

Alabama

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1. MANAGED CARE OPPORTUNITY ASSESSMENT (UPDATED 2-8-21)

Alabama has approximately 1 million Medicaid members. In July 2017, the state dropped a plan to transition Medicaid to provider-led, risk-based Regional Care Organizations (RCOs). The state cited “federal regulations, funding considerations, and the potential for new opportunities for state flexibility regarding Medicaid.” Approximately two-thirds of the state’s Medicaid members were expected to be enrolled in RCOs in five regions beginning October 2017. RCOs would have taken risk through capitated contracts with the state, managed benefits, and coordinated care. Instead, the state will pursue other alternatives.

In April 2019, the state awarded Alabama Coordinated Health Network (ACHN) contracts to BCBS/My Care Alabama, Alabama Care Network, Gulf Coast Total Care, and North Alabama Community Care. The program is aimed at consolidating care coordination services across various state Medicaid programs. The initiative has impacted Health Home, which provides care coordination for individuals with certain chronic conditions; Maternity Care, a waiver program started in 1988 to address the state’s high infant mortality rate; and Plan First, which provides family planning services. The state has contracted with Primary Care Case Management Entities in seven newly defined regions to coordinate services. Contracts are effective October 1, 2019 through September 30, 2021. Under the ACHN program, the Patient 1st program, a traditional Medicaid Primary Care Case Management program, ceased to exist and capitation payments ended as of September 30, 2019.

HMA Managed Medicaid Opportunity Assessment for Alabama	
Positive Metrics	Strong Indicators
<ul style="list-style-type: none"> Alabama had just over one million Medicaid enrollees as of 2020. 	<ul style="list-style-type: none"> Alabama’s ICN program, a Medicaid long-term care program, introduces some managed care components and increases home and community-based services (HCBS) utilization over institutional care.
Negative Metrics	Weak Indicators
<ul style="list-style-type: none"> Medicaid expenditures have continuously increased since 2014, with total expenditures reaching nearly \$7 billion in fiscal 2019. 	<ul style="list-style-type: none"> There are no fully funded Medicaid managed care plans in Alabama. The state decided in 2018 that a planned Medicaid long-term care program would utilize Primary Care Case Management (PCCM) instead of full-risk managed care.
Source: HMA	

In June 2018, the state awarded Alabama Select Network, LLC a contract to service the Integrated Care Network (ICN) program. The ICN program received federal approval in September 2018 and was implemented October 1, 2018. The program established a new Medicaid long-term care program focusing on a person-centered approach to care delivery using the PCCME delivery model, which was chosen over full-risk managed care. The program offers case management, community outreach, and education to approximately 23,000 elderly and disabled patients in nursing homes or patients utilizing in-home and community-based services through either Medicaid’s Elderly and Disabled waiver or the Alabama Community Transition waiver.

