

Board of Community Health
Meeting
December 12, 2013

Members Present

Norman Boyd
William Wallace
Clay Cox
Kiera von Besser
Rick Jackson
Allana Cummings
Jamie Pennington
Donna Moses
Rick Jackson

Members Absent

Jack Chapman

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 also present. (An agenda and a List of Attendees are attached hereto and made official parts of these Minutes as Attachments #1 and #2). Chairman Norm Boyd presided and called the meeting to order at 10:35 a.m.

Minutes

The Minutes of the November 14, 2013 meeting were UNANIMOUSLY APPROVED.

Opening Comments

None to report

Committee Reports

Chairman Boyd asked Miller Edwards to provide the Board with an overview of the recently completed audit report presented in the Audit Committee meeting. Mr. Edwards informed the Board that he is with the group Metcalf Davis/Mauldin & Jenkins who has completed audits for The Department of Community Health (DCH) for a number of years. Mr. Edwards informed the Board that The Department of Community Health (DCH) is a \$12 billion operation and has two primary purposes, the State Health Benefit Plan (SHBP) and Medicaid. The components of the audit are the compliance and financial pieces. The compliance piece of the audit usually begins around late April to early May; at that time some financial audit pieces are done as well although the main financial part being in September. In October both the compliance and financial audit is finalized. Typically the audit findings are delivered in December. Mr. Edwards

said it brings him pleasure that the audit revealed only ten management points and four findings. Mr. Edwards stated that he believes the 14 items can be addressed and improved next year. Mr. Edwards expressed the importance of documentation when you receive federal money. He also stated that Medicaid eligibility is a finding that occurs yearly and that it will be tough to see this not occur. The Department of Community Health (DCH) presented a positive bottom line. Mr. Edwards further explained that The Department of Community Health (DCH) had a \$265 million net deficit June 30, 2013, that was a \$400 million improvement compared to June 30, 2012, meaning The Department of Community Health's (DCH) income statement showed a bottom line of \$406 million. When looking at the financial and finding improvements this was a good resulting audit.

Chairman Boyd welcomed Allana Cummings to the Policy Committee and called on Mr. Wallace to give the Policy Committee report. Mr. Wallace informed the Board that they met this morning and discussed three different issues. Mr. Wallace explained that the Policy Committee has been working collectively and collaboratively to create a guiding principles document. First, they discussed input from respective members. The Committee plans on reviewing their draft proposals, consolidate and come up with a final document to submit to Commissioner Reese and the Board. Second, the Committee looked at possible topics and presenters for their 2014 meetings. Possible topics included healthcare access and healthcare delivery. After determining the major topics they will choose one to focus on and create recommendations that will benefit Commissioner Reese, The Department of Community Health (DCH), ourselves as well as citizens. Third, they looked at the responsibility of being a Board member and establishing and presenting ideas to Commissioner Reese that might provide cost savings and cost stabilizations for The Department of Community Health (DCH).

Commissioner's Report

Commissioner Reese informed the Board that the Department of Community Health (DCH) presented its budget report for FY 14 amended and FY 15 to the Governor and his staff on December 4, 2013. Commissioner Reese said that he believed that most of the Board's recommendations and proposals approved in August will be included in the Governor's big budget in January. Commissioner Reese further stated that The Department of Community Health (DCH) is working on implementing the new State Health Benefit (SHBP) vendor. BlueCross BlueShield of Georgia will be our third party administrator effective January 1, 2014. Commissioner Reese indicated that our open enrollment in late October went well. The Department of Community Health (DCH) is working with BlueCross BlueShield of Georgia to transition members from United Healthcare and Cigna. There were three health reimbursement account plans offered, Gold, Silver and Bronze (42% percent of enrollees chose Bronze, 39% chose Silver and the others chose the higher Gold plan). A decision was made to delay from January 1, 2014 to March 3, 2014 the transition of the foster care children and certain selected children in the juvenile system from fee-for-service Medicaid to managed care administered by Amerigroup. Commissioner Reese said that he believes this is going to

be a positive development for those children in that population that will result in a greater continuity of care. Commissioner Reese closed by thanking the Board Chair, members of the Board and staff for their continued support since his return in July.

Chief Financial Officer Tim Connell presented a summary of public comments received during the public comment period regarding the proposed adoption of an update to the Inpatient Hospital Prospective Payment System (IPPS). Mr. Connell reminded the board that the Department reimburses Medicaid inpatient hospital care claims using a Diagnostic Related Group (DRG) classification system. The current DRG system uses the TRICARE Grouper Version 24. These are DRGs that came into effect in 2006 for the healthcare system operated by the U.S. Department of Defense. The cost data used to develop the current Georgia Medicaid inpatient hospital rates are based upon cost reports and Medicaid and PeachCare paid claims from 2004 and 2005. The proposed update would be to rebase rates consistent with DRG Version 30 effective April 1, 2014 and utilize cost reports and related claims data from 2011 and 2012.

During the public comment period which ended on November 25, 2013, the Department received two written and one verbal comment. One written comment was received from Central Georgia Health System/Medical Center of Central Georgia and one written comment and the verbal comment was received from Rockdale Medical Center. A public hearing was conducted by the Department on November 18, 2014.

Mr. Connell stated that the submitted comments (both written and verbal) included the following:

- A request to consider postponing the implementation of DRG Version 30 until October 2014;
- A request to phase in or use a stop loss/stop gain limitation to minimize the effect on hospitals who will see a decrease in their expected payments under DRG Version 30;
- Eliminate the current separate pools for pediatric and specialty hospitals so as to use a single pool of all hospitals.

Mr. Connell responded to each of the comments individually:

- Postponement of the implementation until October would leave the Department with no opportunity to test the updated payment grouper version so as to insure its compatibility with the transition to ICD -10. Since all hospitals would be negatively impacted by a failure or delay of DRG Version 30 to work seamlessly with ICD-10, the potential consequences of delay greatly outweigh any benefit of postponing DRG Version 30 until October;

- A phase in or use of a stop loss/stop gain would have the effect of negatively impacting the majority of hospitals that will see their base rates increase as a result of the update. Further, only 12 hospitals will see their projected claims reimbursement decrease by more than 10% after the update and only two of those hospitals submitted more than 650 Medicaid claims in 2012;
- Reconsidering the configuration of hospitals pools will be part of a discussion that will start in the spring of 2014 between the Department and the hospital community in anticipation of the next DRG update that is likely to occur in early 2015.

Following Mr. Connell's presentation, several questions were asked by board members about the impact on Grady hospital resulting from the DRG update. Commissioner Reese responded that there have been discussions between the Department and officials from Grady and that several ideas have been considered to address Grady's concerns.

Kiera von Besser MADE a MOTION to approve for final adoption Inpatient Hospital Prospective Payment System Methodology Update Public Notice. Allana Cummings SECONDED the MOTION. ON THE MOTION, the yeas were 9, nays 0, and the MOTION was APPROVED. (A copy of Inpatient Hospital Prospective Payment System Methodology Public Notice is attached hereto and made an official part of these minutes as Attachment #3).

New Business

None to report

Adjournment

There being no further business to be brought before the Board, Chairman Boyd adjourned the meeting at 11:07 a.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE 13th DAY OF February, 2014.

*William H. Wallau, Jr., VICE CHAIR
FOR*
Jamie Pennington
 Secretary

Norm Boyd

 Norm Boyd
 Chairman

Official Attachments:

#1 List of Attendees

#2 Agenda

#3 Inpatient Hospital Prospective Payment System Methodology Update Public Notice