ALABAMA MEDICAID

AFY '73

MEDICAL SERVICES ADMINISTRATION
DEPARTMENT OF PUBLIC HEALTH

MEDICAID TRENDS IN ALABAMA

A RESEARCH ANALYSIS STUDY
AFY '73

Prepared by:

Linda B. Jenkins, R. Ph.
Chief, Research Analysis

James F. Adams
Statistician

MEDICAL SERVICES ADMINISTRATION
DEPARTMENT OF PUBLIC HEALTH
MONTGOMERY, ALABAMA

Paul I. Robinson, M.D., Director

TABLE OF CONTENTS

Page

MEDICAID TRENDS 1

1. Introduction 1
2. Administration 3
3. Services — Definitions, Descriptions, and Limits 4
4. Demographics 4
5. Alabama Health Resources 8
6. Race, Poverty, and Eligibility 10
7. Sex, Age, and Eligibility 11
8. Medicaid Payments 12
9. Medicaid Eligibles 14
10. Medicaid Recipients 18
11. Man-Months 20
12. Turn-Over Rates 22
13. Utilization Rates 23
14. Cost Per Eligible and Per Recipient 24
15. Cost and Use Per Service 25

SELECTED PROGRAM REVIEWS 29

15. Physicians' Program 30
16. Screening Program 34
17. Pharmaceutical Program 38
18. Long-Term Care Program 45

CONCLUSION 49

APPENDICES

A. Selected Figures From Previous Years 50
B. Definition of Poverty 50

SOURCES OF DATA 51

LIST OF ILLUSTRATIONS

Below each statistical table is a brief title of the source (s) of data used in the table. For the full title of a source, see the list of sources on page 51.

Page

Table of Organization 2

HEALTH DISTRICTS

Plate 1 — Health Districts Map 5
Plate 2 — Population Density 6
Plate 3 — Race 6
Plate 4 — Urban-Rural Balance 6
Plate 5 — Poverty 6
Plate 6 — Race and Poverty — Whites 7
Plate 7 — Race and Poverty — Non-Whites 7
Plate 8 — Race By County 7
Plate 9 — Supply of Professional Health Workers 8-9
Plate 10— Supply of Hospital and Nursing Home Beds 8-9

RACE, POVERTY, AND ELIGIBILITY

Plate 11— Percent of People Who Are Poor, by Race
Percent of People Who Are Eligible for Medicaid, by Race
Percent of People Who Are Poor But Ineligible, by Race 10
Plate 12— Number of Eligible Poor, by Race 10
Plate 13— Number of Ineligible Poor, by Race 10

SEX, AGE, AND ELIGIBILITY

Plate 14— Percent of Eligibles by Sex
Percent of Eligibles by Age 11

MEDICAID PAYMENTS

Plate 15— By Type of Service 13
Plate 16— By Category
By Age
By Race
By Sex 13

MEDICAID ELIGIBLES

Plate 17— By Month
Year's Total
Monthly Average 14
Plate 18— Year's Total, by Category, Race, and Sex 15
Plate 19— Year's Total, by Category and Age 15
Plate 20— Year's Total, by Race
by Sex
by Age
by Race and Sex
by Age and Sex
by Age and Race 16
Plate 21— Year's Total, by Race, Sex, and Age (estimates) 17

MEDICAID RECIPIENTS

Plate 22— By Month
Year's Total
Average Per Month 18
Plate 23— Year's Total,
by Sex
by Race
by Age 19
Plate 24— Year's Total, by Category and Age 19

MAN-MONTHS OF ELIGIBILITY

Plate 25— Year's Total
Average Per Eligible, by Category 21

MAN-MONTHS OF MEDICAL SERVICE
Plate 26— Year's Total
Average Per Eligible, by Category
Average Per Recipient, by Category . . . 21

TURNOVER RATES
Plate 27— Expected Length of Eligibility, by Category . . . 22

UTILIZATION RATES
Plate 28— Percent of Eligibles Who Used Medicaid, by Category . . . 23

COST PER ELIGIBLE
COST PER RECIPIENT
Plate 29— Monthly Costs
Annual Costs . . . 28

COSTS AND USE PER SERVICE
Plate 30— Gross Expenditures, Cost Per Recipient, and Utilization Rate by Category . . . 26
Plate 31— Comparison of Percent of Recipients to Percent of Expenditures by Type of Service . . . 27

PHYSICIANS' PROGRAM
Plate 32— Number of Active Physicians, by County . . . 30
Plate 33— Thirty Most Common Procedures . . . 31
Plate 34— Top Ten Types of Physician Procedures, by Expenditure . . . 31
Plate 35— Number of Recipients by Age, by Sex, and by Race . . . 32
Plate 36— Average Cost by Type of Physician Visit . . . 32
Plate 37— Number of Dentists, by Area . . . 33

SCREENING PROGRAM
Plate 38— Percent Screened, All Alabama, Since October, 1971 . . . 34
Plate 39— Number of Children Screened
Number of Conditions Referred . . . 34
Plate 40— Percent Screened, by County . . . 35
Plate 41— Percent of Conditions Referred, All Alabama . . . 35
Plate 42— Number and Percent of Conditions Referred . . . 36
Plate 43— Percent of Selected Conditions Referred, by District . . . 37

PHARMACEUTICAL PROGRAM
Plate 44— Cost Per Eligible and Claims Per Eligible . . . 38
Plate 45— Drug Recipients and Expenditures . . . 39
Plate 46— Rank of Nursing Facility Drugs by Number of Charges . . . 39
Plate 47— Drug Expenditures Recap . . . 40
Plate 48— Rank of Drugs by Expenditures and by Number of Charges . . . 41
Plate 49— Drug Expenditures by Theraputic Categories . . . 42
Plate 50— Percent of Drug Expenditures, by Therapeutic Categories — CY 1973 . . . 43
Plate 51— Percent of Drug Expenditures, by Therapeutic Categories — CY 70-73 . . . 44

LONG TERM CARE PROGRAM
Plate 52— Recipients, By Month
Monthly Average
Year's Total
Turnover Rate
Average Stay . . . 45
Plate 53— Monthly Charges Paid by Medicaid, Patient, and Sponsors . . . 46
Plate 54— Recipients, by Sex, Race, and Age . . . 47
Plate 55— Payments, by Sex, Race, and Age . . . 47
Plate 56— Beds Per District
Aged People Per Bed
Beds Used by Medicaid . . . 48
Plate 57— Beds in Existence, by Month
Beds Used by Medicaid, by Month . . . 48

MEDICAID TRENDS IN ALABAMA: A RESEARCH ANALYSIS STUDY

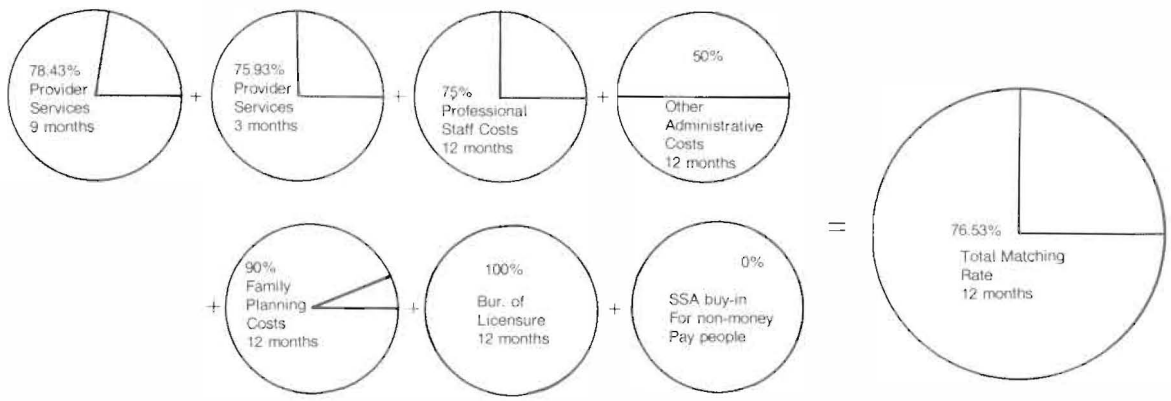
INTRODUCTION

Medical Services Administration (MSA) presents its first management report on total Medicaid activities for Alabama fiscal year 1973 (AFY '73). The fiscal year in Alabama operates from October 1 through September 30. This fact alone has caused many problems in presenting information on a uniform basis, because there are three possible years to report — Alabama fiscal, federal fiscal, or calendar year.

Although this is the first management report, Alabama has participated in Medicaid since January 1, 1970. Medicaid, as a program of medical assistance for the needy administered by the states in accordance with provisions of Title XIX of the Social Security Act, covers 4 groups of beneficiaries under the following titles:

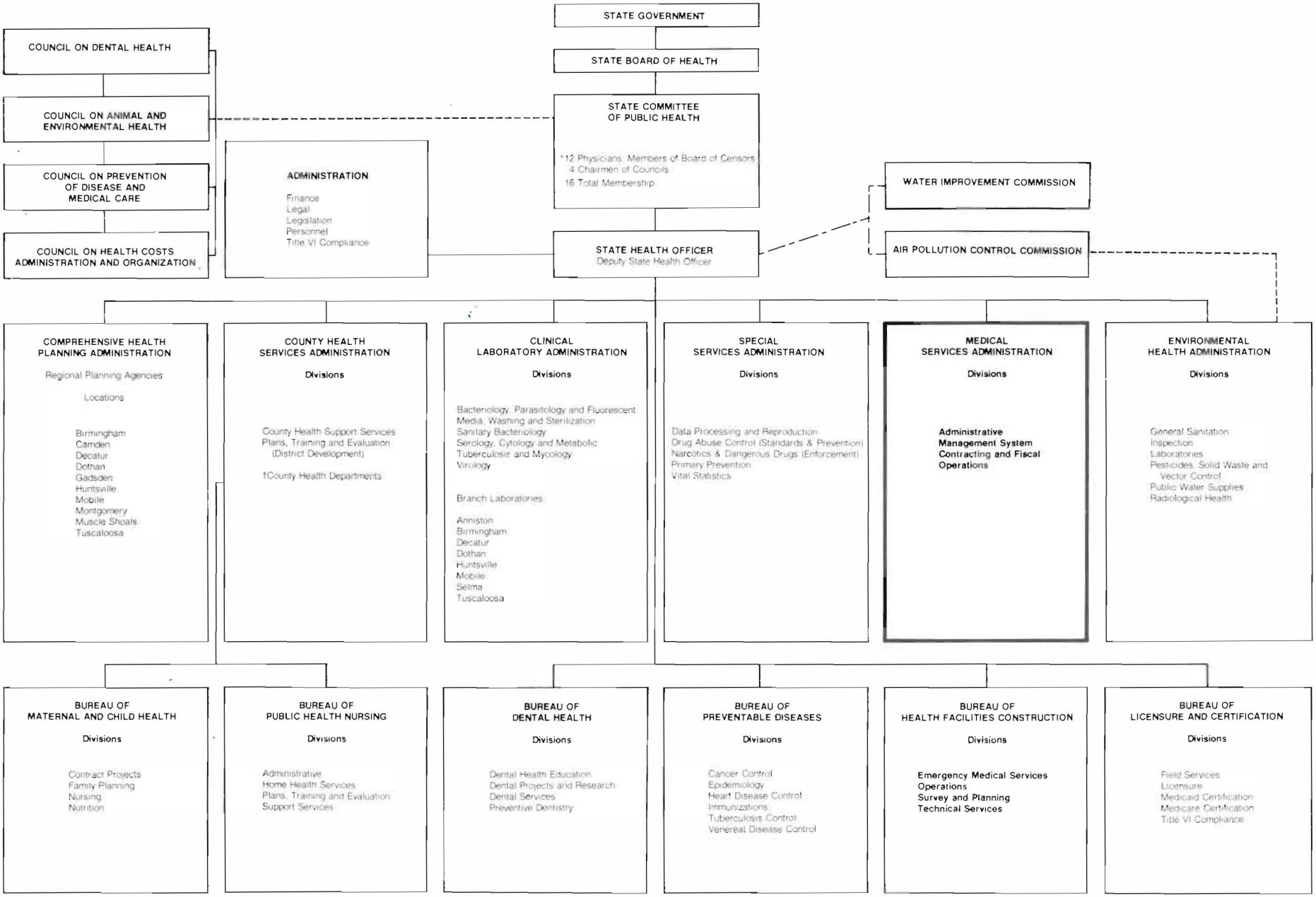
Title I - Old Age Assistance (OAP)
Title IV - Aid to Families with Dependent Children (AFDC)
Title X - Aid to the Blind (AB)
Title XIV - Aid to the Permanently and Totally Disabled (APTD)

By executive order of the Governor, the Department of Pensions and Security of the State Welfare Department, has been designated to determine who is eligible or qualified for public assistance grants. Likewise, by executive order of the Governor, Medical Services Administration of the Department of Public Health, under the authority of the State Board of Health, provides medical assistance to those determined eligible. During AFY '73 payment for medical services was financed until July, 1973 by 78.43% Federal funds and 21.57% State funds. However, in July, 1973 the matching rate changed to 75.93% Federal and 24.07% State. The ceiling on Federal participation is 83%. After considering professional staff salaries matched at 75%, and other salaries and administrative costs matched at 50%, in addition to the 90% matching on family-planning benefits and administrative costs, and 100% matching on the contract with the Bureau of Licensure and Certification, the total matching rate for administration and benefits for the fiscal year was 76.53%.



Source of Funds By Type of Expense and Percentage Distribution of State and Federal Funds

ORGANIZATION OF THE ALABAMA DEPARTMENT OF PUBLIC HEALTH



Administrative Relationship _____

Chairmanship Relationship - — - — - — - — -

Advisory Relationship - - - - - - - - - - - - - - - - -

*Change By 1973 Legislative Act to be Activated in 1974. Effective 1971

†Acts as County Health Officer as required, and as Consultant to others.

ADMINISTRATION

For AFY '73 there was an appropriation of $22,000,000. Considering $6.9 million brought forward from the previous year, imprinter rental funds, insurance premium refunds, third party collections, provider overpayment recoveries, and retroactive adjustments, there was a cash balance of $10,829,930 state money as of September 30, 1973. This cash balance was carried forward for the next year's use. *Net* expenditures for AFY '73 were reported by the Fiscal Division as $84,943,766.

In accordance with State and Federal Regulations for Title XIX, payment for services under Medicaid is always secondary to other third party liability. Thus, there must be adequate determination that other available benefits have been exhausted before applying Medicaid benefits. If not, then there must be an attempt to recover due funds. In this respect, Alabama has been very successful in recovering $536,030 during the year, which was applied to reduce expenditures.

Medical Services Administration presently employs 83 personnel (as of June 30, 1973) including 8 Licensure and Certification persons who spend at least 50% of their time in behalf of Medicaid. The staff is composed of 41 administrators and specialists (professionals) and 42 clerical personnel. At that time there were 11 vacancies. The organization is divided into 4 main sections: Administrative Division, Operations Division, Contracting and Fiscal Division, and Management Systems Division.

Alabama has chosen to have an outside intermediary process its claims for the past 4 years. In AFY '73 Blue Cross and Blue Shield was awarded the bid contract to process Medicaid claims, part of which was sub-contracted to Central Computer Services of Birmingham. Blue Cross is responsible for claims for physicians, hospitals, complementary A and B, home health care, screening, dental services, hearing aids and services, family-planning, and lab and x-ray services. Central Computer Services handles claims for drugs, both skilled and ICF nursing facilities, and optometrics.

The total administrative cost of MSA was 4.19% of the funds expended for all purposes. The administrative cost of the intermediaries was 56% of the total administrative cost.

SERVICES — DEFINITIONS, DESCRIPTIONS, AND LIMITS

In the text of this report the term "eligible person" is used to refer to one who has been certified to Medical Services Administration by the Pensions and Security Department as being qualified to receive Medicaid benefits — i.e., if the person is qualified to receive welfare assistance, he is qualified to receive all available Medicaid benefits. (The Dental and Hearing Programs are exceptions.) A "recipient" is a person who has actually received a service during the year. Alabama had approximately 368,000 persons eligible for at least one month during AFY '73, while there were 261,000 recipients, or 71% of the eligibles, who used the services.

The services provided are as follows:

Physicians' services
Hospital services, in-patient and out-patient
Lab and X-ray
Drug
Eyeglasses and eye care
Family-Planning
Home health care
Skilled and Intermediate nursing facility care
Screening, including dental services,
hearing aids and tests (for those under 21)

Although Medicaid has accepted approximately 1,000 mental health transfer patients in the nursing homes, it does not cover ICF mental facilities, nor mental hospitals, as such. Neither does it cover TB hospitals, per se. During AFY '73 the policy was not to provide skilled nursing care to persons under 21 unless they were in the category of blind or disabled. Dental services and hearing services were limited to those persons under 21 in conjunction with the screening program.

The following report gives further details regarding the program. It is hoped that this will be helpful and informative to all those concerned in Medicaid and other health care programs.

