
Decrease in General Fund Demand:		
Increase in federal match	-10	
Reduction in Paybacks	-6	
2019 State Funding Needed		\$810
Less carryforward		
Actual cash carryover from 2017 operations	20	
Projected cash carryover from 2018	33	
Total 2019 Net Request		\$757



Medicaid Cost Management

- State Recoveries
 - Automated Asset Verification
 - Other Initiatives
-



Medicaid Moving Forward



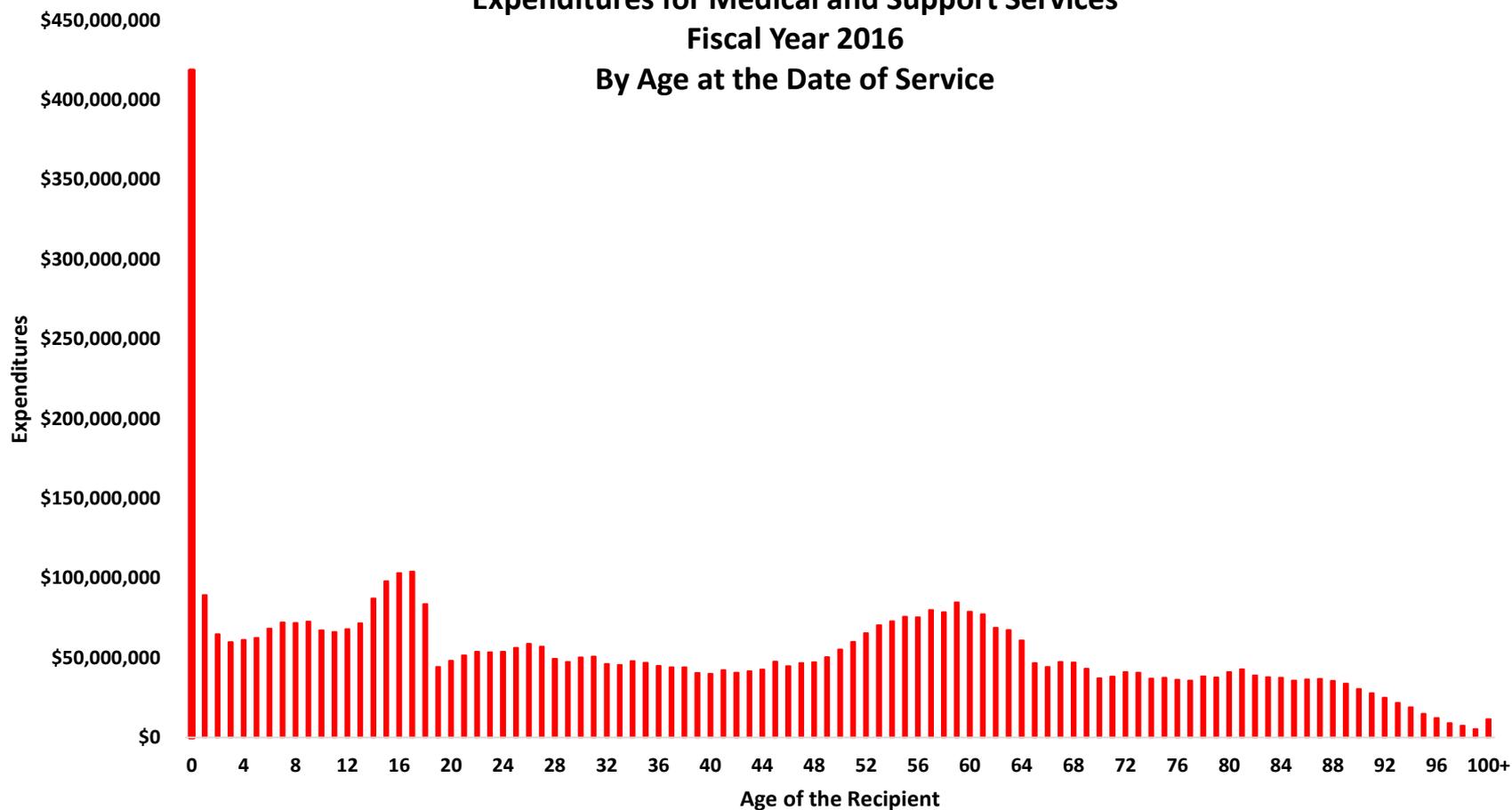
Alabama Quality Outcomes

- 3rd highest adult obesity rate in the nation
- 2nd highest diabetes rate in the nation
- Newborns
 - Infants are significant drivers of Medicaid costs
 - Infant mortality rate: 9.1 per 1,000 births (5.9 nationally)
 - High rate (10.3%) of low birth weight infants
- Highest opioid prescribing rate in the nation (1.21 prescriptions per person in the entire population of the state)



Quality Outcomes in Newborns

Alabama Medicaid Agency
Expenditures for Medical and Support Services
Fiscal Year 2016
By Age at the Date of Service





Medicaid Moving Forward

- Care Management Principles
 - Personal Accountability
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Medicaid Care Management Principles



Pivot Plan

- Case management system to achieve better healthcare outcomes with minimum initial cost
- Provider based structure
- Regionally based, regions based on major population centers
 - Replacing 6 current health homes and 14 maternity regions
- Populations may include Patient 1st, Maternity, Plan First and Health Home population, excludes long term care and duals

Integrated Care Networks (ICN)

- Statewide focus on managing long term care in the most cost effective manner

Goal of ICN and the Pivot plan is to redirect expenditures to achieve better outcomes

Personal Accountability

- Proposed 1115 work requirement waiver on Parent and Other Caretaker and Relative (POCR) group
- Possible increase in copayments



Federal Healthcare Unknowns

- CHIP reauthorization
 - Possible changes to federal funding structure
 - Possible impact on provider taxes
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Questions