Medicaid 101
Understanding Alabama’s Medicaid Program

May 22, 2019

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COMMISSIONER
ALABAMA MEDICAID AGENCY
AGENDA

• What Does Alabama Medicaid Do?
• Who Does Alabama Medicaid Serve?
• What are Medicaid Expenditures?
• How is Medicaid Funded?
What does Alabama Medicaid do?

- Medicaid is not Medicare
- Alabama Medicaid is like an insurance company
- Medicaid does not provide medical services
- Medicaid pays providers that provide medical services
Who Does Alabama Medicaid Serve?
Who Does Alabama Medicaid Serve?

Low income

Aged  Age 65 & Over
Almost all are also covered by Medicare

Disabled & Blind  Any Age
Most are Social Security Administration determinations with automatic Medicaid eligibility

Children  Age 0-18
Children in families below 146% of the Federal Poverty Level
For a family of two, this would be $2,058 per month and $3,133 for a family of four

Other Categories  Age 19-64
Other adults including pregnant women, parent caretakers, and family planning services
### Who Does Alabama Medicaid Serve?

**FY2018 by Date of Service**

<table>
<thead>
<tr>
<th>Category</th>
<th>Age</th>
<th>Description</th>
<th>% of Members</th>
<th>% of Expenditures</th>
<th>Per Member Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aged</strong></td>
<td>Age 65 &amp; Over</td>
<td>Adults who are in poverty. Almost all are also covered by Medicare.</td>
<td>9%</td>
<td>17%</td>
<td>$10,457</td>
</tr>
<tr>
<td><strong>Disabled &amp; Blind</strong></td>
<td>Any Age</td>
<td>Determined by the Social Security Administration and have automatic Medicaid eligibility.</td>
<td>22%</td>
<td>47%</td>
<td>$11,804</td>
</tr>
<tr>
<td><strong>Children</strong></td>
<td>Age 0-18</td>
<td>Children in families below 146% of the Federal Poverty Rate.</td>
<td>52%</td>
<td>24%</td>
<td>$2,614</td>
</tr>
<tr>
<td><strong>Other Categories</strong></td>
<td>Age 19-64</td>
<td>Other adults including pregnant women, parent caretakers, and family planning services.</td>
<td>17%</td>
<td>11%</td>
<td>$3,772</td>
</tr>
</tbody>
</table>
Monthly Average Eligibles 2012-2019*

- Fiscal Year to date through February, 2019
2017 Medicaid Impacts on Alabama

State Population: 4,874,747
Average Monthly Eligibles: 1,021,690
Percentage of Population on Medicaid: 21%

• More than 50% of Alabama births are covered by Medicaid
• 52% of all Alabama children are covered by Medicaid
• Medicaid represents approximately 67% of Children’s of Alabama and 77% of USA Women’s and Children’s Hospital patient days compared to an average 18% for all other hospitals
FY 2017 Percent of Population Annually Eligible for Medicaid by County

**Highest Percentage**
- Wilcox 54%
- Perry 52%
- Greene 51%
- Dallas 49%
- Lowndes 47%
- Hale 47%

**Lowest Percentage**
- Shelby 13%
- Madison 17%
- Lee 18%
- Limestone 19%
- Baldwin 19%
FY 2017 Medicaid Annual Eligibles by County

Highest Counts
- Jefferson – 161,666
- Mobile – 118,893
- Montgomery – 69,163
- Madison – 62,331
- Tuscaloosa – 45,849

Lowest Counts
- Coosa – 2,685
- Bullock – 3,952
- Clay – 4,127
- Greene – 4,211
- Choctaw – 4,434
FY 2018 Medicaid Eligibility by Race and Gender

NOTE: Based on monthly average eligibility in FY 2018
What are Medicaid Expenditures?
FY 2018 Medicaid Expenditure Analysis
Benefit Payments and Administrative Costs (in millions)

- Hospital: $2,292 (35%)
- Nursing Home: $965 (15%)
- Pharmacy: $783 (12%)
- Mental Health: $484 (7%)
- Alternative Care: $372 (6%)
- Physicians: $550 (8%)
- Admin Costs: $247 (4%)
- Other: $865 (13%)

