

Board of Community Health
Meeting
May 14, 2015

Members Present

Norman Boyd
Clay Cox
Michael Kleinpeter
Russ Childers
Allana Cummings
Roger Folsom

Members Absent

Rick Jackson
Kiera von Besser
Donna Thomas Moses

The Board of Community Health held its regularly scheduled meeting at the Department of Community Health (DCH), Fifth Floor Board Room, 2 Peachtree Street, N.W., Atlanta, Georgia. Commissioner Clyde L. Reese, III was also present. (An agenda and a List of Attendees are attached hereto and made official parts of these Minutes as Attachments #1 and #2). Vice-Chairman Clay Cox presided and called the meeting to order at 10:33 a.m.

Minutes

The Minutes of the April 9, 2015 meeting were unanimously approved.

Opening Comments

None to report.

Committee Reports

None to report.

Commissioner's Report

None to report due to the extensive agenda.

Lavinia Luca, Deputy Director of Legislative and External Affairs provided a high-level report of the outcomes of the 2015 Legislative Session. Remarks focused on legislation that passed the 2015 General Assembly with a direct impact on the Department of Community Health (DCH). A summary of the impact of the following pieces of legislation

was given: HB 72, HB 86, HB 183, HB 259, HB 385, HB 409, HB 429, HB 470, HR 612, HR 618, HR 641, HR 767, HR 806 SB 111, SB 138, and SR 560. The Board was informed that HB 86 was vetoed and all other bills presented had been signed by the Governor. In addition, Ms. Luca shared that all pieces of legislation presented had been reviewed and discussed with all respective Division Chiefs. The Department was now in the posture of developing and rolling out all policy and programmatic changes to meet the new requirements.

(A copy of the 2015 Legislative Update is attached hereto and made an official part of these minutes as Attachment #3).

Tim Connell, Chief Financial Officer presented the Amended Fiscal Year 2015 and FY2016 budget as approved by the General Assembly. Mr. Connell began his presentation by directing the Board's attention to slides four and five of the PowerPoint. The slides depict a pie-chart breakdown of the distribution of state funds by DCH program. He noted in particular that in both the Amended FY2015 and FY2016 budgets that 97% of all state funds appropriated to the Department go directly to payments benefitting Aged, Blind and Disabled (ABD), Low Income Medicaid (LIM) and PeachCare members.

Mr. Connell then directed his comments to specific items contained in the Amended FY2015 budget, including the State Health Benefit Plan (SHBP). In particular he highlighted increased funds for Hepatitis C medication, a requested savings in projected benefits expenses, matching funds for federal Disproportionate Share Hospital (DSH) payments to private hospitals, added funds for mandated Affordable Care Act (ACA) expenses associated with presumptive eligibility and 12 month eligibility reviews for LIM members as well as new funds for the Healthcare Facility Regulation Program to cover the cost of four new nurse surveyor positions and enhanced operating funds. With respect to the SHBP, Mr. Connell referenced language recommended by the Governor and endorsed by the General Assembly for DCH to undertake a study of the costs of the SHBP in comparison to other government employee health plans and to provide recommendations for reducing costs without reducing the value of health benefits received by members. He noted that Mr. Jeff Rickman, Chief of the SHBP Division, is undertaking the development of the study and it will be completed by the June 30, 2015 deadline date. The other SHBP issue addressed was the Governor's recommendation, again endorsed by the General Assembly that DCH increase funds for reserves associated with the state's liability for Other Post-Employment Benefits.

The next portion of the presentation focused on the FY2016 budget, again including the SHBP. Highlights include an increase of \$33 million for benefits growth (about a 1.6% increase), a \$8.7 million appropriation to provide increased reimbursement rates for nursing homes that have changed ownership since January 1, 2012, a decrease in

funds totaling \$156.3 million to reflect a change in the federal matching rate for Medicaid and the elimination of a state matching requirement for PeachCare, funds for PCP increases, and almost \$38 million for LIM 12 month eligibility reviews. Mr. Connell also noted that the General Assembly did not fund the Governor's recommendation for funds to initiate an ABD care coordination program and recommended funds for presumptive eligibility were reduced and all funds requested for Hepatitis C drugs were cut. Other items include new funds for the Healthcare Facilities Regulation Division (HFRD) to hire eight new nurse surveyor positions, \$3 million for four pilot locations pursuant to the Rural Stabilization Committee's (RHSC) recommendations, and a \$2 million cut to the Department's administrative budget. Lastly, the General Assembly endorsed the Governor's recommendation for DCH to convene a task force to develop and submit a plan by August 1, 2015 to continue supporting uncompensated care once the federal DSH funds are reduced.

Next, turning to FY2016 budget recommendations for the SHBP, Mr. Connell noted that the General Assembly directed DCH to not eliminate health insurance for non-certificated school employees who work less than 30 hours per week but, instead, increase the employer contribution rate paid on behalf of all non-certificated employees by \$150 PMPM. This increase will generate almost \$103 million for the SHBP and significantly reduced the cross subsidy from the state employees and teachers to the non-certificated personnel. The other SHBP issue referenced by Mr. Connell was the inclusion of a recommendation, following the Governor's lead, to reserve additional funds in the amount of \$115 million for future claims and Other Post-Employment Benefits liabilities. Vice-Chairman Cox thanked Mr. Connell for his presentation.

