

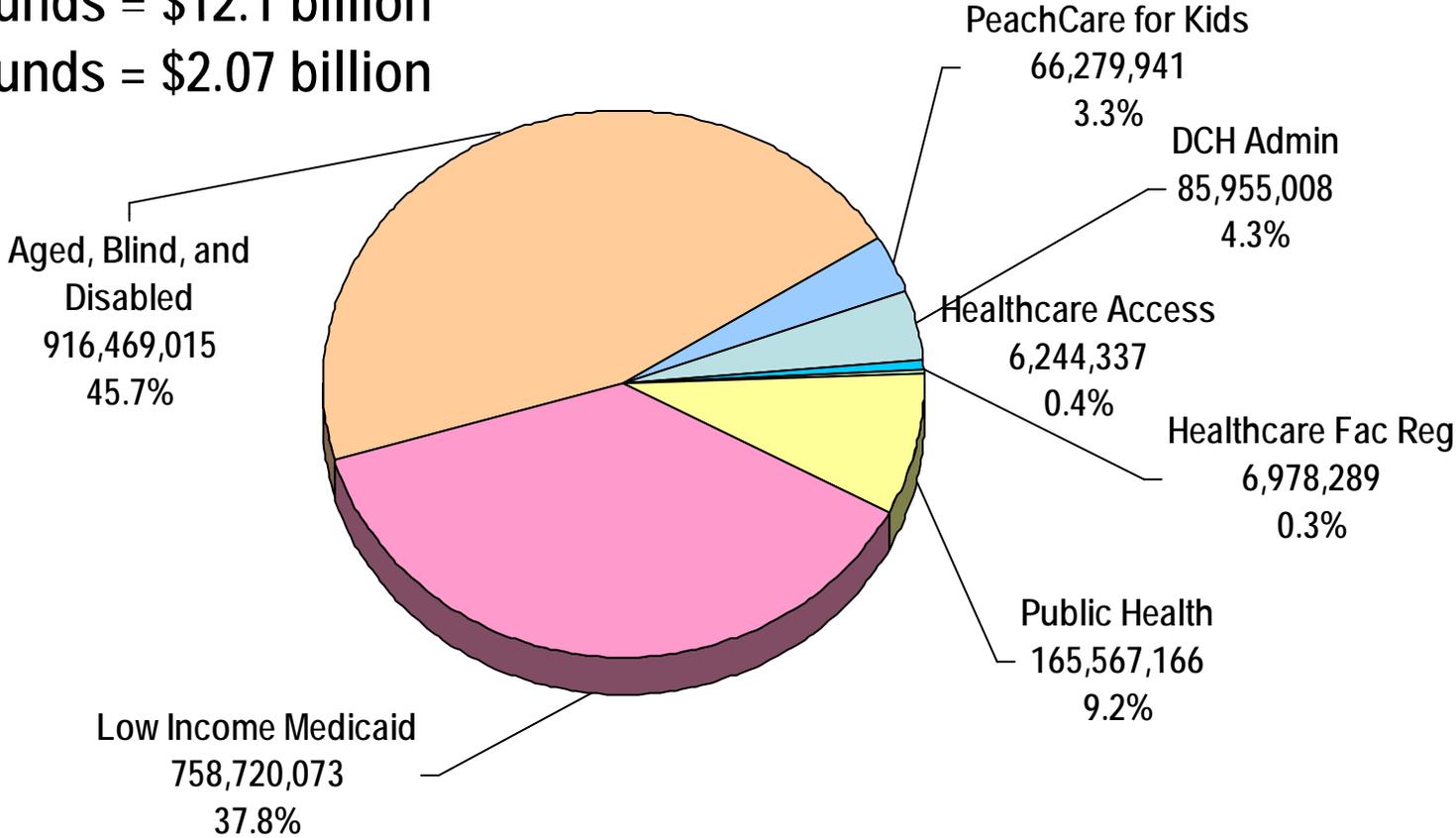
Amended FY 2011 Program Budgets

Presentation to
House Appropriations Health Subcommittee
January 24, 2011



DCH FY 2011 State Fund Budget

Total Funds = \$12.1 billion
 State Funds = \$2.07 billion



*State funds for Medicaid & PCK Benefits include tobacco funds and provider fees

Department Administration

AFY11 Governor's Recommendation

| FY11 Current Budget \$85,955,008 | AFY11 Changes | Tracking Sheet Reference |
|--|------------------|-----------------------------|
| 1. Provide for an adjustment in Workers' Compensation premiums. | 42,034 | Page 24; 17.4.1 |
| 2. Reflect an adjustment in telecommunications expenses. | 901,615 | Page 24; 17.4.2 |
| 3. Transfer state funds related to the Department of Human Resources reorganization from the Department of Human Services to the Department of Community Health for Public Health telecommunications (\$2,295,090) and software licensing (\$237,186). | 2,532,276 | Page 24; 17.4.3 |
| 4. Transfer funds from the Low Income Medicaid program to fully fund the Medicaid Management Information System (MMIS) conversion costs. | 15,127,330 | Page 24; 17.4.4 |
| 5. Replace state general funds with other funds from fraud control global settlements. | (1,000,000) | Page 24; 17.4.5 |
| 6. Replace state general funds with federal funds for a nursing home eligibility online processing system. | (200,000) | Page24; 17.4.6 |
| 7. Reduce funds to reflect savings from space consolidation. | (31,032) | Page 25; 17.4.7 |

