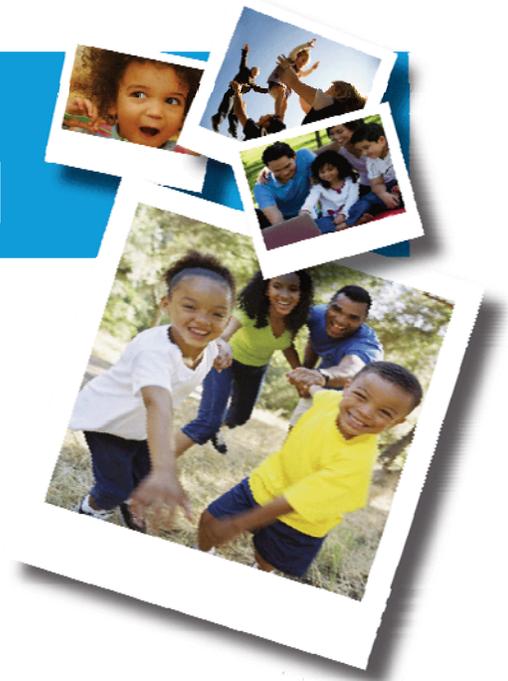




## LEGISLATIVE BRIEF

# Indigent Care Trust Fund



### How Funds are Received and Used by the Indigent Care Trust Fund?

Contributions made to the Indigent Care Trust Fund (ICTF) by non-federal sources include:

- Intergovernmental transfers from hospitals participating in the Disproportionate Share Hospital (DSH) program. The DSH program helps to compensate hospitals for their uncompensated indigent care<sup>1</sup>;
- Nursing home provider fees<sup>2</sup>;
- Care Management Organizations (CMO) Quality Assessment (QA) Fees<sup>3</sup> ;
- Penalties related to the non-compliance of Certificate of Need (CON) requirements<sup>4</sup>;
- Ambulance license fees; and
- Fees collected from the sale of Breast Cancer License Tags<sup>5</sup>.

The ICTF is also allowed to retain for use interest earned from funds contributed into the trust fund<sup>6</sup>.

As required by Georgia Statute, contributions to the ICTF are matched with federal funds or other funds from a public source or charitable organization<sup>7</sup>. The type of match applied to the ICTF contribution is dependent on the use of the funds. The primary source of federal matching funds is Title XIX of the Social Security Act (Medicaid) and the Disproportionate Share Hospital Program (also Medicaid).

Unless otherwise precluded, uses of ICTFs are limited to any one or a combination of the following:

- To expand Medicaid eligibility and services;
- For programs to support rural and other health care providers, primarily hospitals, who serve the medically indigent; and/or
- For primary health care programs for medically indigent citizens and children of this state<sup>8</sup>.

There are three exclusions:

- Georgia Statute requires Nursing Home Provider Fees be remitted to the ICTF to be matched with federal Medicaid funds and made available for the provision of support to nursing homes that disproportionately serve the medically indigent<sup>9</sup>.
- Georgia statute requires CMO QA Fees be remitted to the ICTF to obtain federal financial participation for medical assistance payments to one or more providers pursuant to Article 7 of Chapter 4 of Title 49 (i.e., the Georgia Medical Assistance Act of 1977) or for purposes as authorized for expenditures from the trust fund<sup>10</sup>

### SOURCES

<sup>1</sup> OCGA 31-8-153

<sup>2</sup> OCGA 31-8-163

<sup>3</sup> OCGA 31-8-172

<sup>4</sup> OCGA 31-8-153.1

<sup>5</sup> OCGA 40-2-86.8(f)(1)

<sup>6</sup> OCGA 31-8-156(a)

<sup>7</sup> OCGA 31-8-156(c)

<sup>8</sup> OCGA 31-8-154

<sup>9</sup> OCGA 31-8-166

<sup>10</sup> OCGA 31-8-174(a)