2. MEDICAID EXPENDITURES

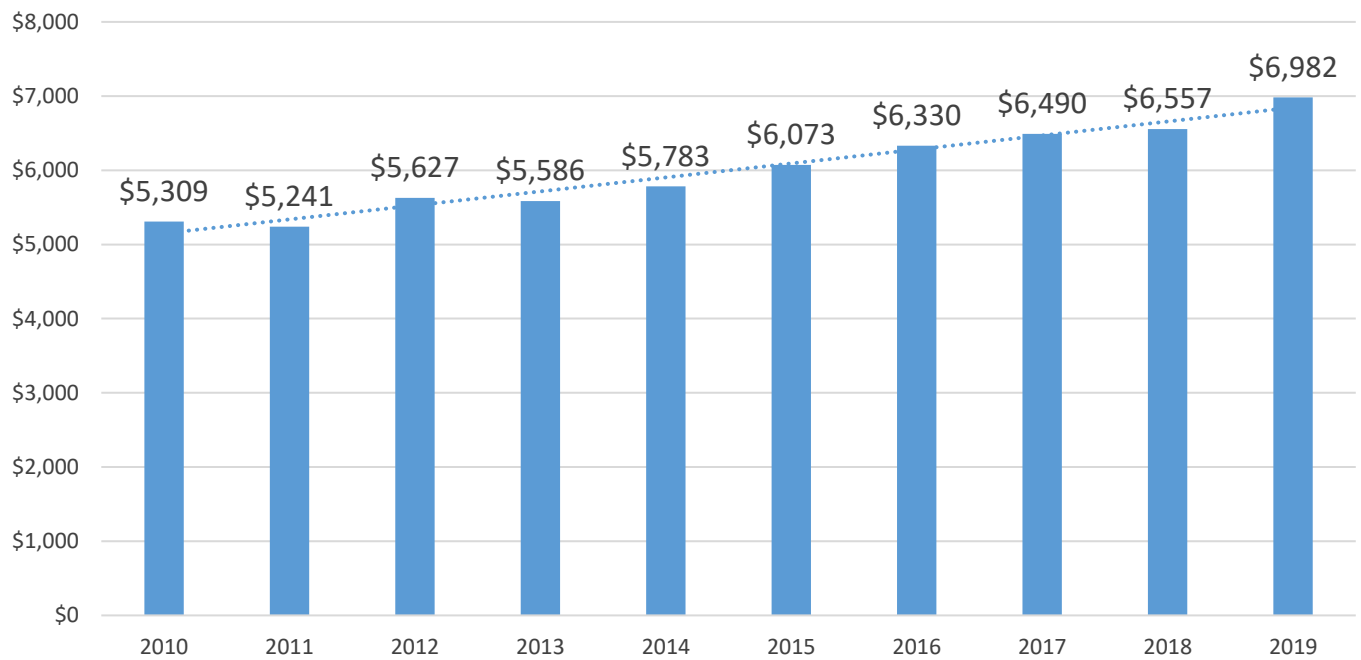
Alabama Medicaid expenditures were nearly 7 billion in fiscal 2019, ended September 30, the latest data available. That's up 6.5% from the prior fiscal year. 28.6% of Medicaid expenditures are funded by the state, and 71.4% are funded by the federal government.

Alabama Medicaid Expenditures, Fiscal 2014-19, Ended September 30 (\$ in 000)

	2014	2015	2016	2017	2018	2019
Medical	\$5,561,360	\$5,816,027	\$6,093,038	\$6,211,096	\$6,310,344	\$6,734,361
<i>% chg. between reporting periods</i>	3.9%	4.6%	4.8%	1.9%	1.6%	6.7%
<i>% of total</i>	96.2%	95.8%	96.3%	95.7%	96.2%	102.7%
Administrative	\$149,418	\$182,131	\$175,531	\$194,298	\$177,719	\$185,093
<i>% chg. between reporting periods</i>	0.4%	21.9%	-3.6%	10.7%	-8.5%	4.1%
<i>% of total</i>	2.6%	3.0%	2.8%	3.0%	2.7%	2.8%
School-based Administrative Services	\$44,264	\$45,762	\$51,430	\$62,258	\$52,080	\$53,385
<i>% chg. between reporting periods</i>	-0.2%	3.4%	12.4%	21.1%	-16.3%	2.5%
<i>% of total</i>	0.8%	0.8%	0.8%	1.0%	0.8%	0.8%
Health Information Exchange	\$28,088	\$29,360	\$10,411	\$22,327	\$16,925	\$9,382
<i>% chg. between reporting periods</i>	-30.2%	4.5%	-64.5%	114.5%	-24.2%	-44.6%
<i>% of total</i>	0.5%	0.5%	0.2%	0.3%	0.3%	0.1%
Total Expenditures	\$5,783,130	\$6,073,280	\$6,330,410	\$6,489,979	\$6,557,068	\$6,982,221
<i>% chg. between reporting periods</i>	3.5%	5.0%	4.2%	2.5%	1.0%	6.5%
State Share	32.4%	31.6%	31.0%	29.8%	30.0%	28.6%
Federal Share ⁽¹⁾	67.6%	68.4%	69.0%	70.2%	70.0%	71.4%