Department Administration cont. AFY11 Governor's Recommendation

| FY11 Current Budget \$85,955,008 | AFY11 Changes | Tracking Sheet Reference |
|---|-------------------|-----------------------------|
| 8. Reduce funds for Personal Services. | (147,144) | Page 25; 17.4.8 |
| 9. Reduce funds for computer contracts to reflect savings from transition to a new MMIS vendor. | (5,380,887) | Page 25; 17.4.9 |
| | | |
| Net Change | 11,844,192 | |
| Revised Amount | 97,799,200 | |
| % Change | 13.8% | |

Adolescent and Adult Health Promotion Program Metrics

Services provided in FY10:

- Mammograms- 16,428
- Pap tests- 74,440
- Calls to the Georgia Tobacco Quit Line- 4,306
- Students educated on Primary Sexual Violence Prevention- 52,302
- Professionals trained on Primary Sexual Violence Prevention-1,035
- Youth served through the Adolescent Health and Youth Development (AHYD) Program- 43,597
- Professionals trained through the AHYD Program- 3,278
- Schools Adopting the 100% Tobacco Free School Policy- 98 (resulting in an additional 71,683 students protected from second-hand smoke)



Adolescent and Adult Health Promotion AFY11 Governor's Recommendation

| FY11 Current Budget \$9,591,492 | AFY11 Changes | Tracking Sheet Reference |
|--|------------------|-----------------------------|
| 1. Reduce funds for Personal Services | (174,670) | Page 24; 17.1.1 |
| 2. Reduce Operating Expenses | (365,427) | Page 24; 17.1.2 |
| 3. Realign TANF funds based on prior year expenditures (Total Funds: \$1,280,085) | Yes | Page 24; 17.1.3 |
| 4. Replace state general funds with tobacco settlement funds (87,262) | - | Page 24; 17.1.4 |
| 5. Reclassify other funds as federal funds in accordance with State Accounting Office Financial Management Policies and Procedures | Yes | Page 24; 17.1.5 |
| 6. Reduce programmatic grant-in-aid to County Boards of Health | (23,553) | Page 24; 17.1.6 |
| Net Change | (563,650) | |
| Revised Amount | 9,027,842 | |
| % Change | (5.9%) | |

Adult Essential Health Treatment Services Program Metrics

Services provided in FY10:

Provided 2,230 cancer treatment services to 360 clients statewide.

Provided 14,616 clients with Stroke and Heart Attack Prevention Program services in FY2010. We are projecting another 14,000 receiving services in FY2011.



Adult Essential Health Treatment Services AFY11 Governor's Recommendation

| FY11 Current Budget \$7,809,846 | AFY11 Changes | Tracking Sheet Reference |
|---|------------------|-----------------------------|
| 1. Replace state general funds with tobacco settlement funds (138,249) | - | Page 24; 17.2.1 |
| 2. Recognize contract savings from moving high cost Hemophilia clients into the federal Pre-Existing Condition Insurance Plan (PECIP) | (47,864) | Page 24; 17.2.2 |
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| Net Change | (47,864) | |
| Revised Amount | 7,761,982 | |
| % Change | (1.0%) | |

Emergency Preparedness/ Trauma System Improvement Program Information

Prepare for natural disasters, bioterrorism, and other emergencies, as well as improving the capacity of the state's trauma system.



Emergency Preparedness/ Trauma System Improvement AFY11 Governor's Recommendation

| FY11 Current Budget \$3,082,935 | AFY11 Changes | Tracking Sheet Reference |
|---|------------------|-----------------------------|
| 1. Reduce funds for Trauma Registry Contracts | (377,000) | Page 25; 17.5.1 |
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| Net Changes | (377,000) | |
| Revised Amount | 2,705,935 | |
| % Change | (12.2%) | |

Epidemiology Program Metrics

Services provided in FY10:

- Conducts surveillance for more than 75 notifiable diseases/conditions, including infectious diseases, chronic diseases and disease outbreaks.
- Investigated 171 events of public health significance, of which 102 were confirmed as disease outbreaks.
- A couple of the top outbreaks in GA during 2010 were Salmonella and influenza.



Epidemiology

AFY11 and FY12 Governor's Recommendation

| FY11 Current Budget \$3,859,926 | AFY11 Changes | Tracking Sheet Reference |
|--|------------------|-----------------------------|
| 1. Discontinue laboratory testing that is available through the private sector | (13,946) | Page 25; 17.6.1 |
| 2. Reduce programmatic grant-in-aid to County Boards of Health | (84,121) | Page 25; 17.6.2 |
| 3. Reduce funds for the Georgia Poison Control Center | (51,705) | Page 25; 17.6.3 |
| 4. Reduce funds for personal services | (104,760) | Page 25; 17.6.4 |
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| Net Changes | (254,532) | |
| Revised Amount | 3,605,394 | |
| % Change | (6.6%) | |

Health Care Access and Improvement Program Information

Provide grants and other support services for programs that seek to improve health access and outcomes in rural and underserved areas of Georgia through the State Office of Rural Health, the various commissions of the Office of Health Improvement. The certificate of need function is also included in this program.