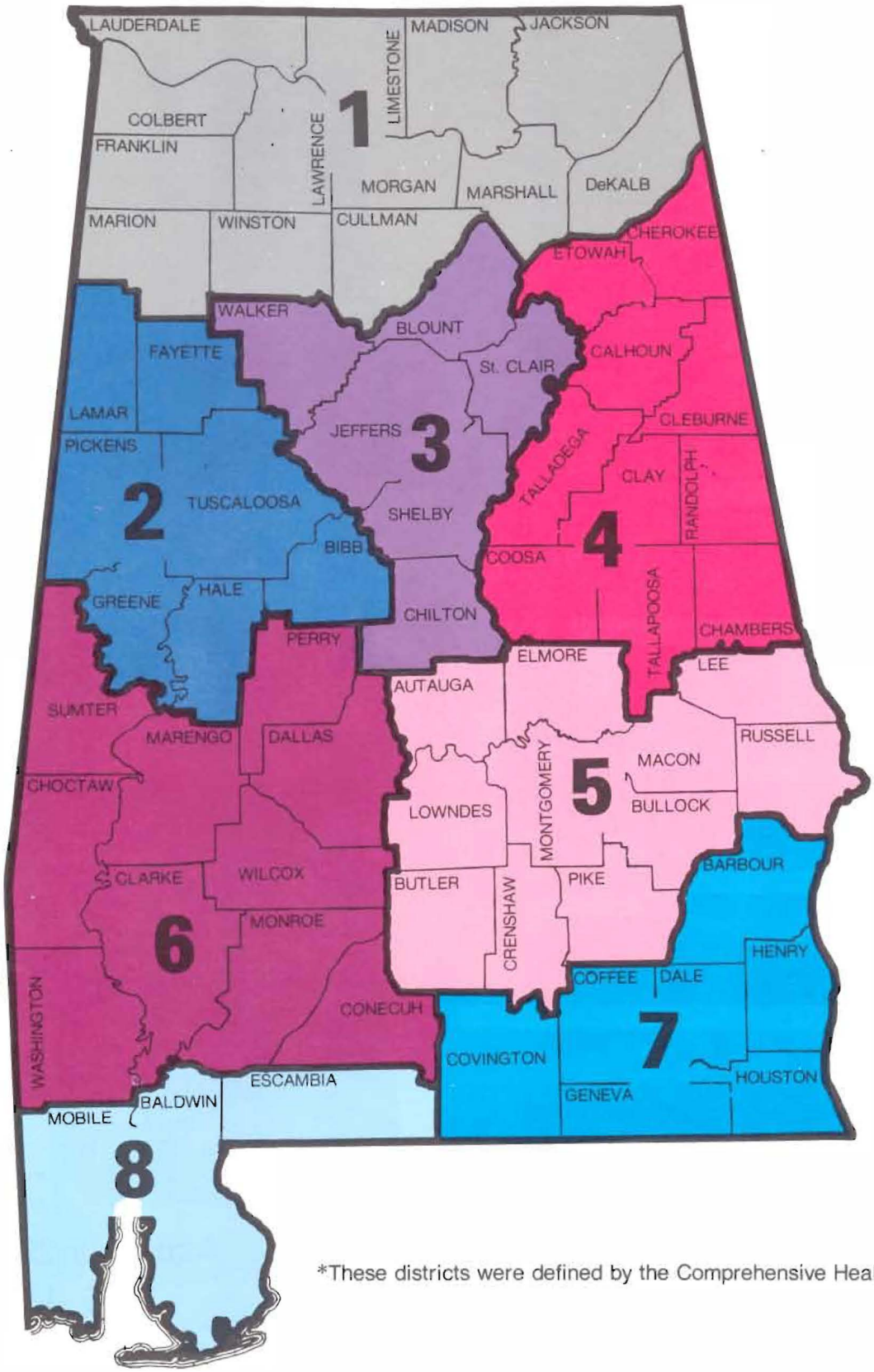
DEMOGRAPHICS

The population of Alabama in 1973 was approximately 3,485,000 persons within an area of 50,856 square miles. Alabama is divided into 67 counties which have been grouped by the Comprehensive Health Planning Agency into 8 districts as shown in Plate 1. Based on 1970 figures the population densities of the districts varied from 23 persons per square mile in the Selma District to 174 persons per square mile in the Birmingham District. (Plate 2) In 1970 51.8% of the population was female; 73.6% of the population was white; and 9.5% of the population was age 65 or over. In the aged population the females account for 58.4% of those over 65. The Selma District has the lowest percent of urban population, while the Birmingham District has the highest urban population percentage (Plate 4). The poor in 1970 accounted for 25% of the Alabama population compared to 13% for the nation. (Plate 5) In Alabama 15% of the whites are designated as poor, while 52% of the non-whites are poor. (Plates 6 and 7) The Selma District has the highest population percentage of non-whites in the state, while the Tennessee Valley District has the highest percentage of whites in the population. (Plate 8)

AFY '73

PLATE 1

HEALTH DISTRICTS



DISTRICT NUMBERS

1. Tennessee Valley
2. Tuscaloosa
3. Birmingham
4. Gadsden
5. Montgomery
6. Selma
7. Dothan
8. Mobile

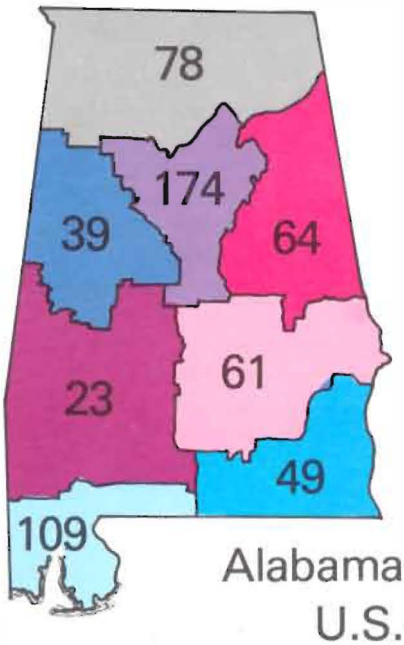
*These districts were defined by the Comprehensive Health Planning Administration.

Source: Comprehensive Health Planning Administration (#2)

HEALTH DISTRICTS

2. POPULATION DENSITY

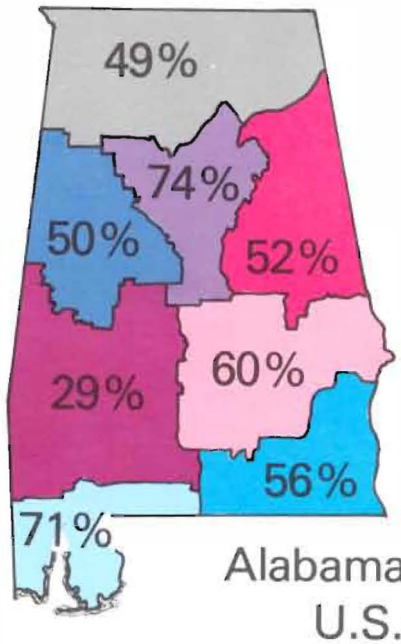
People per square mile



Alabama-68
U.S.-57

4. URBAN - RURAL BALANCE

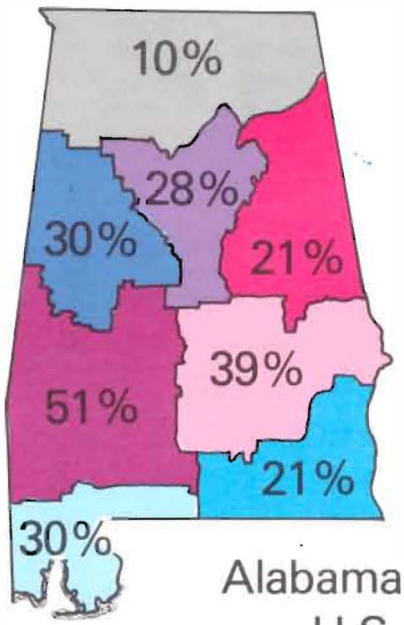
Percent urban



Alabama-58%
U.S.-73%

3. RACE

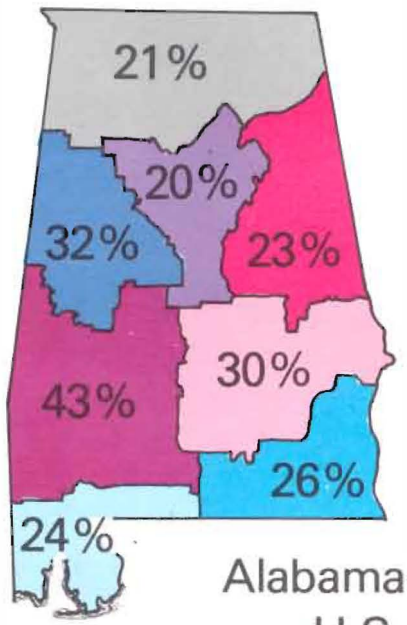
Percent of non-whites



Alabama-26%
U.S.-11%

5. POVERTY

Percent of individuals below poverty line*



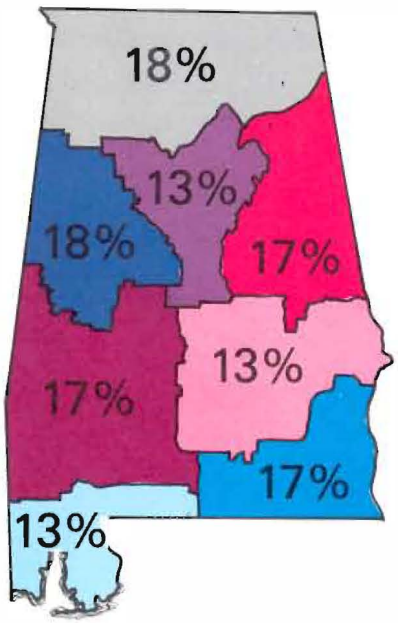
Alabama-25%
U.S.-13%

Sources: Comprehensive Health Planning Administration (#2), and Bureau of The Census (#4)

*See appendix B for definition of poverty line.

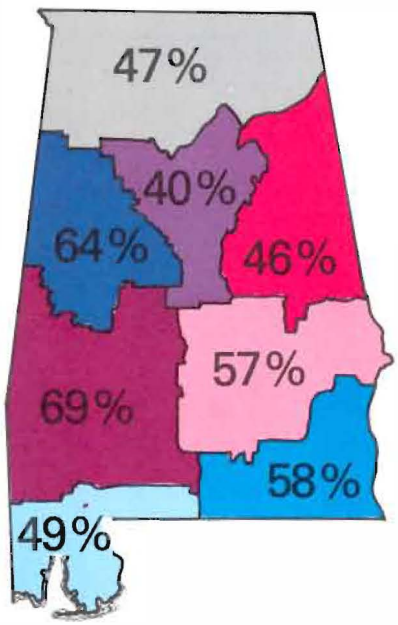
6. RACE AND POVERTY

Percent of whites below poverty line



7. RACE AND POVERTY

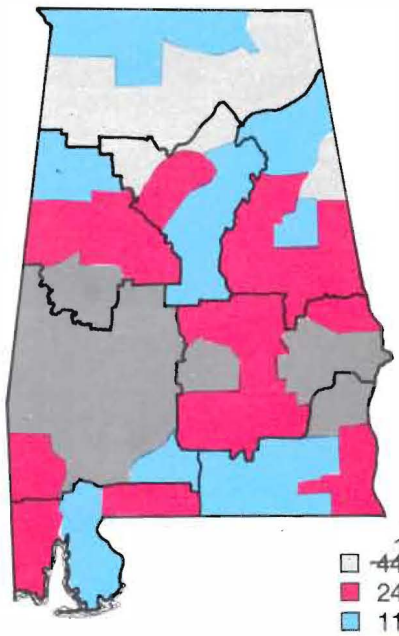
Percent of non-whites below poverty line



Source: Bureau of The Census (#3)

8. RACE BY COUNTY

Percent of non-whites by county



1. Autauga	28.5%	35. Houston	23.8%
2. Baldwin	18.1%	36. Jackson	5.6%
3. Barbour	45.3%	37. Jefferson	32.2%
4. Bibb	28.5%	38. Lamar	14.4%
5. Blount	2.9%	39. Lauderdale	11.0%
6. Bullock	67.4%	40. Lawrence	19.0%
7. Butler	39.8%	41. Lee	28.0%
8. Calhoun	17.2%	42. Limestone	17.8%
9. Chambers	34.7%	43. Lowndes	77.3%
10. Cherokee	9.5%	44. Macon	80.7%
11. Chilton	13.8%	45. Madison	15.7%
12. Choctaw	44.0%	46. Marengo	54.7%
13. Clarke	44.0%	47. Marion	3.2%
14. Clay	17.3%	48. Marshall	2.5%
15. Cleburne	5.7%	49. Mobile	32.5%
16. Coffee	17.5%	50. Monroe	46.0%
17. Colbert	17.3%	51. Montgomery	36.4%
18. Conecuh	44.3%	52. Morgan	9.8%
19. Coosa	35.1%	53. Perry	57.9%
20. Covington	15.8%	54. Pickens	41.4%
21. Crenshaw	29.6%	55. Pike	34.0%
22. Cullman	2.6%	56. Randolph	22.6%
23. Dale	14.0%	57. Russell	45.6%
24. Dallas	52.4%	58. Saint Clair	14.4%
25. DeKalb	2.5%	59. Shelby	17.1%
26. Elmore	28.3%	60. Sumter	65.4%
27. Escambia	32.0%	61. Talladega	30.8%
28. Etowah	14.3%	62. Tallapoosa	27.9%
29. Fayette	13.9%	63. Tuscaloosa	25.1%
30. Franklin	5.0%	64. Walker	9.0%
31. Geneva	13.3%	65. Washington	30.7%
32. Greene	74.8%	66. Wilcox	68.2%
33. Hale	66.2%	67. Winston	.8%
34. Henry	40.1%		

ALABAMA HEALTH RESOURCES

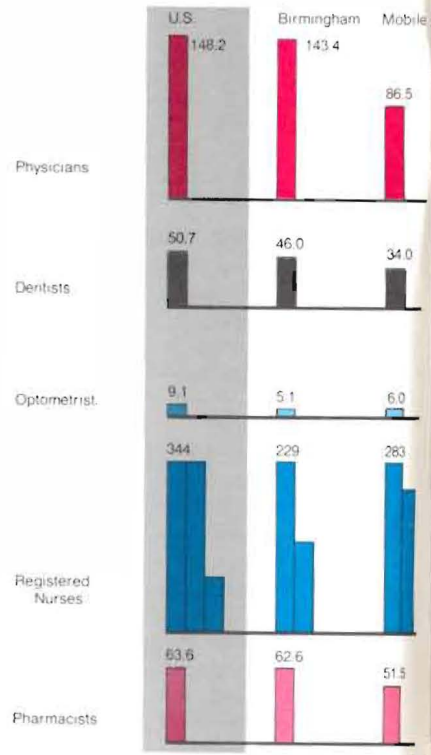
Based on a survey of the Comprehensive Health Planning Administration, the various manpower availabilities for health services are shown in Plate 9. In all instances Alabama is below the national averages in providers of health services per 100,000 population. The Selma District is lowest in physicians, registered nurses, and pharmacists. The Montgomery and Gadsden Districts are lowest in dentists, and the Tuscaloosa District is lowest in optometrists. The highest ratios of physicians, dentists, and pharmacists occur in the Birmingham District, with the highest ratio of nurses in the Mobile District, and the highest ratio of optometrists in the Dothan District.

AFY '73

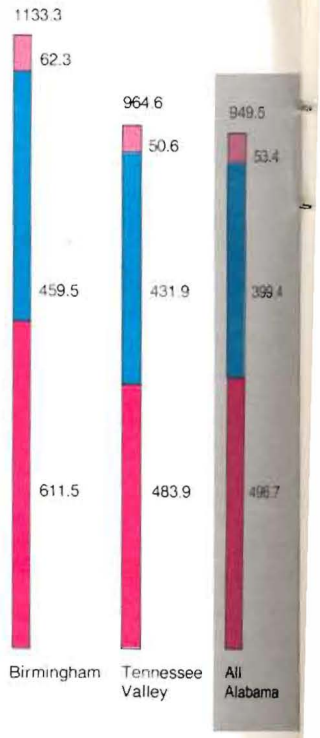
HEALTH DISTRICTS

Health man power supply
Hospital and nursing home beds

Health man, power supply, per 100,000 population, 1972



Hospital and nursing home beds, per 100,000 population, 1972



Sources: Comprehensive Health Planning Administration (#2), and Bureau of Health Facilities Construction (#1)

PLATE 9

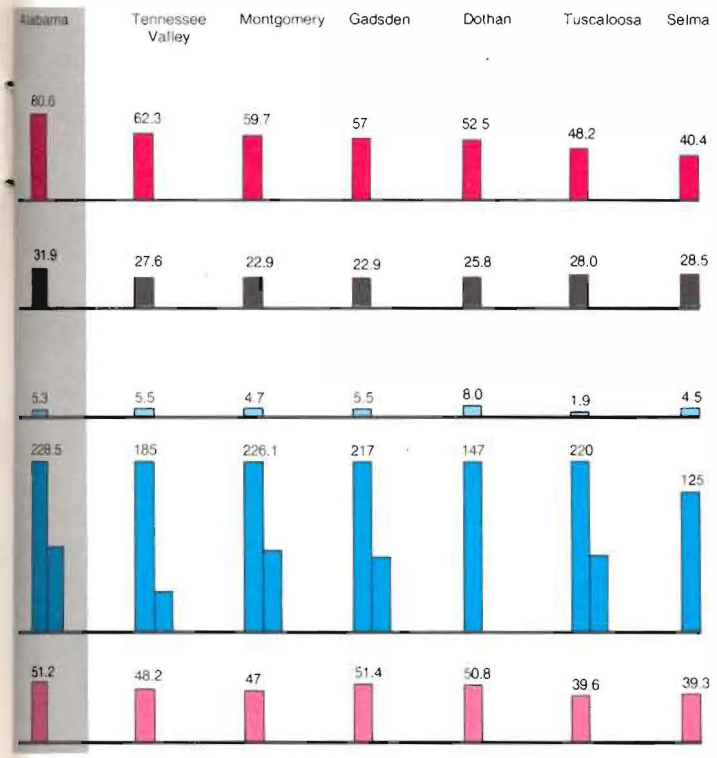
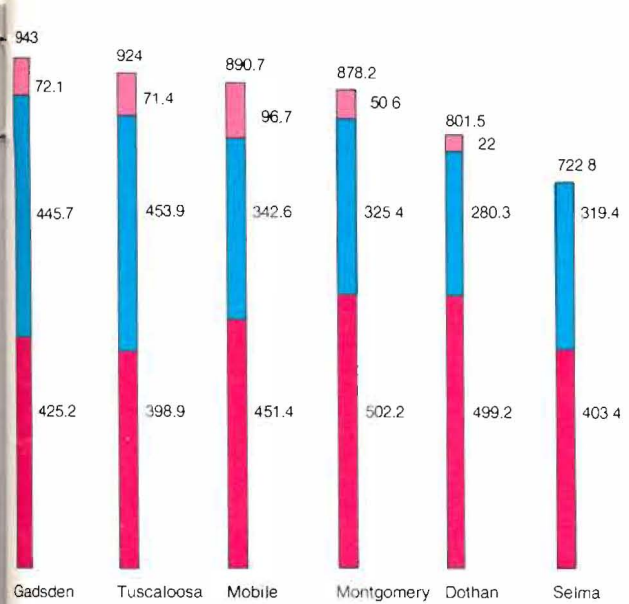


PLATE 10



Hospital beds

Nursing home beds

Special facilities
(T.B., psychiatric, rehabilitative)

RACE, POVERTY, AND ELIGIBILITY

Though approximately 25% of Alabama's residents are poor, only 11% are eligible for Medicaid. See appendix B for definitions of the poverty level. A close inspection of Plate 11 reveals that only 11% of the whites are not eligible, whereas almost 27% of the non-whites are not eligible.