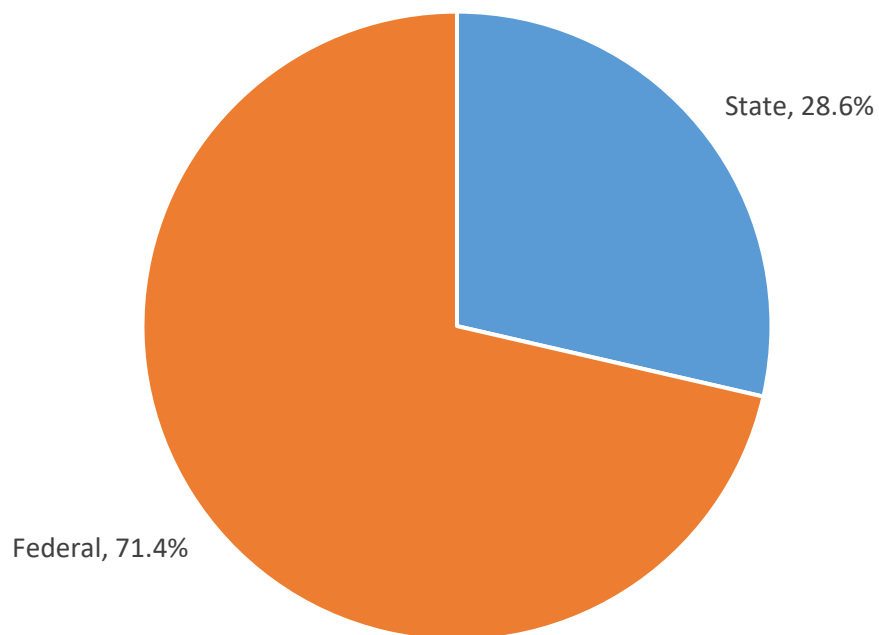
Source: Alabama Medicaid Agency, HMA

Alabama Medicaid Expenditures, Fiscal 2010-19, Ended Sept. 30 (\$ in millions)



Source: Alabama Medicaid Agency, HMA

Alabama Medicaid Spending Share, State vs. Federal, Fiscal 2019, Ended September 30



Source: Alabama Medicaid Agency, HMA

Alabama Medicaid Expenditures by Type of Service, Fiscal 2015-19, Ended September 30

	2015	2016	2017	2018	2019
Hospital Care	\$1,665,967,742	\$1,729,975,664	\$1,755,632,257	\$1,808,338,267	\$2,033,014,256
<i>% chg. between reporting periods</i>	5.9%	3.8%	1.5%	3.0%	12.4%
<i>% of total</i>	28.6%	28.4%	28.3%	28.7%	30.2%
Nursing facilities	\$945,274,066	\$953,240,983	\$945,588,305	\$964,740,150	\$998,738,999
<i>% chg. between reporting periods</i>	1.7%	0.8%	-0.8%	2.0%	3.5%
<i>% of total</i>	16.3%	15.6%	15.2%	15.3%	14.8%
Pharmacy	\$685,455,763	\$767,262,195	\$719,826,955	\$782,548,297	\$822,607,755
<i>% chg. between reporting periods</i>	9.2%	11.9%	-6.2%	8.7%	5.1%
<i>% of total</i>	11.8%	12.6%	11.6%	12.4%	12.2%
Mental Health	\$462,198,411	\$482,937,845	\$478,901,041	\$483,571,034	\$487,120,905
<i>% chg. between reporting periods</i>	3.0%	4.5%	-0.8%	1.0%	0.7%
<i>% of total</i>	7.9%	7.9%	7.7%	7.7%	7.2%
Physicians	\$516,999,078	\$534,225,768	\$554,794,353	\$550,288,533	\$573,726,844
<i>% chg. between reporting periods</i>	-3.9%	3.3%	3.9%	-0.8%	4.3%
<i>% of total</i>	8.9%	8.8%	8.9%	8.7%	8.5%
Hospital Care CPE	NA	NA	NA	NA	NA
<i>% chg. between reporting periods</i>	NA	NA	NA	NA	NA
<i>% of total</i>	NA	NA	NA	NA	NA
Other	\$1,540,132,204	\$1,625,395,818	\$1,756,352,919	\$1,720,857,664	\$1,819,152,550
<i>% chg. between reporting periods</i>	6.6%	5.5%	8.1%	-2.0%	5.7%
<i>% of total</i>	26.5%	26.7%	28.3%	27.3%	27.0%
Total Medical Expenditures	\$5,816,027,264	\$6,093,038,273	\$6,211,095,830	\$6,310,343,945	\$6,734,361,309
<i>% chg. between reporting periods</i>	4.6%	4.8%	1.9%	1.6%	6.7%