(A copy of the AFY2015 and FY2016 Budget Presentation is attached hereto and made an official part of these minutes as Attachment #4).

Mary Scruggs, Chief, Healthcare Facility Regulation Division presented a summary of the public comment period following the Board's vote on April 9, 2015 to approve initial adoption of the proposed revised Rules and Regulations for Hospices, Chapter 111-8-37.

The Department held a public hearing on April 21, 2015 at 10:30 am to allow oral comments on the Revised Rules and Regulations for Hospices. No oral comments were made at the hearing. The Department provided an opportunity for submission of written comments through April 22, 2015. No written comments were received by the deadline. The Department requested the Board's favorable consideration for final adoption of the revised Rules and Regulations for Hospices. The Board voted and approved final adoption during the May 14, 2015 board meeting.

Russ Childers MADE a MOTION to approve for final adoption Revision of Licensure Rules for Hospice Care. Roger Folsom SECONDED the MOTION. ON THE MOTION

the yeas were 6, nays 0, abstained 0, and the MOTION was APPROVED. (A copy of the Revision of Licensure Rules for Hospice Care is attached hereto and made an official part of these minutes as Attachment #5).

John Upchurch, Director of Reimbursement briefed the Board on the request for initial adoption of the Public Notice on the adjustment of Medicaid reimbursement for nursing facilities that had a change of ownership for the period January 1, 2012 through June 30, 2014 based on the facility's cost under new ownership. Mr. Upchurch noted that the funds for this adjustment were included in the State Fiscal Year 2016 Appropriations Act. This change, subject to Centers for Medicare and Medicaid Services (CMS) approval, is to be effective for services provided on and after July 1, 2015. The public comment period under the notice will expire on May 25, 2015.

Allana Cummings MADE a MOTION to approve for initial adoption Nursing Home Services Rate Update Public Notice. Russ Childers SECONDED the MOTION. ON THE MOTION, the yeas were 6, nays 0, abstained 0, and the MOTION was APPROVED. (A copy of the Nursing Home Services Rate Update Public Notice is attached hereto and made an official part of these minutes as Attachment #6).

Mr. Upchurch next briefed the Board on the request for initial adoption of the Public Notice on the increase in Medicaid reimbursement for antepartum care physician services as included in the State Fiscal Year 2016 Appropriations Act. This change, subject to CMS approval, is to be effective for services provided on and after July 1, 2015. The public comment period under the notice will expire on May 28, 2015.

Roger Folsom MADE a MOTION to approve for initial adoption Medicaid Physician Rate Increase for Antepartum Care Public Notice. Michael Kleinpeter SECONDED the MOTION. ON THE MOTION, the yeas were 6, nays 0, abstained 0, and the MOTION was APPROVED. (A copy of the Medicaid Physician Rate Increase for Antepartum Care Public Notice is attached hereto and made an official part of these minutes as Attachment #7).

Mr. Upchurch also briefed the Board on the request for initial adoption of the Public Notice on the increase in Medicaid reimbursement for certain physician services for designated providers as included in the State Fiscal Year 2016 Appropriations Act. This change, subject to CMS approval, is to be effective for services provided on and after July 1, 2015. The public comment period under the notice will expire on May 27, 2015.

Russ Childers MADE a MOTION to approve for initial adoption Physician Rate Increase for Primary Care Public Notice. Allana Cummings SECONDED the MOTION. ON THE MOTION, the yeas were 6, nays 0, abstained 0, and the MOTION was APPROVED. (A copy of the Physician Rate Increase for Primary Care Public Notice is attached hereto and made an official part of these minutes as Attachment #8).

Finally, Mr. Upchurch briefed the Board on the request for initial adoption of the Public Notice for the cost neutral methodology change to the Medicaid and Peachcare

Inpatient Hospital Prospective Payment System (IPPS). This change, subject to CMS approval, is to be effective for services provided on and after July 1, 2015. The public comment period under the notice will expire on May 29, 2015.

Russ Childers MADE a MOTION to approve for initial adoption Inpatient Hospital Prospective Payment System Methodology Change Public Notice. Michael Kleinpeter SECONDED the MOTION. ON THE MOTION the yeas were 6, nays 0, abstained 0, and the MOTION was APPROVED. (A copy of the Inpatient Hospital Prospective Payment System Methodology Change Public Notice is attached hereto and made an official part of these minutes as Attachment #9).

