

**Long-term Forecast of  
Medicaid Enrollment  
and  
Spending in Alaska:  
*Supplement 2007–2027***

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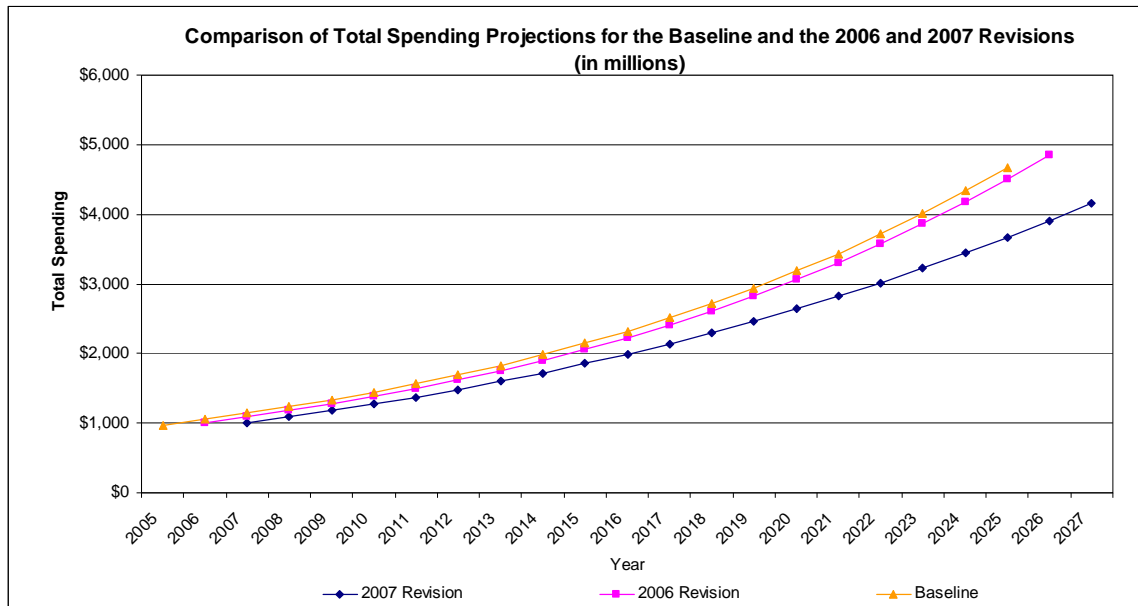
**Executive Summary**

This is the second update to the *2005 Long-Term Forecast of Medicaid Enrollment and Spending in Alaska: 2005-2025*. In this update, we develop long-term forecasts of Medicaid program enrollment, utilization, and spending from 2007-2027.

Total spending on the elderly (ages 65+ years) is expected to converge with spending on working-age adults (ages 20-64 years) and children (ages 0-19 years) in 2027. This is a shift in the expected outcome from the baseline 2005-2025 forecast which predicted spending on the elderly would exceed spending in all other groups in 2018. This nine year shift is caused by slower growth in expenditures on the elderly than predicted in the baseline. Policy changes to control growth in Personal Care have begun to show up in the base data and the resultant changes are apparent in the forecast. This forecast predicts that each age group will comprise approximately 33 percent of total Medicaid spending by the end of the forecast period. Changes between the two forecasts are caused by two main factors: enrollment and cost containment measures.

Total spending in 2027 is expected to reach \$4.1 billion. The average annual growth rate is 7.4 percent overall; however, state spending will grow faster at 8.4 percent.

**Figure 1: Small changes to the status quo bring large decreases in total spending by the end of the forecast period**



Source: Medicaid Budget Group, MESA model.

Spending per enrollee will increase from \$7,523 per enrollee in 2007 to \$24,218 per enrollee in 2027. State spending per enrollee will increase from \$2,636 in 2007 to \$10,261 in 2027. The proportion of state spending per enrollee will increase from 35.0 percent to 42.4 percent. It is important to note that this is based on incurred services by fiscal year and not paid claims by fiscal year.

The rate of growth for enrollment will slow throughout the forecast period. The average annual rate of growth for enrollment is 1.28 percent – slightly faster than the population which is growing at 0.98 percent. The elderly (65+) are the fastest growing age group growing at 5.47 percent. Children (0-19) and Working-Age Adults (20-64) are growing slightly slower than overall enrollment, 0.69 and 1.06 percent, respectively.

Utilization will see the highest average annual growth rates in Home and Community Based Waivers (6.18 percent), Personal Care (5.91 percent), and Health Clinics (5.41 percent).

### **The 2025 Revision**

Part of this report is dedicated to drawing a comparison between the 2025 predictions from the baseline 2005 – 2025 forecast and the current forecast for 2007 – 2027. It is intended to illustrate the relevance of changes in the status quo.

The baseline forecast predicted \$4.7 billion in 2025 compared with the current forecast which predicts \$3.7 billion in spending. Total Medicaid spending decreased 21.5 percent over the 2005 baseline forecast. State spending decreased by 25.0 percent.

- Five of the 20 service categories experienced a decrease in projected spending over last year's forecast. The most notable is Personal Care which reduced its share of total spending by 12.7 percentage points.
- The expected spending shift from children to the elderly is no longer predicted to occur within the 20 year forecast period. As a percentage of total spending, spending on the elderly population decreased from 46.2 percent to 29.9 percent. Spending on working-age adults increased to 27.4 percent from 24.8 percent. The most notable shift is spending on children. Their share of total spending is higher than previously expected at 42.7 percent (up from 29.0 percent).
- Enrollment levels between the two forecasts also experienced small shifts. Enrollment for children and working-age adults increased by 0.4 and 4.8



percentage points, respectively. Enrollment for the elderly decreased 5.1 percentage points.

- Decreases in utilization were greatest in Personal Care and Vision.
- The greatest increase in utilization occurred in Health Clinics and Pharmacy.

## Introduction

This is the second update to the *2005 Long-Term Forecast of Medicaid Enrollment and Spending in Alaska: 2005-2025*. In this report, the term “Medicaid” includes both Title XIX Medicaid and the Title XXI State Children’s Health Insurance Program (SCHIP) Medicaid expansion. In this update, we develop long-term forecasts of Medicaid program enrollment, utilization, and spending from 2007-2027.

It is important for the reader to keep in mind that the projections spending presented in this report assume that the mix of Medicaid services remains constant and that eligibility criteria do not change in the future. These assumptions are necessary to show how Medicaid spending in Alaska would grow under the program’s status quo. Because the forecast represents a 20 year projection based on today’s status quo, it does not take into consideration the dynamic nature of Medicaid policy and changing funding mechanisms that may take place throughout the forecast period.

This report is divided into two sections. *Section I* is the updated forecast for 2007-2027. This update is intended to show the effect that updated population, claims, and eligibility have on long-term spending and enrollment. *Section II* is a comparison of the baseline 2025 forecast and the updated 2027 forecast for the single year 2025.

In April 2005, the Alaska Department of Health and Social Services contracted with the Lewin Group and ECONorthwest to develop a long-term forecasting model of Medicaid enrollment and spending for the state of Alaska (called the MESA model). The MESA model is owned and operated by the department, providing us the ability to update the Medicaid forecast as more timely data become available.

The primary benefit of this report to Medicaid administrators and Alaska’s policy makers is information on the direction and approximate magnitude of changes in the Medicaid program. This report is intended to inform department executives and the Alaska State Legislature of the substantial projected growth in total spending on Alaska’s Medicaid program and the projected growth in state matching fund spending on the Medicaid program. Added attention should be paid to growth rates as opposed to simply focusing on values.

We realize that the value of economic analysis depends on the quality of the data and assumptions employed. We have worked carefully to ensure the quality of

our work and the accuracy of our data. We have undertaken considerable effort to validate the forecast and to confirm the reasonableness of the data and assumptions on which the forecast is based. Nonetheless, we acknowledge that any forecast of the future is uncertain. The fact that we view the forecasts in this report as reasonable does not guarantee that actual enrollment in, utilization of, and spending on the Alaska Medicaid program will equal the projections in this report. Administrators and Alaska's elected representatives must recognize the inherent uncertainty that surrounds forecasts in considering the long-term Medicaid spending projections.

### **Summary of Methodology**

Throughout the analysis, we rely upon the best available information, including historic Medicaid claim data, the state of Alaska's official population forecast, and nationally recognized information on trends in medical prices. In addition, in no instances do we impose any speculation on future Medicaid policies or procedures. Rather, we develop the long-term forecast as if the policies and practices of today will be the status quo throughout the forecast period.

The main factors responsible for growth in state spending on Medicaid services are

- Growth in Alaska's resident population and changes in demographic composition;
- Changes in the Medicaid enrollment rate;
- Changes in the utilization of Medicaid services by Medicaid enrollees;
- Personal health services specific price inflation;
- Changes in federal financial participation;

Our methodology, therefore, entails detailed analysis of each of these factors in order to formulate a series of statistical models to project total and state spending on Medicaid services. We project total and state spending for demographic characteristics (age, gender, Native/non-Native status) and for five regions of the state – a total of 220 subpopulations. In addition, we project enrollment in 11 eligibility groups plus utilization and spending for 20 categories of services provided under the Alaska Medicaid program. Although results are presented at state level for all residents, analysis is conducted on a regional basis for demographic subgroups of the population.

Population forecasts for five regions of Alaska were based on historical census population estimates and statewide population forecasts developed by the Alaska Department of Labor and Workforce Development (ADLWD). ADLWD produced a new population projection for years 2007 through 2030. This data was used to develop a new projection for Medicaid enrollment. The statistical

models of Medicaid enrollment, and service utilization and spending used in the MESA model were developed using historical enrollment-level Medicaid data for paid claims provided by the Department of Health and Social Services. Only complete fiscal years based on dates of service are included in the Medicaid data file. Many of the claims incurred during 2007 will not be paid until fiscal year 2008, therefore, data for 2007 are excluded. Please see *Total Spending* section for historical spending data.

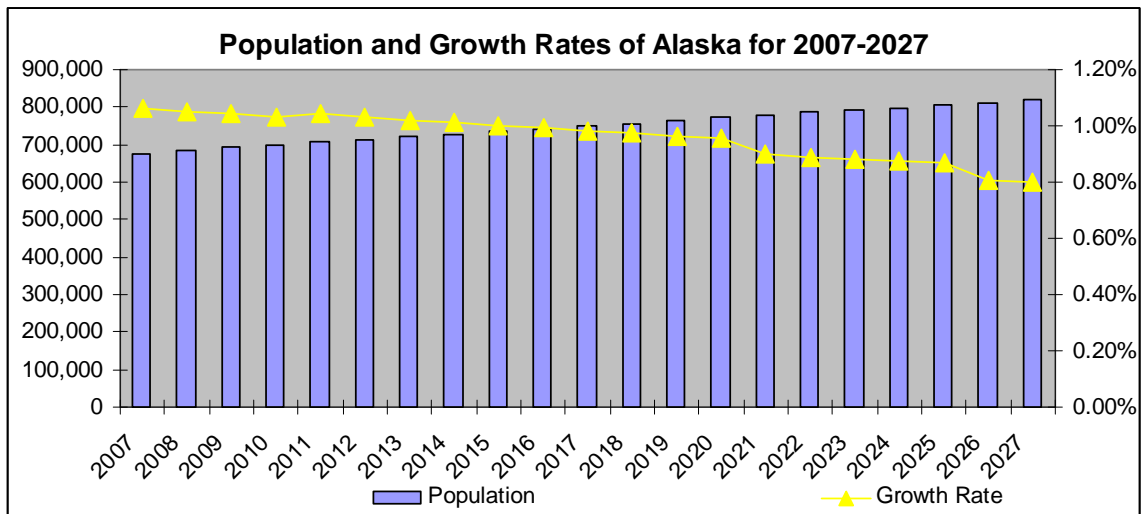
**SECTION I: 2007-2027 MEDICAID FORECAST**

*In this section we present the revised 2007-2027 forecast. This forecast integrates new enrollment data as well as a new population projection from the Alaska Department of Labor and Workforce Development. Growth rates for the elderly are less than previously anticipated and enrollment is slightly down in the base year of the forecast. The above factors, in combination with cost containment and programmatic changes, led to decreases in projected Medicaid spending growth.*

**Population**

*Summary: The elderly population will continue to have a dramatic impact on the Medicaid program through 2027. The elderly population is growing at 5.0 percent compared with the growth rate of children and working-age adults which is 0.8 and 0.3 percent respectively. The rate of growth across the entire population will slow from 1.1 percent in 2007 to 0.8 percent in 2027.*

**Figure 2: The overall growth rate slows from 1.1 percent in 2007 to 0.8 percent in 2027**



Source: Medicaid Budget Group, based on population data from Alaska Department of Labor and Workforce Development (ADLWD).

**Table 1: The highest growth rate is in the elderly age group****Population of Alaska by Subpopulation for Selected Years, 2007-2027**

Subpopulation	2007	2012	2017	2022	2027	Avg. Annual % Change (2007-2027)
<b>State</b>	677,183	713,143	749,585	785,324	819,138	0.96%
<b>Gender</b>						
Male	346,983	364,406	382,060	399,202	415,124	0.90%
Female	330,200	348,738	367,525	386,122	404,014	1.01%
<b>Race</b>						
Native	113,632	121,494	129,204	136,354	143,073	1.16%
Non-Native	563,551	591,649	620,381	648,970	676,065	0.91%
<b>Region</b>						
Northern	103,561	109,460	114,325	118,732	122,943	0.86%
Western	48,842	51,690	54,460	57,238	60,199	1.05%
South Central	90,259	93,479	95,428	96,734	97,346	0.38%
Anch.-Mat-Su	364,403	388,489	416,282	444,955	472,624	1.31%
Southeast	70,119	70,026	69,090	67,665	66,026	-0.30%
<b>Age</b>						
0-4	53,843	56,439	59,577	61,642	63,287	0.81%
5-9	53,050	56,470	59,145	62,423	64,545	0.99%
10-14	54,082	55,143	58,553	61,360	64,705	0.90%
15-19	55,088	52,805	53,234	56,577	59,263	0.37%
20-24	47,004	50,962	49,209	49,509	52,647	0.57%
25-34	88,700	98,011	108,702	111,898	111,090	1.13%
35-44	99,063	94,643	96,827	105,492	116,563	0.82%
45-54	107,175	99,579	89,526	84,656	86,556	-1.06%
55-64	71,231	85,906	90,263	84,208	74,398	0.22%
65-74	29,518	41,456	57,505	70,587	74,612	4.75%
75+	18,430	21,730	27,044	36,973	51,472	5.27%

Source: Medicaid Budget Group, based on population data from ADLWD.

