

**MINUTES OF THE  
BOARD OF COMMUNITY HEALTH MEETING  
September 9, 2010**

**Members Present**

Ross Mason, Vice Chairman  
Norman Boyd  
Dr. Inman C. "Buddy" English  
Hannah Heck  
William H. Wallace, Jr.

**Members Absent**

Archer Rose, Secretary  
Sidney Kirschner  
Jamie Pennington

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 Clyde L. Reese, III, was present also. (An agenda and a List of Attendees are attached hereto and made official parts of these Minutes as Attachments #1 and #2). Vice Chairman Mason called the meeting to order at 10:35 a.m.

**Chairman's Opening Comments**

Vice Chairman Mason announced that the Board will vote on the August 26, 2010 Minutes and elect officers at the next board meeting.

**Committee Report**

Ms. Hannah Heck, Chair of the Care Management Committee, reported that the Committee received updates on the MMIS implementation, CMO plans, CMO Geographical Access specialists coverage, and status of the Medicaid Family Planning Waiver.

**Commissioner's Comments**

Commissioner Reese began with an update on the Public Health Commission. The next Commission meeting will be held on September 13 and will focus on budget, finance, and testimony from legislators who were involved in the drafting of the legislation that reorganized the health and human services departments. Staff has begun working on the report the Commission will give to the General Assembly on December 1.

Commissioner Reese said the Department is moving ahead with the November 1 go-live date for the Medicaid Management Information System (MMIS) conversion. The Department has begun transitioning incrementally from Affiliated Computer Service (ACS) to Hewlett Packard (HP). He encouraged all providers to utilize and participate in provider training to make the MMIS implementation a smooth transition.

Commissioner Reese said numerous groups met with him regarding the budget proposals that were presented at the August 26 meeting. He told each group the Department would not have proposed those numbers if the State was in better fiscal times. The Department had very difficult choices to make. The Department provided to the board all written concerns received. Commissioner Reese reiterated that actions taking place today is the first step in a long budget process. Should the Board pass along the proposed budget proposals, the proposals will go to the Office of Planning and Budget. Then OPB will try to fit DCH's budget proposals into the larger state budget. The Governor will have to sign off on the budget and pass on to the new Governor and new Legislature.

Finally, Commissioner Reese stated that due to the short span between the last two board meetings, the Resolution honoring former Chairman Richard Holmes will be presented at the October meeting.

**Department Update**

Dr. Jerry Dubberly, Chief, Medical Assistance Plans, presented the Pharmacy Services Public Notice. The notice provides for changes to the reimbursement methodology for specialty pharmaceuticals effective for dates of service on or after November 1, 2010, for fee-for-service only. The changes would establish an estimated acquisition cost of Average Wholesale Price (AWP) minus up to 18% depending upon the product being dispensed and the availability of that product at that price point in the market as well as the Department's ability to ensure access to the product at that reimbursement level. For purposes of the Public Notice, the individual products were not listed since new pharmaceuticals come to market frequently; instead the Department listed the disease states or conditions for which those drugs would treat. Also, the Pharmacy Services Public Notice speaks specifically to Hemophilia products and blood clotting factor products. This reimbursement methodology would move to an AWP minus 24% up to 42% depending on the product dispensed and the Department's ability to ensure access to the medication at that reimbursement level. The Department, on a periodic basis, not less than quarterly, will review the pricing points on those products and the availability of those products in the market. For the first ninety days that review would be no less than monthly to ensure that the reimbursement methodologies are set appropriately. These changes are anticipated to be a savings of \$1.4 million for the remainder of Fiscal Year 2011. The Department will list the specific products in the Pharmacy Policy Manual and are subject to this reimbursement methodology. There will be opportunity for public comment

on September 22 with written comments accepted through September 24. Ms. Heck MADE a MOTION to approve for initial adoption the Pharmacy Services Public Notice to be published for public comment. Mr. Boyd SECONDED the MOTION. Vice Chairman Mason called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Pharmacy Services Public Notice is attached hereto and made an official part of these Minutes as Attachment # 3).

