



GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

Amended FY 2012 and FY 2013 Budget Highlights



Presentation to the Board of Community Health
Presented by Scott Frederking, Budget Director

April 12, 2012



Mission

The Georgia Department of Community Health

We will provide access to affordable, quality health care to Georgians through effective planning, purchasing and oversight.

We are dedicated to A Healthy Georgia.

AFY 2012 and FY 2013 Budget Highlights

- Medicaid and PeachCare
- State Health Benefit Plan
- Administration
- Health Care Access
- Healthcare Facility Regulation
- Indigent Care Trust Fund

Medicaid and PeachCare AFY 2012

1. Transfer \$21,559,468 from Medicaid to the Indigent Care Trust Fund to provide state match for private hospitals eligible for the DSH program.
2. Add \$5,078,579 to remove the .5% provider rate cut.
3. Add \$2,941,500 to adjust member co-pays down to the nearest dollar or half dollar.
4. Use an increase in the Nursing Home Provider Fee rate to update the nursing home reimbursement rate to reflect 2009 cost reports.
5. Restore the \$77,555,551 reduction to the FY 2012 LIM budget.
6. Did not add funds to maintain 12 months of care management organization capitation payments.
7. Add \$19,270,684 to meet projected benefits need in LIM.



Medicaid and PeachCare AFY 2012, cont'd

8. Increase PeachCare funds by \$3,962,018 to cover transition of individuals from State Health Benefit Plan to PeachCare.
9. Add \$2,313,834 to PeachCare for a provider rate increase to ensure provider access for children of state employees enrolling in PeachCare.
10. Reduce LIM by \$8,662,627 to reflect bringing in prior year reserves and to fund specific administrative projects.

Medicaid and PeachCare FY 2013

1. Add \$17,420,280 to reflect a decrease in the federal funds match rates.
2. Reflect savings from increased efforts to identify inappropriate and medically unnecessary utilization (\$8,103,598).
3. Provide \$2,041,500 to round co-pays to the nearest whole or half dollar.
4. Increase the Nursing Home Provider Fee and state funds by \$30,046,962 to update the nursing home reimbursement rates to the 2010 cost report.
5. Reflect \$19.1 million in federal funds from the Balancing Incentive Payment program and invest in Medicaid long-term services and supports.
6. Implement a wastage policy January 2013 to reimburse for cancer treatment single-dose vials administered in the physician office (Add \$1,200,000).
7. Provide \$810,101 for 50 Independent Care Waiver slots.

Medicaid and PeachCare FY 2013, cont'd

8. Add \$75.1 million in federal funds to reflect the increase in specific immunization codes and evaluation and management codes to match the Medicare fee schedule.
9. Increase funds by \$1,500,000 to update the nursing home fair rental value system to account for the RS Means Construction Index.
10. Restore \$82.2 million to maintain 12 months of CMO capitation payments.
11. Restore \$77.6 million reduced from LIM in FY 2012.
12. Reduce funds by \$11 million to reflect anticipated FY 2012 reserves.
13. Provide \$8,027,728 for projected enrollment increases in Peachcare for qualifying children of state employees.
14. Add \$4,688,225 for a provider rate increase to ensure provider access for newly eligible and enrolled children of state employees.



SHBP AFY 2012 and FY 2013

Item	AFY 2012	FY 2013
1. Reduce funds to reflect revenue and expense projections.	(\$122,019,942)	(\$116,306,875)
2. Increase funds to reflect the expense for the initial year of the EnGAgement wellness plan and reflect savings in the second year.	1,354,112	(28,968,166)
3. Increase funds to implement the tobacco cessation program.	1,200,000	2,800,000
4. Reduce funds to reflect savings by eliminating bariatric surgery in CY 2012 but restore the benefit in CY 2013.	(1,750,000)	(1,750,000)
5. Reduce funds to reflect savings from offering Tricare supplement.	(1,800,000)	(3,600,000)
6. Reduce funds to reflect savings from the transition of eligible members to PeachCare.	(16,000,000)	(32,000,000)
7. Reduce funds to reflect savings from implementing a mandatory specialty drug benefit.	(3,620,000)	(3,817,392)
8. Reduce funds to reflect savings from implementing a voluntary mail order program for maintenance drugs.	(1,500,000)	(1,581,792)