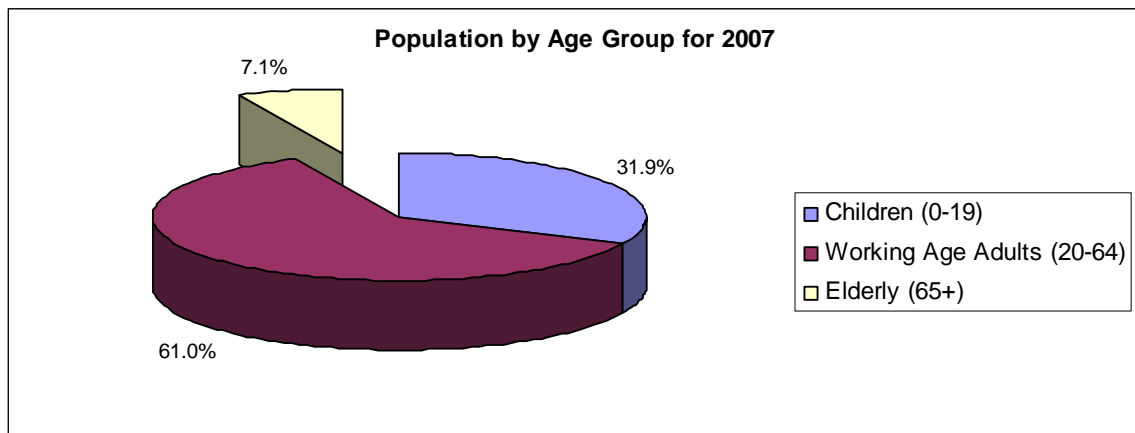
**Table 2: Working-age adults are the slowest growing age group**

**Population by Age Group for Selected Years, 2007-2027**

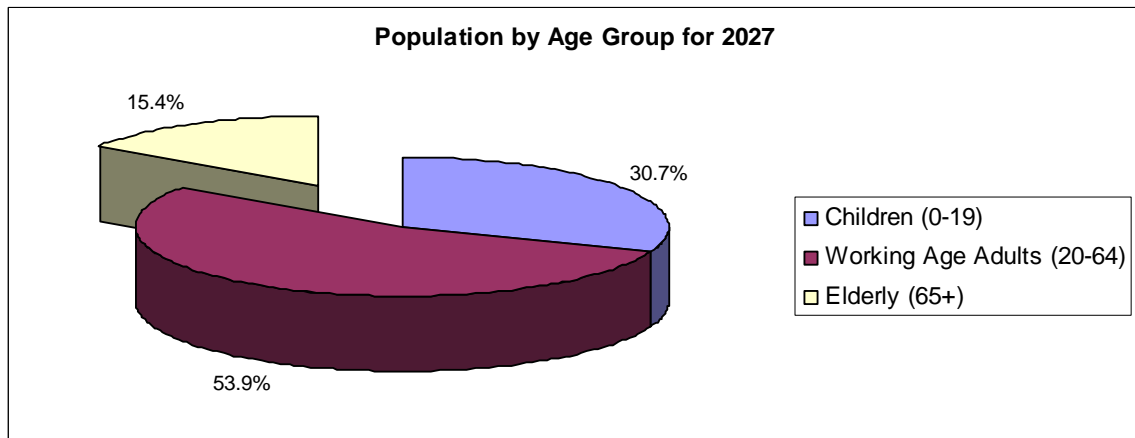
Age Group	2007	2012	2017	2022	2027	Average Annual Percent Change (2007-2027)
Children (0-19)	216,062	220,856	230,509	242,002	251,800	0.8%
Working Age Adults (20-64)	413,173	429,101	434,527	435,763	441,254	0.3%
Elderly (65+)	47,948	63,186	84,549	107,560	126,084	5.0%

Source: Medicaid Budget Group, based on population data from ADLWD.

**Figure 3 & 4: The elderly double their share of the total population by 2027**



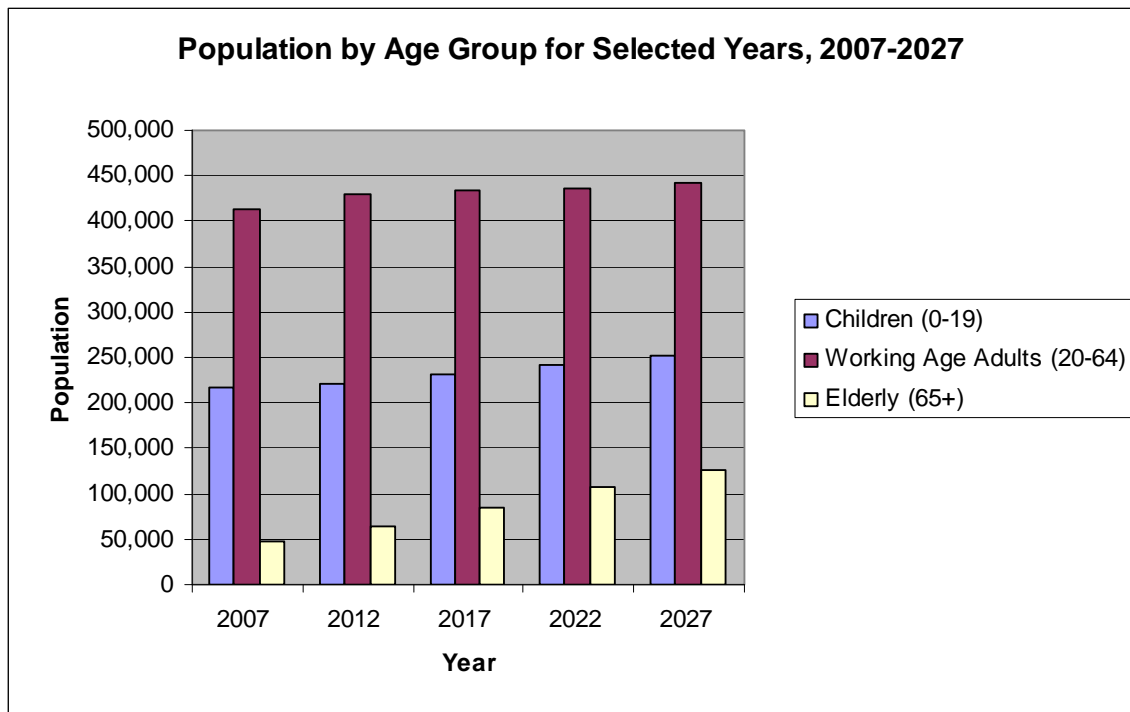
Source: Medicaid Budget Group, based on population data from ADLWD.



Source: Medicaid Budget Group, based on population data from ADLWD.

- The proportion of children in the population will stay fairly stable during the forecast period going from 31.9 percent to 30.7 percent.
- The growth rate for working-age adults was the slowest at 0.3 percent. The relatively slow growth rate led to a decrease in their proportion of the total state population. Working-age adults decreasing to 53.9 percent from 61.0 percent.
- The number of working age adults increased by 28,081 over the forecast period.
- The elderly will double as a percentage of the total population going from 7.1 percent to 15.4 percent. They will increase from 47,948 in 2007 to 126,084 in 2027.
- The split between males and females will continue to be small. Females will grow slightly faster than males with a growth rate of 1.0 percent compared to 0.9 percent.

**Figure 5: The elderly are the fastest growing age group**



Source: Medicaid Budget Group, based on population data from ADLWD.



## Enrollment

*Summary: Following the trend in population growth, Medicaid enrollment growth for the elderly will continue to grow faster than both children and working-age adults through 2027. In fact, enrollment into Medicaid by Alaskans ages 65 and older is projected to increase slightly faster than the elderly population as a whole.*

**Table 3: LTC Non-Cash and Other Disabled continue to have high relative growth rates**

**Enrollment Levels by Eligibility Groups for Selected Years, 2007-2027**

Eligibility Group*	2007	2012	2017	2022	2027	Average Annual Percent Change
AFDC & Related	40,498	44,235	46,848	48,413	49,221	0.98%
Title XIX Kids	3,726	4,133	4,370	4,543	4,646	1.11%
Title XXI Kids	43,961	47,758	50,128	51,013	50,500	0.70%
Pregnancy/Post Partum	16,352	17,733	18,564	18,905	18,697	0.67%
Kids in Custody	3,639	3,914	4,122	4,239	4,238	0.76%
Alien (Foreign)	5	6	7	9	11	3.99%
SSI/APA/LTC Cash	22,002	26,110	30,439	34,546	37,894	2.76%
LTC Non-Cash	1,921	2,327	2,793	3,347	3,939	3.66%
Other Disabled	217	279	355	427	478	4.03%
Medicare	373	421	455	474	483	1.29%
Exams	1,193	1,333	1,464	1,607	1,763	1.97%
<b>Total</b>	<b>133,887</b>	<b>148,250</b>	<b>159,546</b>	<b>167,523</b>	<b>171,868</b>	<b>1.26%</b>

Source: Medicaid Budget Group, MESA model. \*See Appendix A for eligibility classification descriptions.

- Eligibility categories related to the elderly tend to have higher growth rates than those related to children.
- The highest growth occurred in Other Disabled with an average growth rate of 4.03 percent. The percent change is larger because the category contains few enrollees.
- Alien (Foreign) is the second fastest growing category, but given its extremely small contribution to enrollment, it does not have a noteworthy impact on the Medicaid program as a whole.

**Table 4: Medicaid enrollment of the elderly is growing faster than all other age groups****Enrollment Levels by Subpopulation for Selected Years, 2007-2027**

Subpopulation	2007	2012	2017	2022	2027	Average Annual Percent Change
<b>State</b>	133,887	148,250	159,546	167,523	171,868	1.26%
<b>Gender</b>						
Male	60,220	66,594	71,627	75,041	76,624	1.21%
Female	73,667	81,657	87,920	92,485	95,250	1.29%
<b>Race</b>						
Native	47,122	51,512	55,292	58,193	60,086	1.22%
Non-Native	86,764	96,629	104,112	109,203	111,715	1.27%
<b>Region</b>						
Northern	17,795	20,068	21,514	22,322	22,656	1.21%
Western	19,216	21,186	22,773	24,017	24,938	1.31%
South Central	18,221	19,893	20,942	21,479	21,349	0.80%
Anchorage/Mat-Su	65,601	73,206	80,050	85,426	88,947	1.53%
Southeast	13,054	13,783	13,943	13,722	13,175	0.05%
<b>Age</b>						
0-4	29,495	32,269	34,132	34,534	34,193	0.74%
5-9	21,298	23,966	25,231	25,899	25,510	0.91%
10-14	19,025	20,528	21,889	22,296	22,325	0.80%
15-19	17,116	17,413	17,517	17,969	17,787	0.19%
20-24	7,394	8,454	8,347	8,470	9,087	1.04%
25-34	11,125	13,061	15,074	15,767	15,655	1.72%
35-44	8,467	8,379	8,807	9,878	11,135	1.38%
45-54	7,022	6,925	6,421	6,115	6,284	-0.55%
55-64	4,245	5,391	5,928	5,699	5,079	0.90%
65-74	4,313	6,226	8,836	11,065	11,908	5.21%
75+	4,388	5,410	6,895	9,533	13,313	5.71%

Source: Medicaid Budget Group, MESA model.

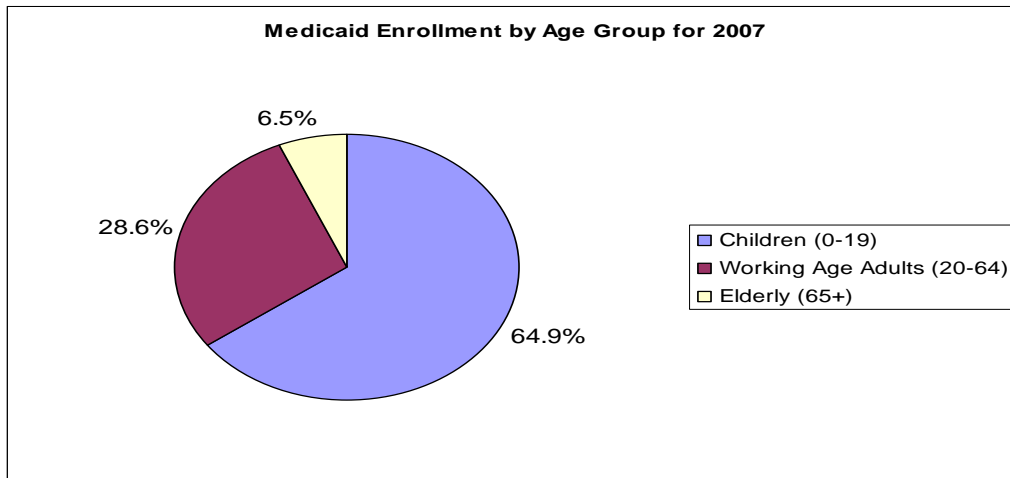
**Table 5: The elderly grow faster than other age groups**

**Medicaid Enrollment by Age Group for Selected Years, 2007-2027**

Age Group	2007	2012	2017	2022	2027	Average Annual Percent Change
Children (0-19)	86,934	94,176	98,769	100,699	99,815	0.69%
Working Age Adults (20-64)	38,252	42,209	44,577	45,929	47,239	1.06%
Elderly (65+)	8,701	11,637	15,731	20,598	25,220	5.47%

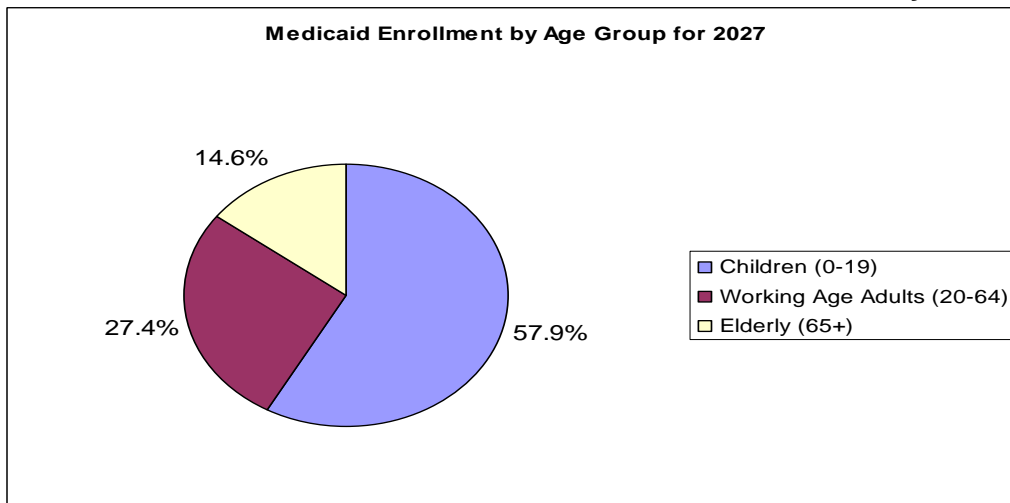
Source: Medicaid Budget Group.