Source: Alabama Medicaid Agency, HMA

3. MEDICAID ENROLLMENT

Alabama had more than 1 million Medicaid members as of September 2019, a 1.3% increase compared to the previous fiscal year-end. Medicaid enrollment remained flat in 2018 and decreased 2.1% and 0.9% in 2017 and 2016, respectively.

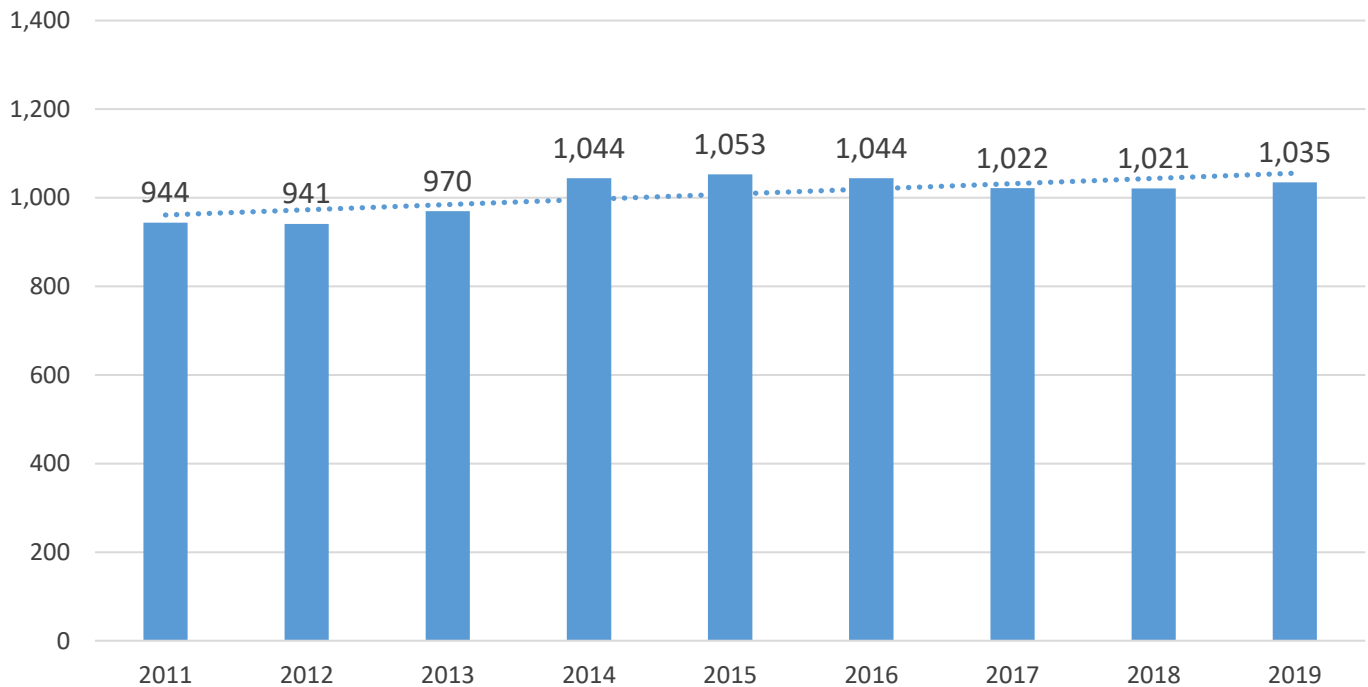
Alabama Medicaid Enrollment, FY 2011-19 (Ending September)⁽¹⁾

	2014	2015	2016	2017	2018	2019
Medicaid Enrollment	1,044,302	1,052,800	1,043,551	1,021,690	1,020,972	1,034,562
<i>+/- between reporting periods</i>	74,035	8,498	(9,249)	(21,861)	(718)	13,590
<i>% chg. between reporting periods</i>	7.6%	0.8%	-0.9%	-2.1%	-0.1%	1.3%

(1) Total listed is number of monthly average Medicaid enrollees.