SHBP AFY 2012 and FY 2013, cont'd

Item	AFY 2012	FY 2013
9. Reduce funds to reflect savings from decreasing reimbursement rates for out-of-network providers.	(\$33,100,000)	(\$33,100,000)
10. Reduce funds to reflect savings from implementing tiers for prescriptions in the HRA plan.	(31,300,000)	(68,968,374)
11. Reduce funds to reflect savings from eliminating the vision benefit in the HMO plan.	(2,300,000)	(4,722,689)
12. Reduce funds to reflect savings from plan design changes in the Medicare Advantage plans.	(2,989,289)	(2,989,289)
13. Increase the monthly billing rate for non-certificated school service employees from \$246.20 to \$296.20 effective September 2011.	32,130,984	41,541,769
14. Increase the monthly billing rate for non-certificated school service employees from \$296.20 effective September 2011 to \$446.20 effective July 2012.	-	114,106,407

SHBP AFY 2012 and FY 2013, cont'd

Item	AFY 2012	FY 2013
15. Increase funds to reflect a 6.2% employee premium increase due to the requirements of the Patient Protection and Affordable Care Act.	\$17,900,000	\$35,800,000
16. Reduce funds to reflect a reduction in projected reimbursements through the Early Retiree Reinsurance Program.	(42,000,000)	-
17. Reduce funds to reflect the depletion of prior year funds.	(50,580,920)	-
18. Increase funds to reflect an increase in the employer share to the State Health Benefit Plan.	81,234,441	68,956,408
19. Identify additional plan design and/or revenue strategies to cover projected FY 2013 expenditures, with increases in employee premiums not to exceed 10%.	-	(62,619,460)
20. Implement direct billing for employer contributions for certificated personnel.	Yes	Yes

Administration AFY 2012

1. Transfer \$637,850 from Medicaid LIM to Administration for the Health Information Exchange project.
2. Transfer \$925,554 from Medicaid LIM to Administration for the Medicaid Incentive Program.
3. Transfer \$1,142,675 from Medicaid LIM to Administration for ICD-10.
4. Transfer \$1,250,000 from Medicaid LIM to Administration for the managed care review contract.
5. Reduce funds for operations (\$164,050) and contracts (\$1,355,230).

Administration FY 2013

1. Add \$2,000,000 to expand efforts to identify inappropriate and medically unnecessary service utilization.
2. Provide \$400,000 for consulting contracts to assess the managed care program.
3. Add \$1,663,396 to continue implementation of ICD-10.
4. Transfer \$494,460 for the Office of Health Information Technology and Transparency from Administration to the Health Care Access program.
5. Reduce funds for operations (\$164,050) and contracts (\$1,119,230).

Health Care Access FY 2013

1. Transfer the DCH Health Planning budget (\$1,026,719) from the Health Care Access program to the Healthcare Facility Regulation program.
2. Reduce one-time funds for Federally Qualified Health Centers (\$1,000,000).
3. Increase funds for the Medicaid Incentive Program by \$1,150,000 for operations.
4. Transfer \$494,460 for the Office of Health Information Technology and Transparency from Administration to the Health Care Access program.
5. Add \$693,750 to the Area Health Education Centers (AHEC) contract to increase ongoing housing resources available to support community based training of medical students.



Health Care Access FY 2013, cont'd

6. Provide \$750,000 in start-up funds for three new Federally Qualified Community Health Centers (FQHCs) from the 2012 Georgia Association for Primary Health Care priority list.
7. Provide \$50,000 to the Southeastern Firefighters' Burn Foundation, Inc.

Healthcare Facility Regulation FY 2013

1. Transfer the DCH Health Planning budget (\$1,026,719) from the Health Care Access program to the Healthcare Facility Regulation program.



Indigent Care Trust Fund AFY 2012

1. Transfer \$21,559,468 from Medicaid LIM and ABD to the ICTF for the state match for private deemed and non-deemed hospitals eligible for the Disproportionate Share Hospital (DSH) program.

AFY 2012 and FY 2013 Budgets Highlights

Presentation on DCH Website

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