Health Care Access and Improvement AFY11 Governor's Recommendation

| FY11 Current Budget \$6,244,337 | AFY11 Changes | Tracking Sheet Reference |
|--|------------------|-----------------------------|
| 1. Reflect an adjustment in the Workers' Compensation premium. | 401 | Page 25; 17.7.1 |
| 2. Reduce funds for the Area Health Education Centers (AHEC). | (70,950) | Page 25; 17.7.2 |
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| Net Change | (70,549) | |
| Revised Amount | 6,173,788 | |
| % Change | (1.1%) | |

Healthcare Facility Regulation Program Metrics

Services provided in FY10:

- There are 14,462 active facilities licensed or certified by this program.
- There were 2,944 inspections completed in FY10. Not all facilities are inspected annually.
- 2,505 complaints were received against licensed providers.



Healthcare Facility Regulation AFY11 Governor's Recommendation

| FY11 Current Budget funds \$6,978,289 | AFY11 Changes | Tracking Sheet Reference |
|--|------------------|-----------------------------|
| 1. Eliminate funds for Adult Day Care licensure | (90,921) | Page 25; 17.8.1 |
| 2. Reduce state funds for 6 new state licensure positions provided for in the FY2011 Appropriations Act (HB 948) | (478,181) | Page 25; 17.8.2 |
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| Net Change | (569,102) | |
| Revised Amount | 6,409,187 | |
| % Change | (8.2%) | |

Immunization Program Metrics

| Year | Immunizations | 0 – 6 yrs | 7-18yrs | 18yrs + | Most Common Vaccines |
|------|---------------|-----------|---------|-----------|----------------------|
| 2008 | 1,885,510 | 775,884 | 591,473 | 518,153 | DTP and Influenza |
| 2009 | 2,436,809 | 788,135 | 634,773 | 1,013,901 | H1N1 and Influenza |
| 2010 | 2,401,766 | 744,881 | 534,600 | 1,122,285 | DTP and Influenza |



Immunization

AFY11 and FY12 Governor's Recommendation

| FY11 Current Budget \$2,673,093 | AFY11 Changes | Tracking Sheet Reference |
|---------------------------------|------------------|-----------------------------|
| 1. Reduce Operating Expenses | (1,867,720) | Page 25; 17.9.1 |
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| Net Change | (1,867,720) | |
| Revised Amount | 805,373 | |
| % Change | (70.0%) | |

Indigent Care Trust Fund Program Information

Support rural and other healthcare providers, primarily hospitals, that serve medically indigent Georgians.



Indigent Care Trust Fund

AFY11 and FY12 Governor's Recommendation

| FY11 Current Budget \$0 | AFY11 Changes | Tracking Sheet Reference |
|---|------------------|-----------------------------|
| 1. Provide state matching funds for private hospitals deemed eligible by federal standards for the Disproportionate Share Hospital (DSH) program. | 7,796,255 | Page 25; 17.10.1 |
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| Net Change | 7,796,255 | |
| Revised Amount | 7,796,255 | |



Infectious Disease Control Program Information

Services provided in FY2010:

Patients served by HIV Unit Prevention:

- 16,085 Health Education Risk Reduction sessions
- 139,000 HIV test conducted
- 16,614 core medical services
- 19,049 support services and 80,441 visits



Infectious Disease Control

AFY11 Governor's Recommendation

| FY11 Current Budget \$30,083,175 | AFY11 Changes | Tracking Sheet Reference |
|---|------------------|-----------------------------|
| 1. Discontinue lab testing available through private sector | (268,689) | Page 26; 17.13.1 |
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| Net Change | (268,689) | |
| Revised Amount | 29,814,486 | |
| % Change | (1.0%) | |

Infant and Child Essential Health Treatment Services Program Metrics

Services provided in FY2010:

- More than 100,000 children received physical assessment and health screening
- More than 50,000 children received dental screens
- More than 59,000 children were identified for developmental and/or medical services
- Nearly 12,000 infants/children received services to remediate developmental delay



Infant and Child Essential Health Treatment Services AFY11 Governor's Recommendation

| FY11 Current Budget \$26,058,688 | AFY11 Changes | Tracking Sheet Reference |
|--|-------------------|-----------------------------|
| 1. Reduce funds for Personal Services | (205,162) | Page 25; 17.11.1 |
| 2. Reduce programmatic grant-in-aid to County Boards of Health | (167,798) | Page 26; 17.11.2 |
| 3. Reflect savings from the phase out of the Babies Born Healthy program | (339,605) | Page 26; 17.11.3 |
| 4. Amend Regional Tertiary Care Centers contracts to include provision of minimum level of prenatal care services. | Yes | Page 26; 17.11.4 |
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| Net Change | (712,565) | |
| Revised Amount | 25,346,123 | |
| % Change | (2.7%) | |

Infant and Child Health Promotion Program Information

- Provide education and services to promote health and nutrition for infants and children.
- More than 300,000 women, infants and children served.



Infant and Child Health Promotion AFY11 Governor's Recommendation

| FY11 Current Budget \$11,370,121 | AFY11 Changes | Tracking Sheet Reference |
|---|------------------|-----------------------------|
| 1. Reduce funds for Personal Services | (854,036) | Page 26; 17.12.1 |
| 2. Reduce funds for contracts | (20,000) | Page 26; 17.12.2 |
| 3. Recognize contract savings from moving high cost Hemophilia clients into the federal PECIP | (482,041) | Page 26; 17.12.3 |
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| Net Change | (1,356,077) | |
| Revised Amount | 10,014,044 | |
| % Change | (11.9%) | |

Inspections and Environmental Hazard Control Program Metrics

Services provided in FY2010:

Food Service Program conducted 62,404 inspections.