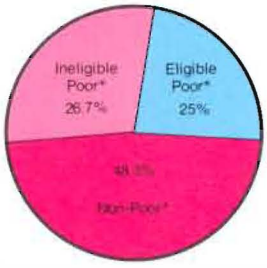
AFY '73

PLATE 11

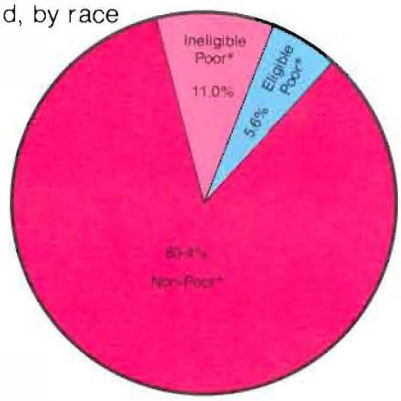
RACE, POVERTY, AND ELIGIBILITY

Percent of people who are poor, by race
Percent of people who are eligible for Medicaid, by race
Percent of people who are poor but ineligible, by race

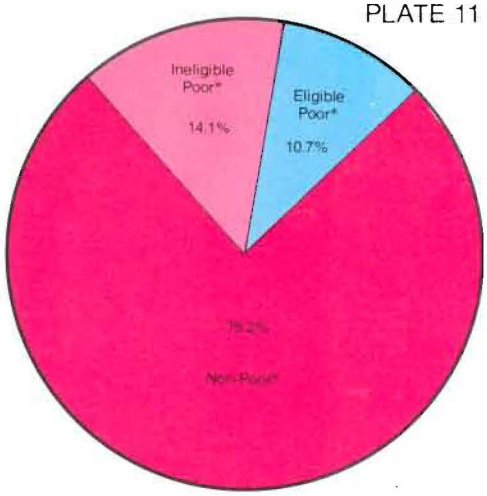
*See Appendix B for definition of poverty



Non-Whites



Whites



All Races

Sources: Bureau of The Census (#3), and ABC Printout (#14)

AFY '73

PLATE 12

RACE, POVERTY, AND ELIGIBILITY

Number of eligible poor per 1,000 residents, in each district, by race

WHITES		NON-WHITES		ALL RESIDENTS	
DISTRICT	ELIGI-BLES/1000	DISTRICT	ELIGI-BLES/1000	DISTRICT	ELIGI-BLES/1000
Gadsden	71.2	Tuscaloosa	327.7	#6 Selma	178.3
Tennessee Valley	70.6	Selma	303.4	#2 Tuscaloosa	143.1
Dothan	67.6	Dothan	289.8	#7 Dothan	114.1
Tuscaloosa	62.2	Tennessee Valley	285.6	#4 Gadsden	110.6
ALL ALABAMA	56.1	Gadsden	258.2	#5 Montgomery	109.4
Selma	49.8	ALL ALABAMA	250.0	ALL ALABAMA	107.0
Birmingham	45.7	Mobile	242.8	#8 Mobile	99.7
Mobile	38.3	Montgomery	219.5	#1 Tennessee Valley	91.9
Montgomery	37.9	Birmingham	207.3	#3 Birmingham	90.1

Source: ABC Printout (#14), and Bureau of The Census (#3)

AFY '73

PLATE 13

Number of ineligible poor per 1000 residents, in each district, by race

WHITES		NON-WHITES		ALL RESIDENTS	
DISTRICTS	INELIGI-BLES/1000	DISTRICTS	INELIGI-BLES/1000	DISTRICTS	INELIGI-BLES/1000
Selma	117.1	Selma	383	#6 Selma	253.6
Tuscaloosa	114.6	Montgomery	349	#2 Tuscaloosa	174.2
Tennessee Valley	110.0	Tuscaloosa	311	#7 Dothan	192.7
Dothan	102.6	Dothan	294	#4 Gadsden	142.7
Gadsden	99.6	ALL ALABAMA	267	#5 Montgomery	140.9
ALL ALABAMA	97.3	Mobile	243	ALL ALABAMA	134.6
Montgomery	91.5	Gadsden	205	#8 Mobile	121.6
Mobile	89.1	Tennessee Valley	189	#1 Tennessee Valley	119.7
Birmingham	78.0	Birmingham	188	#3 Birmingham	109.5

Sources: ABC Printout (#14), and Bureau of The Census (#3)

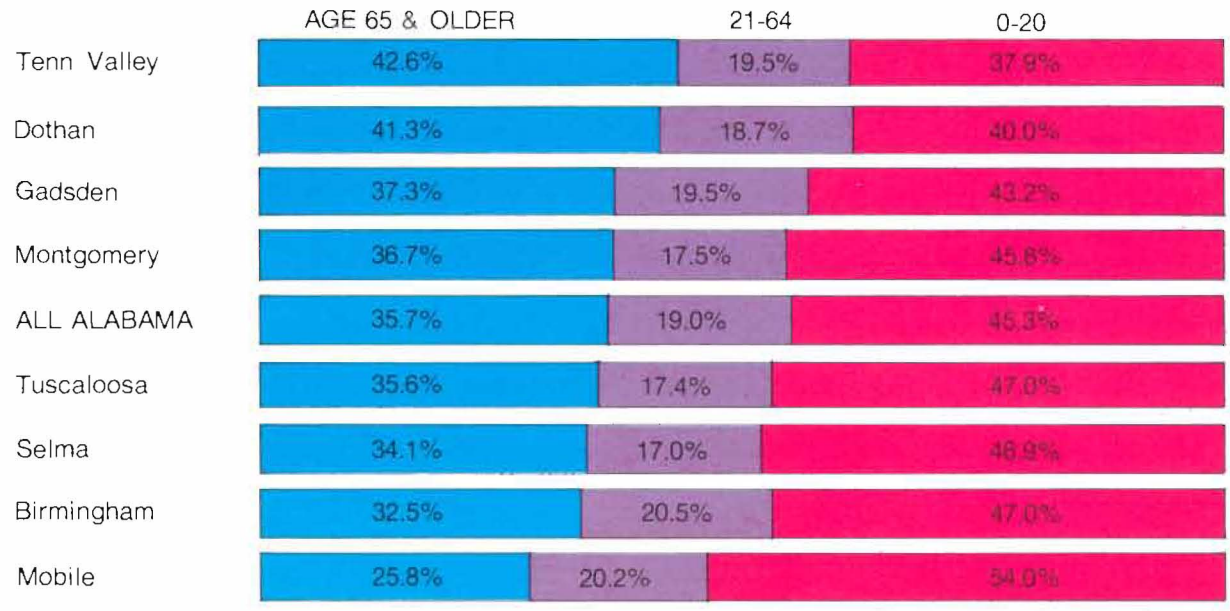
SEX, AGE, AND ELIGIBILITY

From Plate 14, it is apparent that the ratio of eligibles by sex is fairly constant throughout the districts, about 63% female to 37% male for the state. However, Plate 14 lower shows that the Mobile and Selma Districts have the highest percent of young eligibles, while the Tennessee Valley District has the highest percent of aged eligibles.

SEX, AGE, AND ELIGIBILITY

PLATE 14

Percent of eligibles by sex in each district
Percent of eligibles by age in each district



Source: Blue Cross Printout (#14)

MEDICAID PAYMENTS

There was $90,500,918 paid to vendors for Medicaid services in Alabama Fiscal Year 1973 (AFY '73). This figure includes the co-insurance and SSA payments, but does not account for refunds or third party recovered funds. An average monthly payment was $7,541,743. Plate 15 shows that nursing facility payments, both skilled and ICF, consumed 38.0% of the AFY '73 budget, while in AFY '72 the percentage was 29.8%, producing an increase of 8.2% in nursing facility expenditures. Some of this increase was attributed to the transfer of former mental health patients to nursing facilities under the Medicaid program. As is evident, there was a relative decrease in the percent of expenditures for skilled nursing care. Alabama did not have any intermediate care mental health facilities during AFY '73.

Hospital services ranked second in percentage of budget expenditures at 24.4% for both in-patient and out patient benefits. This was also an increase from the 23.0% for AFY '72. Physicians payments, including SSA payments, ranked third in budget expenditure with 21.8%, but this was a decrease from the 25.4% spent the previous year. Drugs ranked fourth at 12.0% which was a slight decrease over last year. This decrease can be attributed to allocating the contraceptives to the Family Planning Program, rather than to the drug program.

In AFY '73 there was significant expansion of the Screening Program which extended coverage to the 12-20 age-group of children as of April 1, 1973. The Dental Program also got its start in October, 1972, and Family Planning Services were implemented as of March 1, 1973. All of these factors will account for the increase of "Other Services" from 1.4% in AFY '72 to 2.1% in AFY '73.

Plate 16 shows relative distributions of expenditures by category, age, race, and sex. In AFY '73 over 61% of the payments were for benefits to Category 1 (Aged) recipients. The AFDC Adults and the disabled persons accounted for almost equal percentages of expenditures at 13.5% and 14.5% respectively, while the children accounted for 10% and the blind less than 1%.

By age group it is not surprising that those age 65 and over consumed 63% of the expenditures followed in declining age sequence by the middle adults at 25%, the school-age children at 7.9%, and the pre-school-age children at 3.6%. As the number of older persons who are eligible for Medicaid increases, the benefit payments will increase disproportionately for the over-65 group.

The whites consumed 54.5% of the expenditures and non-whites 45.5%, while females received 76% of the benefit dollar and the males received the remaining 24% of that dollar.

AFY '73

MEDICAID PAYMENTS

PLATE 15

By type of service

SERVICE	PAYMENTS	PERCENT OF PAYMENTS BY SERVICE AFY '73	PERCENT OF PAYMENTS BY SERVICE AFY '72
Skilled Nursing Facilities	$24,000,329	26.5%	28.8%
Intermediate Care Facilities	10,398,772	11.5%	8.0%
Hospital Inpatients	19,482,185	21.5%	20.4%
Hospital Outpatients	2,428,161	2.7%	2.6%
Physicians' Services	12,095,099	13.4%	12.6%
SSA	7,647,249	8.4%	12.8%
Drugs	10,894,298	12.0%	12.2%
Lab and X-Ray	1,682,227	1.9%	1.2%
Dental Service	551,677	.6%	
Optometrics	419,845	.5%	
Screening	306,341	.3%	
Home Health	262,730	.3%	
Other Services	332,005	.4%	1.4%
	$90,500,918	100.0%	100.0%

Source: SRS-NCSS-2078.12 (#11)

AFY '73

MEDICAID PAYMENTS

PLATE 16

By category
By age
By race
By sex

CATEGORY	PAYMENTS (Estimated)	PERCENT
Category 1 Aged	$55,296,064	61.1%
Category 2 Blind	814,508	.9%
Categories 3 & 7 Dependent Children	9,050,091	10.0%
Category 3 AFDC Adults	12,217,622	13.5%
Category 4 Disabled	13,122,633	14.5%
ALL CATEGORIES	$90,500,918	100.0%

AGE	PAYMENTS (Estimated)	PERCENT
65 & Over	$57,196,580	63.2%
21-64	22,896,733	25.3%
6-20	7,149,572	7.9%
Under 6	3,258,033	3.6%
ALL AGES	$90,500,918	100.0%

RACE	PAYMENTS (Estimated)	PERCENT
White	$49,323,000	54.5%
Non-White	41,177,918	45.5%
ALL RACES	$90,500,918	100.0%

SEX	PAYMENTS (Estimated)	PERCENT
Female	$69,142,701	76.4%
Male	21,358,217	23.6%
BOTH SEXES	$90,500,918	100.0%

Sources: Blue Cross Printout (#16), and Plate 15 of this publication

MEDICAID ELIGIBLES

During AFY '73 there were 368,706 unduplicated persons eligible for at least one month. The average number of eligible persons per month was 303,344. Plate 17 shows that the dependent children in Category 3 constitute the highest percentage of eligible persons followed by the aged in Category 1, then the AFDC adults in Category 3, the disabled in Category 4 and the blind in Category 2. The last three groups are much smaller than the first two.

Eligibles by category, race, and sex are described i Plate 18 with the factor of age replacing race and sex, i Plate 19. Referring to Plate 20, 63% of the eligibles wer female; 61% of eligibles were non-white, and 45% of th eligibles were young (under 21). It could be further state that 27% of the eligibles were females under age 21 bu that 25% were aged females. Also, 34% of the eligibles were young non-whites, and 21% aged whites.

AFY '73

MEDICAID ELIGIBLES

PLATE 17

By month
By year
Monthy average

DATE OF COUNT	CATEGORY 1 AGED	CATEGORY 2 BLIND	CATEGORIES 3&7 DEPENDENT CHILDREN	CATEGORY 3 AFDC ADULTS	CATEGORY 4 DISABLED	ALL CATEGORIES
Oct. 31, '72	117,495	1,979	120,799	39,340	19,395	299,008
Nov. 30, '72	116,670	1,988	121,803	39,677	19,590	299,728
Dec. 31, '72	116,500	1,996	122,234	39,860	19,681	300,271
Jan. 31, '73	119,288	2,003	123,046	40,222	19,877	304,436
Feb. 28, '73	118,949	2,005	124,003	40,698	19,975	305,630
Mar. 31, '73	118,393	2,003	124,892	41,081	20,199	306,568
Apr. 30, '73	117,968	2,002	124,650	40,959	20,317	305,896
May 31, '73	117,823	2,022	125,256	41,236	20,631	306,968
June 30, '73	117,571	2,030	125,052	41,232	20,779	306,664
July 31, '73	117,385	2,042	122,833	40,473	20,879	303,612
Aug. 31, '73	117,305	2,055	121,440	40,031	21,052	301,883
Sept. 30, '73	117,210	2,044	119,753	39,350	21,111	299,468
AVERAGE PER MONTH	117,713	2,014	122,980	40,347	20,290	303,344
TOTAL FOR YEAR	131,041	2,206	161,302	50,000	24,157	368,706

Sources: Department of Pensions and Security compilation (#5), and ABC Printout (#14)

AFY '73

MEDICAID ELIGIBLES

PLATE 18

Year's total, by category, race, and sex

DATE OF COUNT	CATEGORY 1 AGED	CATEGORY 2 BLIND	CATEGORIES 3&7 DEPENDENT CHILDREN*	CATEGORY 3 AFDC ADULTS*	CATEGORY 4 DISABLED	ALL CATEGORIES
White Male	22,549	555	18,718	2,607	6,275	50,704
White Female	54,017	570	19,450	10,146	7,754	91,937
Non-White Male	17,036	460	59,811	2,989	4,137	84,433
Non-White Female	37,439	621	63,323	34,258	5,991	141,632
ALL RACES & SEXES	131,041	2,206	161,302	50,000	24,157	368,706

*Estimates

Sources: Blue Cross Printouts (#14 and #15)

AFY '73

MEDICAID ELIGIBLES

PLATE 19

Year's total, by category and age

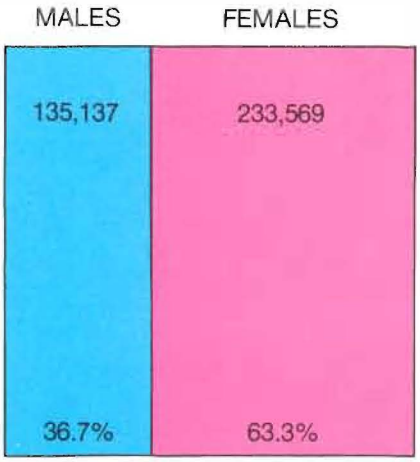
DATE OF COUNT	CATEGORY 1 AGED	CATEGORY 2 BLIND	CATEGORIES 3&7 DEPENDENT CHILDREN*	CATEGORY 3 AFDC ADULTS*	CATEGORY 4 DISABLED	ALL CATEGORIES
65 & Over	129,541	33	0	784	1,380	131,738
21-64	1,500	2,047	0	43,831	22,647	70,025
0-20	0	126	161,302	5,385	130	166,943
ALL AGES	131,041	2,206	161,302	50,000	24,157	368,706

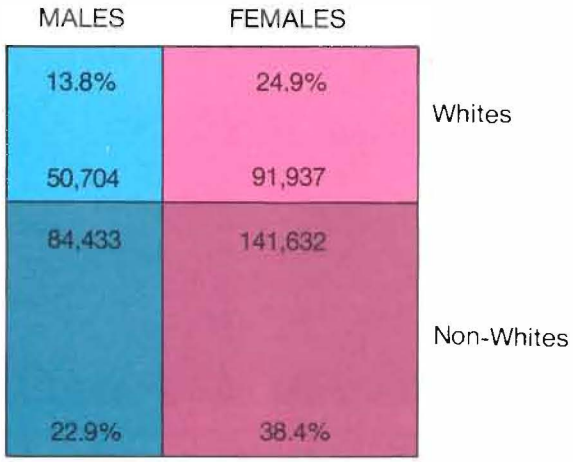
*Estimates

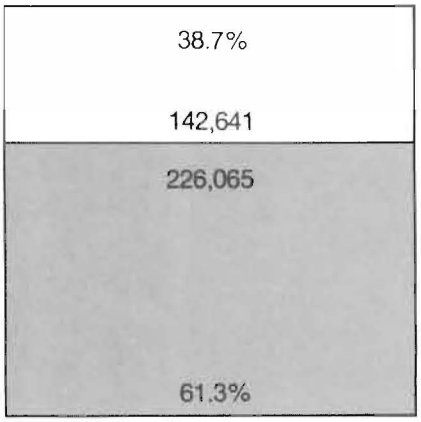
Sources: Blue Cross Printouts (#14 and #15), and Department of Pensions and Security letters (#6)

MEDICAID ELIGIBLES

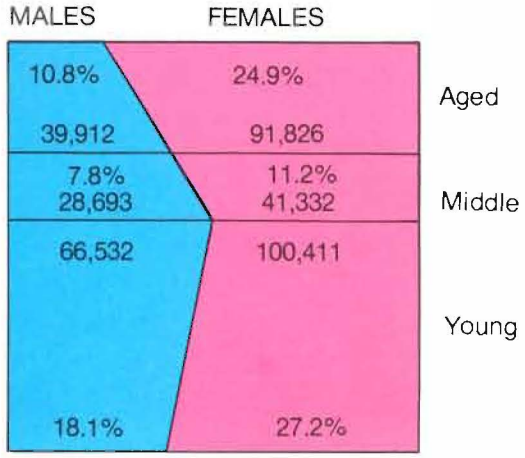
Year's total, by race, by sex, by age, by race and sex, by age and sex, by age and race

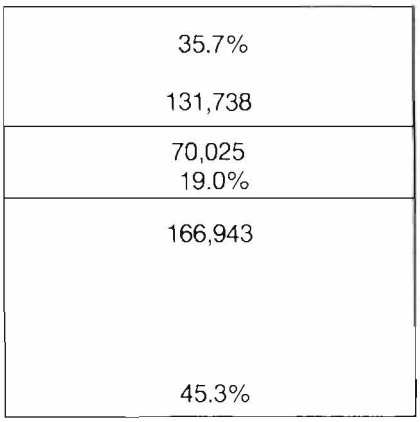




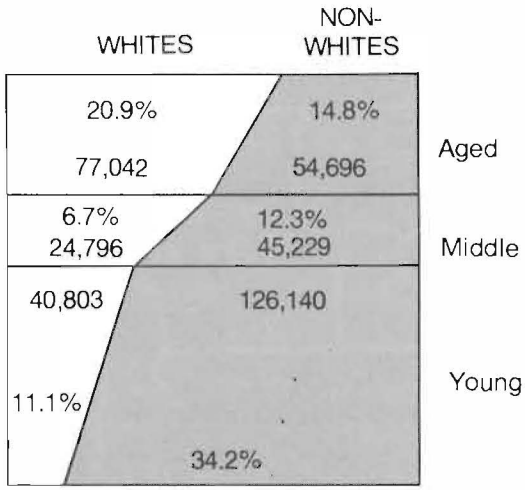


(estimates)





(estimates)