Total Expenditures: $6.557 Billion
External Factors Effecting the Agency

• Federal Medical Assistance Percentage (FMAP) changes – change state share requirement
  • Impact shared with existing state share funding, such as hospitals, other state agencies, and teaching hospitals
• Drug Rebates
• Overall health of the population
• Inflationary increases
• Medicare Part B Premiums
How is Medicaid Funded?
FY 2018 Medicaid Funding Analysis
State and Federal Funding (in millions)

- **State Funds**
  - $1,941
  - 30%

- **Federal Funds**
  - $4,616
  - 70%
## FY 2018 Medicaid Funding Analysis

### State and Federal Funding (in millions)

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount (in millions)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Funds</td>
<td>$1,941</td>
<td>30%</td>
</tr>
<tr>
<td>General Fund and BP Funds</td>
<td>$770</td>
<td>12%</td>
</tr>
<tr>
<td>Other State Share Sources</td>
<td>$167</td>
<td>3%</td>
</tr>
<tr>
<td>Providers</td>
<td>$733</td>
<td>11%</td>
</tr>
<tr>
<td>State Agencies</td>
<td>$271</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total State Funds</strong></td>
<td><strong>$3,048</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total General Fund and BP Funds</strong></td>
<td><strong>$770</strong></td>
<td></td>
</tr>
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<td><strong>Total Other State Share Sources</strong></td>
<td><strong>$167</strong></td>
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</tr>
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<td><strong>$4,616</strong></td>
<td>70%</td>
</tr>
</tbody>
</table>

### Pie Chart

- State Funds: $1,941 (30%)
- General Fund and BP Funds: $770 (12%)
- Other State Share Sources: $167 (3%)
- Providers: $733 (11%)
- State Agencies: $271 (4%)
- Federal Funds: $4,616 (70%)
## FY 2018 Medicaid Funding Analysis
(in millions)

<table>
<thead>
<tr>
<th>Service Activity</th>
<th>FY 2018 Expense</th>
<th>Federal Share</th>
<th>State Share Overall Amount</th>
<th>State Agencies</th>
<th>Providers</th>
<th>Other</th>
<th>General Fund and BP Oil Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nursing Homes*</td>
<td>$965</td>
<td>$689</td>
<td>$276</td>
<td>$0</td>
<td>$112</td>
<td>$0</td>
<td>$164</td>
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<tr>
<td>Hospital*</td>
<td>2,292</td>
<td>1,612</td>
<td>680</td>
<td>20</td>
<td>615</td>
<td>0</td>
<td>45</td>
</tr>
<tr>
<td>Physician</td>
<td>550</td>
<td>394</td>
<td>156</td>
<td>10</td>
<td>0</td>
<td>6</td>
<td>140</td>
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<tr>
<td>Health Insurance*</td>
<td>439</td>
<td>315</td>
<td>124</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>122</td>
</tr>
<tr>
<td>Administration</td>
<td>247</td>
<td>126</td>
<td>121</td>
<td>42</td>
<td>0</td>
<td>6</td>
<td>73</td>
</tr>
<tr>
<td>Alternative Care</td>
<td>372</td>
<td>266</td>
<td>106</td>
<td>53</td>
<td>0</td>
<td>0</td>
<td>53</td>
</tr>
<tr>
<td>Health Support</td>
<td>207</td>
<td>148</td>
<td>59</td>
<td>5</td>
<td>0</td>
<td>28</td>
<td>26</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>783</td>
<td>507</td>
<td>276</td>
<td>0</td>
<td>6</td>
<td>125</td>
<td>145</td>
</tr>
<tr>
<td>Family Planning</td>
<td>45</td>
<td>40</td>
<td>5</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Mental Health</td>
<td>483</td>
<td>345</td>
<td>138</td>
<td>138</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CHIP-All Services</td>
<td>174</td>
<td>174</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$6,557</td>
<td>$4,616</td>
<td>$1,941</td>
<td>$271</td>
<td>$733</td>
<td>$167</td>
<td>$770</td>
</tr>
</tbody>
</table>

*Controlled by State Statute or Federal Requirement
Questions

Stephanie McGee Azar
Commissioner

Presentation will be posted on Medicaid’s website at www.Medicaid.Alabama.gov