**Figure 6: Children account for the greatest portion of enrollment**



Source: Medicaid Budget Group, MESA model.

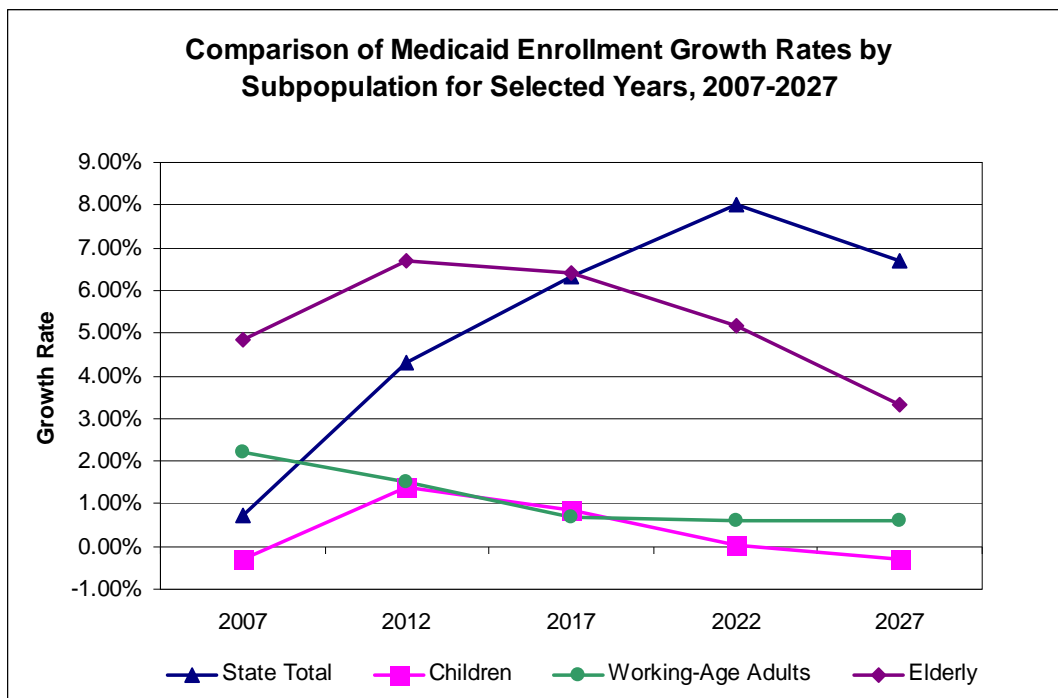
**Figure 7: Children’s share of total enrollment shrink while elderly double**



Source: Medicaid Budget Group, MESA model.

- Statewide enrollment is growing slightly faster than the population – 1.26 percent compared with 0.96 percent on an average annual basis.
- Enrollment growth for gender and race is consistent with statewide enrollment.
- Growth in the Southeast region is the slowest with 0.05 percent. Although the difference between the statewide growth rate and the Southeast seems slight, it indicates that the Southeast’s share of enrollment will decrease.

**Figure 8: Growth rate for Medicaid enrollment of the elderly is relatively fast, but begins to slow after 2012**



Source: Medicaid Budget Group, MESA model.

- Enrollment growth for the elderly (5.47 percent) is higher than that of children and working-age adults (0.69 and 1.06) throughout the forecast period.
- The proportion of enrollment for the elderly increases from 6.5 percent to 14.6 percent as a result of their relatively high growth rate.
- The growth rate for children slows throughout the forecast period and falls below zero percent after 2022.

## Utilization

*Summary: Utilization measures the number of individuals who used a service, but does not measure the quantities of those services that the individuals used. Service categories which serve the elderly more heavily will experience the highest growth during the forecast period because the elderly have the highest growth rates in enrollment.*

**Table 6: Personal Care is no longer the fastest growing service category**

**Forecast of Utilization of Medicaid Services by Service Category for Selected Years, 2007-2027 (number of individuals)**

Service*	2007	2012	2017	2022	2027	Average Annual Percent Change
Dental	40,112	49,929	59,364	68,205	76,294	3.27%
DME/Supplies	10,499	13,217	16,358	19,859	23,514	4.11%
Early Periodic Screening Diagnostic & Testing	358	317	278	241	206	-2.72%
Family Planning	557	562	560	558	555	-0.02%
Health Clinic	36,735	53,144	70,742	88,410	105,274	5.41%
Home & Community Based Waiver	4,993	7,399	10,262	13,424	16,555	6.18%
Home Health/Hospice	634	673	715	755	784	1.07%
Inpatient Hospital	15,196	15,415	15,508	15,517	15,421	0.07%
Inpatient Psychiatric	767	829	892	953	1,012	1.39%
Lab/X-ray	13,902	13,667	13,348	12,983	12,577	-0.50%
Nursing Home	1,460	1,393	1,358	1,351	1,329	-0.47%
Outpatient Hospital	59,932	71,239	82,723	94,303	105,715	2.88%
Outpatient Mental Health	11,485	12,842	14,267	15,750	17,251	2.06%
Personal Care	3,971	6,123	8,413	10,642	12,525	5.91%
Pharmacy	76,999	90,990	104,983	118,928	132,554	2.75%
Physician/Practitioner	76,901	89,236	101,400	113,454	125,245	2.47%
Residential Psychiatric/Behavioral Rehabilitation Center	1,072	1,452	1,714	1,837	1,840	2.74%
Therapy/Rehabilitation	9,198	13,031	17,344	21,887	26,336	5.40%
Transportation	23,129	28,460	34,139	40,125	46,238	3.52%
Vision	21,396	29,467	38,159	47,068	55,716	4.90%

Source: Medicaid Budget Group, MESA model. \*See Appendix B for definitions of service categories.

- The elderly are continuing to increase utilization of Medicaid services. The most intense users are in the 75+ category which is also the fastest growing subpopulation for enrollment. Children will continue to decrease their share of utilization as their growth rate shrinks to below the statewide average.
- It is interesting to note that despite the relatively high rate of growth in the elderly population, Nursing Homes will decrease 0.47 percent annually

throughout the forecast period. Spending (see following page ) in Nursing Homes will increase. This projection measures the number of people utilizing the service category, but not intensity of use. Those that are utilizing Nursing Homes will use it at a higher rate. The data suggests that recipients may be shifting from Nursing Homes to Personal Care and Home and Community Based Waivers.

- Home and Community Based waivers have the highest average annual growth in utilization throughout the forecast period at 6.18 percent.
- Personal Care growth rate decreases from 10.35 percent annual growth to 2.7 percent from 2007-2027. The average annual growth is 5.91 percent. Changes in Personal Care growth are a result of action taken during the 2006 legislative session.
- Early Periodic Screening Diagnostic and Testing, Family Planning, and Lab/X-Ray experience decreases in utilization, however these service categories experience low utilization and have a minimal impact on the Medicaid budget as a whole.
- Utilization growth for children slows throughout the forecast period. In 2007 children grow at 3.9 percent. By 2027, growth slows to 1.6 percent. Average annual growth from 2007-2027 is 2.6 percent.

**Total Spending<sup>1</sup>**

*Summary: Total Medicaid spending is expected to slow between 2007-2027. This is based on today's status quo and does not consider policy changes that may occur throughout the forecast period. Recent cost containment and the related program contractions in services related to the elderly will have continuing effects on the impact that elderly have on total spending.*

**Table 7 & 8: Spending growth in Medicaid has been historically high****Historical Medicaid Spending by Service Category, 1997-2002**

Service	1997	1998	1999	2000	2001	2002
Dental	\$7,048.3	\$8,135.1	\$9,969.2	\$13,534.9	\$15,322.8	\$17,563.2
Durable Medical Equipment/Supplies	\$5,531.4	\$5,535.7	\$6,046.6	\$7,731.1	\$9,159.9	\$9,797.1
Early & Periodic Screening Diagnosis & Testing	\$84.9	\$70.9	\$115.2	\$132.7	\$209.9	\$249.5
Health Clinic	\$1,549.3	\$3,877.0	\$10,424.4	\$14,950.9	\$18,860.2	\$17,166.3
Home & Community Based Waiver	\$22,990.5	\$29,648.8	\$38,668.1	\$52,802.5	\$73,095.2	\$93,666.6
Home Health & Hospice	\$1,213.5	\$1,215.5	\$870.4	\$1,051.7	\$1,158.5	\$1,537.6
Inpatient Hospital	\$60,339.4	\$60,125.7	\$69,968.8	\$74,059.4	\$87,452.5	\$115,738.8
Inpatient Psychology	\$6,639.4	\$8,082.9	\$7,477.8	\$9,628.9	\$10,586.2	\$13,627.0
Lab/X-ray	\$1,344.8	\$1,104.2	\$920.7	\$971.2	\$1,204.7	\$1,302.0
Nursing Home	\$47,414.6	\$45,950.4	\$47,688.1	\$48,784.3	\$52,902.4	\$59,195.8
Other Services	\$96.1	\$92.4	\$28.4	\$58.6	\$90.2	\$113.0
Outpatient Hospital	\$16,544.2	\$25,050.2	\$28,615.0	\$33,618.6	\$42,410.0	\$51,882.9
Outpatient Mental Health	\$38,645.9	\$38,491.5	\$39,281.6	\$44,051.0	\$44,031.6	\$46,211.2
Personal Care	\$4,668.9	\$5,359.3	\$6,382.1	\$7,629.9	\$8,393.3	\$15,314.6
Pharmacy	\$25,527.2	\$31,912.3	\$39,842.4	\$51,228.9	\$63,973.0	\$80,001.5
Practitioner Services	\$47,166.0	\$42,735.0	\$46,810.2	\$53,431.4	\$59,677.7	\$66,773.2
Residential Psychology	\$3,279.4	\$5,490.6	\$10,874.7	\$16,265.8	\$25,883.5	\$31,141.2
Therapy/Rehabilitation	\$2,013.6	\$2,946.7	\$3,618.1	\$4,458.1	\$7,338.5	\$15,345.3
Transportation	\$11,777.8	\$13,593.2	\$16,049.4	\$20,330.1	\$25,144.8	\$31,173.7
Vision	\$553.4	\$1,527.4	\$1,816.9	\$2,651.1	\$2,921.5	\$3,189.7
<b>Total</b>	<b>\$304,428.6</b>	<b>\$330,944.8</b>	<b>\$385,468.1</b>	<b>\$457,371.1</b>	<b>\$549,816.6</b>	<b>\$670,990.4</b>

Source: Medicaid Budget Group, MESA model.

<sup>1</sup> All figures are nominal unless otherwise noted. Nominal, or actual spending, is the projected future value without adjusting for inflation. Please see Appendix C and D for real spending tables.

**Historical Medicaid Spending by Service Category, 2003-2006**

Service	2003	2004	2005	2006	Average Annual Percent Change
Dental	\$18,938.0	\$20,026.0	\$19,181.4	\$20,586.9	11.31%
Durable Medical Equipment/Supplies	\$11,267.7	\$11,227.4	\$9,770.6	\$10,486.6	6.61%
Early & Periodic Screening Diagnosis & Testing	\$202.5	\$160.0	\$84.5	\$90.7	0.67%
Health Clinic	\$21,932.2	\$25,154.1	\$27,102.8	\$29,088.7	34.08%
Home & Community Based Waiver	\$106,413.7	\$111,892.2	\$106,240.4	\$114,025.3	17.37%
Home Health & Hospice	\$1,617.6	\$1,459.9	\$1,057.7	\$1,135.2	-0.67%
Inpatient Hospital	\$142,866.1	\$151,289.2	\$145,226.5	\$155,868.1	9.96%
Inpatient Psychology	\$12,697.5	\$13,569.9	\$13,209.3	\$14,177.2	7.88%
Lab/X-ray	\$1,545.6	\$1,747.3	\$1,845.7	\$1,980.9	3.95%
Nursing Home	\$61,853.6	\$60,142.4	\$50,170.3	\$53,846.6	1.28%
Other Services	\$131.3	\$123.8	\$97.7	\$104.9	0.88%
Outpatient Hospital	\$60,939.2	\$70,825.9	\$77,698.8	\$83,392.2	17.56%
Outpatient Mental Health	\$53,835.1	\$57,217.9	\$55,233.2	\$59,280.5	4.37%
Personal Care	\$39,869.0	\$65,609.7	\$105,594.1	\$113,331.6	37.57%
Pharmacy	\$94,144.2	\$112,804.8	\$128,817.3	\$138,256.6	18.40%
Practitioner Services	\$73,084.8	\$76,737.1	\$72,698.8	\$78,025.8	5.16%
Residential Psychology	\$41,256.4	\$50,665.2	\$59,693.4	\$64,067.5	34.61%
Therapy/Rehabilitation	\$16,544.7	\$20,536.2	\$24,519.2	\$26,315.8	29.31%
Transportation	\$36,530.9	\$40,564.8	\$41,775.6	\$44,836.7	14.30%
Vision	\$3,481.1	\$2,516.1	\$999.5	\$1,072.8	6.84%
<b>Total</b>	<b>\$799,151.2</b>	<b>\$894,270.1</b>	<b>\$941,016.7</b>	<b>\$1,009,970.5</b>	<b>12.74%</b>

Source: Medicaid Budget Group, MESA model.