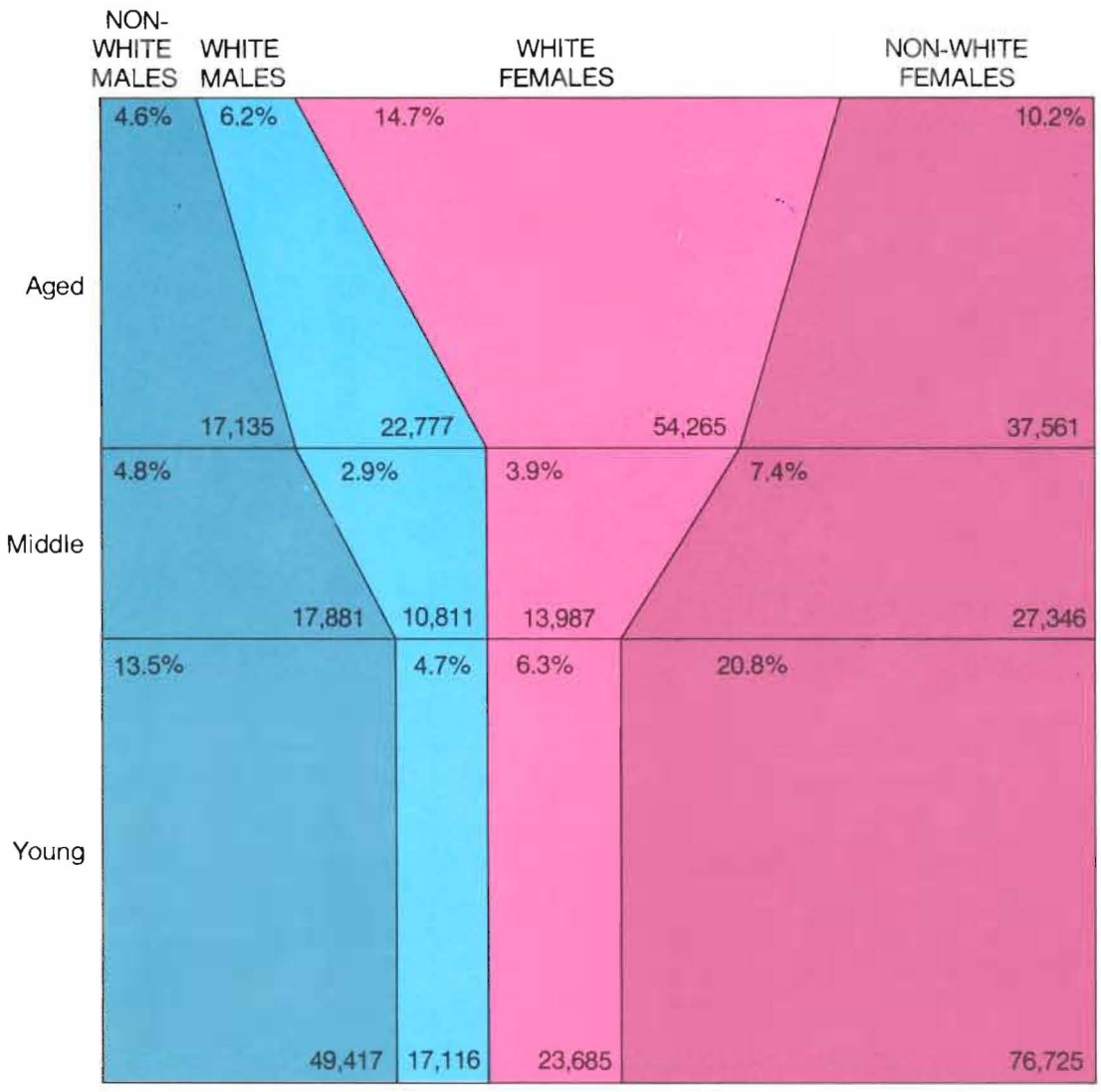


Sources: Blue Cross Printouts (#14 and #15)

AFY '73

MEDICAID ELIGIBLES

Year's total, by race, sex, and age (estimates)



Sources: Blue Cross Printouts (#14 and #15)

MEDICAID RECIPIENTS

For AFY '73 there were 260,583 unduplicated recipients out of the 368,706 eligibles showing a utilization rate of 71% . Some of these recipients had more than one type of service during the year, but each did receive one Medicaid benefit. The average number of recipients per month was 115,003 out of 303,344 eligibles per month, which shows that approximately 38% of the monthly eligibles enter the treatment cycle each month (Plate 22).

Characteristics of the recipients given in Plate 22 show that 69% are female, 63% are non-white, and 44% are aged (35% are young). "Young" here means under 21. "Aged" means age 65 or over.

By referring to the previous section on Medicaid Eligibles one can see that females utilize the available services somewhat more than males and the aged utilize the services much more than those under 65.

AFY '73

MEDICAID RECIPIENTS

PLATE 22

By month
By year
Average per month

DATE OF COUNT	CATEGORY 1 AGED	CATEGORY 2 BLIND	CATEGORIES 3&7 DEPENDENT CHILDREN	CATEGORY 3 AFDC ADULTS	CATEGORY 4 DISABLED	ALL CATEGORIES
Nov. '72	62,119	859	15,556	12,479	9,365	100,378
Feb. '73	58,518	926	23,085	15,533	10,663	108,725
May, '73	76,844	1,015	23,436	17,291	11,717	130,303
August, '73	66,158	1,041	23,587	17,505	12,314	120,605
AVERAGE PER MONTH	65,910	960	21,416	15,702	11,015	115,003
TOTAL FOR YEAR	112,478	1,869	85,426	40,941	19,869	260,583

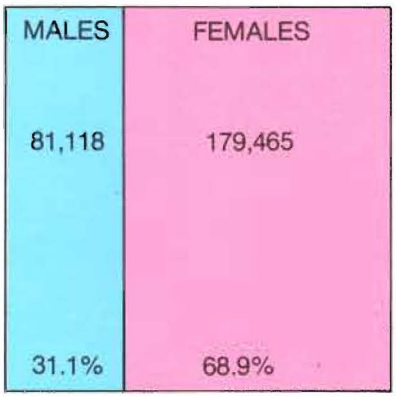
Sources: SRS-NCSS-2078.2 (#12), and SRS-NCSS-2082 (#13)

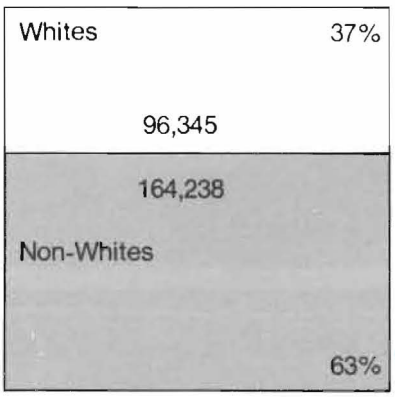
AFY '73

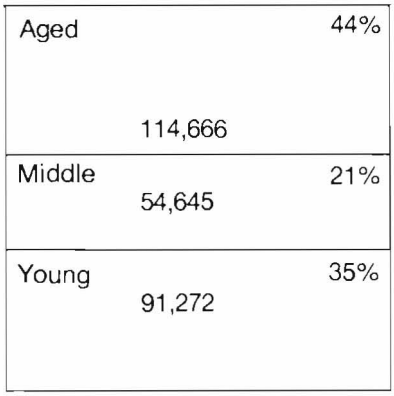
MEDICAID RECIPIENTS

PLATE 23

Year's total, by sex, by race, by age







Source: ABC Printout (#16)

AFY '73

MEDICAID RECIPIENTS

PLATE 24

Year's total, by category and age

DATE OF COUNT	CATEGORY 1 AGED	CATEGORY 2 BLIND	CATEGORIES 3&7 DEPENDENT CHILDREN	CATEGORY 3 AFDC ADULTS	CATEGORY 4 DISABLED	ALL CATEGORIES
65 & Over	112,478	33	0	779	1,376	114,666
21-64	0	1,743	0	34,539	18,363	54,645
0-20	0	93	85,426	5,623	130	91,272
ALL AGES	112,478	1,869	85,426	40,941	19,869	260,583

Source: ABC Printout (#16)

MAN-MONTHS

Man-months are a unit of measurement. By using them one can count the months of eligibility used by a group (a category, a sex, a race, or an age group). With two counts one can compare two groups (Plate 25), or trace the change between two time periods for a single group.

In addition to counting man-months of eligibility (MME), it is also necessary to count the number of months in which eligibles use their eligibility. These units (Plate 26) are called "man-months of medical service." (MMS)

To find the number of MME used in a month, count the number of people who were eligible that month, and likewise, for a year add the numbers used in all 12 months of that year. (An alternate way to calculate the MME for a year is by multiplying the monthly average by 12.)

In AFY '73 Medicaid paid for, 3,640,128 MME (Plate 25). Since these MME were used by 368,706 eligibles during the year, the average eligible held his eligibility card for 9.87 months during the year.

Using 9.87 months as the norm, it is seen that the aged, blind, and disabled held their cards for longer than this average time, while AFDC eligibles (particularly the children) held their cards for less than the average time. Plate 25 gives the average MME for each category.

Plate 26 shows the number of MMS that Medicaid paid for during the year. This total (1,380,036 MMS) is approximately 1/3 the total for MME (3,640,128 MME). This ratio of 1 to 3 indicates that the average eligible card holder used his card about every third month (He may have used it more than once a month.) In fact one would expect each average eligible to use his eligibility card for 3.74 man-months, while the average recipient would receive medical benefits during 5.30 months.

AFY '73

MAN-MONTHS OF ELIGIBILITY

PLATE 25

Year's total
Average per eligible, by category

DATE OF COUNT	CATEGORY 1 AGED	CATEGORY 2 BLIND	CATEGORIES 3&7 DEPENDENT CHILDREN	CATEGORY 3 AFDC ADULTS	CATEGORY 4 DISABLED	ALL CATEGORIES
Man-months of Eligibility	1,412,556	24,168	1,475,760	484,164	243,480	3,640,128
Annual Number of Eligibles	131,041	2,206	161,302	50,000	24,157	368,706
Average Months of Eligibility Per Eligible	10.78	10.96	9.14	9.68	10.08	9.87

Source: Plate 17 of this publication

AFY '73

MAN-MONTHS OF MEDICAL SERVICE

PLATE 26

Year's total
Average per eligible, by category
Average per recipient, by category

DATE OF COUNT	CATEGORY 1 AGED	CATEGORY 2 BLIND	CATEGORIES 3&7 DEPENDENT CHILDREN	CATEGORY 3 AFDC ADULTS	CATEGORY 4 DISABLED	ALL CATEGORIES
Man-months of received Medicaid Benefits	790,920	11,520	256,992	188,424	132,180	1,380,036
Number of Recipients	112,478	1,869	85,426	40,941	19,869	260,583
Man-months of Service Per Recipient	7.03	6.16	3.01	4.60	6.65	5.30
Man-months of Service Per Eligible	6.04	5.22	1.59	5.47	5.47	3.74

Sources: Plates 17 and 22 of this publication

TURNOVER RATES

Turnover rates are also a unit of measurement, to determine the rate at which old eligibles are replaced by new eligibles.

Among all eligibles in AFY '73, approximately 1/5 of the people who were eligible at the start of the year lost their eligibility during the year, and were replaced by new names on the eligibility list. More precisely, the percent was 19.3% (Plate 27), slightly less than 1 in 5. If this rate continues, it would take 5 years and 2 months for a complete turnover (Plate 27).

For aged and blind eligibles the turnover rate in AFY '73 was only about half as rapid. At last year's turnover rates these two groups would hold their cards approximately twice as long as the average of all eligibles. Dependent children turnover faster than average. The other two groups had turnover rates very close to the average rate.

AFY '73

TURNOVER RATES

PLATE 27

Expected length of eligibility, by category

DATE OF COUNT	CATEGORY 1 AGED	CATEGORY 2 BLIND	CATEGORIES 3&7 DEPENDENT CHILDREN	CATEGORY 3 AFDC ADULTS	CATEGORY 4 DISABLED	ALL CATEGORIES
Annual Turnover Rate in 1973	11.1%	9.5%	25%	21.1%	17.5%	19.3%
Expected Period of Eligibility	9 years	10 years 6 months	3 years 10 months	4 years 9 months	5 years 9 months	5 years 2 months

Source: Plate 17 of this publication

UTILIZATION RATES

Utilization rates measure the percent of eligibles who become recipients — that is, the percent of eligible persons who use their cards during the year. As Plate 28 shows, this percent last year, for all eligibles, was 70.7%. Among the aged the rate was much higher (85.8%) and among dependent children much lower (53%).

AFY '73

UTILIZATION RATES

PLATE 28

Percent of eligibles who used medicaid, by category

DATE OF COUNT	CATEGORY 1 AGED	CATEGORY 2 BLIND	CATEGORIES 3&7 DEPENDENT CHILDREN	CATEGORY 3 AFDC ADULTS	CATEGORY 4 DISABLED	ALL CATEGORIES
Eligibles (Year's Total)	131,041	2,206	161,302	50,000	24,157	368,706
Recipients (Year's Total)	112,478	1,869	85,426	40,941	19,869	260,583
Percent of Eligibles Who Became Recipients	85.8%	84.7%	53.0%	81.9%	82.2%	70.7%

Sources: Plates 17 and 22 of this publication

COST PER ELIGIBLE AND PER RECIPIENT

The measurements provided by man-months, turnover rates, and utilization rates, show that some groups (the aged, the blind, and the disabled) make more use of Medicaid than other groups. Plate 29 compares the cost per individual rather than comparing the cost per group. In Plate 29 the AFY '73 annual cost per person was *not* equal to 12 times his monthly cost. This is because the average person was not eligible for 12 months of the year.

On a monthly basis in AFY '73 the most expensive eligible was the disabled person, who cost $53.90 a month (35% more than a person age 65 or older). On an annual basis the disabled person remained the most expensive, costing $543 a year: but he had become only 25% more expensive than the person age 65 or older.

Plate 29 shows 2 cost comparisons for eligibles and recipients: cost per month and cost per year.

AFY '73

COST PER ELIGIBLE AND COST PER RECIPIENT

PLATE 29

Monthly costs
Annual costs

	COST PER MAN-MONTH OF ELIGIBILITY	COST PER MAN-MONTH OF MEDICAL SERVICES	ANNUAL COST PER ELIGIBLE	ANNUAL COST PER RECIPIENT
Age 65 & Over	$40.04	$	$434	$499
Category 2	33.70	70.70	369	436
Category 1	39.15	69.91	422	492
Category 4	53.90	99.28	543	660
Whites			346	512
Females	29.67		296	385
Ages 21-64	34.24		327	419
ALL CATEGORIES	24.86	65.58	245	347
Category 3-Adults	25.23	64.84	244.	298
Males	16.31		158	263
Non-Whites			182	251
Ages 0-20	6.75		162	114
Categories 3&7-Children	6.13	35.22	56	106

Sources: Plates 17 through 22 of this publication

COST AND USE PER SERVICE

Plate 30 takes 2 basic figures that have been used repeatedly in this report, and relates them to each other in a variety of ways.

The basic figures are:

1. Total cost for the year was $90,500,918
2. Total number of recipients for the year was 260,583

Section I is a refinement of Plate 15 which shows how much of total payments was spent for each service: $10,894,298 for drugs, $12,095,099 for physicians, etc. Plate 30 further divides these totals per service, to show how much of each total was used by each category. In an analogous way, Section II is a refinement of Plate 22. It shows how many of each category received each service. Section III is related to (but is not a refinement of) Plate 29, on annual costs per recipient. Section IV is a refinement of Plate 28, on utilization rates.

Plate 31 is a graphic presentation of Sections I and II of Plate 30. It demonstrates which services benefit the most people and which are the most expensive. The apparent inverse relationship between cost and number of persons benefitted is particularly evident here — nursing facility benefits cost the most but benefit very few people: drugs are provided to more people than any other service and yet the cost for this service is relatively small.

AFY '73

GROSS EXPENDITURES, COST PER RECIPIENT, & UTILIZATION RATE

PLATE 30

By Category

	DRUGS +	PHYSICIAN SERVICES	SSA	LAB & X-RAY	HOSPITAL IN-PATIENTS	HOSPITAL OUT-PATIENTS	OTHER PRACTI-TIONERS'	NURSING HOMES SKILLED	NURSING HOMES ICF	HOME HEALTH	DENTAL CARE	SCREENING	OTHER CARE	ALL SERVICES
Section I TOTAL COSTS ALL CATEGORIES	$10,894,298	$12,095,099	$7,647,249	$1,682,227	$19,482,185	$2,428,161	$419,845	$24,000,329	$10,398,772	$262,730	$551,677	$306,341	$332,005*	90,500,918
Category 1 Aged	$7,517,066	$3,991,383	$7,644,190	$773,824	$3,506,793	$461,351	$188,930	$22,056,302	$8,841,956	$144,501	0	0	$125,117	$55,251,413
Category 2 Blind	108,943	120,950	2,294	16,827	389,644	24,281	4,199	86,401	100,468	7,698	17	0	55	861,777
Category 3&7 Dependent Children	653,658	2,781,873	0	252,330	3,701,615	874,138	100,763	0	0	0	545,079	306,341	0	9,215,797
Category 3 AFDC Adults	1,089,430	3,386,628	765	386,912	6,429,121	679,885	88,167	2,401	520	6,227	5,636	0	206,675*	12,282,367
Category 4 Disabled	1,525,201	1,814,265	0	252,334	5,455,012	388,506	37,786	1,855,225	1,455,828	104,304	945	0	158	12,889,564
Section II UNDUPLICATED # OF RECIPIENTS - ALL CATS	208,043	189,624	114,099	100,119	57,500	66,994	22,872	10,088	5,321	1,123	8,094	0	4,681**	260,583
Category 1 Aged	96,626	82,100	114,054	54,603	29,429	20,297	10,312	9,209	4,562	710	0	0	4,671	112,478
Category 2 Blind	1,613	1,416	34	656	420	516	136	28	35	18	1	0	5	1,869
Category 3&7 Dependent Children	58,832	60,397	0	21,686	9,032	27,340	5,640	0	0	0	7,971	30,634†	0	85,426
Category 3 AFDC Adults	33,423	31,421	11	16,202	12,936	13,843	4,792	8	1	38	110	0	—**	40,941
Category 4 Disabled	17,547	14,290	0	6,972	5,683	4,998	1,992	843	723	357	12	0	5	19,869
Section III COST PER RECIPIENT - ALL CATS	$52	$64	$67	$17	$339	$36	$18	$2,398	$1,954	$224	$68	0	—	$347
Category 1 Aged	78	49	67	14	119	23	18	2,395	1,938	204	0	0	—	491
Category 2 Blind	18	85	67	26	928	47	31	3,086	2,871	428	17	0	—	461
Category 3&7 Dependent Children	11	46	0	12	410	32	18	0	0	0	68	10	—	108
Category 3 AFDC Adults	33	108	70	24	497	49	18	300	520	164	51	0	—	300
Category 4 Disabled	87	127	0	36	960	78	19	2,201	2,014	292	79	0	—	649
Section IV UTILIZATION RATE§ ALL CATEGORIES	56%	51%	—	27%	16%	18%	6%	3%	1%	0.3%	2%	N/A	—	71%
Category 1 Aged	74	63	—	42	23	16	8	7	4	0.5	—	—	—	86
Category 2 Blind	73	64	—	30	19	23	6	1	2	0.8	—	—	—	85
Category 3&7 Dependent Children	37	37	—	13	6	17	4	—	—	—	5	N/A	—	53
Category 3 AFDC Adults	67	63	—	32	26	28	10	—	—	0.1	—	—	—	81
Category 4 Disabled	73	59	—	29	24	21	8	4	3	1.5	—	—	—	82

+ This figure excludes Family-Planning Drugs (see other care).

§Utilization Rate is defined as the number of recipients in a designated category who used a particular service divided by the number eligible in that designated category.

' Other Practitioners includes Optometric charges and hearing service charges.

† This Screening figure includes children paid for by both Blue Cross & Equitable (for closeout business). Therefore, it will not correspond to text information.

N/A — Not Available

Source: ABC and BC Printouts (#14 and #16)

* Other Care includes Family-Planning and Comp A & B payments for emergency services and some medical supplies and equipment. The amount in Categories 1, 2, & 4 is for Comp payments; the amount in Category 3 is for Family-Planning, including drugs.

