Alabama Medicaid
2022 Budget Hearing

January 28, 2021

Stephanie McGee Azar
Commissioner
Alabama Medicaid Agency
AGENDA

• Overview
• FY 2022 Budget
• FY 2022 Potential Financial Risks
Medicaid Overview
Who Does Alabama Medicaid Serve?

FY 2019 by Date of Service

**Disabled and Blind**
Any Age
*Most determined by the Social Security Office and have automatic Medicaid eligibility.*

- **% of Expenditures**: 46%

**Children**
Age 0-18
*Children in families below 146% of the Federal Poverty Rate.*

- **% of Expenditures**: 25%

**Aged**
Age 65 and Over
*Adults who are in poverty. Almost all are also covered by Medicare.*

- **% of Expenditures**: 17%

**Other Categories**
Age 19-64
*Other adults including pregnant women, parent caretakers, and family planning services.*

- **% of Expenditures**: 12%

**% of Members**

<table>
<thead>
<tr>
<th>Category</th>
<th>% of Members</th>
<th>Expenditures, dates of service, include claims, capitations, and access payments based on dates of service in FY 2019.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disabled and Blind</td>
<td>46%</td>
<td><strong>$12,596 Per Member Per Year</strong></td>
</tr>
<tr>
<td>Children</td>
<td>25%</td>
<td><strong>$2,874 Per Member Per Year</strong></td>
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<tr>
<td>Aged</td>
<td>17%</td>
<td><strong>$10,568 Per Member Per Year</strong></td>
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<tr>
<td>Other Categories</td>
<td>12%</td>
<td><strong>$4,186 Per Member Per Year</strong></td>
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PMPY calculations not for the purpose of determining managed care rates and do not align to date paid numbers.
FY 2020 Medicaid Expenditure Analysis
Benefit Payments and Administrative Costs (in millions)

Total Expenditures
$7.133 Billion

- Hospital $2,608 (37%)
- Nursing Home $1,025 (14%)
- Pharmacy $843 (12%)
- Physicians $603 (8%)
- Mental Health $510 (7%)
- Alternative Care $334 (5%)
- Admin Costs $233 (3%)
- Other $977 (14%)
FY 2020 Medicaid Funding Analysis
State and Federal Funding (in millions)

FY 20 Source of Funds: $7.133 Billion

- Federal Funds: $5,389 (76%)
- General Fund: $719 (10%)
- Other State Share Sources: $1,025 (14%)
- State Funds: $1,744 (24%)
FY 2020 – FY 2021*
Medicaid Monthly Total Enrollment

*FY 2021 enrollment is year-to-date through October 2020
FY 2019 – FY 2021*
Applications Received by Month

*FY 2021 applications received through November 2020
FY 2022 Budget
Alabama Medicaid
2022 State Funding Need

- Total Funding Need: $947 million
- Projected Carryforward: $252 million
  Committed for Recipient Benefits and FMAP Reserves: $74 million
- Less Carryforward: -$178 million
- General Fund Request: $769 million

FY 2021 Appropriation: $820 million
Factors Affecting 2022 vs. 2021 Request

Normal Factors:
• Carryforward
• FMAP Changes
• Recurring inflationary increases
  • Nursing Homes
  • Pharmacy
  • Medicare Part B Insurance

COVID-19 Factors:
• Increase in provider cost of doing business
• Unemployment impact on enrollment
• Public Health Emergency end date
FY 2022 Potential Financial Risks
Potential Financial Risks Post-COVID-19

- Eligibility redeterminations on regular state FMAP
- Financial needs of providers once federal dollars are diminished
- Increase in utilization
- Increased payment for vaccine administration
Questions