

## Attachment XII: Budget Neutrality Calculations

### Alabama’s Section 1115 Plan First Demonstration Waiver January 1, 2015-December 31, 2017 Budget Neutrality Calculations

#### I. Budget Neutrality Methodology Discussion

To determine projected enrollment growth, we calculated the average annualized enrollment between each calendar year beginning in 2009 and going to 2015. Per this method, the average annualized rate of growth in enrollment is 5.0%. From CY 2009 to CY 2010 enrollment via member months grew by 6.5%. From CY 2010 to CY 2011 growth was 12.4%. From CY 2011 to CY 2012 growth was 6.8%. From CY 2012 to CY 2013 growth was 11.1%. From CY 2013 to CY 2014 growth was 1.4%. From CY 2014 to CY 2015 growth dropped by 8.1%. The average across these 7 years total 9.2%.

Utilization and per member per month costs: For each time period members were identified as those enrolled with aid category 50 and/or code benefit plan 'PLNF' (Plan First). To normalize the distribution of enrollees, each enrollee was multiplied by the number of months they were enrolled and projections were based on the resulting member months. To ensure the data was not skewed, member months were evaluated on an overall as well as an average quarterly enrollment.

Cost trend/growth was projected at five (5.0%) per calendar year as asserted by CMS. Costs were then broken down to reflect the Federal share at 90% and the state share at 10%.

#### II. Budget Neutrality Calculations

##### Current Costs and Recipients DY 15

PF Expenditures	\$30,605,643.05
PF Enrollees who utilize services—Quarterly Average	42,566
Cost per Person utilization	\$309.12
Cost per Person per Month	\$25.76

##### Trend Rate

President’s Budget Trend  
(2015-2017) 5.0%

	<u>DY 16</u> CY 2016	<u>DY 17</u> CY 2017	<u>DY 18</u> CY2018
Average Quarterly Enrollment	58,388	62,140	64,866

**Per Member/Per Month (PMPM) Cost (Total Computable)**

	Trend	<u>DY 16</u> CY 2016	<u>DY 17</u> CY 2016	<u>DY 18</u> CY2017
Demonstration Eligibles	5.0%	\$30.78	\$29.60	\$28.46

**SAMPLE: Extension Budget Neutrality Agreement (Total computable)**

This is a sample in nature only to illustrate the projected costs of the Demonstration.

	<u>DY 16</u> CY 2016	<u>DY 17</u> CY 2017	<u>DY 18</u> CY 2018	Total
<b>Without Demonstration</b>				
Member Months	58,388	62,140	64,866	185,394
PMPM	\$30.78	\$29.60	\$28.46	
Total Costs	\$32,135,925.15	\$33,742,721.41	\$35,429,857.48	\$101,308,504.04
<b>With Demonstration</b>				
Member Months	58,388	62,140	64,866	
PMPM	\$30.78	\$29.60	\$28.46	
Total Costs	\$32,135,925.15	\$33,742,721.41	\$35,429,857.48	\$101,308,504.04

**Alabama Section 1115 Family Planning Demonstration  
January 1, 2015-December 31, 2017 Extension Request  
Historical Enrollment and Expenditure Data**

**I. Enrollment**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>January</b>	17,042	18,530	21,206	24,353	21,792
<b>February</b>	17,106	18,231	19,879	23,096	18,721
<b>March</b>	19,537	19,677	20,216	24,340	21,381
<b>April</b>	17,484	19,082	21,089	24,486	20,041
<b>May</b>	18,570	20,310	21,523	22,785	18,215
<b>June</b>	18,931	19,430	19,993	22,410	19,561
<b>July</b>	18,204	19,763	21,937	23,514	18,993
<b>August</b>	20,398	20,744	21,883	21,828	17,855
<b>September</b>	19,311	19,746	20,873	22,879	17,804
<b>October</b>	19,053	21,760	21,298	22,523	16,514
<b>November</b>	18,197	20,171	18,494	18,282	14,474
<b>December</b>	<u>18,597</u>	<u>19,278</u>	<u>18,717</u>	<u>21,067</u>	<u>15,172</u>
<b>Average</b>	<b>18,536</b>	<b>19,727</b>	<b>20,592</b>	<b>22,630</b>	<b>18,377</b>

## II. Reported Expenditures

Time Period	CY_2011	CY_2012	CY2013	CY2014	CY2015
Total	\$ 36,932,753.83	\$ 39,299,088.91	\$ 39,303,007.86	\$ 35,767,355.91	\$ 30,605,643.00
Federal Share	\$ 33,239,478.45	\$ 35,369,180.02	\$ 35,372,707.07	\$ 32,190,620.32	\$ 27,545,078.70
State Share	\$ 3,693,275.38	\$ 3,929,908.89	\$ 3,930,300.79	\$ 3,576,735.59	\$ 3,060,564.30