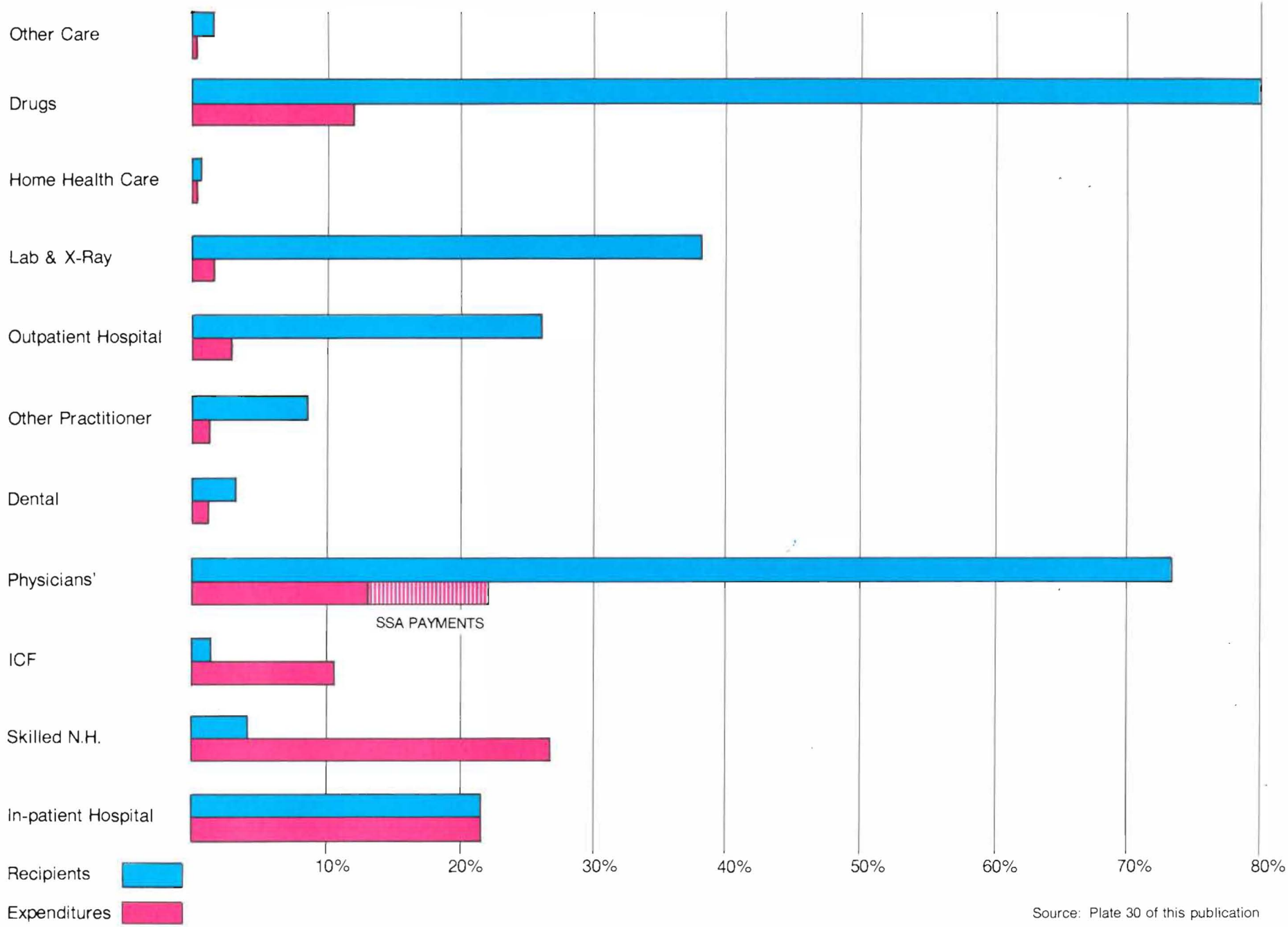
** This count of recipients does *not* include Family-Planning recipients — Category 3 recipients are unknown.

By type of service

AFY '73

PLATE 31

COMPARISON OF PERCENT OF RECIPIENTS TO PERCENT OF EXPENDITURES



Source: Plate 30 of this publication

SELECTED PROGRAM REVIEWS

I. Physicians' Program

II. Screening Program

III. Pharmaceutical Program

IV. Long-Term-Care Program

PHYSICIANS' PROGRAM

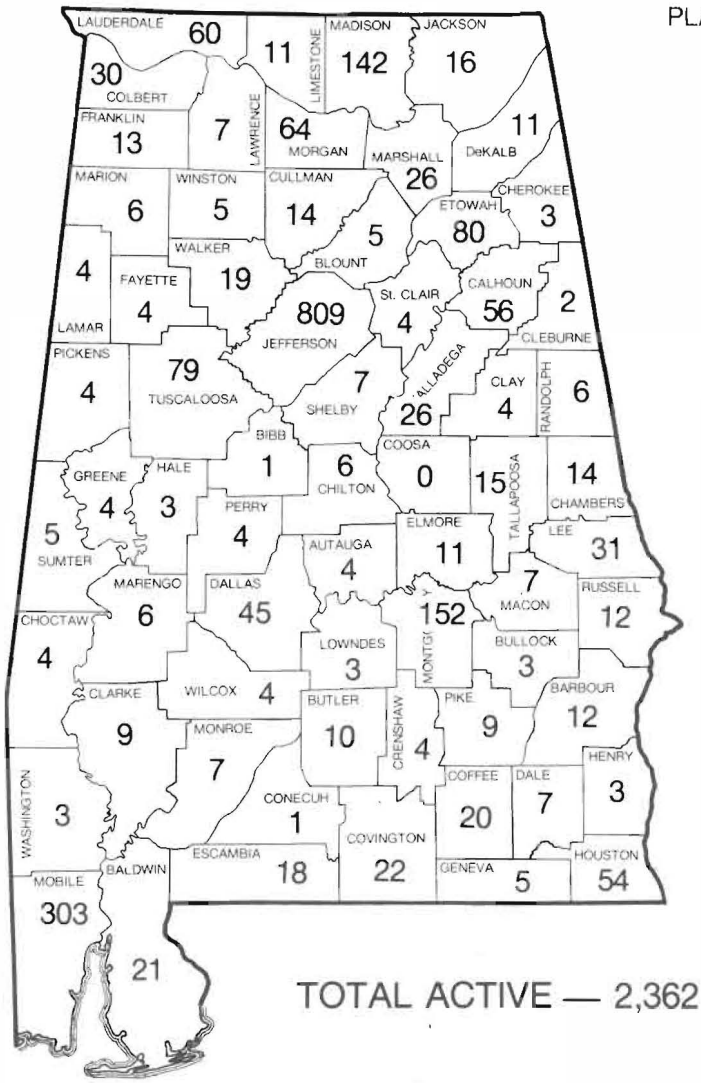
Doctors of Medicine or Osteopathy, in Alabama, initiate most medical care — they either provide it directly or by prescribing or arranging for additional health benefits, such as drugs, nursing care, laboratory tests, or devices, or by admitting patients to medical institutions and directing the medical care therein. According to the state Medical Association there were 2,362 active Doctors of Medicine in Alabama as of July, 1973. (See Plate 32) There were additional physicians who were designated as retired, semi-retired, public health, military, etc., but only the active physicians were serving in full capacity to the community.

PLATE 32

1973

PHYSICIANS' PROGRAM

Number of active physicians, by county



Source: MASA survey (#9)

Physicians in Alabama may participate in the Medicaid Program as general medical practitioners or specialists. Doctors of Dentistry and Optometry also participate. In the Screening Program physicians must sign agreements with the Medical Services Administration to provide child screening services because of cost limitation; however, in the other programs physicians are not required to sign agreements. They may provide medically necessary care to any eligible person who requires such care. According to the IRS 1099 Report during 1973, there were 1,879 physicians who were reimbursed by Medicaid funds for care provided to Medicaid recipients, excluding deductible and co-insurance payments for Medicare patients. This does not include the dentists, who will be discussed in the next section.

Plate 33 lists the thirty most common procedures billed by the physicians for Medicaid patients during AFY '73. Plate 34 lists the "Top Ten Types of Procedures" by expenditure. Perhaps, it is somewhat surprising that the third highest expenditure is for obstetrical service. Both of these plates refer only to payments made to physicians and dentists. They do not include hospital payments.

AFY '73

PHYSICIANS' PROGRAM

Thirty most common procedures.

PLATE 33

RANK	PROCEDURE	# PRO-CEDURES	RANK	PROCEDURE	# PRO-CEDURES
1.	Follow-Up Office Visit	188,887	16.	Lab., glucose test	7,950
2.	Routine Injection	111,676	17.	Lab., Sickle Cell Preparation	7,347
3.	Child Care, Routine Office Visit	58,796	18.	Lab., Papsmear	7,085
4.	Routine Urinalysis	50,111	19.	Dental, Routine Extraction Single	6,942
5.	Emergency Room, Outpatient Hosp.	26,199	20.	X-Ray Chest, 2 Views	6,618
6.	Screening Claim	25,823	21.	Child Care, Initial Office Visit	6,223
7.	Follow-Up Hospital Visit	17,546	22.	Dental, Amalgam, 2 Surf., Perm.	6,077
8.	Lab., Hemoglobin	15,449	23.	Dental, Prophylaxis, Scaling, Pol.	5,632
9.	Follow-Up Office Visit, Prolonged	14,959	24.	Dental, Application-Stan. Fl.	5,596
10.	Initial Office Visit, Com. History	13,781	25.	Dental, Initial Exam & Treat. Plan	5,259
11.	Lab., Complete Blood Count	12,725	26.	Dental, Intraoral Periapical Radg.	5,011
12.	Dental, Amalgam, 1 Surf., Perm.	11,241	27.	Dental, Amalgam, 2 Surf.-Decid.	4,962
13.	Initial Hospital Visit	11,044	28.	Eye Exam, Complete Visual Exam	4,143
14.	Complete Urinalysis	10,884	29.	Pre-School Therapy	4,139
15.	Lab., Hematocrit, PCV	9,220	30.	X-Ray, Single View	3,969

PLATE 34

Top ten types of physician prodedures, by expenditure

RANK	PROCEDURE TYPE	AMOUNT	RANK	PROCEDURE TYPE	AMOUNT
1.	Office Visits	$2 Million	6.	Gynecological Services	0.3 Million
2.	Hospital Visits	1 Million	7.	Emergency Room Services	0.3 Million
3.	Obstetrical Services	0.9 Million	8.	Screening	0.3 Million
4.	Routine Injections	0.6 Million	9.	Laboratory Services	0.2 Million
5.	Dental Services	0.5 Million	10.	Urinalysis	0.2 Million

Source: ABC Printout (#17)

Psychiatric or psychological evaluation or testing are covered services, if these services are rendered by a physician in person and are medically necessary. During AFY '73 Medicaid paid $88,550 for psychiatric services, including $7,736 for electroshock treatments. One physician has also been authorized to use methadone therapy.

The use of Physicians' Assistants is recognized by Medicaid. In accordance with the rules and regulations under Act 1948, Regular Session of the Alabama Legislature, 1971, Physicians' Assistants can be utilized as quoted: "The physician's assistant is only to work when the physician is present or on duty." The physician's assistant may not make physician required visits to medical facilities to qualify for payment to the physician or to satisfy current regulations as to physician visits.

Physicians submitted claims for services to 189,624 persons during AFY '73. Of these recipients, 12% were under six years old, 44% were over age 65 and the remainder were divided equally between ages 6-20 and ages 21-64.

Plate 35 also shows that 31% of these recipients were male, and 35% were white.

AFY '73

PHYSICIANS' PROGRAM

PLATE 35

Number of recipients by age, by sex, and by race

Total Recipients	189,624	Sex	
Age		Male	31%
Under Age 6	12%	Female	69%
Age 6-20	22%	Race	
Age 21-64	22%	White	35%
Age 65-over	44%	Non-White	65%

Source: SRS-NCSS-2082 (#13)

For FFY '73 ending June 30, 1973, the SRS-NCSS-2082 Report provided information on the cost and number of physician visits by place of visit. Plate 36 presents the average cost per physician visit for FFY '73. Notice that the most expensive visit was to a hospital outpatient clinic, undoubtedly because this usually is for emergency care.

FFY '73

PHYSICIANS' PROGRAM

PLATE 36

Average cost by type of physician visit

	COST	VISITS	COST/VISIT
Total	$4,074,865	640,638	$6.36
Office Visit	2,681,131	479,494	5.59
Home Visit	19,793	2,647	7.48
Hospital (With In-patient)	1,128,135	131,142	8.60
Hospital Out-patient Clinic	214,023	21,525	9.94
Skilled Nursing Facility	19,956	2,985	6.69
Intermediate Care Facility	2,304	357	6.45
Elsewhere	9,523	2,488	3.83

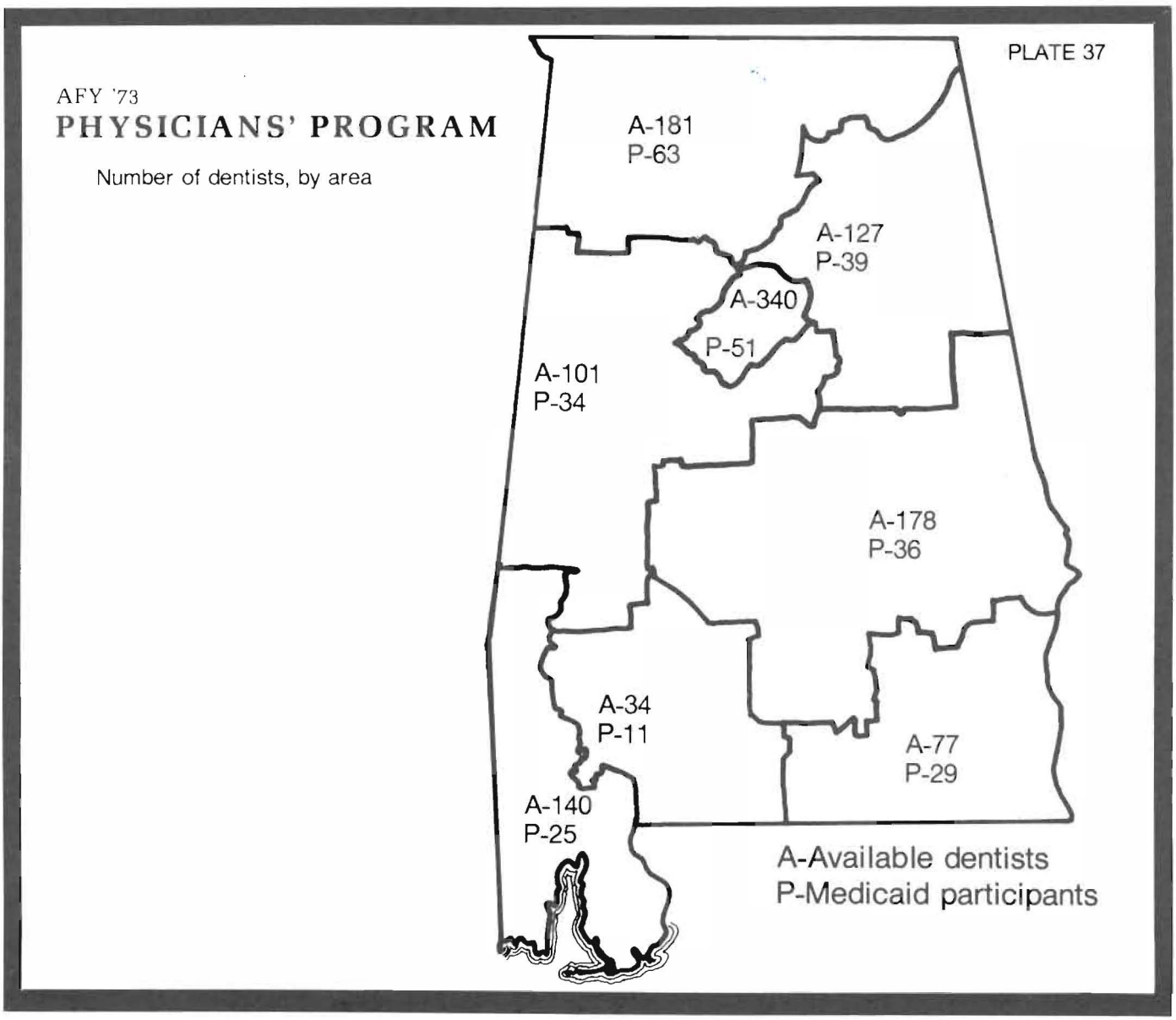
Source: SRS-NCSS-2082 (#13)

Dentists

The Dental Program was initiated in October, 1972, for all eligible persons under twenty-one years of age. A provider for the Dental Program must be a Doctor of Dentistry, licensed in the state in which the service is provided, and in the private practice of dentistry or in a dental clinic approved to render care for Medicaid patients. Under Medicaid, dental health care is provided as part of the Early and Periodic Screening, Diagnosis and Treatment Program. Eligible persons in the over 21 age group are limited to dental procedures which are considered as (a) surgery related to the jaw, (b) the reduction of any fracture related to the jaw or facial bones, or (c) surgery within the oral cavity for removal of lesions or the correction of congenital defects.

Effective in August, 1973, every person who received the health screening examination was to be referred to a dentist if he had not had a check-up within the calendar year.

Plate 37 shows the number of available dentists by area, as defined by Blue Cross, and the number of Medicaid participating dentists. These are dentists who have billed the intermediary for dental services rendered to eligible persons. The participation rate for Alabama dentists, as of September, 1973, was 24% — out of 1,178 dentists, 288 had provided care. This care was provided to 8,107 out-patient and 21 in-patient recipients. During the year, the county health department dental clinics treated 445 recipients and were reimbursed almost $7,000.



Source: ABC Printout (#18)

SCREENING PROGRAM

The County Health Departments have played an important part in the success of the Medicaid program. They have helped particularly in providing services for child screening and also in Home Health, Laboratory, Family-Planning, and Dental Programs. In AFY '73 the health departments were paid $521,316.

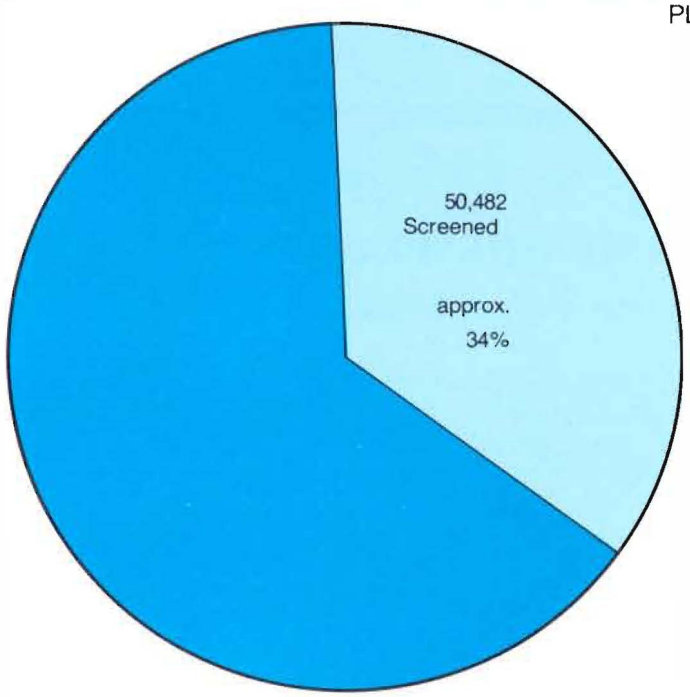
Alabama has 725,000 residents under age 12, and 775,000 more from 12 through 20 — totaling 1-1/2 million under 21. When last year began 78,000 were eligible for screening, all of them under age 12. In April the age limit was raised to include all under 21, and for the rest of the year eligibles averaged 129,000 per month. Throughout the year a total of 165,000 had been eligible at one time or another — over 1/10 of the 1-1/2 million Alabamians now under age 21.