Mr. James Peoples, Executive Director of Health Improvement Programs, presented proposed changes to the Georgia Volunteer Healthcare Program Rule 111-5-1-.01. The Georgia Volunteer Healthcare Program provides sovereign immunity protection to physicians, nurses and other healthcare providers who provide uncompensated healthcare to the uninsured in free clinics across the state. Last Legislative Session Senate Bill 344 was passed that will allow the Department to contract with certain compensated providers. This rule change would specifically define the types of compensated providers that could be covered under the program. The rule allows a physician assistant who may be employed by a safety net clinic but also volunteer at a free clinic or some other facility for the uninsured to be paid as long as payment does not fluctuate based on four elements: the number of patients served in the clinic; the number of patients visits to the clinic; treatments in the clinic; or any other fact relating to the number of patient contacts or services rendered pursuant to a contract under this article.

Mr. Boyd indicated his support for the rule change that would encourage volunteerism. Mr. Mason said his concern is that if the Department compensates people who would otherwise volunteer, he hopes the Department would not make rules that would interfere with faith-based missions, force clinics to take Medicaid patients or a certain patient mix. He asked if there were any assurances that if the Department begins to compensate certain providers it will not set policy for the clinics. Mr. Peoples said the Department has no plans to set policy. Mr. Boyd MADE a MOTION to approve for initial adoption proposed changes to Georgia Volunteer Healthcare Program Rule 111-5-1-.01 to be published for public comment. Dr. English SECONDED the MOTION. Vice Chairman Mason called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of Georgia Volunteer Healthcare Program Rule 111-5-1-.01 is attached hereto and made an official part of these Minutes as Attachment # 4).

Mr. Scott Frederking, Interim Chief Financial Officer, began discussion on General Obligation Bonds. The State of Georgia's Fiscal Year 2011 budget includes \$3.8 million in General Obligation Bonds for a new Vital Records facility. He brought to the Board's attention a memorandum from the Department of Law asking for specific documents from DCH including a Resolution to be adopted by the Board as well as a letter to be signed by the Chairman of the Board and sent to the Georgia State Financing and Investment Commission (GSFIC). These documents must be completed and submitted before the State will include this project in a future bond sale. The Resolution approves and authorizes the bond project for DCH and requests GSFIC issue the bonds and finance the project. The Resolution also states the Board will agree and adhere to GSFIC requirements such as ensuring that at least 5% of the proceeds are spent within six months of the bond issuance; 85% will be spent within three years of the bond issuance; and the proceeds will not be used for any nongovernmental purpose. The letter, to be signed by the board chair and also sent to GSFIC, contains essentially the same language as the board resolution and affirms the board's agreement with the terms established by the GSFIC for the expenditure of the bonds. These procedures, along with the aforementioned documents, are standard requirements of the Department of Law and GSFIC when bonds are sold on behalf of state agencies. Mr. Wallace MADE a MOTION to adopt the Resolution and Letter for the Issuance of Georgia General Obligation Funds to be transmitted to the Department of Law and GSFIC upon the Board Chairman's signature. Ms. Heck SECONDED the MOTION. Vice Chairman Mason called for votes; votes were taken. The Resolution and Letter were UNANIMOUSLY ADOPTED. (Copies of the Resolution – Issuance of General Obligation Bonds and Georgia State Financing and Investment Commission Letter are attached hereto and made official parts of these Minutes as Attachments # 5 and 6 respectively).