Tourist Accommodations: regulated 2,531 tourist (hotels, motels, campgrounds & travel trailer parks) facilities and conducted 4,381 inspections.

Public Swimming Pools, Spas & Recreational Water Parks: regulated 8,945 facilities and conducted 18,478 inspections.

On-site Sewage Management Systems: inspected 9,586 new septic tank system installations, evaluated 9,843 existing systems and permitted & inspected the repair of 6,775 systems.

Well Water Supplies: evaluated 3,007 wells and conducted 5,608 individual well water samples.

Chemical Hazards Program: conducted 11 community assessments related to chemical hazards in communities. MOU with Environmental Protection Division

Rabies Control: investigated 8,485 potential rabies exposures.

Environmental Hazard Complaint Investigation: investigated 8,152 citizen complaints.



Inspections and Environmental Hazard Control AFY11 Governor's Recommendation

| FY11 Current Budget \$3,699,910 | AFY11 Changes | Tracking Sheet Reference |
|---|------------------|-----------------------------|
| 1. Discontinue laboratory testing available through the private sector. | (35,478) | Page 26; 17.14.1 |
| 2. Reduce Operating Expenses | (112,519) | Page 26; 17.14.2 |
| 3. Reduce funds for Personal Services | (73,160) | Page 26; 17.14.3 |
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| Net Change | (221,157) | |
| Revised Amount | 3,478,753 | |
| % Change | (6.0%) | |

Public Health Formula Grants to Counties Program Information

- The General Grant In Aid (GGIA) program provides over \$61 Million in state funds to all Local Boards of Health in return for delivery of basic public health services. Counties have discretion to allocate these funds at the local level as they see fit. Historically, most funds have gone to pay clinic staff salaries and purchase supplies.
- FY 2011 base GGIA funding ranges from \$48,126 to \$5,694,033. The average grant is \$362,000.
- The recommended GGIA budget represents a 4% reduction to all counties. The reduction ranges from (\$2,060) to (\$243,782) per county, with an average reduction of (\$15,519).



Public Health Formula Grants to Counties AFY11 Governor's Recommendation

| FY11 Current Budget \$61,686,565 | AFY11 Changes | Tracking Sheet Reference |
|---|---------------|--------------------------|
| 1. Reduce general grant-in-aid to County Boards of Health | (2,467,462) | Page 27; 17.17.1 |
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| Net Change | (2,467,462) | |
| Revised Amount | 59,219,103 | |
| % Change | (4.0%) | |

Vital Records Program Metrics

- Maintain records of all births, deaths, fetal deaths, marriages and divorces for Georgia residents since 1919.
- 134,878 births and 63,626 deaths have been registered for 2010 to date.
- Share information with Centers for Disease Control, Social Security Administration, Department of Defense, Secretary of State, Department of Driver Services, Office of Child Support Services, Medicaid, and other partners.



Vital Records

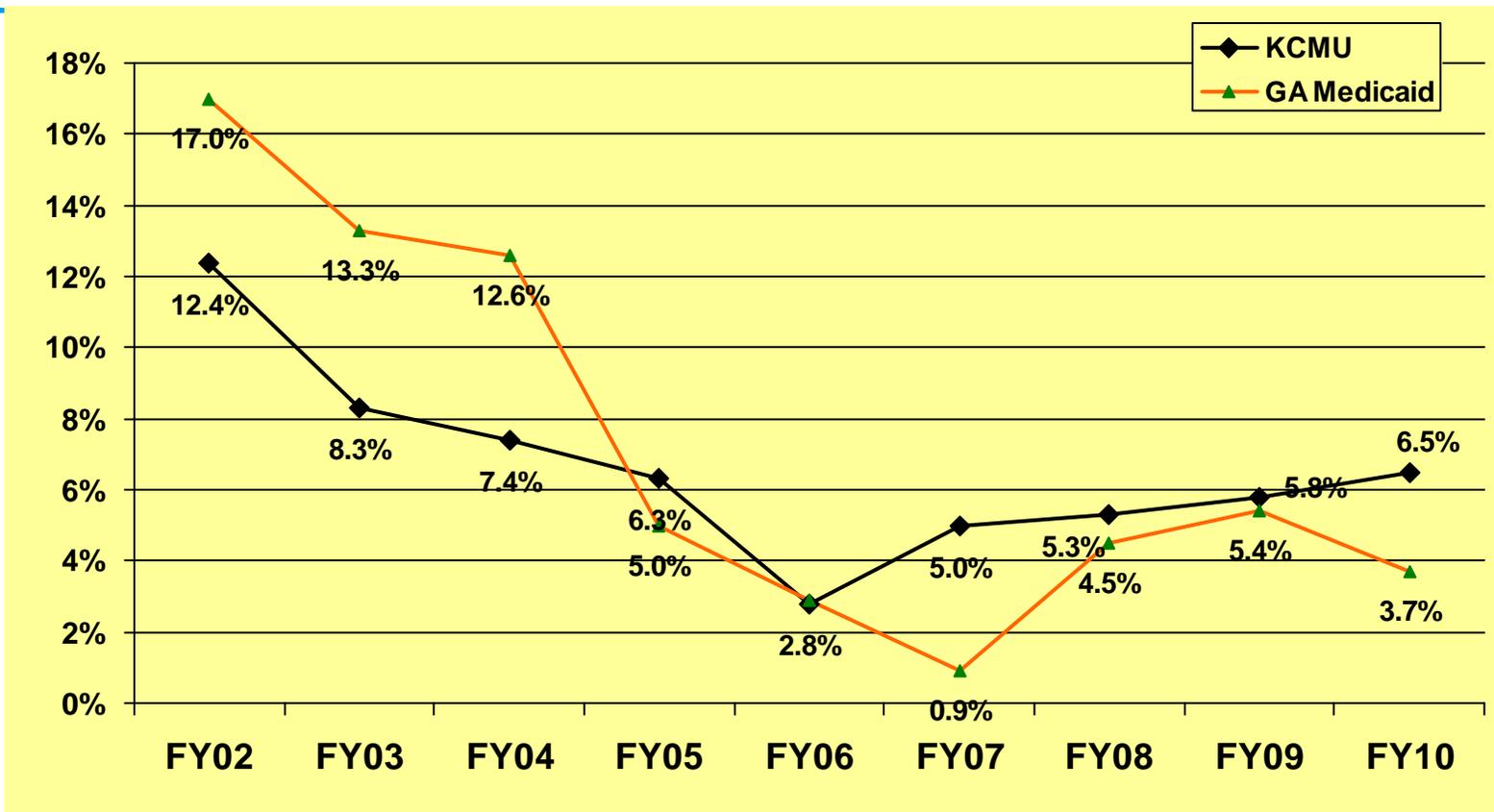
AFY11 and FY12 Governor's Recommendation