- Historically, Medicaid growth averaged 12.74 percent. Throughout the historical period, growth slowed and will continue to do so throughout the forecast period when growth will average 7.35 percent.

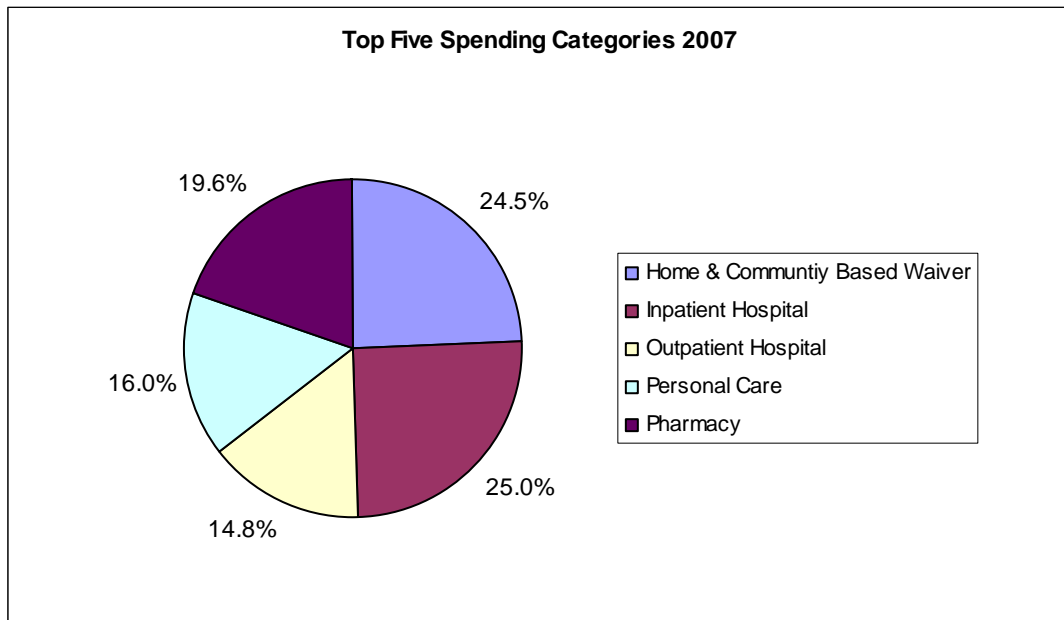


**Table 9: Home and Community Based Waivers and Personal Care are the fastest growing service categories****Forecast of Medicaid Spending by Service Category for Selected Years, 2007-2027**

Service	2007	2012	2017	2022	2027	Average Annual % Change
Dental	\$21,704.7	\$32,415.9	\$46,613.9	\$65,014.5	\$88,683.2	7.29%
Durable Medical Equipment/Supplies	\$14,524.3	\$21,677.7	\$31,928.7	\$46,568.6	\$67,117.2	7.95%
Early & Periodic Screening, Diagnosis and Treatment	\$42.1	\$44.9	\$48.1	\$50.8	\$53.4	1.19%
Family Planning	\$166.1	\$201.4	\$243.7	\$296.2	\$364.7	4.01%
Health Clinic	\$37,335.1	\$62,833.0	\$98,423.7	\$145,622.7	\$207,868.1	8.96%
Home & Community Based Waiver	\$133,667.0	\$232,510.1	\$383,006.4	\$600,505.6	\$899,742.6	10.00%
Home Health/Hospice	\$1,340.1	\$1,722.7	\$2,226.9	\$2,874.8	\$3,699.5	5.21%
Inpatient Hospital	\$136,551.3	\$163,080.0	\$193,284.9	\$226,938.2	\$266,049.7	3.39%
Inpatient Psychiatric	\$16,855.2	\$21,924.5	\$28,625.2	\$37,205.3	\$48,160.2	5.39%
Lab/X-ray	\$1,969.2	\$2,327.0	\$2,756.7	\$3,264.7	\$3,886.0	3.46%
Nursing Home	\$75,281.3	\$86,052.5	\$102,262.4	\$124,921.9	\$152,085.3	3.58%
Outpatient Hospital	\$80,902.9	\$115,515.8	\$162,001.7	\$223,102.7	\$304,317.1	6.85%
Outpatient Mental Health	\$66,327.8	\$88,322.0	\$117,281.0	\$155,077.2	\$204,239.2	5.78%
Personal Care	\$87,295.0	\$162,954.2	\$272,704.5	\$422,208.4	\$613,208.3	10.24%
Pharmacy	\$107,000.5	\$152,516.9	\$215,882.4	\$302,259.0	\$419,717.0	7.07%
Physician/Practitioner	\$93,070.7	\$129,458.4	\$177,547.2	\$239,718.1	\$321,994.7	6.40%
Residential Psychiatric/Behavioral Rehabilitation Services	\$58,097.1	\$94,725.5	\$135,316.0	\$176,252.9	\$214,920.4	6.76%
Therapy/Rehabilitation	\$21,539.6	\$35,298.5	\$55,375.9	\$83,396.6	\$120,664.7	9.00%
Transportation	\$50,768.3	\$74,513.4	\$107,236.4	\$151,127.4	\$209,731.2	7.35%
Vision	\$2,853.5	\$4,721.7	\$7,394.1	\$11,039.1	\$15,891.8	8.97%
<b>Total Spending</b>	<b>\$1,007,291.8</b>	<b>\$1,482,816.3</b>	<b>\$2,140,159.8</b>	<b>\$3,017,444.7</b>	<b>\$4,162,394.3</b>	<b>7.35%</b>

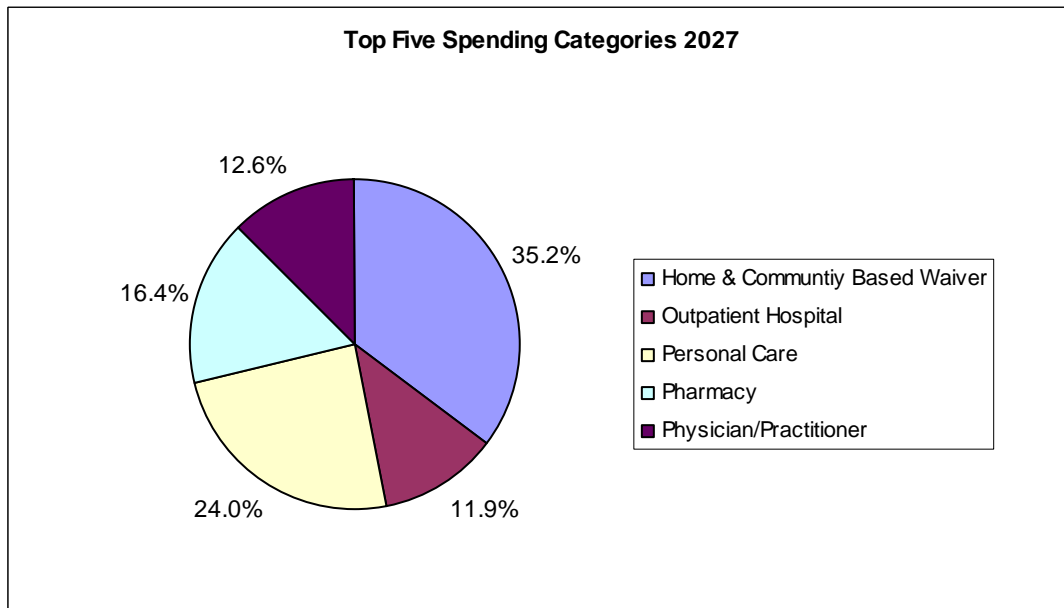
Source: Medicaid Budget Group, MESA model.

**Figure 9: Inpatient Hospital is the largest service category in 2007**



Source: Medicaid Budget Group, MESA model.

**Figure 10: Fast relative growth in Home and Community Based Waivers make it the largest spending category in 2027**



Source: Medicaid Budget Group, MESA model.

- Total Medicaid spending will grow at an average rate of 7.35 percent. It is interesting to note that total spending growth slows to 6.48 percent from 8.27

percent over the forecast period. This slowing of growth is consistent with changes in spending categories related to the elderly.

- Inpatient Hospital loses its place in the top five spending categories by 2027. It is replaced by Physician/Practitioner.
- Home and Community Based Waivers will become the largest portion of total spending with 35.2 percent. Total spending in this category will be \$8.9 billion by 2027.
- Personal Care will account for 24.0 percent of total spending with \$613 million.

**Table 10: The age group 75+ is the fastest growing group for total spending**

**Medicaid Spending by Subpopulation for Selected Years, 2007-2027**

Subpopulation	2007	2012	2017	2022	2027	Average Annual Change
State	\$1,007,291.8	\$1,482,816.3	\$2,140,159.8	\$3,017,444.7	\$4,162,394.3	7.4%
Gender						
Male	\$432,797.2	\$641,434.4	\$930,889.9	\$1,314,773.6	\$1,809,157.4	7.4%
Female	\$574,494.6	\$841,381.9	\$1,209,269.9	\$1,702,671.0	\$2,353,236.8	7.3%
Race						
Native	\$328,610.2	\$479,883.5	\$690,337.3	\$972,403.5	\$1,344,543.8	7.3%
Non-Native	\$678,681.6	\$1,002,932.9	\$1,449,822.5	\$2,045,041.2	\$2,817,850.5	7.4%
Region						
Northern	\$108,064.8	\$162,792.7	\$235,437.1	\$329,926.2	\$452,436.1	7.4%
Western	\$120,191.3	\$177,381.4	\$256,639.8	\$363,884.4	\$508,322.5	7.5%
South Central	\$140,761.0	\$204,606.1	\$289,682.5	\$400,342.5	\$537,467.7	6.9%
Anchorage/Mat-Su	\$527,367.3	\$782,188.7	\$1,146,356.3	\$1,642,413.9	\$2,300,469.3	7.6%
Southeast	\$110,907.4	\$155,847.4	\$212,044.0	\$280,877.6	\$363,698.7	6.1%
Age Group						
0-4	\$127,497.4	\$184,291.9	\$257,570.1	\$339,183.8	\$432,673.0	6.3%
5-9	\$55,893.3	\$83,176.4	\$115,849.9	\$154,855.0	\$196,457.4	6.5%
10-14	\$85,656.2	\$122,027.5	\$172,105.8	\$228,458.2	\$294,686.1	6.4%
15-19	\$139,978.6	\$187,590.5	\$248,624.8	\$331,653.0	\$422,572.4	5.7%
20-24	\$61,926.0	\$91,847.1	\$118,292.4	\$154,619.0	\$212,039.3	6.3%
25-34	\$85,658.0	\$131,021.2	\$197,585.3	\$266,526.8	\$338,297.3	7.1%
35-44	\$89,321.8	\$115,241.0	\$158,255.0	\$228,709.2	\$328,941.2	6.7%
45-54	\$101,832.2	\$130,432.5	\$157,536.1	\$192,929.6	\$252,415.9	4.6%
55-64	\$81,886.5	\$135,574.9	\$193,644.4	\$237,979.8	\$268,889.7	6.1%
65-74	\$64,070.6	\$120,645.2	\$222,922.1	\$357,897.3	\$488,157.3	10.7%
75+	\$113,571.3	\$180,968.1	\$297,774.0	\$524,633.2	\$927,264.6	11.1%

Source: Medicaid Budget Group, MESA model.

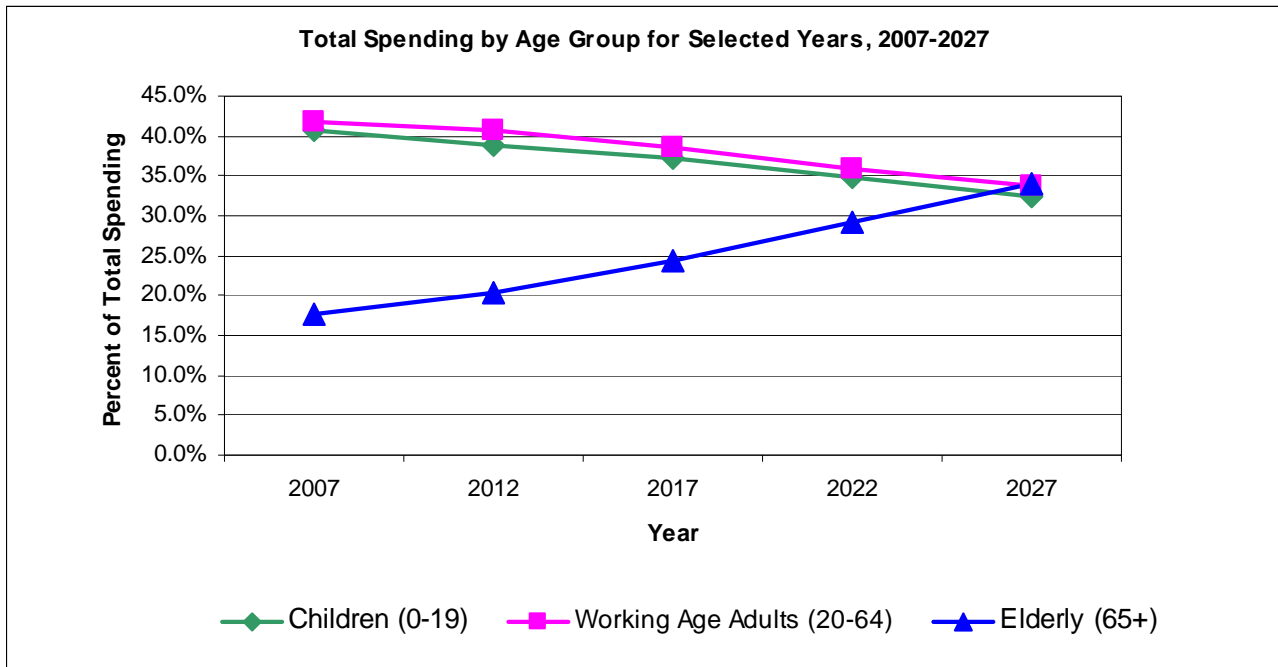
**Table 11: Spending on the elderly grows nearly twice as fast as spending on other age groups**