Of this number a total of 26,995 (Plate 39) were screened in '72-'73 — an average of 2,250 a month. To put this average in perspective, however, it is important to add that the number screened per month was rising rapidly at the end of the year. The average for the last half of the year was up to 2,761 per month. The total children screened since October, 1971 was over 50,000 by the end of AFY '73, approximately 34% of the children who were eligible during that time. (Plate 38)

PLATE 38

AFY '73
SCREENING PROGRAM

Percent screened, all Alabama,
since October, 1971



Sources: County Health Officers (#8), and Department of Pensions and Security (#5)

PLATE 39

AFY '73
SCREENING PROGRAM

Number of children screened
Number of conditions referred

DISTRICT	NUMBER OF ELIGIBLE CHILDREN AFY '73	NUMBER OF CHILDREN SCREENED AFY '73	NUMBER OF CONDITIONS REFERRED AFY '73
1. Tennessee Valley		4,199	5,669
2. Tuscaloosa		1,847	4,686
3. Birmingham		7,294	9,388
4. Gadsden		2,913	4,230
5. Montgomery		2,997	3,188
6. Selma		3,030	4,378
7. Dothan		2,340	2,938
8. Mobile		2,375	2,547
ALL ALABAMA	165,597	26,995	37,024

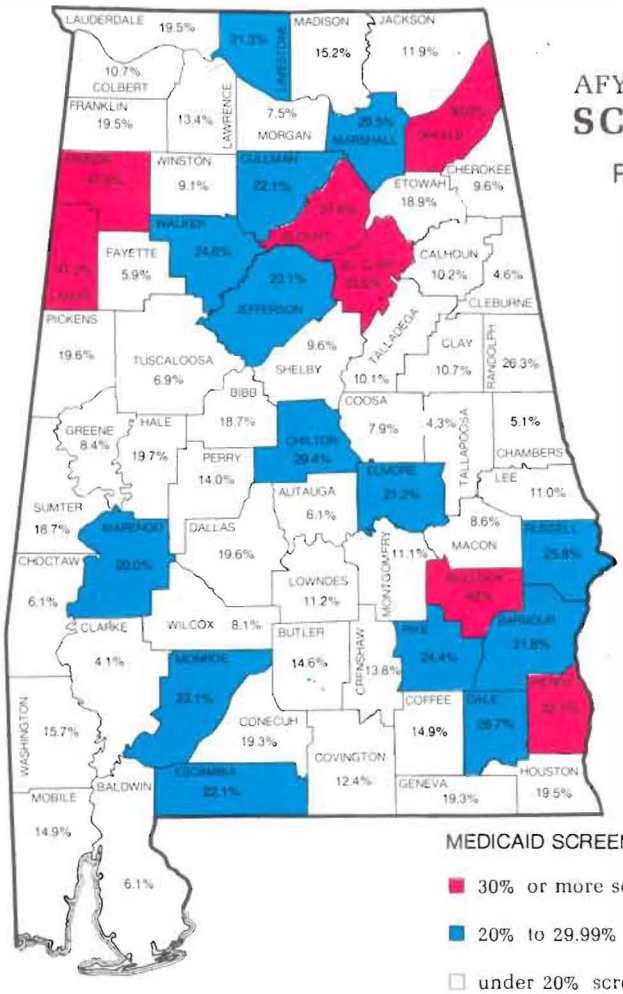
Source: County Health Officers (#8)

For the whole state the 26,995 screened in '72-'73 was approximately 16.4% of those eligible during the year. In 7 counties however, this percentage ran 30% or more. (Plate 40)

PLATE 40

AFY '73
SCREENING

Percent Screened, by county



MEDICAID SCREENING PROGRAM

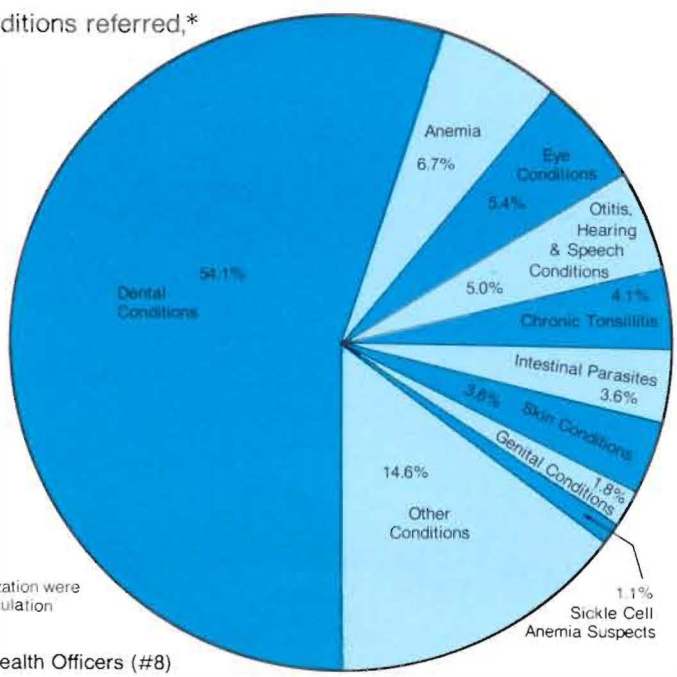
- 30% or more screened in AFY '73
- 20% to 29.99% screened in AFY '73
- under 20% screened in AFY '73

Source: County Health Officers (#8), and ABC Printout (#14)

AFY '73
SCREENING PROGRAM

PLATE 41

Percent of conditions referred,* all Alabama



*Referrals for immunization were excluded from the calculation of these percentages.

Source: County Health Officers (#8)

Plate 41 depicts referrals in a different way. This chart excludes referrals for immunization and deals only with referrals for treatment — which totaled 21,124. The chart shows, for the whole state, the percent of referrals for each of 10 kinds of conditions that needed treatment.

Plate 42 shows how many referrals, of each kind, came from each health district. Plate 43 shows the percent of the districts' referrals which were for six specified conditions.

The purpose of this graph is to stress areas where specific problems appear. For example, the Mobile Area reports a high amount of eye condition referrals; Montgomery reports significant anemia conditions; Selma has a very high level of reports on intestinal parasites.

Although immunizations are not required to be reported by the health agency, many of the counties are doing so. Medical Services Administration has been very pleased with this attempt to protect the children from unnecessary health problems.

AFY '73

SCREENING PROGRAM

PLATE 42

Number and percent of conditions referred

	TENNESSEE VALLEY DISTRICT		TUSCALOOSA DISTRICT		BIRMINGHAM DISTRICT		GADSDEN DISTRICT		MONTGOMERY DISTRICT		SELMA DISTRICT		DOTHAN DISTRICT		MOBILE DISTRICT		ALL ALABAMA	
1. Dental Conditions	2,298	40.5%	1,218	39.1%	3,575	38.0%	1,984	47.0%	1,508	49.2%	2,005	41.5%	1,455	50.0%	1,442	56.6%	15,485	43.3%
2. Eye Conditions	249	4.3%	100	3.2%	239	2.5%	148	3.5%	122	4.0%	212	4.4%	113	3.9%	347	13.6%	1,530	4.3%
3. Otitis, Hearing & Speech Conditions	408	7.2%	96	3.1%	309	3.3%	312	7.4%	52	1.7%	121	2.5%	45	1.5%	74	2.9%	1,417	4.0%
4. Nasal Conditions	7	.1%	12	.4%	12	.1%	8	.2%	11	.3%	19	.4%	5	.2%	3	.1%	77	.2%
5. Chronic Tonsillitis	148	2.6%	226	7.3%	158	1.7%	276	6.5%	42	1.4%	112	2.3%	86	2.9%	18	.7%	1,066	3.0%
6. Enlarged Lymph Glands	98	1.7%	32	1.0%	31	.3%	100	2.4%	9	.3%	144	3.0%	5	.2%	5	.2%	424	1.2%
7. Skin Conditions	166	2.9%	189	6.1%	218	2.3%	63	1.5%	57	1.9%	149	3.1%	48	1.6%	24	.9%	914	2.6%
8. Heart & Circulatory Conditions	138	2.4%	26	.8 %	95	1.0%	51	1.2%	23	.7%	54	1.1%	30	1.0%	29	1.1%	446	1.2%
9. Asthma	42	.7%	6	.2%	9	.01%	21	.5%	4	.1%	21	.4%	8	.3%	1	.03%	112	.3%
10. Anemia	380	6.7%	191	6.1%	214	2.3%	333	7.9%	324	10.6%	125	2.6%	85	2.9%	118	4.6%	1,770	5.0%
11. Sickle Cell Anemia Suspects	28	.5%	67	2.2%	5	.05%	15	.4%	37	1.2%	79	1.6%	45	1.5%	5	.2%	281	.8%
12. Hernia	29	.5%	12	.4%	39	.4%	18	.4%	26	.8%	56	1.2%	7	.2%	7	.3%	194	.5%
13. Mental & Neurological Conditions	34	.6%	10	.3%	42	.4%	16	.4%	14	.4%	37	.8%	12	.4%	25	1.0%	190	.5%
14. Genital Conditions	130	2.3%	48	1.5%	56	.6%	73	1.7%	26	.8%	85	1.8%	24	.83%	4	.2%	446	1.2%
15. Urinary Tract Infections	36	.6%	8	.3%	52	.6%	15	.4%	9	.3%	9	.2%	10	.3%	8	.3%	147	.4%
16. Albuminuria & Diabetes	32	.6%	50	1.6%	15	.1%	27	.6%	13	.4%	45	.9%	5	.2%	13	.5%	200	.6%
17. Hyperthyroidism	10	.2%	5	.2%	2	.02%	0		5	.1%	1	.02%	0		0		23	.0%
18. Orthopedic & Musculoskeletal Conditions	97	1.7%	46	1.5%	67	.7%	24	.6%	38	1.3%	37	.8%	28	1.0%	6	.2%	343	1.0%
19. Intestinal Parasites	212	3.7%	57	1.8%	77	.8%	71	1.7%	116	3.8%	271	5.6%	93	3.2%	57	2.2%	954	2.1%
20. Positive Tuberculin Test	8	.15%	30	1.0%	39	.4%	5	.1%	23	.7%	23	.5%	3	.1%	10	.4%	141	.4%
21. Indication of Child Abuse	1	.01%	1	.03%	1	.01%	0		0		1	.02%	0		0		4	.0%
22. Pregnancy	5	.08%	1	.03%	9	.09%	0		10	.3%	6	.1%	5	.2%	3	.1%	39	.3%
23. Venereal Disease	3	.05%	0		3	.03%	10	.2%	3	.09%	1	.02%	1	.03%	0		21	.0%
24. Family Planning Referrals	11	.2%	5	.2%	30	.3%	9	.2%	15	.4%	14	.3%	19	.6%	6	.2%	109	.3%
25. Immunizations	751	13.2%	585	18.8%	3,658	39.0%	510	12.1%	405	13.2%	843	17.5%	668	22.9%	216	8.5%	7,636	21.4%
26. Other	348	6.1%	91	2.9%	433	4.6%	132	3.1%	171	5.6%	360	7.5%	112	3.9%	126	4.9%	1,773	5.0%
TOTAL	5,669		3,112		9,388		4,221		3,063		4,830		2,912		2,547		35,742	

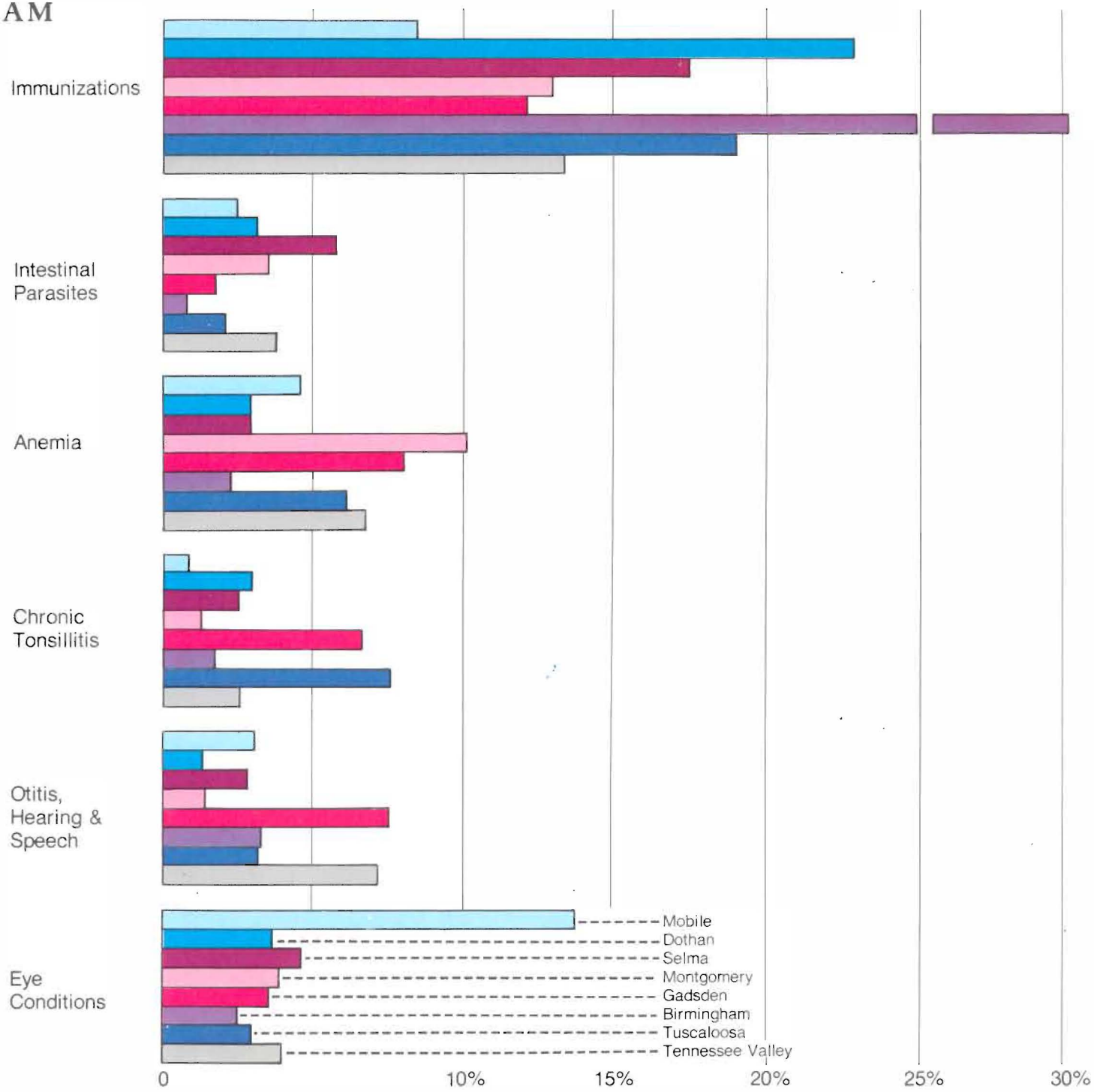
Source: County Health Officers (#8)

AFY '73

SCREENING PROGRAM

PLATE 43

Percent of selected conditions referred by district



Source: County Health Officers (#8)

PHARMACEUTICAL PROGRAM

The Alabama Medicaid Pharmaceutical Program has been operative since January, 1970. Providing drugs to Medicaid recipients is a state option under Title XIX. In other words, the Pharmaceutical Program is not a mandatory one by law. However, the benefits of this program far outweigh the appropriations required for it to function. Many patients who receive care from other state agencies, are able to receive drugs from the Medicaid Program with no cost to those state agencies.

Throughout Medicaid's history, the Pharmaceutical Program has operated to assure physicians a reasonable choice of drug therapy — a broad enough choice to support the normal practice of medicine. There always has been a strong desire to prevent any discrimination in medical treatment of Medicaid recipients. Therefore, the Alabama Drug Code Index (ADCI) has offered a selection of more than 3,000 drugs covering over fifty therapeutic categories. Additions are made to the ADCI periodically with special attention given to keeping the drug list current, and effective. The physicians, as well as the pharmacists, are notified of these revisions, and also of revised policies and procedures.

The continuous cooperation of the intermediary who has handled the Pharmaceutical Program since its inception has contributed significantly to the overall success of this program. Current and adequate information has been provided to Medical Services Administration on a regular basis for the past four years. To a great extent, this reliability has enabled Medicaid payments to be made on a timely basis and patient needs to be served at the same time.

As of September, 1973, there were 984 providers who had signed contracts to dispense medication under the rules and regulations proposed by Medicaid. These providers are reimbursed by means of a bank draft which is imprinted with certain pertinent information and then deposited in a bank, just like a check. After traveling through the Federal Reserve System, the draft is processed for payment (pre-audited and either paid or rejected) at the Central Bank of Alabama, N. A. in Decatur. The draft must be paid or returned within 48 hours of receipt.

During AFY '73 the intermediary paid 3,033,764 drafts for $10,934,925.57 (this includes family-planning drugs). The reject rate for AFY '73 was 1.85% — that is, of all the claims processed, only 1.85% were returned to the pharmacists. A claim may be rejected for incorrect data regarding recipient number, drug code, or pharmacy number, or combinations thereof. Any suspected price overages are billed to the provider at the end of the month, and then incoming checks reduce the standing accounts receivable. There is an imprinter rental charge of $4.00 per month, which is also billed to the provider monthly.

The average cost per eligible person for drugs in AFY '73 was $29.66 per year, as shown in Plate 44. The average number of prescriptions per eligible person varies from 2.5 prescriptions for the AFDC Category up to 17 prescriptions for the disabled eligibles, to give an average of 8 claims per eligible per year.

AFY '73

PHARMACEUTICAL PROGRAM

PLATE 44

Cost per eligible and claims per eligible

	ELIGIBLES	EXPENDITURES	CLAIMS	# CLAIMS/ ELIGIBLE	COST/ ELIGIBLE/YR.
TOTAL	368,706	$10,934,925.37	3,033,764	8 Rx's	$29.66
CATEGORY 1 Aged	131,041	$ 7,554,283.52	2,068,163	16 Rx's	$57.65
CATEGORY 2 Blind	2,206	$ 117,436.90	30,805	14 Rx's	$53.24
CATEGORY 3 AFDC	211,302	$ 1,764,541.43	532,228	2.5 Rx's	$ 8.35
CATEGORY 4 Disabled	24,157	$ 1,503,388.47	402,568	17 Rx's	$62.23

Source: CCS Printout (#20)

Plate 45 shows the characteristics of the drug recipients. The most expensive drug users were the aged. More than 30% of the recipients were under 21 years old. Almost 70% of the drug recipients were female and 62% of the drug recipients were non-white, although the non-whites cost less than the 38% who were white.