Mr. Frederking said before he asked the Board to vote on the Amended FY 2011 and FY 2012 Budget Proposals, he would like to review the feedback the Department received from interested parties. The Georgia Public Health Association specifically requested returning funding for general grant-in-aid to counties prior year levels, restore funding to the Stroke and Heart Attack Prevention program, add funding for vacant critical positions, and add funding for adequate emergency preparedness and response items. They did not give specific dollar amounts to add back to the last two items. APS Healthcare and one concerned citizen wrote expressing concerns over discontinuing the Georgia Enhanced Care contract. (Part of the budget proposals for FY 2011 was to cut the contract in half and to eliminate funding completely in FY 2012). The Department received separate correspondence regarding opposition to the provider rate cuts from Forba Holdings (dba Small Smiles Dental Center), the Georgia Hospital Association advocating for other providers, and the Georgia Healthcare Association which represents nursing facilities. The Department received correspondence from the following provider groups voicing concerns particularly about the provider rate cuts: the Georgia Academy of Family Physicians, Georgia Chapter American College of Physicians, Georgia Chapter American Academy of Pediatrics, the Georgia Obstetrical and Gynecology Society, and the Patient Centered Physicians Council of Georgia. Also, the Department received a letter from the Medical Association of Georgia urging DCH to refrain from any cuts to physician payments in Medicaid. This letter was sent on behalf of the Medical Association of Georgia and was undersigned by several other provider groups such as Orthopedists, Psychiatric Physicians, Dermatologists, Radiologists and other groups.

Mr. Frederking stated that the Department appreciated the responses received about the budget requests. He said the Department also understands the considerable dismay voiced over these requests and the impact the cuts may have on providers and the Medicaid and PeachCare for Kids™ programs.

However, given the substantial programmatic changes made over the last few years, the restrictions on any new changes to the programs due to federal stimulus and healthcare reform, and the steep cut targets required by the Governor's budget instructions, the Department finds itself with limited alternatives. He said as the Commissioner stated the Department will be working with the Governor's Office of Planning and Budget and the House and Senate Budget Offices to explore other potential options. Mr. Frederking said the Department is willing to work with other provider groups on alternatives they may offer to help DCH meet its mandated targets.

Mr. Boyd stated he read the input from concerned constituents who presented good arguments. He said the Department has done the job of putting forth the best alternatives in very bad situations. Mr. Boyd said he recommends that the Board support the budget proposals although recognizing these are not good alternatives the Board is approving.

Ms. Heck said the Board recognizes that it has certain constraints given the Department's budget instructions. She said this is a start of what will likely be a difficult process for the Governor and the Legislature. She said she hopes revenue will be such that these cuts will not need to be taken. Ms. Heck thanked the Department for its time and energy to work through these difficult cuts.

Mr. Wallace said he reviewed the budget very closely and conferred with Budget staff. He said one thing that was evident to him was that the staff at DCH has done the very best they could do. The budget and reserves for FY 2008, 2009 and 2010 have been fiducially sound. Decisions have been made that depleted the reserves so this places the Department in an awkward position. He said understood also the decisions the State has to make as well. His hope is the revenue for the State changes and modifications can be made to the Department's proposal. He thanked the Budget staff for presenting the information in a coherent manner that made it is easy for the Board to follow. Mr. Wallace thanked the provider community for its input too.

Ms. Heck MADE MOTION to approve the Amended FY 2011 and FY 2012 budget proposals as submitted and forward to the Governor's Office of Planning and Budget. Mr. Boyd SECONDED the MOTION. Vice Chairman Mason called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED.

### **New Business**

Vice Chairman Mason stated that the November meeting is scheduled for November 11 which is Veterans Day, a state and national holiday. He proposed and the Board agreed to move the November 11 meeting to November 18.

### **Adjournment**

There being no further business to be brought before the Board, Vice Chairman Mason adjourned the meeting at 11:04 a.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2010.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary

### Official Attachments:

- #1 List of Attendees
- #2 Agenda
- #3 Pharmacy Services Public Notice
- #4 Georgia Volunteer Healthcare Program Rule 111-5-1-.01
- #5 Resolution – Issuance of General Obligation Bonds
- #6 Georgia State Financing and Investment Commission Letter