

**MINUTES OF THE
BOARD OF COMMUNITY HEALTH MEETING
January 13, 2011**

Members Present

Ross Mason (via phone)
Norman Boyd
Dr. Inman C. "Buddy" English (via phone)
Hannah Heck
Jamie Pennington
William H. Wallace, Jr. (via phone)
Dr. Mary Eleanor Wickersham

Members Absent

Sidney Kirshner
Archer Rose

The Board of Community Health held its regularly scheduled meeting at the Department of Community Health, Fifth Floor Board Room, 2 Peachtree Street, N.W., Atlanta, Georgia. Commissioner David A. Cook was 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 Boyd called the meeting to order at 10:46 a.m.

Minutes

The Minutes of the November 18 Meeting were UNANIMOUSLY APPROVED and ADOPTED.

Committee Reports

Vice Chairman Boyd reported that the Audit Committee reviewed the annual audit report of the independent auditors. The Department received a clean opinion. There were no major deficiencies noted; however, the auditors, in their management letter, indicated areas that needed attention and improvement.

Vice Chairman Boyd introduced and welcomed new Commissioner David A. Cook.

Commissioner's Comments

Commissioner Cook stated that he is excited about joining DCH and is looking forward to working with the Board. Commissioner Cook said he is fully committed to DCH's mission of improving the health of the citizens of Georgia by promoting access to high quality care and through the efficient and effective use of the Department's resources. He said some of the big issues the Department faces are maintaining a sufficient provider workforce; promoting healthy behaviors and increasing better outcomes to Georgians; acting as good stewards of the limited resources of the Department; and looking at ways to simplify administrative burdens and invest resources to improve the Department's Information Technology infrastructure. Commissioner Cook said he is very interested in working with all stakeholders such as the Governor, members of the General Assembly, the provider community, vendors, and most importantly the citizens of Georgia. He said DCH will be a good listener and will seek to fully understand concerns that are raised and address them to the best of its ability.

Commissioner Cook thanked Commissioner Clyde Reese for his help during the transition. He said he met with Commissioners Shelp and Reese, and they are committed to working together on health care issues that intersect and overlap the three departments. Commissioner Cook said he met with members of the senior staff and has been impressed by their competence and professionalism. He will work toward rebuilding core staff. Commissioner Cook announced that he had asked Richard Greene, who has worked for DCH for a number of years in the General Counsel Division, to serve as General Counsel.

Commissioner Cook stated the Department and the State are facing their share of challenges in several areas. DCH will be called on to do its part of dealing with the State's budget deficit, particularly the loss of federal stimulus funds. Policy challenges to meet include planning for the potential implementation of portions of the massive federal health reform laws while simultaneously preparing for a significant influx of Medicaid beneficiaries. Also to be addressed are challenges dealing with DCH's internal structure and operations, the continuation of the assimilation of the Divisions of Public Health and Health Care Facility Regulation. Challenges and opportunities for major improvements are found in upgrading DCH's information technology in many areas including Medicaid, SHBP and Public Health programs. To meet these challenges the Department must apply teamwork, deploy human and financial resources in a focused and strategic manner, and forge public-private partnerships.

Department Update

Ms. Alison Earles, Legal Counsel for the State Health Benefit Plan (SHBP), presented for final adoption changes to SHBP Rules. The rules were presented for initial adoption on October 14. A public hearing was held on December 1, 2010. The Department received no oral or written comments during the public comment period. The two main reasons for the changes and the impact to the changes are to comply with certain portions of the Patient Protection and Affordable Care Act of 2010 and to support the ongoing financial stability of the SHBP. The Patient Protection and Affordable Care Act requires SHBP to cover all natural, adopted, foster and step children until they reach age 26 regardless of where the children live, whether they work, attend college, are married, or are financially dependent on the SHBP member. To comply with that provision of the Act, several eligibility requirements have been removed from the regulations and changes made to clarify how long coverage for dependent children must last. Rules 111-4-1-.01, 111-4-1-.04, 111-4-1-.05 and 111-4-1-.09 were modified accordingly.

Changes to Rule 111-4-1-.02 are designed to support the financial stability of the SHBP. Changes have been made to reduce printing costs by discontinuing the printing of plan documents and annual legal notices for active employees. Instead, electronic versions of these documents will be provided to the payroll locations. It will then be the responsibility of each payroll location to distribute the materials to employees. The SHBP Division will continue to print and mail these documents to retiree members.

In addition, changes have been made to clarify the amount of contributions that are required from contract employers. Contract employers are entities that join the SHBP through a contractual relationship with the Board of Community Health. As set forth in past board resolutions, contract employers have to pay the full costs of SHBP coverage for every covered member plus an administrative fee. Ms. Earles said it has come to the attention of SHBP that the full payment has not been collected for some retired employees of a few contract employers. The Department estimates that this affects fewer than 100 retirees; however, this practice will change requiring the full payment to be remitted to SHBP. These entities are not required to offer SHBP coverage to their employees and retirees, and they may drop coverage at any time if they are not willing to pay the full cost of coverage.

As required by state statute, local school boards that decide to offer SHBP coverage to school board members through a contractual relationship will have to pay the cost of SHBP coverage as calculated using the actual claims experience of all local school board members. Since this is a small risk pool, the cost of SHBP coverage is expected to be much higher for school board members in 2012 than 2011. The small risk pool will cause the rate to fluctuate from year to year based on the previous claims experience of school board members. The Department expects the value of providing SHBP coverage to local school board members will decrease significantly in 2012 and recognizes that some local school boards may stop offering SHBP coverage to their local school board members.