| FY11 Current Budget \$3,690,567 | AFY11 Changes | Tracking Sheet Reference |
|---------------------------------|------------------|-----------------------------|
| 1. Reduce personal services | (97,118) | Page 27; 17.19.1 |
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| Net Change | (97,118) | |
| Revised Amount | 3,593,449 | |
| % Change | (2.6%) | |

Medicaid and PeachCare for Kids



GA Medicaid vs. National Medicaid Averages

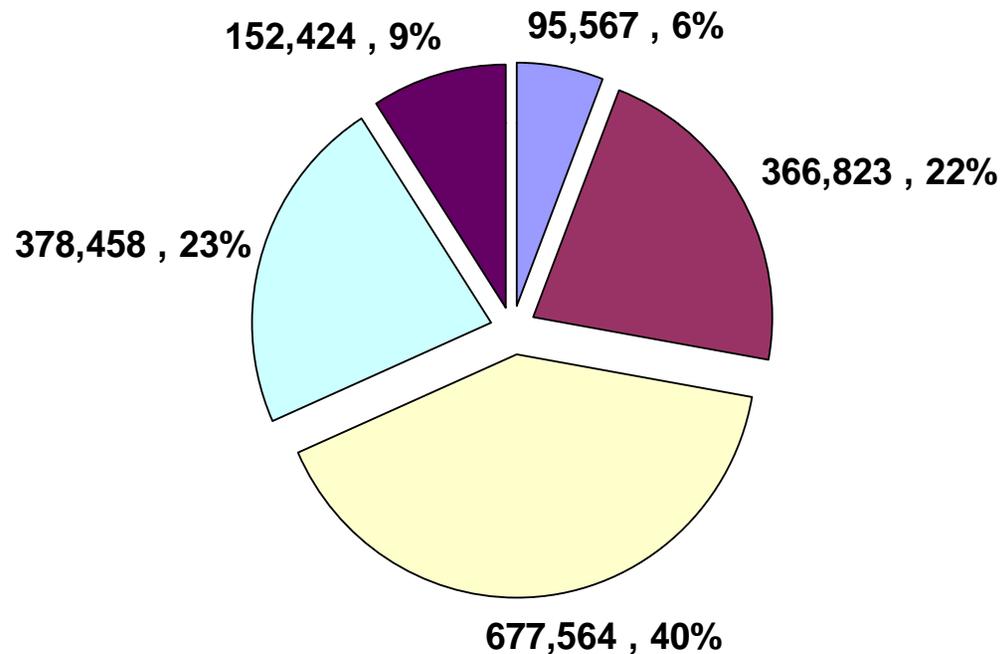


In FY 2010, Georgia Medicaid continued to experience single-digit trends of 3.7% and remain lower than the national benchmarks of 6.5% - 10.5%.

Source: The Kaiser Commission on Medicaid and the Uninsured, *The Crunch Continues: Medicaid Spending, Coverage and Policy in the Midst of a Recession: Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2009 and 2010*. September 2009.