**Medicaid Spending by Age Group for Selected Years, 2007-2027**

Age Group	2007	2012	2017	2022	2027	Average Annual Change
Children (0-19)	\$ 409,025.6	\$ 577,086.3	\$ 794,150.5	\$ 1,054,149.9	\$ 1,346,388.9	6.1%
Working Age Adults (20-64)	\$ 420,624.4	\$ 604,116.7	\$ 825,313.1	\$ 1,080,764.3	\$ 1,400,583.4	6.2%
Elderly (65+)	\$ 177,641.8	\$ 301,613.3	\$ 520,696.1	\$ 882,530.5	\$ 1,415,421.9	10.9%

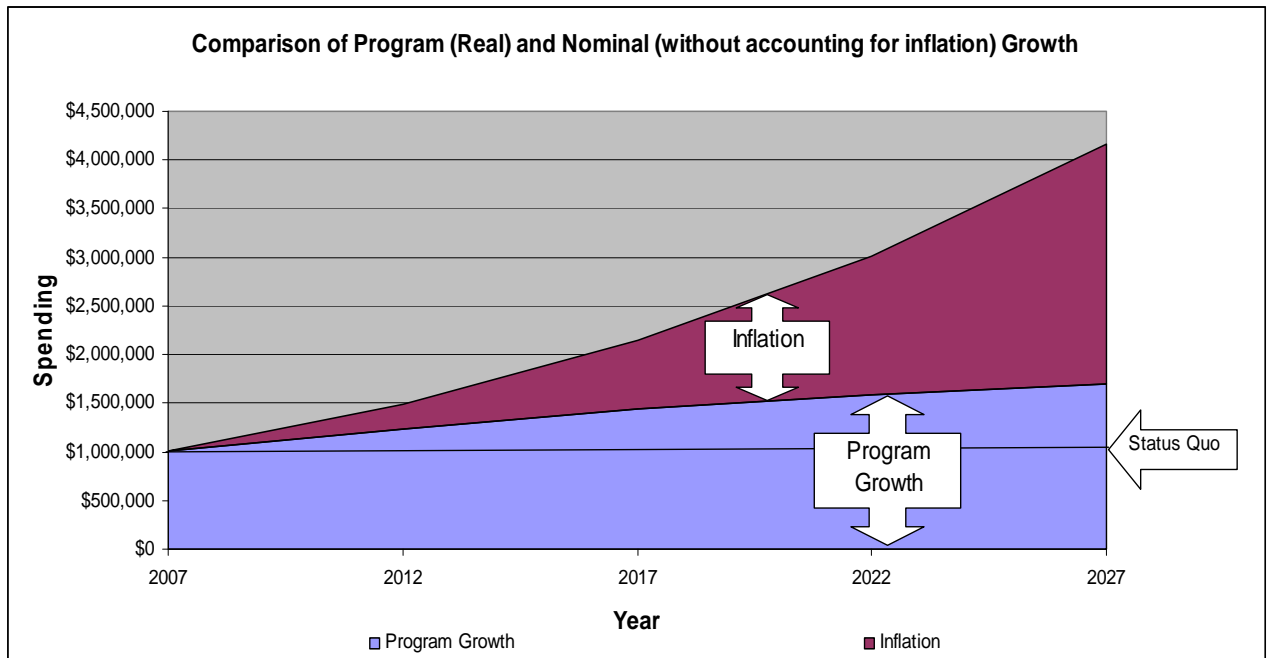
Source: Medicaid Budget Group

**Figure 11: Percentage of spending on each age group converges in 2027**



Source: Medicaid Budget Group

- As a percentage of total, spending on each age group will converge by the end of the forecast period.

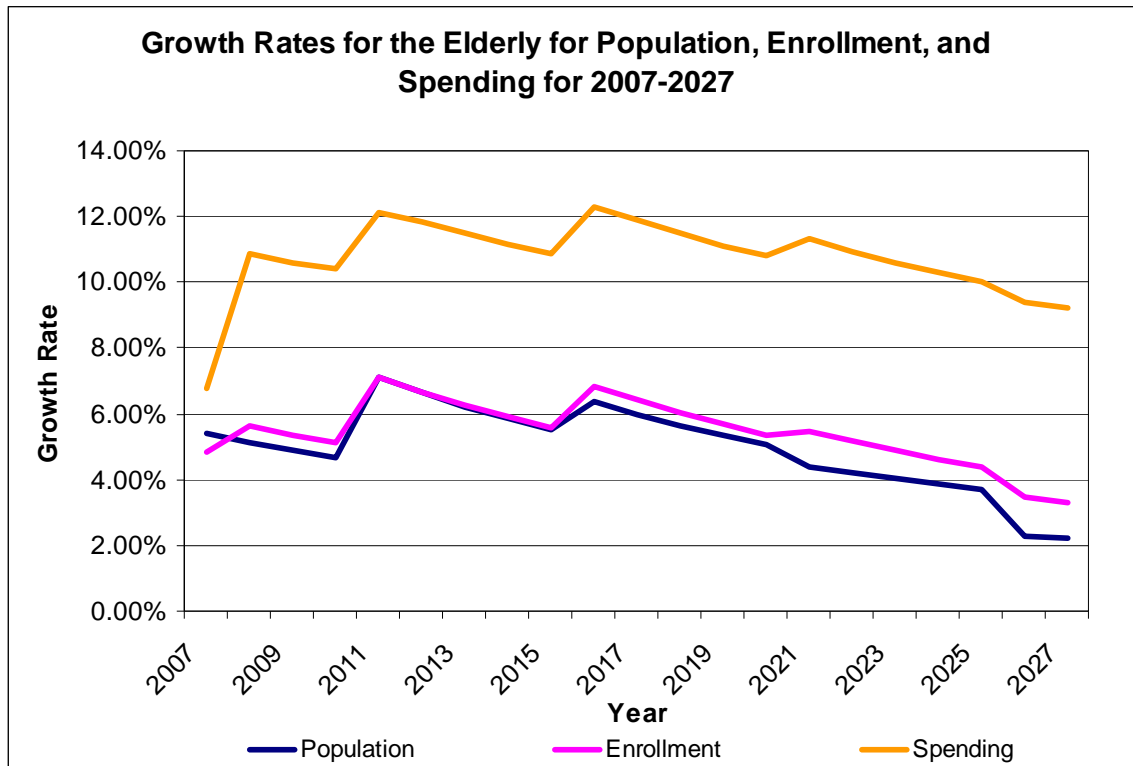
**Figure 12: Inflation remains key growth component<sup>2</sup>**

Source: Medicaid Budget Group, MESA model.

- Removing growth based on inflation shows a relatively flat trend. The average annual growth based on constant 2007 dollars is 2.63 percent. When inflation is added, average annual growth is 7.35 percent.
- Program growth is largely controlled and gradual. Inflationary changes throughout the forecast period are a primary driver in overall growth rates contributing to much of the spending growth in the future. This is an important consideration in the development and evaluation of Medicaid policy.

<sup>2</sup> For a table of real growth for 2007-2027 see Appendix C and D.

**Figure 13: Declines in the growth rate of population and Medicaid enrollment of the elderly cause a related decrease in the growth rates in spending on the elderly**



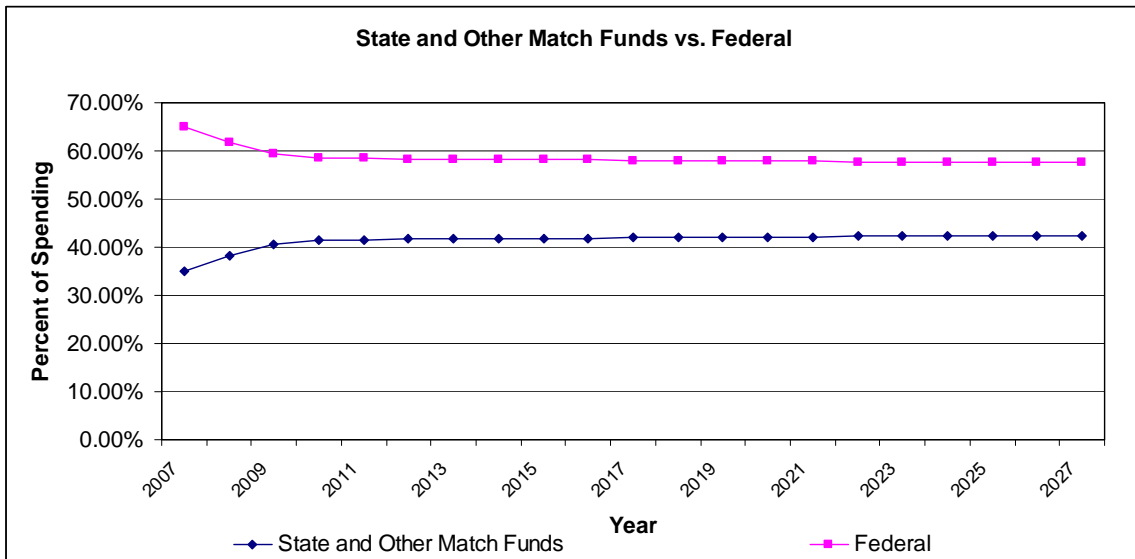
Source: Medicaid Budget Group, MESA model.

- Spending growth rates on the elderly follows the same trending as their growth in enrollment and population.

**State Spending**

*Summary: State spending is projected to grow at approximately the same rate as federal. The federal financial participation (FFP) rates that apply to the majority of Medicaid spending level off to close to 50 percent and are expected to continue at approximately the same level throughout the forecast period. This projection is based on spending patterns of today and is not intended to consider possible changes to federal participation in the future.*

**Figure 14: The percent of total Medicaid spending for state and other match and federal funds begin to converge over the forecast period**



Source: Medicaid Budget Group, MESA model.

**Table 12: State share of Medicaid funding increases throughout the forecast period**

**Medicaid Spending by Fund Source as a Percent of Total Spending for Selected Years, 2007-2027**

Fund Source	2007	2012	2017	2022	2027
State and Other Match Funds (Percent of Total)	35.04%	41.66%	41.96%	42.21%	42.37%
Federal (Percent of Total)	64.96%	58.34%	58.04%	57.79%	57.63%

Source: Medicaid Budget Group, MESA model.

Medicaid is jointly funded by federal and state government. Federal financial participation (FFP) rates are set at the federal level, and are largely outside of

state control. The state's portion of Medicaid Service costs differs according to the recipient's Medicaid eligibility group, category of Medicaid service, provider of Medicaid-related service, and Native/Non-native status. For most Medicaid eligibility groups and services, the portion of state Medicaid benefits paid by the federal government is called the Federal Medical Assistance Percentage, or FMAP which is 52.48 percent for Alaska in federal fiscal year 2008.

The FMAP is based on a three-year average of per capita personal income, ranked among states. While each state has its own FMAP, it can be no lower than 50%. Although the majority of benefits are reimbursed at the regular FMAP rate, certain subgroups have higher reimbursement rates (e.g., qualified Indian Health Services claims are reimbursed 100 percent). Where possible, the state contains costs by taking advantage of higher reimbursement rates.

**Table 13: Alaska's Federal Financial Participation begins a downward trend**

**Federal Financial Participation for Claim Payments, FFY 2007–2027**

FFP Type	FFY06	FFY07	FFY08	FFY09	FFY10-26
Final or Preliminary	Final	Final	Final	Final	Preliminary
<b>Indian Health Services</b>	100.00%	100.00%	100.00%	100.00%	100.00%
<b>Title XIX</b>	57.58%	57.58%	52.48%	50.53%	50.00%
<b>Title XXI</b>	70.31%	70.31%	66.74%	65.37%	65.00%
<b>Breast &amp; Cervical Cancer</b>	70.31%	70.31%	66.74%	65.37%	65.00%
<b>Family Planning</b>	90.00%	90.00%	90.00%	90.00%	90.00%

Source: Medicaid Budget Group, MESA model.

Alaska benefited from special legislation passed in the Deficit Reduction Act of 2005 that allowed the FMAP to remain at the FFY 2005 level of 57.58 percent for FFY 2006 and 2007. This special rate expired Oct. 1, 2007, at which time Alaska's FMAP dropped 5.1 percentage points to 52.48 percent. At the same time the enhanced FMAP dropped from 70.31 percent to 66.74 percent. In FFY 2008 and FFY 2009 the FMAP will continue to decrease towards the minimum of 50.00% and 65.00% for enhanced FMAP. These changes contribute to the increase in state spending relative to federal and other match funds.

- State spending is growing faster relative to total spending, 8.38 percent compared to 7.35 percent. This correlates to the tapering down of the federal financial participation rate.



- Personal Care is the fastest growing category growing at an average annual rate of 11.15 percent. Total spending for Personal Care is growing at 10.35 percent.