AFY '73

PHARMACEUTICAL PROGRAM

Drug recipients and expenditures

PLATE 45

	DRUG RECIPIENTS	DRUG EXPENDITURES
ALL CATEGORIES	208,043	$10,934,925
CATEGORY		
Category 1 Aged	96,268	$7,554,283
Category 2 Blind	1,613	$ 117,437
Category 3		
All AFDC	92,255	$1,759,817
AFDC Adults	33,423	$1,073,761
AFDC Children	58,832	$ 686,056
Category 4 Disabled	17,547	$1,503,389
AGE:		
Under 6 Years	23,680	$ 293,210
6-20 Years	39,655	$ 465,835
21-64 Years	46,314	$2,460,265
65-Over	98,394	$7,715,616
SEX:		
Male	62,925	$2,846,152
Female	145,118	$8,088,773
RACE:		
White	78,227	$6,123,860
Non-White	129,816	$4,811,065

Source: SRS-NCSS-2082 (#13)

Nursing Facility Drug Recipients

The Alabama Medicaid Pharmaceutical Program provides drugs to nursing facility patients, as well as to outpatients. Of the total expenditures for drugs, 13% was for drugs provided to nursing facility patients, an amount of $1,526,349. There were 13,745 unduplicated nursing facility patients who received 450,171 prescriptions during calendar year 1973. The average cost for a nursing facility prescription was $3.39 (including the dispensing fee), which is below the overall average of $3.66 per prescription. The average number of prescriptions per nursing facility recipient was almost 33 per year compared to around 15 per year (3,033,764 prescriptions for 208,043 recipients) for the total drug recipient population. Likewise, while the average cost per drug recipient was $52.56 ($10,934,925 per 208,043 recipients), the cost per nursing facility drug recipient was more than double at $111.04 per year.

The top 25 drugs dispensed to Alabama nursing facility patients under Medicaid are shown in Table 46. Almost 25% of all nursing facility prescriptions were for 13 drugs, while almost 35% of the prescriptions were for 25 drugs.

CY '73

PHARMACEUTICAL PROGRAM

PLATE 46

Rank of nursing facility drugs by number of charges

RANK	# CHARGES	DRUG
1.	17,567	Lanoxin 0.25mg. tablet
2.	13,657	Maalox liquid
3.	12,476	Lasix tablet
4.	11,149	Tylenol tablet
5.	9,672	Mellaril 25mg. tablet
6.	9,319	Thorazine 25mg. tablet
7.	7,080	Noctec 7-1/2 Gr. capsule
8.	5,722	Ascriptin tablet
9.	5,660	Mylanta suspension
10.	5,110	Dilantin 100mg. capsule
11.	5,079	Gelusil liquid
12.	4,761	Mellaril 50mg. tablet
13.	4,636	Thorazine 50mg. tablet
14.	3,991	Lanoxin 0.125mg. tablet
15.	3,947	Donnatal tablet
16.	3,789	Hydrodiuril 50mg. tablet
17.	3,636	Papaverine 100mg. tablet (Lilly)
18.	3,592	Kaon Elixir
19.	3,401	Donnatal Elixir
20.	3,381	Seconal 100mg. capsule
21.	3,354	Mellaril 10mg. tablet
22.	3,331	Orinase 0.5 Gm. tablet
23.	3,273	Ser Ap Es tablet
24.	3,246	Dyazide tablet
25.	3,224	Dramamine tablet

Source: CCS Printout (#21)

Mental Health Transfer Patients

According to claims payment data, Medicaid paid drug charges for 844 mental health transfer recipients during calendar year 1973. These patients were identified by a nursing facility survey performed by Medicaid in which the nursing facilities were asked to identify any recipient specifically who had previously been in a mental institution. These 844 patients had 22,041 prescriptions filled at a cost of $83,421. This represents a drug cost of $98.84 per person per year. This is well above the AFY '73 average cost per recipient of $52.56 ($10,934,925 per 208,043 recipients) and is also above the average cost per old age and disabled recipient, at $78.47 and $85.67, respectively. Considering that these patients receive the more expensive drugs, tranquilizers and antiparkinsonism agents, it is not unexpected that their average cost per recipient would be higher.

The Medicaid Drug Program also pays for several drugs used by many mental clinic out-patients who qualify for Medicaid. It has not been possible, so far, to identify exactly what amount of funds have been spent on these patients, which would otherwise have been charged to the Mental Health Program.

Analysis of Drug Expenditures

Since Alabama's Pharmaceutical Program is handled through banking channels, the reports supplied are based on a calendar year. The following discussion and charts will be in calendar year time periods.

Plate 47 is a recap of pharmacy provider payments during calendar year 1973. The average number of recipients per month was 85,024 with an average prescription cost of $3.66.

CY '73

PHARMACEUTICAL PROGRAM

Drug expenditures recap

PLATE 47

MONTH	NUMBER OF ELIGIBLES	NUMBER OF RECIPIENTS	AVERAGE # CLAIMS PER RECIPIENT	AVERAGE COST PER RECIPIENT	AVERAGE COST PER CLAIM	CLAIMS PER MONTH	DRUG EXPENDITURES PER MONTH
Jan.	304,436	88,452	3.21	$11.26	$3.50	284,294	$ 996,131.38
Feb.	305,630	83,126	2.95	$10.35	$3.51	245,254	$ 860,698.93
Mar.	306,568	85,461	2.87	$10.85	$3.56	260,732	$ 926,965.39
Apr.	305,896	85,148	3.07	$11.02	$3.59	261,802	$ 938,749.90
May	306,968	83,347	3.14	$11.26	$3.62	253,616	$ 919,389.02
June	306,664	84,384	3.00	$10.90	$3.69	258,151	$ 951,730.96
July	303,612	83,406	3.04	$11.30	$3.72	253,173	$ 942,147.34
Aug.	301,883	86,367	3.11	$11.56	$3.72	268,669	$ 998,333.53
Sept.	299,468	83,362	2.97	$11.17	$3.76	247,682	$ 930,767.49
Oct.	296,765	87,705	3.10	$11.59	$3.74	271,688	$1,016,343.43
Nov.	293,815	87,249	3.11	$11.66	$3.75	271,328	$1,016,957.67
Dec.	292,567	82,280	2.97	$11.26	$3.79	244,630	$ 926,635.30
AVERAGE		85,024			$3.66		
TOTAL						3,121,019	$11,424,850.34

Sources: CCS Printout (#22), and Department of Pensions and Security (#5)

Plate 48 shows brand name products ranked by expenditure and by number of prescriptions. Expenditures for the top 200 drugs accounted for $7,325,396 or 64.1% of the total expenditures for calendar year 1973. The top 25 drugs cost $2,975,794 or 26.1% , while the top 50 drugs cost $4,143,171 or 36.3% of the total.

CY '73

PHARMACEUTICAL PROGRAM

PLATE 48

Rank of drugs by expenditures
By number of charges

RANK BY EXPENDITURES		RANK BY NUMBER OF CHARGES	
1. Ser Ap Es tablet	26. Donnatal tablet	1. Lanoxin 0.25mg tablet	26. Mellaril 25mg tablet
2. Lasix 40mg tablet	27. Hydropres-50 tablet	2. Lasix 40mg tablet	27. Donnatal Elixir
3. Lanoxin 0.25mg tablet	28. Aldoril-15 tablet	3. Ser Ap Es tablet	28. Rauzide tablet
4. Orinase 500mg tablet	29. Maalox Liquid	4. Tylenol tablet	29. Lanoxin 0.125mg tablet
5. Salutensin tablet	30. Meprobamate 400mg	5. Salutensin tablet	30. Sumycin 250mg capsule
6. Butazolidin Alka capsules	31. Ascriptin tablet	6. Butazolidin Alka capsules	31. Diuril 500mg. tablet
7. Aldomet 250mg tablet	32. Athemol tablet	7. Ascriptin tablet	32. Aldactazide tablet
8. Diabinese 250mg tablet	33. Diuril 500mg tablet	8. Maalox Liquid	33. Noctec 500mg capsule
3. DBI-TD 50mg capsule	34. Hydergine 500mg tablet	9. Orinase 500mg tablet	34. Hydropres-50 tablet
10. Aldoril - 25 tablet	35. Thorazine 50mg tablet	10. Dyazide capsule	35. Achromycin V 250mg capsule
11. Dyazide capsule	36. Enduronyl tablet	11. Empirin Comp #3 tablet	36. Ecotrin tablet
12. Mellaril 25mg tablet	37. Esimil tablet	12. Aldomet 250mg tablet	37. Crystodigin 0.1mg tablet
13. Tylenol tablet	38. Papaverine 100mg tablet	13. Butisol 30mg tablet	38. Insulin NPH Iletin U-40
14. Aldactazide tablet	39. Butazolidin tablet	14. Donnatal tablet	39. Wingel Liquid
15. Hydrodiuril 50mg tablet	40. Kaon Elixir	15. Meprobamate 400mg	40. Elixophyllin Liquid
16. Butisol 30mg tablet	41. Donnatal Elixir	16. Hydrodiuril 50mg tablet	41. Nembutal 100mg capsule
17. Rauzide tablet	42. Erythrocin/250mg tablet	17. Dilantin 100mg capsule	42. Azo Gantrisin tablet
18. Thorazine 25mg tablet	43. Regroton tablet	18. Phenobarbital 30mg tablet	43. Phenaphen #3 capsule
19. Neggram 50mg caplet	44. Periactin 4 mg tablet	19. Dramamine tablet	44. Thorazine 50mg tablet
20. Mellaril 50mg tablet	45. Mylanta Suspension	20. Diabinese 250mg tablet	45. Percodan tablet
21. Empirin Comp #3 tablet	46. Keflex 250mg capsule	21. Mylanta Suspension	46. Benadryl 50mg capsule
22. Dilantin 100mg capsule	47. Tofranil 25mg tablet	22. Thorazine 25mg tablet	47. Periactin 4 mg tablet
23. Insulin NPH U-80	48. Phenobarbital 30mg tablet	23. DBI-TD 50mg capsule	48. Mellaril 50mg tablet
24. Tolinase 250mg tablet	49. Mellaril 10mg tablet	24. Aldoril-25 tablet	49. Gitaligin tablet
25. Dramamine tablet	50. Percodan tablet	25. Insulin NPH U-80	50. Aldoril-15 tablet

Source: CCS Printout (#23)

The top 200 drugs ranked by number of charges account for 1,948,020 perscriptions or 62.4% of the total perscription count. The top 25 drugs represented 781,799 charges (25.1%) while the top 50 drugs added up to 1,091,086 (35.0%). The top 10 over-the-counter (OTC) preparations by expenditure were:

1. Tylenol tablets
2. NPH Insulin U-80
3. Dramamine tablets
4. Maalox suspension
5. Ascriptin tablets
6. Mylanta suspension
7. Percogesic tablets
8. NPH Insulin U-40
9. Feosol Spansule
10. Persisten tablets

OTC prescriptions constituted 16.5% of the total number of charges and 10.5% of the total amount of charges.

The "controlled drugs" (previously called "narcotics" and "drug abuse" items) in the top 200 list represented $657,715 or 5.8% of total drug expenditure. The top ten controlled drugs by expenditure were:

1. Butisol tablets 30 mg.
2. Empirin Compound #3 tablets
3. Meprobamate 400 mg. tablets (P)
4. Phenobarbital 30 mg. tablets (L)
5. Percodan tablets
6. Noctec capsules
7. Phenaphen #3 capsules
8. Phenergan/cod. Expectorant
9. Meprobamate 400 mg. tablets (Alliance)
10. Butisol 15 mg. tablets

There were 2,573,676 legend prescriptions for $10,135,891 dispensed and 507,508 OTC prescriptions for $1,185,037 during calendar year 1973 (these do not add to the totals of 3,121,019 prescriptions and $11,424,850 because of excluding charges by dispensing physicians).Medicaid paid $3,860,514 for legend fees to retail pharmacists and approximately $391,062 for OTC fees to give $4,251,576 for fees in the Medicaid Pharmaceutical Program.

CY '73

PHARMACEUTICAL PROGRAM

PLATE 49

Drug expenditures by therapeutic categories

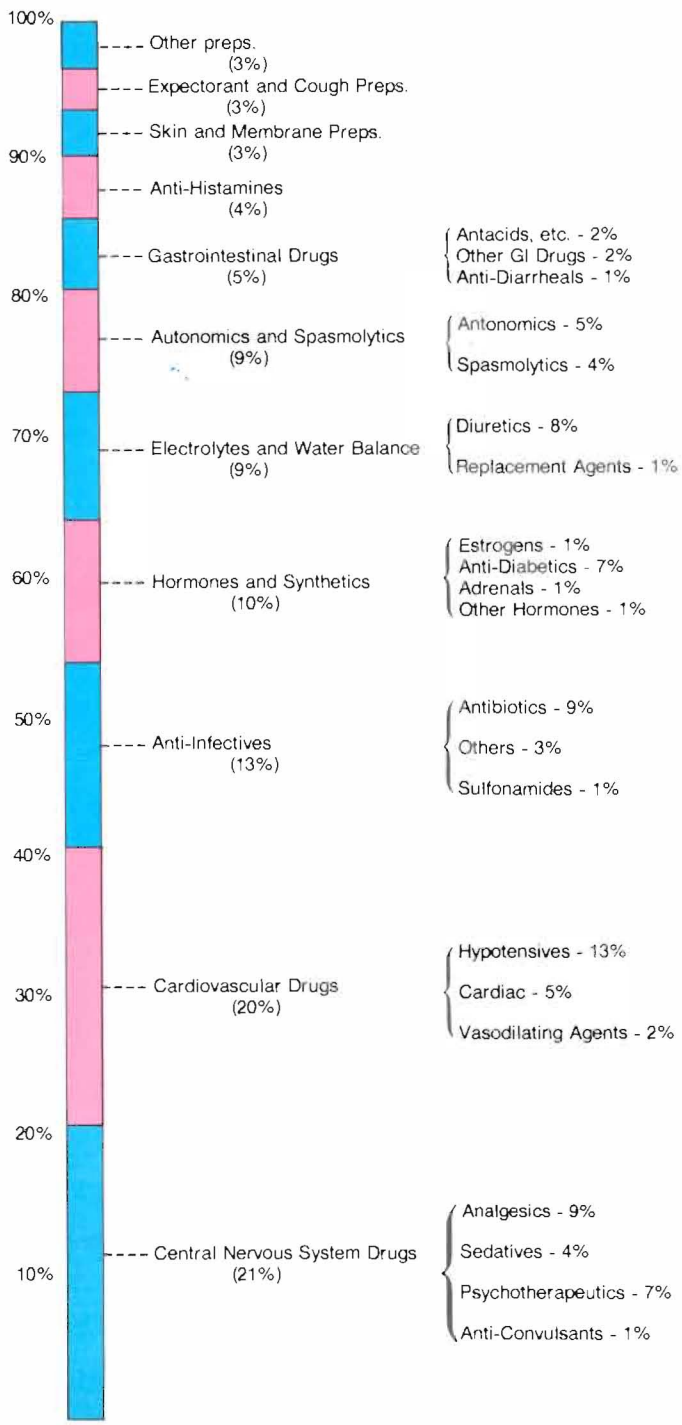
NUMBER OF PRESCRIPTIONS		CATEGORY	AMOUNT PAID		%
(Total)	(Subtotal)		(Subtotal)	(Total)	
721,107		CENTRAL NERVOUS SYSTEM DRUGS		$2,353,128	20.6
	321,049	Analgesics	$ 981,792		
	180,152	Psychotherapeutics	829,115		
	183,712	Sedatives	427,203		
	36,045	Anti-Convulsants	114,306		
	149	Respiratory Stimulants	711		
549,765		CARDIOVASCULARS		2,233,059	19.6
	282,130	Hypotensives	1,435,433		
	190,195	Cardiac	431,652		
	59,694	Vasodilating Agents	247,988		
	17,746	Other Cardiovasculars	117,986		
342,932		ANTI-INFECTIVES		1,518,503	13.3
	237,279	Antibiotics	1,028,430		
	64,908	Other Anti-Infectives	340,135		
	40,530	Sulfonamides	149,543		
	215	Anti-Infectives, Misc.	395		
251,122		HORMONES & SYNTHETIC SUBSTITUTES		1,105,574	9.7
	147,722	Insulin & Antidiabetic Agents	740,850		
	45,093	Estrogens	149,466		
	36,140	Adrenals	139,515		
	15,545	Other Hormones	42,493		
	6,622	Androgens	33,250		
258,221		ELECTROLYTICS, CALORIC & WATER BALANCE		1,048,194	9.2
	215,632	Diuretics	884,813		
	42,589	Replacement Agents	163,381		
265,911		AUTONOMICS & SPASMOLYTICS		1,010,917	8.9
	171,066	Autonomics	613,342		
	94,845	Spasmolytics	397,575		
216,994		GASTROINTESTINALS		577,506	5.1
	121,529	Antacids & Adsorbents	264,237		
	70,629	Other GI Drugs	247,796		
	24,836	Anti-Diarrheal	65,473		
130,714		ANTI-HISTAMINES		416,343	3.6
111,218		SKIN & MUCOUS MEMBRANE DRUGS		405,969	3.6
130,602		EXPECTORANTS & COUGH PREPS.		366,736	3.2
61,466		EENT DRUGS		197,539	1.7
	23,811	Anti-Infectives	74,594		
	17,926	Other EENT Preps.	56,662		
	13,787	Miotics	47,633		
	5,942	Mydriatics	22,650		
34,617		BLOOD FORMATION & COAGULATION DRUGS		79,960	0.7
	25,739	Anti-Anemia	50,064		
	8,878	Coagulants	29,896		
33,434		VITAMINS		49,152	0.4
5,846		ENZYMES		32,665	0.3
1,851		ANTI-NEOPLASTICS		10,318	0.1

Source: CCS Printout (#25)

CY '73 PLATE 50

PHARMACEUTICAL PROGRAM

Percent of drug expenditures by therapeutic categories



Source: CCS Printout (#25)

The Therapeutic Drug Category Report was organized based on the American Hospital Formulary Society therapeutic category code numbers; however, this system was liberally applied to meet the requirements of the Alabama program. Plates 49 and 50 show the relative percentages of the drug categories to the total expenditures. Plate 51 shows the drug category activity over a period of four calendar years.