Medicaid and PeachCare Members By Age Group

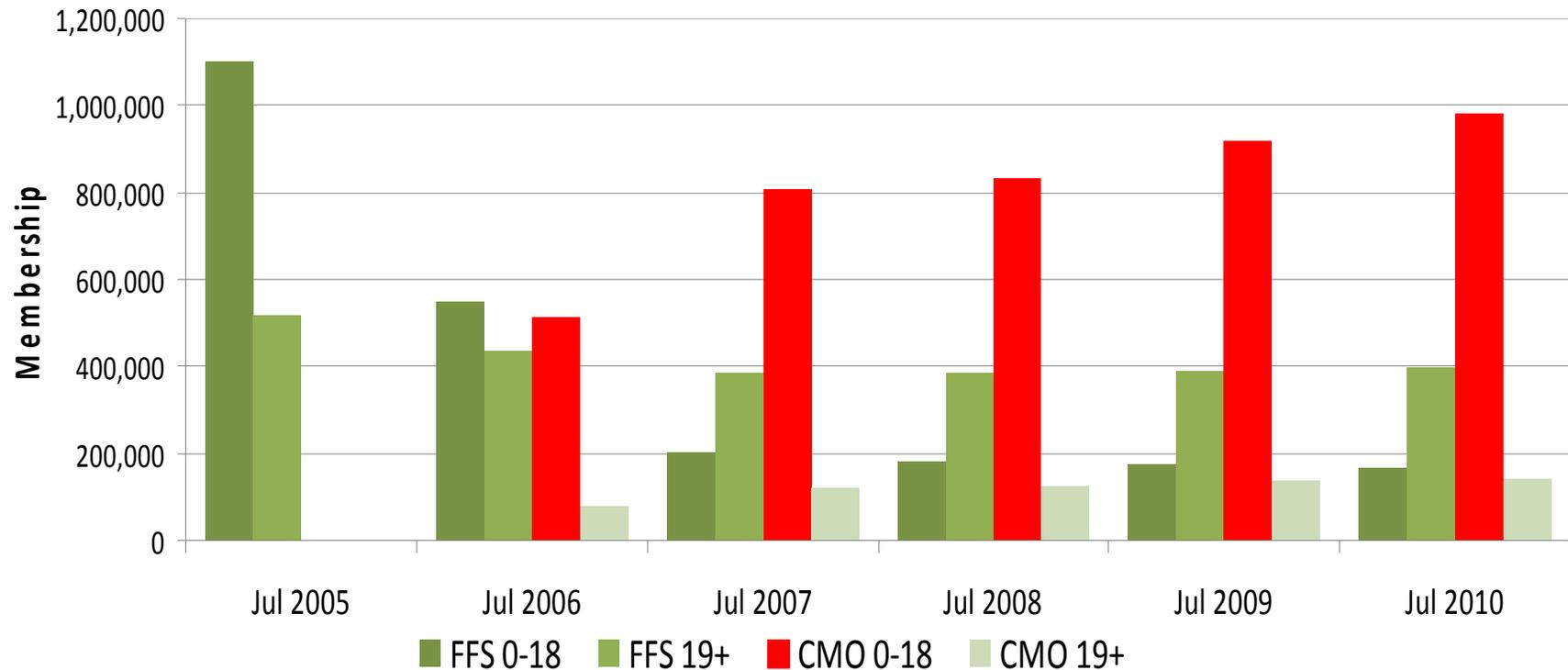
as of 11/30/2010



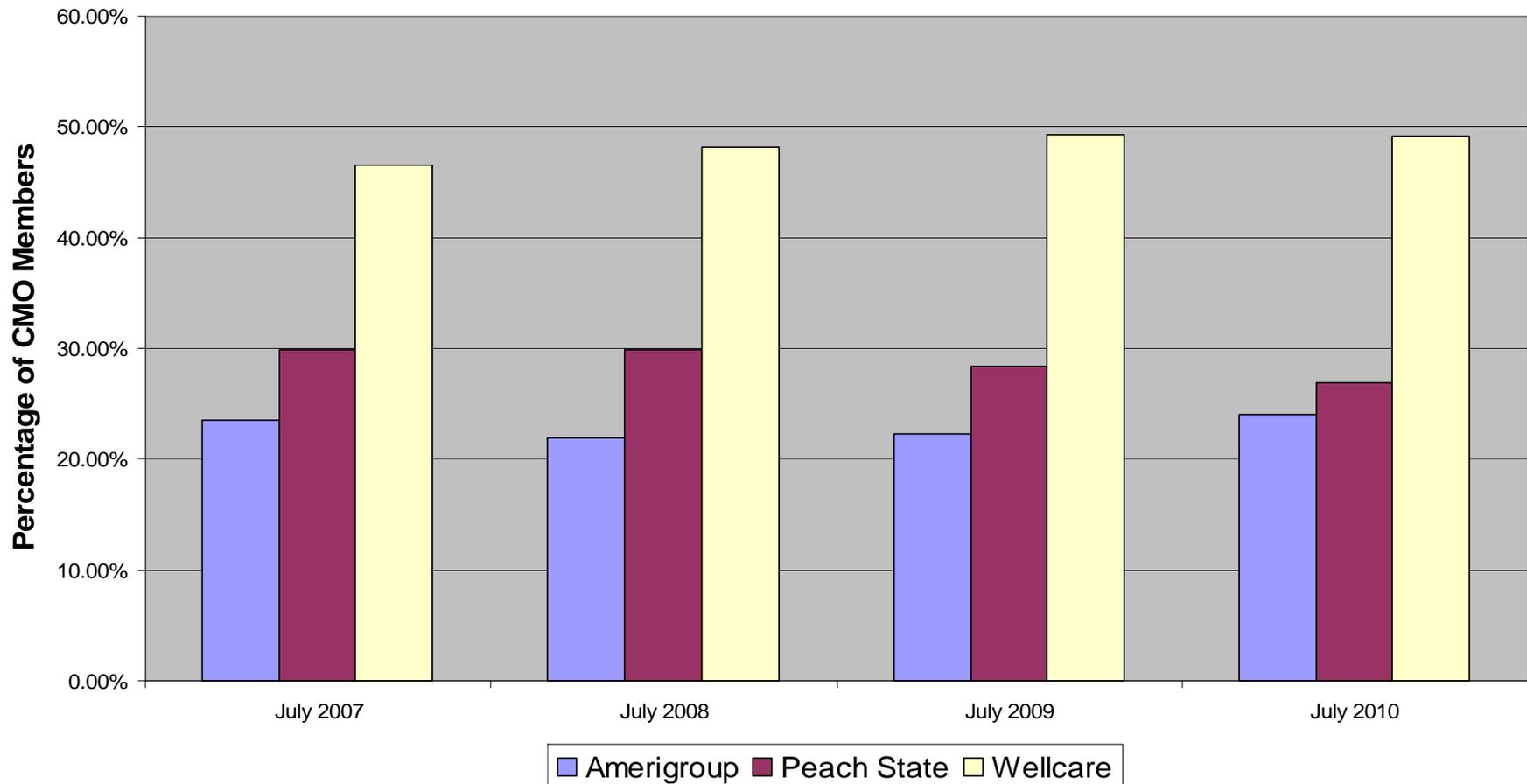
■ Age < 1 ■ Ages 1 - 5 ■ Ages 6 - 18 ■ Ages 19 - 64 ■ Ages 65+