**Table 13: Growth in spending on Personal Care and Home and Community Based Waivers is disproportionate towards state funding**

**Forecast of State Spending for Selected Years, 2007-2027**

Service	2007	2012	2017	2022	2027	Average Annual Change
Dental	\$6,858.5	\$12,073.8	\$17,362.0	\$24,215.6	\$33,031.3	8.18%
Durable Medical Equipment/Supplies	\$6,129.0	\$10,782.3	\$15,881.0	\$23,162.7	\$33,383.4	8.84%
Early & Periodic Screening Diagnosis & Testing	\$10.0	\$12.6	\$13.5	\$14.2	\$15.0	2.03%
Family Planning	\$145.9	\$180.1	\$217.8	\$264.8	\$326.0	4.10%
Health Clinic	\$2,890.6	\$5,734.0	\$8,981.9	\$13,289.1	\$18,969.4	9.86%
Home and Community Based Waivers	\$55,081.9	\$112,934.3	\$186,033.1	\$291,676.3	\$437,021.1	10.91%
Home Health/Hospice	\$449.6	\$681.2	\$880.6	\$1,136.8	\$1,462.8	6.08%
Inpatient Hospital	\$37,255.7	\$52,441.9	\$62,154.9	\$72,976.8	\$85,554.0	4.24%
Inpatient Psychiatric	\$6,787.3	\$10,406.3	\$13,586.7	\$17,659.2	\$22,858.9	6.26%
Lab/X-ray	\$827.4	\$1,152.0	\$1,364.8	\$1,616.3	\$1,923.9	4.31%
Nursing Home	\$30,268.7	\$40,782.1	\$48,464.3	\$59,203.1	\$72,076.4	4.43%
Outpatient Hospital	\$20,461.1	\$34,428.0	\$48,282.5	\$66,492.9	\$90,697.8	7.73%
Outpatient Mental Health	\$25,096.9	\$39,390.7	\$52,306.1	\$69,162.9	\$91,088.7	6.66%
Personal Care	\$36,904.8	\$81,200.4	\$135,889.2	\$210,387.4	\$305,563.0	11.15%
Pharmacy	\$38,853.0	\$65,276.6	\$92,396.7	\$129,365.5	\$179,637.0	7.96%
Physician/Practitioner	\$33,884.5	\$55,433.7	\$76,025.1	\$102,646.5	\$137,877.1	7.27%
Residential Psychiatric/Behavioral Rehabilitation Services	\$24,124.0	\$46,362.3	\$66,228.8	\$86,264.9	\$105,190.2	7.64%
Therapy/Rehabilitation	\$8,092.0	\$15,630.5	\$24,521.0	\$36,928.8	\$53,431.5	9.90%
Transportation	\$17,656.5	\$30,545.5	\$43,959.8	\$61,952.1	\$85,975.7	8.24%
Vision	\$1,147.4	\$2,238.0	\$3,504.7	\$5,232.3	\$7,532.4	9.87%
<b>Total State Spending</b>	<b>\$352,924.8</b>	<b>\$617,686.2</b>	<b>\$898,054.4</b>	<b>\$1,273,648.2</b>	<b>\$1,763,615.6</b>	<b>8.38%</b>

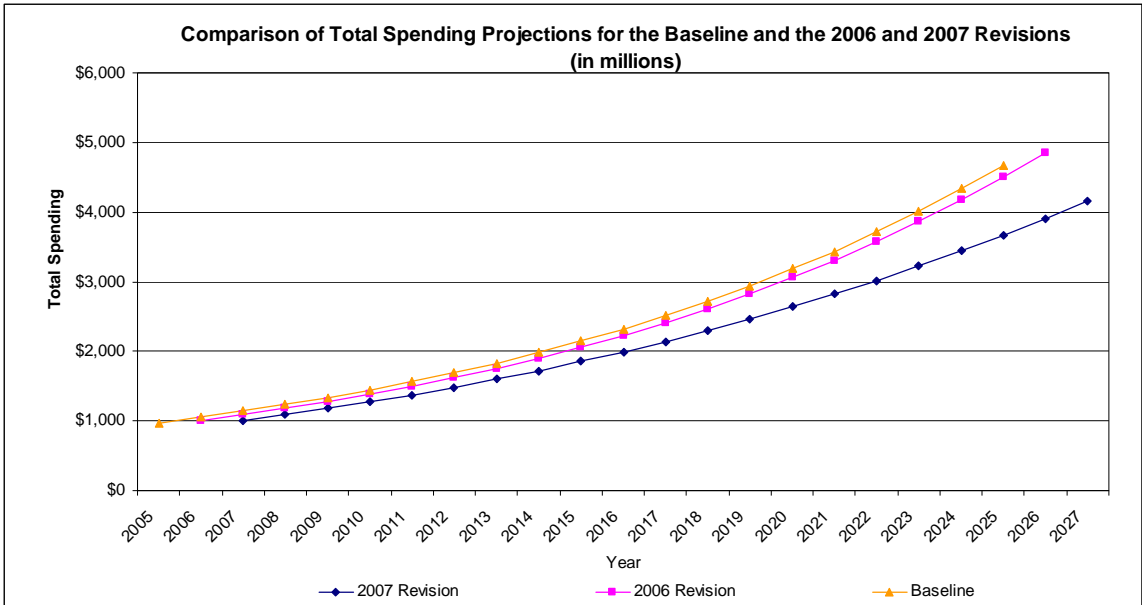
Source: Medicaid Budget Group, MESA model.

**SECTION II: COMPARING YEAR 2025 IN THE 2025 BASELINE TO THE 2027 FORECAST UPDATE**

In this section we delineate difference between the revised forecast (2007-2027) to the original baseline (2005-2025) using the year 2025 as a basis for comparison. This allows us to show how the forecast can shift as a result of changes to the status quo as new data is introduced to the model.

*Summary: Cost containment efforts initiated since 2004 have begun to manifest in the data. Changes appear small in the early years and become more pronounced throughout the forecast period. Decreases in the proportion of the elderly to the total population in conjunction with cost containment were the major contributing factors in a lower revised 2025 forecast.*

**Figure 15: Small changes in the early years of the forecast lead to large differences in 2025**



Source: Medicaid Budget Group, MESA model.

- The long-term impact of Medicaid policy is highlighted in the difference between 2025 as originally reported and the 2025 from the current forecast. The original baseline forecast included data through 2004, thereby missing the effects of cost containment measures begun in 2004. Subsequent updates have integrated two additional years of data revealing a large decrease in spending projections in the future.

## Enrollment

*Summary: Changes in enrollment for categories serving children are affected by movement between eligibility categories and decreases in enrollment base data. Enrollment categories for the elderly are affected by decreases in the expected elderly population data. Overall enrollment is down 2.6 percent from the baseline forecast.*

**Table 14: Title XXI Kids decreases 25 percent from the baseline**

Revised 2025 Eligibility Levels				
Eligibility Group*	2025 (Baseline)	2025 (Update)	Difference	Percent Change from Baseline
AFDC & Related	51,008	48,947	-2,061	-4.0%
Title XXI Kids	6,119	4,597	-1,522	-24.9%
Title XIX Kids	44,529	50,806	6,277	14.1%
Pregnancy/Post Partum	19,148	18,841	-307	-1.6%
Kids in Custody	4,461	4,249	-212	-4.7%
Alien (Foreign)	19	11	-8	-43.7%
SSI/APA/LTC Cash	42,736	36,790	-5,946	-13.9%
LTC Non-cash	4,616	3,707	-909	-19.7%
Other Disabled	481	464	-18	-3.7%
Medicare	313	480	167	53.3%
Exams	1,643	1,700	57	3.5%
<b>Unduplicated Count Enrollment</b>	<b>175,073</b>	<b>170,593</b>	<b>-4,480</b>	<b>-2.6%</b>

Source: Medicaid Budget Group, MESA model. \*For definitions of eligibility classifications see Appendix A.

- Overall, enrollment decreased 2.6 percent from the baseline. This is caused by changes in the population forecast relating to the subpopulations and changes in the base year enrollment data. Decreases in categories related to the elderly are a result of less than anticipated growth rates in the elderly population while changes to the children-based categories are more directly linked to policy changes.
- Changes in Title XXI Kids are a result in changes in the starting number for 2007 which has declined from 2005. This is due to eligibility guidelines rather than a drop in population within this group. The standard in 2004 was frozen at 175 percent of the federal poverty guideline.<sup>3</sup>
- The data indicates that some children that would otherwise have enrolled under Title XXI will instead be enrolled under Title XIX.

<sup>3</sup> Eligibility guidelines were changed effective July 2007 and are unfrozen at 175 percent of federal poverty guidelines.

**Table 15: Percentage point changes in enrollment across all subpopulations are slight**

**Revised 2025 Forecast for Enrollment by Subpopulation**

Subpopulation	2025 (Baseline)	2025 (Update)	Change	Percent Change from Baseline
<b>State</b>	175,073	170,619	-4,454	-2.54%
<b>Gender</b>				
<b>Male</b>	80,586	76,220	-4,366	-5.42%
<b>Female</b>	94,487	94,378	-109	-0.12%
<b>Race</b>				
<b>Native</b>	63,392	59,406	-3,986	-6.29%
<b>Non-Native</b>	111,681	111,082	-599	-0.54%
<b>Region</b>				
<b>Northern</b>	22,859	22,566	-293	-1.28%
<b>Western</b>	26,157	24,573	-1,584	-6.06%
<b>South Central</b>	21,333	21,524	190	0.89%
<b>Anchorage/Mat-Su</b>	94,254	87,805	-6,449	-6.84%
<b>Southeast</b>	10,470	13,424	2,954	28.21%
<b>Age</b>				
<b>0-4</b>	33,272	34,314	1,042	3.13%
<b>5-9</b>	28,448	25,783	-2,665	-9.37%
<b>10-14</b>	25,193	22,505	-2,688	-10.67%
<b>15-19</b>	15,429	17,768	2,339	15.16%
<b>20-24</b>	5,999	8,923	2,924	48.75%
<b>25-34</b>	11,845	15,527	3,682	31.09%
<b>35-44</b>	10,235	10,795	560	5.47%
<b>45-54</b>	4,786	6,101	1,315	27.48%
<b>55-64</b>	6,642	5,302	-1,339	-20.17%
<b>65-74</b>	19,615	11,958	-7,657	-39.04%
<b>75+</b>	13,610	11,642	-1,967	-14.46%

Source: Medicaid Budget Group, MESA model.

- Based on the revised forecast (2007-2027), statewide enrollment in Medicaid will be 170,593. This is a decrease from the 175,073 projected in the baseline.
- Changes of a few thousand enrollees can mean a large percentage change given the small age groupings.
- Changes in enrollment can be from changes in population or changes in enrollment base data. A small change in enrollment in the first forecast year can lead to a relatively large difference in the last year of the forecast.
- Overall, enrollment tends to move in the same direction (although not to the same magnitude) as population.

- Male enrollment decreased 1.4 percentage points from the baseline and will comprise a slightly smaller proportion of enrollment (55.3 percent vs. 53.9 percent).
- The Native/Non-Native split has shifted slightly from the baseline. Native enrollment decreased 1.4 percentage points while non-Native increased 1.3 percentage points.

**Table 16: Changes in population cause a decrease in enrollment for the elderly and an increase for working-age adults**

**Revised 2025 Forecast for Enrollment by Age Group**

Age Cohort	2025 (Baseline)	2025 (Revised)	Change	Percent Change from Baseline
Children (0-19)	102,342	100,370	-1,972	-1.9%
Working Age Adults (20-64)	39,506	46,648	7,142	18.1%
Elderly (65+)	33,225	23,601	-9,624	-29.0%
Total	175,073	170,619	-4,454	-2.5%

Source: Medicaid Budget Group, MESA model.

- Enrollment increases from the baseline for both children and working-age adults (0.4 and 4.8 percentage points, respectively). These increases are caused by higher populations in both groups.
- The population for the elderly is less than expected contributing to a 5.1 percentage point decrease in enrollment levels.

### **Utilization**

*Summary: The largest percent change will occur in service categories that are more heavily utilized by the elderly. This is correlated to the forecasted reduction in population growth and changes in enrollment rates compared to the baseline.*

- Fifteen out of 20 service categories experienced decreases to their respective 2025 utilization totals in the 2007-2027 forecast compared to the 2005-2025 baseline.

- Personal Care decreased 66.4 percent over the baseline. Cost containment in Personal Care began to take effect in 2006, but have not been fully realized. As the MESA model begins to incorporate more data, slower growth in PCA is likely to continue.
- Estimates of total recipients decreased 2.7 percent from the 2005-2025 baseline.

**Table 17: Decreases in utilization will help drive decreases in spending****Revised 2025 Forecast of Utilization by Service Category**

Service*	2025 (Baseline)	2025 (Update)	Difference	Percent Change from Baseline
Dental	79,209	73,110	-6,098	-7.7%
DME/Supplies	25,150	22,084	-3,065	-12.2%
Early & Periodic Screening Diagnosis & Testing	2,615	219	-2,396	-91.6%
Family Planning	537	556	19	3.5%
Health Clinic	81,477	98,657	17,181	21.1%
Home & Community Based Waiver	25,263	15,373	-9,890	-39.1%
Home Health/Hospice	1,119	776	-343	-30.7%
Inpatient Hospital	17,324	15,480	-1,844	-10.6%
Inpatient Psychiatric	733	988	255	34.8%
Lab/X-ray	13,883	12,751	-1,132	-8.2%
Nursing Home	2,607	1,343	-1,264	-48.5%
Outpatient Hospital	102,324	101,182	-1,142	-1.1%
Outpatient Mental Health	17,169	16,655	-515	-3.0%
Personal Care	35,311	11,865	-23,446	-66.4%
Pharmacy	112,626	127,166	14,540	12.9%
Physician/Practitioner	118,652	120,560	1,908	1.6%
Residential Psychiatric/Behavioral Rehabilitation Services	5,319	1,850	-3,469	-65.2%
Therapy/Rehabilitation	41,529	24,602	-16,927	-40.8%
Transportation	48,752	43,790	-4,963	-10.2%
Vision	75,190	52,332	-22,858	-30.4%
Unduplicated Count of Medicaid Recipients	150,743	146,710	-4,033	-2.7%
Unduplicated Count of Medicaid Enrollees	175,073	170,593	-4,480	-2.6%

Source: Medicaid Budget Group, MESA model. \*Service categories are described in Appendix B.

### Total Spending<sup>4</sup>

Summary: Total projected spending has decreased by 21.5 percent from the 2005-2025 baseline, but as a percent of total, spending in most service categories has remained stable.

**Table 18: Personal Care experiences the greatest percentage point decrease**

**Revised 2025 Forecast of Total Spending (in thousands) by Service Category**

Service	2025 (Baseline)	2025 (Update)	Change	Percent Change from Baseline
Dental	\$62,903.8	\$78,386.1	\$15,482.3	24.61%
DME/Supplies	\$48,883.8	\$58,094.2	\$9,210.4	18.84%
EPSDT	\$343.7	\$52.22	-\$291.46	-84.81%
Family Planning	\$325.9	\$334.8	\$8.8	2.71%
Health Clinic	\$129,827.8	\$180,647.9	\$50,820.1	39.14%
Home & Community Based Waiver	\$1,053,745.9	\$770,678.1	-\$283,067.8	-26.86%
Home Health/Hospice	\$2,721.5	\$3,346.8	\$625.3	22.98%
Inpatient Hospital	\$243,601.5	\$249,267.3	\$5,665.8	2.33%
Inpatient Psychiatric	\$22,289.4	\$43,402.7	\$21,113.3	94.72%
Lab/X-ray	\$3,100.1	\$3,620.4	\$520.3	16.78%
Nursing Home	\$212,197.8	\$140,899.5	-\$71,298.4	-33.60%
Outpatient Hospital	\$210,453.6	\$268,726.1	\$58,272.5	27.69%
Outpatient Mental Health	\$120,544.0	\$182,867.4	\$62,323.4	51.70%
Personal Care	\$1,274,057.3	\$533,005.6	-\$741,051.7	-58.16%
Pharmacy	\$344,704.8	\$368,441.8	\$23,736.9	6.89%
Physician/Practitioner	\$155,579.3	\$285,885.8	\$130,306.5	83.76%
Residential Psychiatric/BRC	\$456,051.9	\$199,589.5	-\$256,462.4	-56.24%
Therapy/Rehabilitation	\$173,069.2	\$104,368.6	-\$68,700.6	-39.70%
Transportation	\$155,482.4	\$184,099.0	\$28,616.6	18.41%
Vision	\$5,216.0	\$13,784.1	\$8,568.1	164.26%
<b>Total State Spending</b>	<b>\$4,675,099.9</b>	<b>\$3,669,497.8</b>	<b>-\$1,005,602.1</b>	<b>-21.51%</b>

Source: Medicaid Budget Group, MESA model.