Source: Alabama Medicaid Agency, HMA

Alabama Unduplicated Medicaid Enrollment, Fiscal 2011-19, Ended September 30 (000)



Source: Alabama Medicaid Agency, HMA

Alabama Annual Medicaid Enrollment,¹ 2019

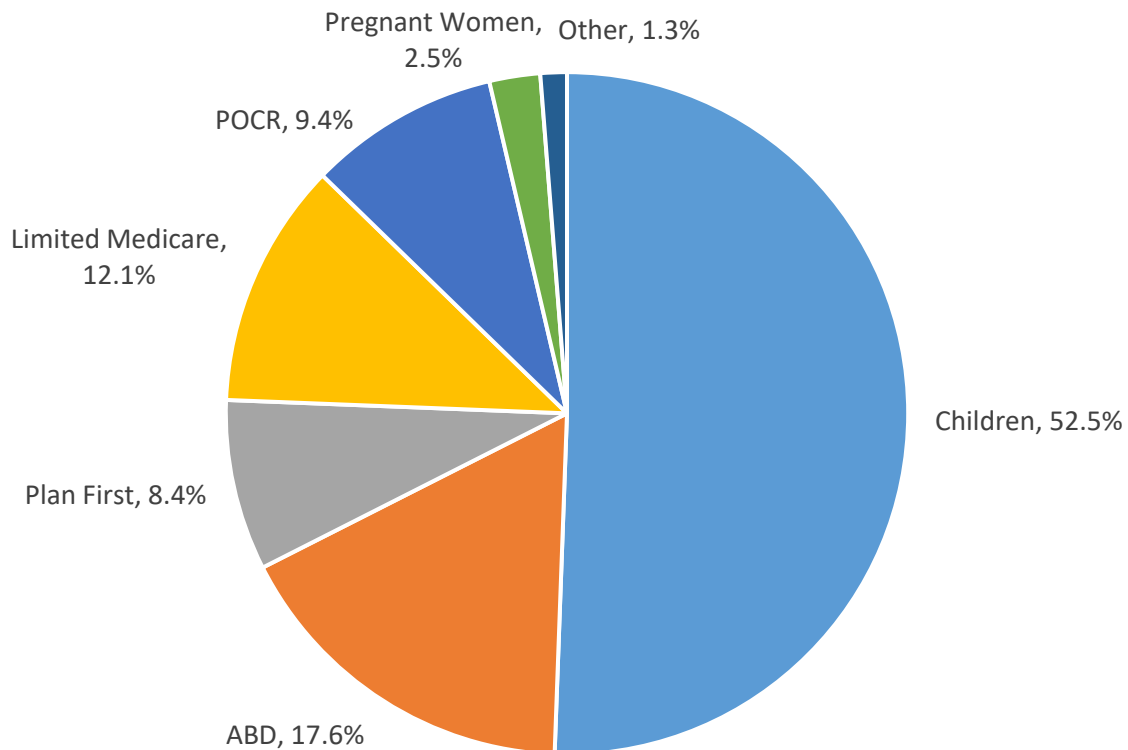
Program	Enrollment	% Share
Children	629,681	52.5%
ABD	211,164	17.6%
Plan First	100,794	8.4%
Limited Medicare	144,596	12.1%
POCR	113,060	9.4%
Pregnant Women	29,922	2.5%
Other	16,121	1.3%
Total⁽²⁾	1,199,951	

(1) Annual Medicaid enrollment: an unduplicated count of individuals who qualified for full or partial Medicaid coverage and enrolled for at least one month of the FY.

(2) Eligibility category enrollment does not equal the total enrollment, because some people lived in more than one county during the year and qualify for multiple categories of benefits.