Heather Bond, Deputy Director, Policy and Provider Services briefed the Board on the request for initial adoption of the Public Notice on the Georgia Medicaid Air Ambulance Rate Increase for Adult Medicaid Members. Pending CMS approval and effective for services provided on or after 1 July 2015, the Department is proposing to reimburse emergency air ambulance services for Medicaid Adults (21 years of age and older) at the pediatric rate. The purpose of these changes is to comply with SFY2016, State Appropriations Bill (H.B. 76), Item 88.15, which requires the Department to provide reimbursement for rotary wing air ambulance adult transports at the pediatric rate. This change is estimated to increase expenditures for SFY 2016 as follows: Total Funds: \$1,533,742, and State Funds: \$500,000. The public comment period under the notice will expire on May 27, 2015.

Roger Folsom MADE a MOTION to approve for initial adoption Georgia Medicaid Air Ambulance Rate Increase for Adult Medicaid Members Public Notice. Russ Childers SECONDED the MOTION. ON THE MOTION the yeas were 6, nays 0, abstained 0, and the MOTION was APPROVED. (A copy of the Georgia Medicaid Air Ambulance Rate Increase for Adult Medicaid Members Public Notice is attached hereto and made an official part of these minutes as Attachment #10).

Dr. Janice Carson, Deputy Director, Performance, Quality and Outcomes presented a public notice for initial adoption, Reimbursement to Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) for the Purchase and Insertion of Long Acting Reversible Contraceptives (LARCs). This action seeks to provide fee for service reimbursement to our FQHCs and RHCs across the state for the purchase and insertion of LARCs - the most effective forms of contraception per the World Health Organization.

Currently, these health centers are reimbursed for the services they provide on a prospective payment basis (pre-defined fixed rate per visit) that was established in 2001 and is adjusted annually. The costs of the LARCs were not included in the calculation and the LARCs are not available for purchase through the pharmacy, so the Centers would have to purchase them without reimbursement for use by their patients. CMS encourages states to make these methods available to fee for service (FFS) and managed care members and they reimburse 90% of the cost. Providers outside of these

Centers are already able to receive reimbursement for purchasing and inserting these methods so this action will bring reimbursement for the Centers into alignment with that of other providers. The public comment period under the notice will expire on May 29, 2015.

The projected total state cost is less than \$66,000 for SFY 2015 and a total state cost of \$307,000 for SFY 2016. The Department would like to make this action effective upon the CMS approved effective date. Dr. Carson respectfully asked for the Board's consideration for approval of this modification to the reimbursement rates for the federally qualified health centers and the rural health centers.

Russ Childers MADE a MOTION to approve for initial adoption Reimbursement to FQHCs and RHCs for the Purchase and Insertion of Long Acting Reversible Contraceptives Public Notice. Michael Kleinpeter SECONDED the MOTION. ON THE MOTION the yeas were 6, nays 0, abstained 0, and the MOTION was APPROVED. (A copy of the Reimbursement to FQHCs and RHCs for the Purchase and Insertion of Long Acting Reversible Contraceptives Public Notice is attached hereto and made an official part of these minutes as Attachment #11).

New Business

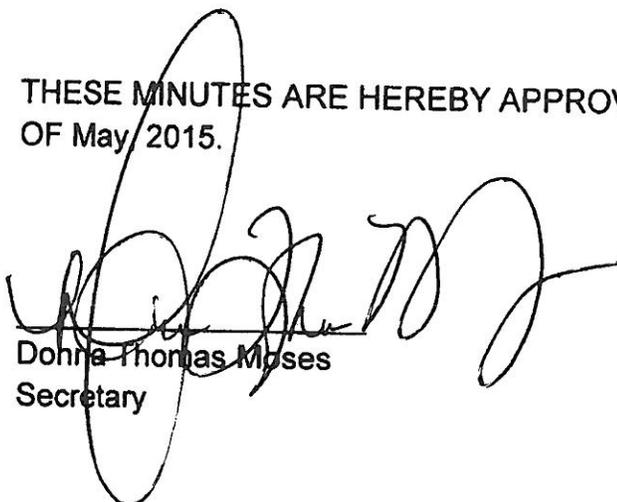
Commissioner Reese recognized and thanked the various presenters on today's agenda for their presentations as well as his Executive Confidential Assistant, Danisha Williams for her efforts in the preparation for each Board meeting.

Chairman Boyd thanked everyone as well on behalf of the Board.

Adjournment

There being no further business to be brought before the Board, Vice-Chairman Clay Cox adjourned the meeting at 11:24 a.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE 14th DAY OF May 2015.



Dohra Thomas Moses
Secretary



Norman Boyd
Chairman

Official Attachments:

- #1 List of Attendees
- #2 Agenda
- #3 2015 Legislative Update
- #4 AFY2015 and FY2016 Budget Presentation
- #5 Revision of Licensure Rules for Hospice Care
- #6 Nursing Home Services Rate Update Public Notice
- #7 Medicaid Physician Rate Increase for Antepartum Care Public Notice
- #8 Physician Rate Increase for Primary Care Public Notice
- #9 Inpatient Hospital Prospective Payment System Methodology Change Public Notice
- #10 Georgia Medicaid Air Ambulance Rate Increase for Adult Medicaid Members Public Notice
- #11 Reimbursement to FQHCs and RHCs for the Purchase and Insertion of Long Acting Reversible Contraceptives Public Notice