- As a percentage of total spending, most service categories remained relatively stable. This means that although spending decreased overall, the overall distribution of services is largely similar to the baseline.

<sup>4</sup> Spending is nominal unless otherwise noted. Real spending is in Appendix C and D.

- Total projected spending has decreased to \$3.7 billion from the baseline forecast of \$4.7 billion. (-21.5 percent). This is primarily a result of policy changes to control growth that are beginning to show up in base data.
- Personal Care spending growth continues to decrease from the baseline. This is evidence of cost containment showing up in the base data. This service category experienced the largest decrease in spending dropping from \$1.2 billion in the baseline to \$533 million in the revised forecast. This equates to a \$741 million decrease in spending from the original forecast.
- Two other categories, Home and Community Based Waivers and Residential Psychiatric/Behavioral Rehabilitation Center, had relatively large decreases in spending (\$283 million and \$256 million, respectively).
- The greatest spending increase from the baseline is in Physician/Practitioner (\$130 million).
- Changes in spending categories are primarily caused by shifts in the projections for children, working-age adults and the elderly.



**Table 19: The elderly population experiences the greatest decrease in spending as a percentage of total spending****Revised 2025 Forecast of Total Medicaid Spending (in thousands) by Subpopulation**

Subpopulation	2025 (Baseline)	2025 (Update)	Change	Percent Change from Baseline
<b>State</b>	\$4,675,099.9	\$3,669,497.8	-\$1,005,602.1	-21.51%
<b>Gender</b>				
<b>Male</b>	\$1,977,951.3	\$1,786,284.1	-\$191,667.2	-9.69%
<b>Female</b>	\$2,697,148.6	\$1,883,213.8	-\$813,934.9	-30.18%
<b>Race</b>				
<b>Native</b>	\$1,254,578.0	\$799,647.6	-\$454,930.4	-36.26%
<b>Non-Native</b>	\$3,420,521.9	\$2,869,850.2	-\$550,671.7	-16.10%
<b>Region</b>				
<b>Northern</b>	\$613,582.9	\$427,787.5	-\$185,795.4	-30.28%
<b>Western</b>	\$439,673.4	\$226,194.9	-\$213,478.5	-48.55%
<b>South Central</b>	\$758,961.2	\$429,033.0	-\$329,928.2	-43.47%
<b>Anchorage/Mat-Su</b>	\$2,559,711.2	\$2,331,371.5	-\$228,339.8	-8.92%
<b>Southeast</b>	\$303,171.2	\$255,111.0	-\$48,060.2	-15.85%
<b>Age Group</b>				
<b>0-4</b>	\$397,486.7	\$475,707.6	\$78,220.9	19.68%
<b>5-9</b>	\$337,731.1	\$412,300.1	\$74,569.0	22.08%
<b>10-14</b>	\$361,229.9	\$386,529.0	\$25,299.2	7.00%
<b>15-19</b>	\$260,534.7	\$292,495.1	\$31,960.4	12.27%
<b>20-24</b>	\$104,924.8	\$112,907.0	\$7,982.1	7.61%
<b>25-34</b>	\$214,726.6	\$209,113.5	-\$5,613.1	-2.61%
<b>35-44</b>	\$245,463.9	\$228,444.8	-\$17,019.1	-6.93%
<b>45-54</b>	\$200,040.1	\$189,739.9	-\$10,300.1	-5.15%
<b>55-64</b>	\$393,536.5	\$264,007.5	-\$129,529.0	-32.91%
<b>65-74</b>	\$1,016,501.5	\$595,552.6	-\$420,948.9	-41.41%
<b>75+</b>	\$1,142,924.1	\$502,700.8	-\$640,223.3	-56.02%

Source: Medicaid Budget Group, MESA model.

**Table 20: The elderly age group comprises less of total spending than projected in the baseline**

**Revised 2025 Forecast of Total Medicaid Spending (in thousands) by Age Group**

Age Cohort	2025 (Baseline)	2025 (Revised)	Change	Percent Change from Baseline
Children (0-19)	\$1,356,982.3	\$1,567,031.8	\$210,049.4	15.5%
Working Age Adults (20-64)	\$1,158,692.0	\$1,004,212.6	-\$154,479.3	-13.3%
Elderly (65+)	\$2,159,425.6	\$1,098,253.4	\$1,061,172.2	-49.1%
Total	\$4,675,099.9	\$3,669,497.8	-\$1,005,602.1	-21.5%

Source: Medicaid Budget Group, MESA model.

- Spending for the elderly decreased by \$1.06 million in the revised forecast. This is mainly due to the decrease in spending for Home and Community Based Waivers and Personal Care which totaled \$1.02 million.
- The proportion of spending for children is higher than originally predicted. They are now expected to comprise 42.7 percent of state spending rather than 29.0 percent.
- The expected shift in spending to the elderly is delayed in the revised forecast. The elderly reduced their share of state spending in the year 2025 from 46.2 percent to 29.9 percent.
- Growth in the Anchorage/Mat-Su region is 8.8 percentage points higher as a portion of total spending. The Southeast experienced a slight increase of 0.5 percent from the baseline.
- Three regions saw decreases in their share of total spending. The Northern, Western and South Central regions decreased by 1.5, 3.2, and 4.5 percentage points, respectively.
- Growth is shifting from other regions into the Anchorage/Mat-Su region.
- The proportion of total Medicaid spending spent on Natives in 2025 will decrease from 26.8 percent to 21.8 percent. The proportion spent on non-Natives will increase from 73.2 percent to 78.2 percent.

### State Spendings

*Summary: State spending for 2025 is reduced from the baseline forecast. The state share of total spending increases due to changes in the federal financial participation (FFP) rate.*

**Table 21: State Medicaid spending is reduced by 25 percent over the baseline forecast**

#### Revised 2025 Forecast of State Spending

Service	2025 (Baseline)	2025 (Revised)	Change	Percent Change from Baseline
Dental	\$22,433.6	\$29,196.0	\$6,762.5	30.14%
DME/Supplies	\$24,216.2	\$28,895.4	\$4,679.3	19.32%
Early & Periodic Screening Diagnosis & Testing*	\$83.7	\$14.7	-\$69.1	-82.50%
Health Clinic	\$10,319.4	\$16,485.4	\$6,166.0	59.75%
Home & Community Based Waivers	\$520,384.1	\$374,332.2	-\$146,051.9	-28.07%
Home Health/Hospice	\$1,331.5	\$1,323.4	-\$8.1	-0.61%
Inpatient Hospital	\$59,740.9	\$80,157.2	\$20,416.3	34.17%
Inpatient Psychiatric	\$10,631.2	\$20,600.8	\$9,969.6	93.78%
Lab/X-ray	\$1,533.8	\$1,792.4	\$258.6	16.86%
Nursing Home	\$100,685.0	\$66,775.2	-\$33,909.7	-33.68%
Other Services	\$307.4	\$299.2	-\$8.2	-2.66%
Outpatient Hospital	\$57,101.3	\$80,090.3	\$22,989.1	40.26%
Outpatient Mental Health	\$54,560.1	\$81,557.0	\$26,997.0	49.48%
Personal Care	\$629,098.1	\$265,597.8	-\$363,500.3	-57.78%
Pharmacy	\$149,790.5	\$157,691.5	\$7,901.0	5.27%
Physician/Practitioner	\$67,977.0	\$122,415.4	\$54,438.4	80.08%
Residential Psychiatric/Behavioral Rehabilitation Services	\$221,470.3	\$97,686.7	-\$123,783.6	-55.89%
Therapy/Rehabilitation	\$85,854.8	\$46,215.4	-\$39,639.3	-46.17%
Transportation	\$50,885.7	\$75,468.3	\$24,582.6	48.31%
Vision	\$2,401.9	\$6,533.4	\$4,131.5	172.01%
<b>Total State Spending</b>	<b>\$2,070,806.2</b>	<b>\$1,553,127.7</b>	<b>-\$517,678.5</b>	<b>-25.00%</b>

Source: Medicaid Budget Group, MESA model. \*Early & Periodic Screening & Testing is such a small percentage of total state spending that it appears as 0.00%.

- The greatest increase as a percentage of state spending for the year 2025 was in Physician/Practitioner.

<sup>5</sup> Spending is nominal unless otherwise noted

- The greatest decrease as a percentage of state spending occurred in the Personal Care service category. Spending in this category was reduced by 13.28 percentage points from the baseline.
- Changes in the distribution of state funding are due to the change in demographic makeup of the population as well as cost containment and programmatic changes.

**SUMMARY**

Total spending is forecasted to reach \$4.1 billion by 2027 (see Table 9) growing at an average annual rate of 7.35 percent. State spending is expected to grow at 8.38 percent. Growth in total spending through 2027 is primarily due to the following:

- Population growth – expected to average 0.96 percent per year
- Enrollment growth – expected to average 1.26 percent per year

Embedded in the growth rate of the above components is the changing demographic profile of Alaska. The average annual growth rate of the elderly (65+ years) is expected to be 5.0 percent. This causes a shift in the overall focus of the Medicaid program from child-based to a program more evenly distributed amongst the age groups. It is important to note that despite this convergence, spending on the elderly is still growing at a rate almost double that of the Children and Working-Age Adults and it is likely to continue. The expected shift in spending towards the elderly is still likely to occur, but the timing is delayed.

It is important to note that services utilized more heavily by the elderly such as Personal Care and Home and Community Based Waivers will experience the highest spending growth throughout the forecast period.

The purpose of this forecast is to enable policy makers and Health and Social Services executives to see where Medicaid is headed based on key growth components. By looking farther into the future, policy can be based more on proactive rather than reactive measures.

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**Appendix A: Medicaid Eligibility Classification Descriptions**

Eligibility Class	Description
AFDC & Related	Eligible for AFDC-based Family Medicare or Transitional Medicaid
Title XIX Kids	Children under age 19 not eligible for coverage under M-SCHIP
Title XXI Kids	Children under age 19 eligible for coverage under M-SCHIP
Pregnancy/Post Partum	Eligible during pregnancy and for 60 days after giving birth
Kids in Custody	Children in custody of DHSS
Alien (Foreign)	Illegal, sponsored, or amnesty alien
SSI/APA/LTC Cash	Eligible for SSI or other state cash supplement
LTC Non-cash	Elderly or disabled individual not receiving SSI or cash supplement
Other Disabled	Working disabled or eligible due to breast/cervical cancer screening
Medicare	Eligible for Medicare cost-sharing assistance only
Exams	Disability, waiver, or pregnancy determination pending

## Appendix B: Medicaid Service Category Descriptions

<b>Service Category</b>	<b>Description</b>
<b>Dental</b>	Dental services for children and adults
<b>Durable Medical Equipment/Supplies</b>	Durable medical equipment (DME), medical supplies, prosthetics, and orthotics
<b>Early &amp; Periodic Screening, Diagnosis &amp; Testing</b>	Early, periodic screening, diagnosis and treatment (EPSDT) including preventive health checkups, health screenings and immunizations
<b>Home &amp; Community Based Waiver</b>	Home and community based long-term care services offered through Medicaid Waivers including Alaska Pioneer Homes, assisted living homes, respite care, adult day care, chore services, residential and day habilitation, nutrition, and meals.
<b>Health Clinic</b>	Health clinic services including rural health clinics, federally-qualified health clinics and tribal health clinics
<b>Home Health/Hospice</b>	Home health services, hospice care, nutrition services, and private duty nursing
<b>Inpatient Hospital</b>	Inpatient hospital services
<b>Inpatient Psychiatric Hospital</b>	Inpatient psychiatric hospital services
<b>Laboratory/X-Ray</b>	Laboratory, x-ray and diagnostic services
<b>Nursing Home</b>	Skilled nursing and intermediate care facilities including intermediate-care facilities for the mentally retarded; and temporary long-term care services
<b>Other Services</b>	Other services not classified elsewhere
<b>Outpatient Hospital</b>	Outpatient hospital services, outpatient surgery services, and end-stage renal disease services
<b>Outpatient Mental Health</b>	Outpatient mental health services, psychology services, and drug abuse centers
<b>Personal Care</b>	Personal care attendant services including agency-based and consumer-directed programs
<b>Pharmacy</b>	Prescription drugs
<b>Physician/Practitioner Services</b>	Physician, podiatrist, advanced nurse practitioner, and midwifery services
<b>Residential Psychiatric/Behavioral Rehabilitation Services</b>	Residential psychiatric treatment centers and behavioral rehabilitation services (BRS)
<b>Therapy/Rehabilitation</b>	Outpatient rehabilitation, physical therapy, occupational therapy, speech therapy, audiology, and chiropractic services
<b>Transportation</b>	Emergency and non-emergency medically necessary transportation and accommodation
<b>Vision</b>	Optometrist services and eyeglasses