Source: Alabama Medicaid Agency, HMA

Alabama Annual Medicaid Enrollment by Eligibility Category, 2019



Source: Alabama Medicaid Agency, HMA

4. RFP DEVELOPMENTS AND ANALYSIS (UPDATED 2-8-20)

In April 2019, the state awarded Alabama Coordinated Health Network (ACHN) contracts to BCBS/My Care Alabama, Alabama Care Network, Gulf Coast Total Care, and North Alabama Community Care. The program is aimed at consolidating care coordination services across various state Medicaid programs. The initiative has impacted Health Home, which provides care coordination for individuals with certain chronic conditions; Maternity Care, a waiver program started in 1988 to address the state's high infant mortality rate; and Plan First, which provides family planning services. The state has contracted with Primary Care Case Management Entities in seven newly defined regions to coordinate services. Contracts are effective October 1, 2019 through September 30, 2021. Under the ACHN program, the Patient 1st program, a traditional Medicaid Primary Care Case Management program, ceased to exist and capitation payments ended as of September 30, 2019.

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The state dropped a plan to transition Medicaid to provider-led, risk-based Regional Care Organizations (RCOs) in July 2017. Approximately two-thirds of the state's Medicaid members were expected to be enrolled in RCOs in five regions beginning October 2017. RCOs would have taken risk through capitated contracts with the state, managed benefits, and coordinated care. Instead, the state will pursue other alternatives.

Alabama Medicaid RFP, RFA Calendar

Contract	Key Deadlines	# of Beneficiaries
Integrated Care Networks	RFP released: April 2018 Award announced: June 29, 2018 Implementation: October 1, 2018	23,000
Coordinated Health Network	RFP released: January 9, 2019 Awards announced: April 19, 2019 Implementation: October 1, 2019	NA

Source: Alabama Medicaid Agency, HMA

5. MEDICAID FEE FOR SERVICE VS. MANAGED CARE PENETRATION

Total Medicaid enrollment in Alabama was just over 1 million in 2021. (Note: HMAIS also carries CMS monthly total Medicaid enrollment reports broken down by state; click [here](#).) Total Medicaid expenditures in Alabama were \$6.5 billion in 2021, entirely through fee-for-service.

Alabama Fiscal Expenditures and Enrollment for Total Medicaid vs. Medicaid Managed Care, 2014-21

Year	Total Medicaid Expenditures	Medicaid Managed Care Expenditures ⁽¹⁾	Medicaid Managed Care Expenditures as % of Total	Total Medicaid/CHIP Enrollment	Medicaid MCO Enrollment	Medicaid MCO Enrollment as % of Total
2021	\$6,486,956,785	\$0	NA	1,091,996	NA	NA
2020	\$6,096,166,669	\$6,231,495	0.1%	1,001,444	NA	NA
2019	\$5,880,233,770	\$43,695,496	0.7%	916,861	NA	NA
2018	\$5,546,416,592	\$43,277,757	0.8%	895,475	NA	NA
2017	\$5,562,217,922	\$44,578,393	0.8%	889,658	NA	NA
2016	\$5,435,036,771	\$167,402,274	3.1%	901,450	NA	NA
2015	\$5,264,823,220	\$0	NA	878,405	NA	NA
2014	\$5,242,500,566	\$0	NA	873,954	NA	NA

(1) Includes evaluation and management, vaccine codes, Community First Choice, and preventive services Grade A or B, ACIP vaccines and their administration, Prepaid Ambulatory Health Plans, and Prepaid Inpatient Health Plans.

Sources: CMS64 for expenditures. CMS for total Medicaid/CHIP enrollment. States, NAIC for Medicaid managed care enrollment.

6. SPECIAL NEEDS PLANS

Alabama had 123,211 Special Needs Plan members as of November 2022.

Alabama SNP Enrollment by Plan, November 2022

Plan	Total SNPs	DSNPs	CSNPs	ISNPs	Share
UnitedHealthcare ¹	62,108	60,836		1,272	50.4%
Viva Health	19,977	19,977			16.2%
Cigna	13,060	13,060			10.6%
Humana	17,782	17,782			14.4%
CVS/Aetna	6,206	6,206			5.0%
Simpra Advantage	2,739			2,739	2.2%
Centene	1,339	1,339			1.1%
Totals	123,211	119,200	0	4,011	100%

Source: CMS, HMA

¹ ISNP enrollment includes Alabama, Florida, Mississippi, and Tennessee data