Changes have been made to support the timely and accurate collection of required contributions from state agencies and local employers. Employing entities that pay employer contributions to SHBP based on a percentage of state-based salaries must provide documentation from their payroll software systems to prove that the contribution was calculated correctly. The Department has requested this documentation from school systems since 2001, but many school systems have not consistently provided that payroll documentation. As required by law, the Commissioner will notify the State Board of

Education if a local employer (local board of education, library, RESA) fails to timely pay the correct contribution. The law requires that the State Board of Education will then withhold allotments to that local employer until the contribution is paid. The Department has determined that communicating and implementing this requirement will help the SHBP timely collect revenue to which it is entitled. Ms. Earles said this is especially important given the financial status of the SHBP and its obligation to collect all required employer contributions while simultaneously seeking funds under the federal Early Retiree Reinsurance Program. Finally, failure to pay required contributions is grounds for termination of coverage for contract employers including local school boards that provide SHBP coverage to school board members.

Ms. Wickersham MADE a MOTION to approve for final adoption Rules 111-4-1-.01, 111-4-1-.02, 111-4-1-.04, 111-4-1-.05, and 111-4-1-.09. Ms. Pennington SECONDED the MOTION. Vice Chairman Boyd called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (Copies of Rules 111-4-1-.01, 111-4-1-.02, 111-4-1-.04, 111-4-1-.05, and 111-4-1-.09 are attached hereto and made official parts of these Minutes as Attachment # 3).

Mr. Scott Frederking, Budget Director, stated that while the Governor was giving his State of the State Address, the Governor's Office of Planning and Budget (OPB) released the Governor's Recommendations for the Amended FY 2011 and FY 2012 budgets. He said although the Department has not completed its review of the recommendations, he wanted to make the board aware of several key items: 1. rate cuts – the Governor is not recommending a rate cut to providers in the Amended FY 2011 budget; however, in the 2012 budget the Governor is recommending a 1% rate cut for all providers except hospitals and home and community based services; 2. optional services – the FY 2012 budget includes the recommendation to eliminate optional benefit coverage for adult vision, dental and podiatry services in the Medicaid program; 3. co-pays – the FY 2012 budget includes a recommendation to increase existing members' co-pays in the Medicaid and PeachCare programs and implement new co-pays in the TEFRA (Tax Equity and Fiscal Responsibility Act) Program; 4. Stimulus funds – adds \$131 million in state funds in AFY 2011 and \$684 million in FY 2012 to replace the loss of federal Stimulus Funds; 5. MMIS – the Governor's recommendation agrees with the Department's request to add \$15.1 million in state funds to fully fund the Medicaid Management Information system (MMIS) to cover a lower federal match rate until the system is certified by the Centers for Medicare and Medicaid Services; 6. SHBP – the Governor's recommendation conforms to the Department's request to add additional state dollars as well as the funds the Department will receive from the federal Early Retiree Reinsurance Program; 7. Trauma Commission – the recommendation is to reduce funding to the Georgia Trauma Care Network Commission (an administratively attached agency) from \$22.2 million to \$10.5 million to reflect the revised revenue projections from the Super Speeder funds (in FY 2012 the Trauma Commission budget is reduced from \$22.2 million base to \$16.7 million); 8. bonds – the Governor's recommendations for FY 2012 includes \$10 million in General Obligation Bonds to provide a 10% match for 90% federal funds to develop and implement a new Medicaid eligibility system. This system is part of an overall improvement to the eligibility business process with Medicaid, TANF and food stamps and will replace the State's current and outdated eligibility system called SUCCESS which is operated by the Department of Human Services.

Ms. Leslee Pool, Interim Director, Healthcare Facility Regulation Division, joined the meeting by phone to give an update on Personal Care Home Rule 111-8-62. The Department presented the rules for initial adoption at the November 18, 2010 meeting. During the public comment period the Department received over 900 comments and many spoke at the public hearing held on December 29, 2010. Ms Pool said the Department is in the process of serious and deliberate review of these comments and concerns expressed by the public and has already identified some areas where reconsideration or clarification is needed. She said the Department is not yet ready to submit a revised set of rules for the Board's consideration. She asked the Board to table the rules at this time but assured the Board the Department will seek again input from interested and affected parties in the development of final changes to the rules prior to a future presentation to the Board.

Commissioner Cook added he would like to hear from stakeholders to make sure the Department understands the concerns and move forward in a way that will adequately addresses these concerns.

Commissioner Cook said this will take time and appreciates the Board's willingness to table Rule 111-8-62. Without objection, the proposed Rules were tabled.

Adjournment

There being no further business to be brought before the Board, Vice Chairman Boyd adjourned the meeting at 11:19 a.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED BY VOTE OF THE BOARD THIS THE _____ DAY OF _____, 2011.

ROSS MASON
Chairman

ARCHER R. ROSE
Secretary

Official Attachments:

- #1 List of Attendees
- #2 Agenda
- #3 Rules 111-4-1-.01, 111-4-1-.02, 111-4-1-.04, 111-4-1-.05, and 111-4-1-.09