Care Management Organization (CMO) Compared to Fee for Service (FFS) Members

July Membership by Plan/Age Group



CMO Providers



Aged, Blind, Disabled Medicaid AFY11 Governor's Recommendation

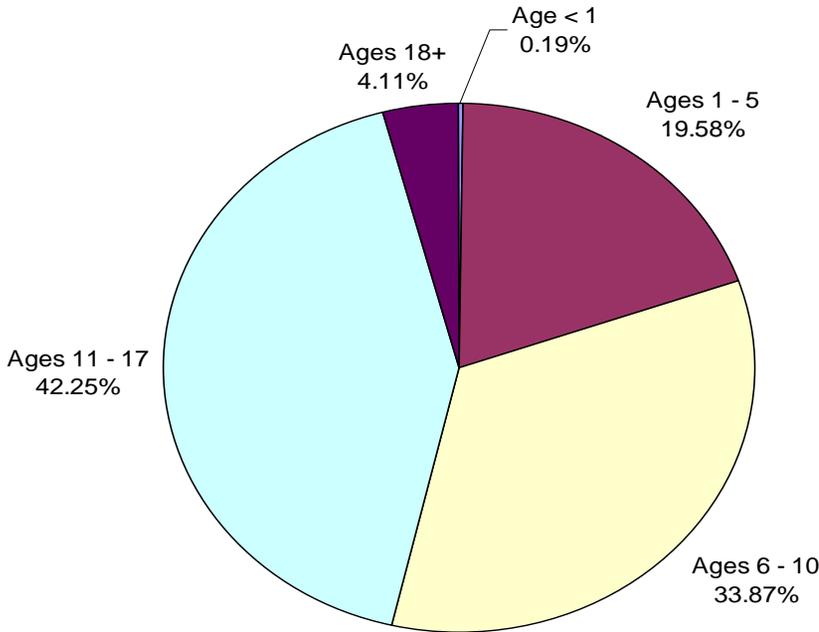
| FY11 Current Budget \$916,469,015 | AFY11 Changes | Tracking Sheet Reference |
|---|----------------------|-----------------------------|
| 1. Reflect reduced ARRA FMAP funds Associated with other agencies' Medicaid expenses (Total Funds:\$10,149,740) | Yes | Page 24; 17.3.1 |
| 2. Reflect FY 2010 reserves (\$46,547,028) and use to fund expenses. | Yes | Page 24; 17.3.2 |
| 3. Transfer funds from Low Income Medicaid (\$48,969,859) to Aged, Blind and Disabled Medicaid (\$44,561,900) and PeachCare (\$4,407,959) to align with projected expenditures. | 44,561,900 | Page 24; 17.3.3 |
| 4. Reflect estimated savings from drug company settlements. | (8,500,000) | Page 24; 17.3.4 |
| 5. Reflect savings from the elimination of underperforming contracts. | (5,440,661) | Page 24; 17.3.5 |
| 6. Provide funds to reflect revised federal policies in the Patient Protection and Affordable Care Act that reduce fee for service Medicaid rebates. | 5,940,202 | Page 24; 17.3.6 |
| 7. Reflect reduced federal stimulus funds and replace with state funds. | 69,695,388 | Page 24; 17.3.7 |
| | | |
| Net Change | 105,956,829 | |
| Revised Amount | 1,022,425,844 | |
| % Change | 11.6% | |