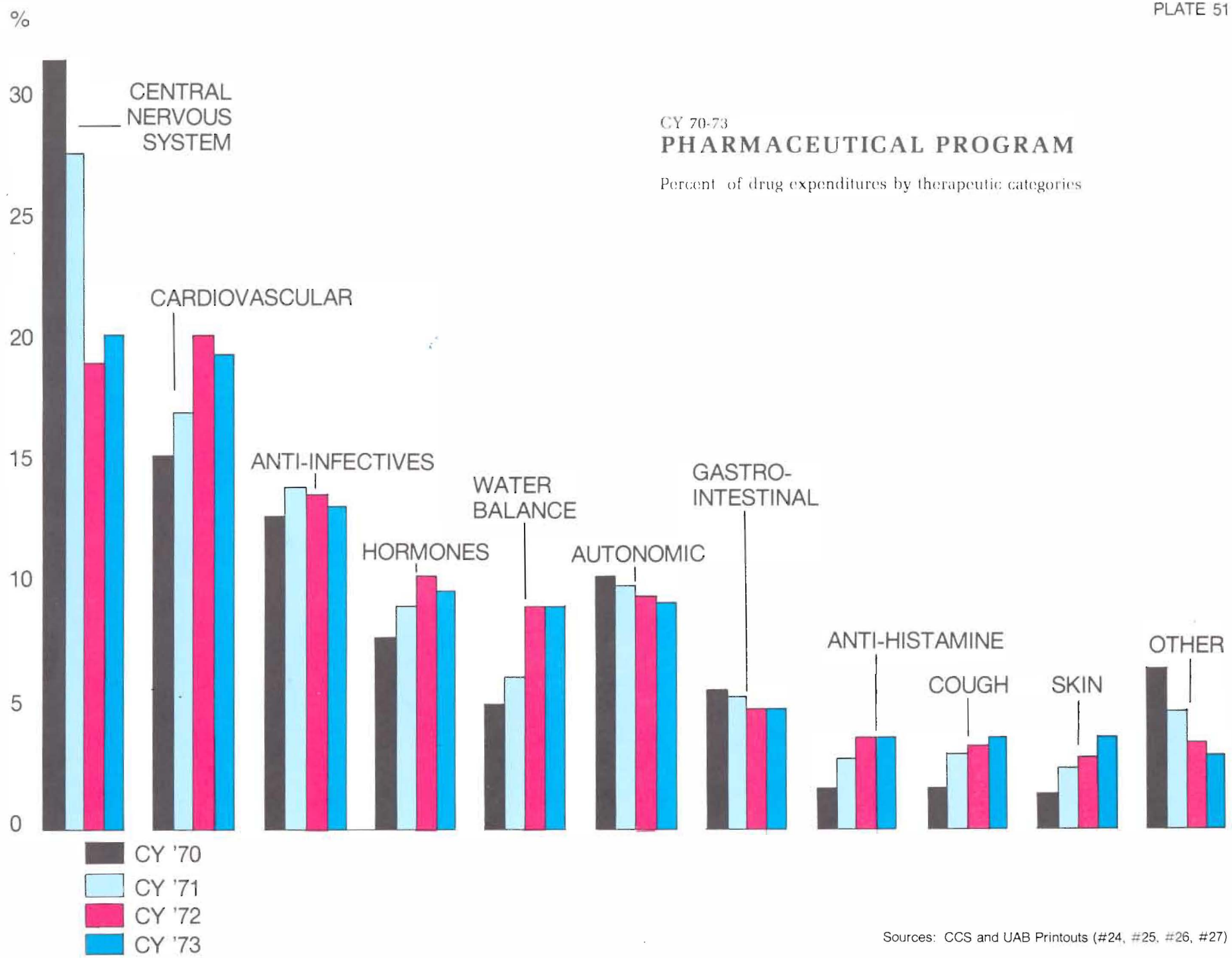
During the first two years of the drug program central nervous system drugs represented a large percentage of expenditures. Although it has since decreased, the latest figures indicate that the category is going back up, no doubt due to recent drug inclusions to handle the mental health transfer patients in nursing facilities. The cardiovascular drugs have increased in usage, as well as the hormones and water balance agents (diuretics). Autonomics have decreased in expense, no doubt due to the exclusion of most peripheral vasodilators.

Review of providers activities is presently performed by three field investigators, assisted by the routine control documents provided by the computer system. On recommendation, many cases are reviewed regarding high usage of drugs. Subsequently, recipients, pharmacists, and physicians are contacted about these situations. Cooperation to date has been most satisfactory. Considering that the drug program provides medical care to more recipients than any other program offered, it is felt that valid utilization review procedures are necessary to maintain a high quality of care to the patients.

CY 70-73

PHARMACEUTICAL PROGRAM

Percent of drug expenditures by therapeutic categories



Sources: CCS and UAB Printouts (#24, #25, #26, #27)

LONG-TERM CARE PROGRAM

Long-term care is by far the most expensive item in Medicaid's budget. In Alabama last year it cost over $34 million — 36.8% of all money spent (Plate 15). The number of patients who receive this care is small — 15,409 last year — but the cost per patient is high, presently about $2,053 per year (Plates 30 and 52). The average patient who needs this service needs it not for a few weeks, but for about 20 months.

The total cost per patient in AFY '73, was about $3,500. This high cost coupled with the rapidly rising demand for nursing home care creates questions of priority. If the number of nursing facility patients continues its present growth, the money that Medicaid spends per patient will have to be limited. Even so, it will be difficult — perhaps impossible — to prevent this one service from taking an ever growing portion of Medicaid's annual budget.

AFY '73

PLATE 52

LONG-TERM CARE PROGRAM

Recipients, by month
monthly average
year's total
turnover rate
average stay

	SKILLED	ICF	BOTH KINDS
Oct., 1972	5,961	3,324	9,285
Nov.	6,127	3,459	9,586
Dec.	6,102	3,367	9,469
Jan., 1973	6,261	3,389	9,650
Feb.	6,213	3,438	9,651
Mar.	6,330	3,443	9,773
Apr.	6,382	3,394	9,776
May	6,538	3,528	10,066
June	6,455	3,554	10,009
July	6,579	3,586	10,165
Aug.	6,634	3,615	10,249
Sept.	6,754	3,694	10,448
Monthly Average	6,361	3,483	9,844
Yearly Total	10,088	5,321	15,409
Annual Turnover Rate AFY '73	63.9%	57.6%	65.56%
Length of time average patient would remain in nursing home at '73 turnover rate	18.8 months	20.8 months	19.5 months

Source: Central Computer Services (#7)

Plate 53 shows two more trends that have been increasing Medicaid's outlay for nursing homes. (1) the rates charged by nursing facilities are rising; (2) Medicaid is paying an increasing percentage of the monthly charges.

The high cost of nursing facility care creates a need to give it only to those who need it most. Do some groups or some areas use this service more than others? Plates 54 and 55 show that 91% of the users are aged. By national standards this is not a high percentage. However, the fact that 85% of the users are female, and 65% white show greater use by these two groups than their proportions in the total population might indicate.

AFY '73

PLATE 53

LONG-TERM CARE PROGRAM, MONTHLY CHARGES

Showing portions paid by Medicaid
by patient
by sponsors

Intermediate Care Facilities

	Medicaid	Patient	Sponsors	TOTALS
Oct.	$236.66	$39.06	$46.57	$322.31
Nov.	236.41	51.20	42.28	329.91
Dec.	240.50	52.49	41.75	334.75
Jan.	243.79	53.35	42.70	339.86
Feb.	241.66	53.41	42.76	337.84
Mar.	243.46	41.01	49.69	334.17
Apr.	243.26	52.24	44.42	339.93
May	274.95	53.19	26.42	354.58
June	264.89	50.76	24.16	339.82
July	264.91	50.84	24.31	340.07
Aug.	260.41	51.28	25.44	337.15
Sept.	272.52	51.69	28.08	352.31
Change during year	up 15.2%	up 32.3%	down 40%	up 9.3%

Skilled Care Facilities

	Medicaid	Patient	Sponsors	TOTALS
Oct.	276.28	$39.30	$33.02	$348.60
Nov.	308.19	51.29	30.74	390.22
Dec.	314.72	51.52	30.99	397.23
Jan.	319.11	52.53	31.99	403.63
Feb.	317.61	55.42	32.21	405.24
Mar.	328.10	42.01	37.71	407.82
Apr.	317.13	53.37	34.42	404.92
May	320.99	54.51	35.21	410.71
June	319.92	53.35	35.65	408.92
July	323.07	53.48	36.83	413.38
Aug.	315.02	52.77	38.02	405.91
Sept.	324.98	54.24	38.93	418.15
Change during year	up 17.6%	up 38%	up17.9%	up 19.9%

Source: Central Computer Services (#7)

AFY '73

LONG-TERM CARE PROGRAM

PLATE 54

Recipients by sex, race, and age

	SKILLED	ICF	TOTAL	PERCENT
TOTAL	10,088	5,321	15,409	100.0%
By Sex				
Male	1,335	1,065	2,400	15.6%
Female	8,753	4,256	13,009	84.4%
By Race				
White	6,365	3,653	10,018	65.0%
Non-White	3,723	1,668	5,391	35.0%
By Age				
65 & Over	9,337	4,671	14,008	91.0%
21-64	750	645	1,395	9.0%
0-20	1	5	6	—

Source: Blue Cross Printout (#16)

AFY 73

LONG-TERM CARE PROGRAM

PLATE 55

Payments by sex, race, and age

	SKILLED	ICF	TOTAL	PERCENT
TOTAL	$24,000,329	$10,398,772	$34,399,101	100.0%
By Sex				
Male	3,600,049	2,339,724	5,939,723	17.3%
Female	20,400,280	8,059,098	28,459,378	82.7%
By Race				
White	18,000,247	7,799,079	25,799,326	75.0%
Non-White	6,000,082	2,599,693	8,599,775	25.0%
By Age				
65 & Over	22,272,305	9,046,932	31,319,237	91.05%
21-64	1,718,424	1,341,442	3,059,866	8.89%
0-20	9,600	10,398	19,998	.06%

Source: Blue Cross Printout (#16)

Plate 56 compares use of this service by health district. In three districts (Selma, Dothan, and Montgomery) the number of aged people per bed is above the state average. In other words these districts are short of beds compared to the 5 other districts, and this shortage could reduce the number of Medicaid nursing facility patients there. In two of them, however (Dothan and Selma) the percent of available beds used by Medicaid is above average.

LONG-TERM CARE PROGRAM

PLATE 56

Beds per district
Aged people per bed
Beds used by Medicaid

	NUMBER OF AGED PEOPLE 1970	NURSING HOME BEDS JUNE, 1973	AGED PEOPLE PER BED	NUMBER OF BEDS USED BY MEDICAID JUNE, 1973	PERCENT OF BEDS USED BY MEDICAID JUNE, 1973
Dothan	21,787	662	32.91	599	90.4%
Gadsden	39,437	1,787	22.07	1,459	81.6%
Selma	24,726	715	34.58	552	77.2%
ALL ALABAMA	331,113	13,755	24.07	9,930	72.2%
Tennessee Valley	58,437	3,036	19.25	2,172	71.5%
Tuscaloosa	22,157	941	23.55	667	70.9%
Montgomery	40,983	1,439	28.48	1,011	70.2%
Mobile	33,525	1,410	23.77	958	67.9%
Birmingham	90,061	3,765	23.92	2,512	66.7%

Sources: Central Computer Services (#7), Hill-Burton Plan (#1), and Nursing Home Rosters (#10)

Plate 57 shows how Medicaid's demand for beds has fluctuated month by month for the past year. The most obvious fact is that the demand for beds has increased at almost exactly the same rate as the supply.

AFY '73

LONG-TERM CARE PROGRAM

PLATE 57

Beds in existence, by month
Beds used by Medicaid, by month

	SKILLED CARE BEDS			ICF BEDS			ALL BEDS		
	NUMBER IN EXISTENCE	NUMBER USED BY MEDICAID	PERCENT USED BY MEDICAID	NUMBER IN EXISTENCE	NUMBER USED BY MEDICAID	PERCENT USED BY MEDICAID	NUMBER IN EXISTENCE	NUMBER USED BY MEDICAID	PERCENT USED BY MEDICAID
Oct. 1972		5,961			3,324			9,285	
Nov.		6,127			3,459			9,586	
Dec.		6,102			3,367			9,469	
Jan. 1973	9,237	6,261	67.8%	4,135	3,389	82.0%	13,372	9,650	72.2%
Feb.	9,237	6,213	67.3%	4,099	3,438	83.9%	13,372	9,651	72.2%
Mar.	9,289	6,330	68.1%	4,083	3,443	84.3%	13,372	9,773	73.1%
Apr.	9,289	6,382	68.7%	4,083	3,394	83.1%	13,372	9,776	73.1%
May	9,335	6,538	70.0%	4,127	3,528	85.5%	13,462	10,066	74.8%
June	9,551	6,455	67.6%	4,206	3,554	84.5%	13,757	10,009	72.8%
July	9,673	6,579	68.0%	4,239	3,586	84.6%	13,910	10,165	73.1%
Aug.	9,695	6,634	68.4%	4,290	3,615	84.3%	13,985	10,249	73.3%
Sept	9,733	6,754	69.4%	4,270	3,694	86.5%	14,011	10,448	74.6%
Oct.	9,947	6,828	68.6%	4,332	3,667	84.6%	14,279	10,495	73.5%
Nov.	10,006	6,839	68.3%	4,323	3,640	84.2%	14,329	10,479	73.1%
Dec.	10,156	6,905	68.0%	4,394	3,725	84.8%	14,550	10,630	73.1%
Jan. 1974	10,337	6,932	67.0%	4,493	3,805	84.7%	14,830	10,737	72.4%
Increase in last 12 months	1,100	671		358	416		1,458	1,087	
Percent increase in same 12 months	11.9%	10.7%		8.6%	12.3%		10.9%	11.2%	

Source: Central Computer Services (#7), and Hill-Burton Plan (#1)

CONCLUSION

The data assembled here was chosen to answer questions about the costs and benefits of present Medicaid programs. What services were bought? Who received the services? What did each service cost? Such answers have practical value in helping administrators decide what changes, if any, would help Medicaid make the best use of its available resources.

The data also reveals the beginnings of several trends in the costs and uses of services. Do these trends have predictive value? Only to the extent that they show the direction in which costs and uses are now moving. The direction and speed of these movements, however, have largely been shaped by the decisions of legislators and administrators. Whether the trends will continue at their present pace, or change markedly, also depends largely on policies — on human decisions about how Medicaid can best use its resources.

Some trends — such as the growing demand for nursing home care — may seem to reflect uncontrollable social conditions rather than policies. Even here, however, it is difficult to know whether supply or demand is the independent variable. For this reason we have paid minimum attention to trends, preferring to focus on description of present programs and their costs and benefits. With this kind of information, all people involved should make better decisions about how Medicaid, and new companion health-care programs now on the horizon, can best serve the needs of the people.

APPENDIX A

Selected figures from previous years
for comparison with current figures

ALABAMA FISCAL YEAR	ELIGIBLES (MONTHLY AVERAGES)	RECIPIENTS (MONTHLY AVERAGES)	PAYMENTS (MONTHLY AVERAGES)	PAYMENTS (YEARLY TOTALS)
'69-'70 (9 months)	277,023	91,365	$4,761,902	$42,857,114 (9 months)
'70-'71	304,907	77,125	$6,386,132	$76,633,581
'71-'72	291,437	104,551	$6,449,192	$77,390,305
'72-'73	303,344	115,003	$7,541,743	$90,500,918

APPENDIX B

Definition of Poverty

A "poor person" in this report is one who has an income below the poverty level, as that term is defined by the U.S. Bureau of Census and the Social Security Administration.

The line that separates poor from non-poor is not the same for all people, it depends on family size, and other factors, as shown in the table below. Regional differences in cost of living are not taken into account by this table of poverty thresholds. Nor are the effects of rising costs since 1969 reflected in the table. This is the table as it was revised in 1969 for use in conjunction with the decennial census of 1970.

Weighted Average Thresholds at the Poverty Level in 1969, by Size of Family and Sex of Head, by Farm and Nonfarm Residents

		Nonfarm			Farm		
Size of Family	Total	Total	Male Head	Female Head	Total	Male Head	Female Head
All unrelated individuals	$1,834	$1,840	$1,923	$1,792	$1,569	$1,607	$1,512
Under 65 years	1,888	1,893	1,974	1,825	1,641	1,678	1,552
65 years and over	1,749	1,757	1,773	1,751	1,498	1,508	1,487
All families	3,388	3,410	3,451	3,082	2,954	2,965	2,757
2 persons	2,364	2,383	2,394	2,320	2,012	2,017	1,931
Head under 65 years	2,441	2,458	2,473	2,373	2,093	2,100	1,984
Head 65 and over	2,194	2,215	2,217	2,202	1,882	1,883	1,861
3 persons	2,905	2,924	2,937	2,830	2,480	2,485	2,395
4 persons	3,721	3,743	3,745	3,725	3,195	3,197	3,169
5 persons	4,386	4,415	4,418	4,377	3,769	3,770	3,761
6 persons	4,921	4,958	4,962	4,917	4,244	4,245	4,205
7 or more persons	6,034	6,101	6,116	5,952	5,182	5,185	5,129

SOURCES OF DATA USED IN THIS PUBLICATION

Published Materials

1. Alabama State Department of Public Health, Bureau of Health Facilities Construction; *Alabama Master Hospital Plan, FY '72* (Hill-Burton Plan); Montgomery, Alabama, no date given.

2. Alabama State Department of Public Health, Comprehensive Health Planning Administration; *A Plan of Action For Selected Health Manpower, A Supplementary Manpower Report to Alabama Comprehensive Health Planning* (Supplementary Report #3), rev. ed.; Montgomery, Alabama, 1972.

3. Bureau of The Census, U.S. Department of Commerce; *1970 Census of Population, General Social and Economic Characteristics, PC (1)-C2, Alabama;* Government Printing Office; Washington, D. C., 1972.

4. Bureau of The Census, U.S. Department of Commerce; *Statistical Abstract of the United States, 1971* (92nd ed.); Government Printing Office; Washington, D.C., 1971.

Unpublished Letters, Records, Reports

5. Alabama Department of Pensions and Security; Number of Alabamians eligible for medical assistance under Title XIX, compiled monthly for internal use.

6. Alabama Department of Pensions and Security; Statistical letters 536, 537, 538, and 541; issued in September and December 1971.

7. Central Computer Services in Birmingham; Nursing Home Management Data; prepared monthly for Alabama Medicaid.

8. Health officers of Alabama counties; Screening reports on form XIX-SDT-1-71; prepared monthly for Alabama Medicaid.

9. Medical Association of the State of Alabama; A survey of Alabama physicians made in July 1973; as reported to Alabama Medicaid in a letter of August 6, 1973.

10. 184 nursing homes; Rosters of patients in residence September 30, 1973; prepared for Alabama Medicaid in response to a special request.

Periodic Reports Prepared by Alabama Medicaid for the National Center for Social Statistics, of the U.S. Department of Health, Education, and Welfare

11. SRS-NCSS-2078.12 Statistical Report on Numbers of Recipients and Amounts of Assistance Under Public Assistance Programs (monthly).

12. SRS-NCSS-2078.2 Statistical Report on Numbers of Recipients and Amounts of Assistance Under Public Assistance Programs (quarterly).

13. SRS-NCSS-2082 Statistical Report on Medical Care: Recipients, Payments, and Services (yearly).

Computer Printouts Made for Alabama Medicaid

(from the computer of Alabama Beverage Control in Montgomery)

14. MS-71

15. MS-72

(from the computer of Alabama Blue Cross in Birmingham)

16. 2082 Printout for AFY '73

17. Report #R507087R1

18. Report #R507065M1, Dental Utilization Report 9-73

19. Monthly Disbursement Summary

(from the computer of Central Computer Services in Decatur)

20. Monthly Disbursement Summary

21. M-530 Summary of 1973 Drug Activity for Nursing Facility Patients

22. Daily and Monthly Presented Drug Items by Recipients

23. Drug List by Expenditures and Number of Charges

24. M-365 Therapeutic Drug Category Report, 1972

25. M-365 Therapeutic Drug Category Report, 1973

(from the computer of the University of Alabama, Birmingham Branch)

26. Drug Category Report, 1970

27. Drug Category Report, 1971