## Indigent Care Trust Fund

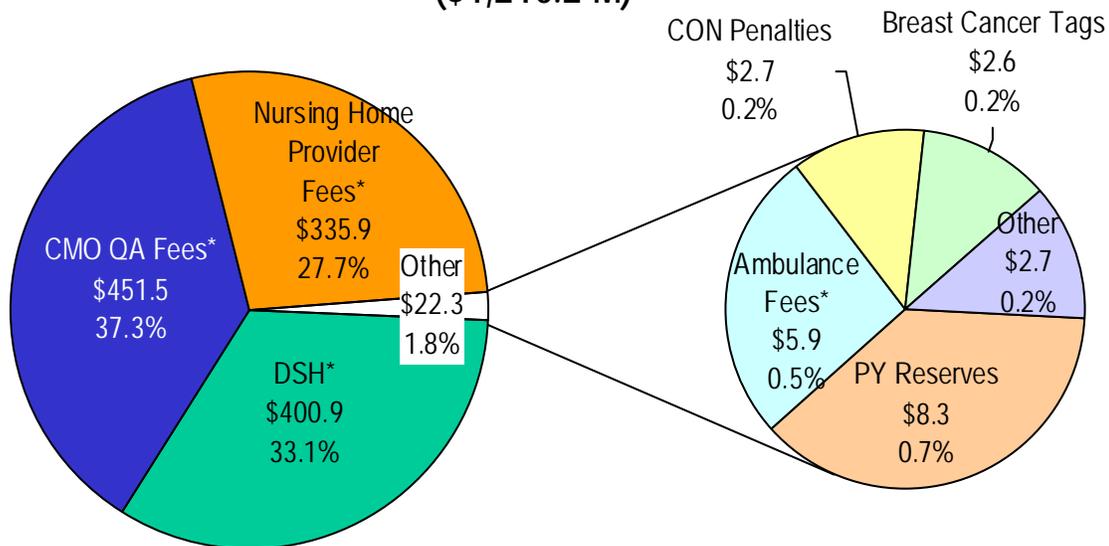
- Proceeds from the sale of breast cancer license tags are to be used to fund cancer screening and treatment related programs for those persons who are medically indigent and may have breast cancer. Such programs may include education, breast cancer screening, grant-in-aid to breast cancer victims, pharmacy assistance programs for breast cancer victims, and other projects to encourage public support for the special license plate and the activities which it funds.

### Sources of Revenue for FY 2008:

	<u>FY 2008</u>
Federal Medicaid DSH Funds	\$252,974,446
Intergovernmental Transfers from Hospitals for DSH	134,241,092
State Funds for DSH	<u>13,713,384</u>
<i>SUBTOTAL for DSH</i>	<i>\$400,928,922</i>
CMO QA Fees	\$153,360,265
Matching Federal Medicaid Funds for CMO QA Fees	235,151,142
Matching Federal PeachCare for Kids Funds for CMO QA Fees	<u>63,021,295</u>
<i>SUBTOTAL CMO QA Fees</i>	<i>\$451,532,702</i>
Nursing Home Provider Fees	\$120,805,958
Matching Federal Medicaid Funds for Nursing Home Provider Fees	<u>215,064,801</u>
<i>SUBTOTAL Nursing Home Provider Fees</i>	<i>\$335,870,759</i>
Breast Cancer License Tag Fees	\$ 1,129,490
Prior Year Reserves from Breast Cancer License Tag Fees	965,262
State Funds for Georgia Cancer Coalition	<u>500,000</u>
<i>SUBTOTAL for Breast Cancer</i>	<i>\$ 2,594,752</i>
Ambulance Licensure Fees	\$ 2,140,952
Matching Federal Medicaid Funds for Ambulance Licensure Fees	<u>3,721,599</u>
<i>SUBTOTAL Ambulance Licensure Fees</i>	<i>\$ 5,862,551</i>
Prior Year Reserves	\$ 8,346,142
CON Penalties	2,728,787
Other Federal Medicaid Funds	1,765,885
ICTF Interest	<u>607,311</u>
<b>Total</b>	<b>\$1,210,237,811</b>

# Indigent Care Trust Fund

## FY 2008 Indigent Care Trust Fund Revenue Sources (\$1,210.2 M)



All figures in millions

\* includes federal matching funds

### FY 2008 Expenditures:

		<u>FY 2008</u>
DISH Payments	\$400,909,558	
Medicaid Payments Financed by CMO QA Fees		451,532,702
Medicaid Payments to Nursing Homes Financed by Nursing Home Provider Fees		335,870,759
Medicaid Upper Payment Limit Payments to address CMS disallowance <sup>1</sup>		2,914,002
Ambulance Medicaid Rate Subsidy		5,862,551
Breast Cancer Initiatives		510,809
Health Disparities Grant for HIV/AIDS		<u>100,000</u>

### SOURCES

<sup>11</sup> The Centers for Medicaid and Medicare Services disallowed a series of calendar year 2002 Upper Payment Limit (UPL) payments made to Erlanger and T.C. Thompson hospitals. These hospitals are located in Chattanooga, TN but serve the north Georgia region as a trauma center and children's hospital, respectively. Like other public and critical access hospitals serving Georgia Medicaid members, the state made UPL payments to those hospitals financed with intergovernmental transfers. CMS ruled that the state could not accept an IGT from an out of state public provider and disallowed the federal share of payment. The state successfully pursued legal remedy against CMS; however, later determined it was not in the best interest of the state to continue with its position after CMS appealed to the U.S. District Court. To maintain the UPL funds earned by these two hospitals, the state utilized CON penalties to replace the hospital's IGT's to support the state share of the UPL payments.

## Indigent Care Trust Fund

### **FY 2008 Funds Reserved for Specific Use in FY 2009:**

Breast Cancer Initiatives (from Tag Receipts)	\$ 2,083,943
Health Disparities Grant	900,000
Health Information Exchange Initiatives	2,750,000
Mental Health e-Prescribing Initiative	<u>3,000,000</u>
<b>Total Reserved for Specific Use in FY 2009</b>	<b>\$ 8,733,943</b>