Low Income Medicaid AFY11 Governor's Recommendation

| FY11 Current Budget \$758,720,073 | AFY11 Changes | Tracking Sheet Reference |
|---|---------------|--------------------------|
| 1. Replace the June 2011 care management organization (CMO) payment to maximize federal financial participation and defer CMO payment in FY2012 | 54,904,935 | Page 26; 17.5.1 |
| 2. Reflect reduced ARRA FMAP funds Associated with other agencies' Medicaid expenses (Total Funds:\$2,403,871) | Yes | Page 26; 17.5.2 |
| 3. Replace tobacco settlement funds with state general funds (Amount: \$11,889,479) | Yes | Page 26; 17.15.3 |
| 4. Reflect FY 2010 reserves (\$40,037,932) and use to fund expenses. | Yes | Page 26; 17.15.4 |
| 5. Transfer funds from Low Income Medicaid (\$48,969,859) to Aged, Blind and Disabled Medicaid (\$44,561,900) and PeachCare (\$4,407,959) to align with projected expenditures. | (48,969,859) | Page 26; 17.15.5 |
| 6. Reflect projected hospital provider payment collections | (13,241,355) | Page 26; 17.15.6 |
| 7. Transfer funds from Low Income Medicaid to Administration to fully fund the MMIS conversion costs | (15,127,330) | Page 26; 17.15.7 |
| 8. Reflect estimated savings from drug company settlements. | (1,500,000) | Page 26; 17.15.8 |

PeachCare Enrollment by Age

Total Enrollment - 202,380
as of October 2010



■ Age < 1 ■ Ages 1 - 5 ■ Ages 6 - 10 ■ Ages 11 - 17 ■ Ages 18+

PeachCare

AFY11 Governor's Recommendation

| FY11 Current Budget \$66,279,941 | AFY11 Changes | Tracking Sheet Reference |
|--|------------------|-----------------------------|
| 1. Recognize FY10 reserves (\$239,516) and use to fund expenses | Yes | Page 26; 17.16.1 |
| 2. Transfer funds from Low Income Medicaid to PeachCare to align with projected expenses. | 4,407,959 | Page 26; 17.16.2 |
| 3. Replace the June 2011 care management organization (CMO) payment to maximize federal financial participation and defer CMO payment in FY 2012. | 6,576,280 | Page 27; 17.16.3 |
| 4. Provide funds to reflect revised federal policies in the Patient Protection and Affordable Care Act that reduce fee for service Medicaid rebates. | (6,531,064) | Page 27; 17.16.4 |
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| Net Change | 4,453,175 | |
| Revised Amount | 70,733,116 | |
| % Change | 6.7% | |

State Health Benefit Plan Program Metrics

- The SHBP currently provides coverage to 697,000 people.
- The majority of plan members are state employees, teachers, school personnel (school bus drivers, cafeteria workers) and their dependents.
- The audited FY 2010 reserve balance is just over \$17 million. This represents about 2 average days of claims.



State Health Benefit Plan

AFY11 Governor's Recommendation

| FY11 Current Budget \$0 – State Funds \$2,888,378,968 – Other Funds | AFY11 Changes | Tracking Sheet Reference |
|--|------------------|-----------------------------|
| 1. Recognize projected revenue generated from employees with dependents up to age 26 changing premium tiers, as well as the premium add-on amount to cover part of the projected cost of the expanded coverage. | 35,939,886 | Page 27; 17.18.1 |
| 2. Increase per member per month billings for non-certificated school service personnel from \$162.72 to \$218.20, effective December 2010. | 25,000,000 | Page 27; 17.18.2 |
| 3. Reflect updated revenue and expense projection. | (74,413,502) | Page 27; 17.18.3 |
| 4. Reflect depletion of prior year reserves. | (43,306,700) | Page 27; 17.18.4 |
| 5. Reflect projected reimbursement available through the Early Retiree Reinsurance Program component of federal health care reform. | 69,800,000 | Page 27; 17.18.5 |
| 6. Reflect the projected cost of changes to coverage of dependent children required by PPACA: to allow coverage up to age 26, regardless of marital or student status, employment, residency, or financial dependence. | 54,421,666 | Page 27; 17.18.6 |
| 7. Reflect the projected cost of the federal health care reform requirement to cover 100% of preventive coverage as defined by regulation under the Patient Protection and Affordable Care Act (PPACA). | 4,995,741 | Page 27; 17.18.7 |

State Health Benefit Plan cont.

AFY11 Governor's Recommendation

| FY11 Current Budget \$0 – State Funds \$2,888,378,968 – Other Funds | AFY11 Changes | Tracking Sheet Reference |
|---|----------------------|-----------------------------|
| 8. Increase state appropriation to the Department of Education, State Interagency Transfer Program, to increase funds to support non-certificated school service personnel benefit expense. | 56,468,639 | Page 27; 17.18.8 |
| 9. Increase funds to reflect spousal and tobacco (\$10 and \$20) surcharge increases in Plan Year 2011. | 8,279,974 | Page 27; 17.18.9 |
| 10. Reflect reduction in employee premium revenue due to elimination of the OAP option. | (18,399,960) | Page 27; 17.18.10 |
| 11. Reduce expense by eliminating the Open Access Plan (OAP) and implementing additional plan design changes and employee cost-share increases in Plan Year 2011. | (110,448,160) | Page 27; 17.18.11 |
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| | | |
| Net Changes | 8,337,584 | |
| Revised Amount (Other Funds) | 2,896,716,552 | |
| % Change | 0.3% | |

Amended FY 2011 Program Budgets

Presentation on DCH Website

www.dch.georgia.gov

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