### Appendix C: Real Medicaid Spending by Subpopulation

Subpopulation	2007	2012	2017	2022	2027	Average Annual Percent Change
State	\$1,007,291.8	\$1,235,102.0	\$1,435,697.7	\$1,593,214.2	\$1,692,236.6	2.63%
<b>Gender</b>						
Male	\$432,797.2	\$534,278.6	\$624,475.1	\$694,202.0	\$735,519.6	2.69%
Female	\$574,494.6	\$700,823.5	\$811,222.6	\$899,012.2	\$956,717.1	2.58%
<b>Race</b>						
Native	\$328,610.2	\$399,715.8	\$463,103.6	\$513,430.1	\$546,629.2	2.58%
Non-Native	\$678,681.6	\$835,386.3	\$972,594.1	\$1,079,784.1	\$1,145,607.4	2.65%
<b>Region</b>						
Northern	\$108,064.8	\$135,597.1	\$157,939.9	\$174,201.4	\$183,939.6	2.70%
Western	\$120,191.3	\$147,748.7	\$172,163.4	\$192,131.4	\$206,660.4	2.75%
S_Cent	\$140,761.0	\$170,425.3	\$194,329.6	\$211,381.3	\$218,509.4	2.22%
AN_Mat-Su	\$527,367.3	\$651,518.9	\$769,017.9	\$867,196.4	\$935,264.2	2.91%
S_east	\$110,907.4	\$129,812.1	\$142,246.9	\$148,303.7	\$147,863.0	1.45%
<b>Age</b>						
0-4	\$127,497.4	\$153,504.7	\$172,787.4	\$179,089.4	\$175,904.8	1.62%
5-9	\$55,893.3	\$69,281.2	\$77,716.4	\$81,763.6	\$79,870.5	1.80%
10-14	\$85,656.2	\$101,642.0	\$115,454.9	\$120,626.2	\$119,805.7	1.69%
15-19	\$139,978.6	\$156,252.3	\$166,786.6	\$175,113.2	\$171,798.4	1.03%
20-24	\$61,926.0	\$76,503.5	\$79,354.9	\$81,639.0	\$86,205.3	1.67%
25-34	\$85,658.0	\$109,133.3	\$132,547.4	\$140,726.4	\$137,536.0	2.40%
35-44	\$89,321.8	\$95,989.2	\$106,163.3	\$120,758.7	\$133,732.3	2.04%
45-54	\$101,832.2	\$108,642.9	\$105,681.0	\$101,867.0	\$102,620.6	0.04%
55-64	\$81,886.5	\$112,926.2	\$129,903.8	\$125,653.6	\$109,318.1	1.46%
65-74	\$64,070.6	\$100,490.6	\$149,544.4	\$188,970.2	\$198,462.1	5.82%
75+	\$113,571.3	\$150,736.2	\$199,757.7	\$277,006.9	\$376,982.8	6.18%

Source: Medicaid Budget Group, MESA model.



**Appendix D: Real Medicaid Spending by Service Category**

Service	2007	2012	2017	2022	2027	Average Annual Percent Change
Inpatient Hospital	\$136,551.3	\$135,836.4	\$129,662.6	\$119,823.6	\$108,163.5	-1.16%
Outpatient Hospital	\$80,902.9	\$96,218.1	\$108,676.7	\$117,798.5	\$123,721.2	2.15%
Nursing Home	\$75,281.3	\$71,676.9	\$68,601.3	\$65,958.9	\$61,830.8	-0.98%
Health Clinic	\$37,335.1	\$52,336.3	\$66,026.2	\$76,889.0	\$84,509.6	4.17%
Dental	\$21,704.7	\$27,000.6	\$31,270.3	\$34,327.7	\$36,054.5	2.57%
Lab/X-ray	\$1,969.2	\$1,938.3	\$1,849.3	\$1,723.8	\$1,579.9	-1.10%
Family Planning	\$166.1	\$167.8	\$163.4	\$156.4	\$148.3	-0.56%
Early & Periodic Screening Diagnosis & Testing	\$42.1	\$37.4	\$32.2	\$26.8	\$21.7	-3.26%
Physician/Practitioner	\$93,070.7	\$107,831.5	\$119,105.2	\$126,571.4	\$130,908.1	1.72%
Home Health/Hospice	\$1,340.1	\$1,434.9	\$1,493.9	\$1,517.9	\$1,504.0	0.58%
Inpatient Psychiatric	\$16,855.2	\$18,261.8	\$19,202.8	\$19,644.4	\$19,579.7	0.75%
Vision	\$2,853.5	\$3,932.9	\$4,960.3	\$5,828.7	\$6,460.9	4.17%
Residential Psychiatric/Behavioral Rehabilitation Services	\$58,097.1	\$78,901.0	\$90,775.0	\$93,061.7	\$87,376.7	2.06%
Home & Community Based Waiver	\$133,667.0	\$193,667.7	\$256,934.8	\$317,067.6	\$365,793.6	5.16%
Personal Care	\$87,295.0	\$135,731.7	\$182,940.2	\$222,926.5	\$249,302.1	5.39%
Outpatient Mental Health	\$66,327.8	\$73,567.2	\$78,676.4	\$81,880.9	\$83,034.2	1.13%
Pharmacy	\$107,000.5	\$127,038.0	\$144,821.9	\$159,593.1	\$170,637.5	2.36%
Transportation	\$50,768.3	\$62,065.4	\$71,938.1	\$79,795.4	\$85,267.0	2.63%
Therapy/Rehabilitation	\$21,539.6	\$29,401.6	\$37,148.2	\$44,033.5	\$49,056.7	4.20%
Durable Medical Equipment/Supplies	\$14,524.3	\$18,056.3	\$21,418.9	\$24,588.3	\$27,286.8	3.20%
<b>Total</b>	<b>\$1,007,291.8</b>	<b>\$1,235,102.0</b>	<b>\$1,435,697.7</b>	<b>\$1,593,214.2</b>	<b>\$1,692,236.6</b>	<b>2.63%</b>

Source: Medicaid Budget Group, MESA model.

### Appendix E: Historic Population by Subpopulation, 2000-2006\*

Subpopulation	2000	2001	2002	2003	2004	2005	2006
State	621,623	629,897	636,113	642,918	650,338	662,604	669,977
<b>Gender</b>							
Male	321,678	325,412	328,157	331,195	334,540	340,123	343,524
Female	299,945	304,484	307,956	311,723	315,798	322,481	326,453
<b>Race</b>							
Native	102,464	104,390	106,034	107,742	109,520	112,023	113,842
Non-Native	519,160	525,506	530,079	535,175	540,818	550,581	556,135
<b>Region</b>							
Northern	98,626	99,554	100,463	101,372	102,281	103,644	108,361
Western	39,159	39,702	40,229	40,756	41,283	42,074	42,631
South Central	89,621	90,323	91,041	91,760	92,478	93,555	94,319
Anchorage/Mat-Su	316,926	322,144	327,221	332,298	337,375	344,990	350,413
Southeast	78,757	78,777	78,680	78,583	78,486	78,340	74,252
<b>Age Cohort</b>							
Children (0-19)	206,792	208,706	209,922	211,218	212,594	214,805	215,636
Working-Age Adults (20-64)	379,986	384,814	388,423	392,470	396,978	404,588	409,259
Elderly (65+)	34,845	36,377	37,768	39,229	40,766	43,211	45,082

Source: Medicaid Budget Group, MESA model. \*Historical data from 1997 onward is included in the model, but has been excluded from the report for formatting purposes.

### Appendix F: Historic Utilization Levels by Medicaid Service Category, 2000-2006\*

Service	2000	2001	2002	2003	2004	2005	2006
<b>Inpatient Hospital</b>	12,843	13,312	13,519	14,181	14,658	14,220	14,700
<b>Outpatient Hospital</b>	46,237	50,029	54,229	57,386	59,762	59,549	59,740
<b>Nursing Home</b>	890	843	861	1,000	1,045	893	1,142
<b>Clinic</b>	17,932	18,920	17,595	20,841	23,011	26,346	31,110
<b>Dental</b>	28,203	32,543	36,282	37,860	38,983	40,983	40,545
<b>Lab/X-ray</b>	10,096	11,714	12,496	13,061	13,465	13,952	13,927
<b>Family Planning</b>	315	487	603	714	504	299	408
<b>Early &amp; Periodic Screening Detection &amp; Planning</b>	1,016	1,568	1,826	1,550	1,360	909	365
<b>Practitioner Services</b>	67,881	73,961	80,196	84,646	87,487	87,003	78,470
<b>Home Health/Hospice</b>	381	436	460	478	557	704	647
<b>Inpatient Psychology</b>	606	629	673	686	722	683	724
<b>Vision</b>	15,208	16,389	17,200	18,046	20,323	22,761	21,833
<b>Residential Psychology</b>	469	640	737	851	985	1,007	1,039
<b>Home and Community Based Waiver</b>	2,746	3,369	3,888	4,320	4,258	4,329	4,649
<b>Personal Care</b>	1,343	1,436	1,868	2,800	3,539	3,937	3,954
<b>Outpatient Mental Health</b>	9,822	10,207	10,640	11,451	12,033	11,757	11,620
<b>Pharmacy</b>	58,896	64,551	69,234	73,360	75,515	76,829	76,914
<b>Transportation</b>	15,791	17,314	19,012	20,567	21,323	21,607	22,355
<b>Therapy/Rehabilitation</b>	5,173	5,922	7,072	7,345	8,293	8,828	9,011
<b>Durable Medical Equipment/Supplies</b>	7,695	9,319	10,275	11,319	10,072	10,146	10,321

Source: Medicaid Budget Group, MESA model. \*Historical data from 1997 onward is included in the model, but has been excluded from the report for formatting purposes.

**Appendix G: Historical Medicaid Enrollment by Subpopulation, 2000-2006\***

<b>Subpopulation</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
State	76,663	82,274	87,362	92,711	95,277	131,966	132,923
<b>Gender</b>							
Male	33,930	36,890	39,531	42,155	43,425	59,256	59,736
Female	42,733	45,384	47,831	50,556	51,852	72,710	73,187
<b>Race</b>							
Native	26,165	28,092	29,652	31,190	33,093	44,514	45,588
Non-Native	50,498	54,182	57,710	61,522	62,184	87,452	86,705
<b>Region</b>							
Northern	98,626	99,554	100,463	101,372	102,281	18,064	17,930
Western	39,159	39,702	40,229	40,756	41,283	18,779	18,997
South Central	89,621	90,323	91,041	91,760	92,478	18,621	18,421
Anchorage/Mat-Su	316,926	322,144	327,221	332,298	337,375	63,690	64,642
Southeast	78,757	78,777	78,680	78,583	78,486	12,812	12,933
<b>Age Cohort</b>							
Children (0-19)	49,551	55,026	59,272	63,237	64,962	87,454	87,206
Working-Age Adults (20-64)	21,558	21,484	22,100	23,126	23,759	36,601	37,419
Elderly (65+)	5,555	5,764	5,990	6,348	6,556	7,911	8,298

Source: Medicaid Budget Group, MESA model. \*Historical data from 1997 onward is included in the model, but has been excluded from the report for formatting purposes.

**Appendix H: Historical State Medicaid Spending by Service Category, 2000-2006\***

<b>Service</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Dental	\$4,255.1	\$4,369.1	\$5,062.3	\$5,636.4	\$5,720.9	\$6,484.3	\$6,622.5
Durable Medical Equipment/Supplies	\$3,092.0	\$3,634.1	\$4,066.0	\$4,597.1	\$4,315.3	\$4,523.7	\$4,685.8
Early & Periodic Screening Diagnosis & Testing	\$42.3	\$49.0	\$46.8	\$43.6	\$31.7	\$20.4	\$19.9
Family Planning	\$44.1	\$89.6	\$113.1	\$118.6	\$131.9	\$94.2	\$98.6
Health Clinic	\$1,366.2	\$1,237.8	\$1,134.9	\$1,447.6	\$1,553.9	\$2,021.8	\$2,085.6
Home and Community Based Waiver	\$20,997.5	\$28,966.1	\$38,916.2	\$43,385.5	\$42,575.1	\$49,018.9	\$50,792.1
Home Health/Hospice	\$413.9	\$453.4	\$642.3	\$658.2	\$537.1	\$482.2	\$501.0
Inpatient Hospital	\$21,301.9	\$23,205.9	\$27,117.0	\$27,793.7	\$26,734.3	\$31,648.9	\$34,480.2
Inpatient Psychology	\$3,717.3	\$4,040.2	\$5,467.3	\$5,049.5	\$4,973.3	\$5,901.9	\$6,099.4
Lab/X-ray	\$385.3	\$474.4	\$539.5	\$632.2	\$671.2	\$854.8	\$884.4
Nursing Home	\$18,474.5	\$20,048.0	\$23,569.4	\$24,155.3	\$22,108.7	\$22,236.3	\$23,047.1
Outpatient Hospital	\$7,629.0	\$8,815.6	\$11,891.6	\$14,035.1	\$14,494.2	\$19,849.8	\$20,413.7
Outpatient Mental Health	\$15,641.7	\$15,439.4	\$17,481.0	\$20,153.6	\$20,127.3	\$23,407.8	\$24,202.5
Personal Care	\$2,585.8	\$2,991.8	\$6,206.3	\$16,285.8	\$25,158.2	\$48,899.7	\$50,488.4
Pharmacy	\$18,674.0	\$22,352.9	\$29,259.8	\$33,801.4	\$37,815.0	\$52,303.6	\$54,191.3
Physician/Practitioner Services	\$19,348.0	\$20,566.3	\$24,524.9	\$26,574.0	\$25,982.6	\$29,785.6	\$30,791.8
Residential Psychiatric/Behavioral Rehabilitation Services	\$6,190.5	\$9,854.5	\$12,671.5	\$16,514.0	\$19,239.6	\$27,103.1	\$28,085.2
Therapy/Rehabilitation	\$1,895.6	\$3,113.0	\$6,591.1	\$7,370.1	\$7,725.1	\$11,693.0	\$11,925.6
Transportation	\$4,459.1	\$5,707.0	\$8,375.8	\$10,123.7	\$10,253.6	\$12,964.0	\$13,240.9
Vision	\$980.8	\$1,081.6	\$1,229.4	\$1,339.3	\$892.2	\$432.3	\$445.6
<b>Total Spending</b>	<b>\$151,494.8</b>	<b>\$176,489.6</b>	<b>\$224,906.2</b>	<b>\$259,714.5</b>	<b>\$271,041.1</b>	<b>\$349,726.4</b>	<b>\$363,101.5</b>

Source: Medicaid Budget Group, MESA model.

**Long-term Forecast of  
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and  
Spending in Alaska:  
*Supplement 2007–2027***

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