

Board of Community Health  
Meeting  
September 30, 2014

**Members Present**

Norman Boyd  
Michael Kleinpeter  
Kiera von Besser  
Donna Moses  
Clay Cox  
Allana Cummings

**Members Absent**

Rick Jackson

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 11:46 a.m.

**Minutes**

None to approve.

**Opening Comments**

None to report.

**Committee Reports**

None to report.

**Commissioner's Report**

Commissioner Reese thanked the Board, members of the public and staff for their attendance.

Commissioner Reese advised that the purpose of this Special Called Teleconference Board meeting is to obtain approval to release for public comment an initial adoption of a Hospital Provider Fee Tier II Inpatient Methodology for private hospitals. There is a provider fee imposed on hospital providers in the state. Tier I is for public hospitals and Tier II is for private hospitals. There was a methodology discussion with federal

counterparts at the Centers for Medicare and Medicaid Services (CMS) that was resolved for FY14. As a result of that resolution, there will be an adjustment in the methodology for FY15.

Commissioner Reese updated the Board on the following Administrative announcements:

1. Jamie Pennington, Secretary and Bill Wallace, Vice Chairman were not reappointed by the Governor's office.
2. There are currently two vacancies.
3. Commissioner Reese introduced the new Board member, Michael Kleinpeter. Mr. Kleinpeter is a Practice Administrator for a large orthopedic practice in Savannah. The Practice has entered the hospital business and he works with them in their administration and ownership of the Tattnall Hospital in Southeast Georgia. Mr. Kleinpeter has a wealth of healthcare professional, practice management and administrative experience and will bring an abundance of knowledge to the Board. Commissioner Reese welcomed and thanked Mr. Kleinpeter for his willingness to participate on the Department of Community Health (DCH) Board.

Mr. Kleinpeter expressed that he is pleased to be a part of the Board and looks forward to meeting everyone.

4. As a result of losing the Secretary and Vice Chairman, Commissioner Reese made a proposal for Chairman Boyd to appoint an Interim Secretary and Interim Vice Chairman for the remainder of 2014. In December 2014 a formal nomination will take place and reveal the new officers going forward for 2015.

Chairman Boyd publically recognized and thanked Ms. Jamie Pennington and Mr. Bill Wallace for their service on the Board.

Chairman Boyd made the following Administrative nominations:

Clay Cox as Interim Vice Chairman; Mr. Cox accepted.

Dr. Donna Moses as Interim Secretary; Dr. Moses accepted.

John Upchurch, Director of Reimbursement, briefed the Board on the request for approval of a public notice period for a change to the methodology for the hospital inpatient UPL demonstration to exclude organ acquisition costs from the calculation of hospital cost to charge ratios. Mr. Upchurch advised the Board that CMS is requiring this change for SFY15 as a condition for approval of Georgia's hospital UPL demonstration for SFY14. CMS approval of the SFY14 UPL demonstration enables DCH to make an additional \$30 million in UPL payments to private Georgia hospitals.

This change to UPL methodology, subject to CMS approval, is to be effective for services provided on and after July 1, 2014.

If approved by the Board, the public hearing will be held on October 14, 2014 at 10:30 a.m. (Department of Community Health, 5<sup>th</sup> Floor Board Room). The comment period under the notice will expire on October 21, 2014.

Dr. Moses asked the question, what is the average organ acquisition cost? John Upchurch indicated that he would have to obtain that information.

Commissioner Reese shared with the Board that with respect to the issue of organ acquisition costs, CMS was adamant that was not a reliable component in the Medicare cost-to-charge ratio methodology. It was evident for FY14 the Department would not be able to distribute the \$38 million if the we sustained the inclusion of the organ acquisition costs.

Commissioner Reese shared that he went to Washington to meet with Cindy Mann, Director over Medicaid and PeachCare for Kids at the federal level. The agreement reached was that CMS would allow the Department to include organ acquisition costs and to distribute the Upper Payment Limit (UPL) payments of \$38 million for FY14; if the Department agreed to exclude them for FY15 as an allowable component of the methodology. The reason there is still approximately \$31 million to distribute for FY15 is a result of the Department resorting back to the use of a Medicaid cost-to-charge ratio as opposed to Medicare, which is something that was done in the past. Commissioner Reese indicated that the Department is confident this will be acceptable, but why organ acquisition costs became such an issue at the federal level, is unclear.

Allana Cummings MADE a MOTION to approve for initial adoption Hospital Provider Fee-Tier II Inpatient Methodology Public Notice. Donna Moses SECONDED the MOTION. ON THE MOTION, the yeas were 4, nays 1, abstained 0, and the MOTION was NOT PASSED.

Commissioner Reese indicated as a result of the recorded vote, this MOTION does not pass. The current Board is a body of seven members; the quorum still remains at five. The initial adoption Hospital Provider Fee-Tier II Inpatient Methodology Public Notice will be brought back to the Board at the scheduled October 9, 2014 Board meeting.

Clay Cox conveyed that he would be willing to withdraw his nay vote to yea with the notation of his opposition to the hospital bed tax and reserve the opportunity to cast a nay vote at the final adoption phase.

Chairman Boyd as well as Commissioner Reese approved Mr. Cox's request as an acceptable procedure for this meeting, noting Mr. Cox's general opposition.

Commissioner Reese requested a re-vote to accept the amended procedure.

Kiera von Besser joined the call and requested to vote; Commissioner Reese approved and briefed her on the meeting speaking points thus far.

Re-vote/New Motion:

Donna Moses MADE a MOTION to approve Mr. Cox's nay vote change to yea, allowing this initial adoption for Hospital Provider Fee-Tier II Inpatient Methodology Public Notice to move forward, noting his opposition be reflected for future voting. Allana Cummings SECONDED the MOTION. ON THE MOTION, the yeas were 6, nays 0, abstained 0, and the MOTION was APPROVED. (A copy of Hospital Provider Fee-Tier II Inpatient Methodology Public Notice is attached hereto and made an official part of these minutes as Attachment #3).

Commissioner Reese indicated that the re-vote and motion is sufficient based on Mr. Cox's amendment, yielding six votes allowing the Board to proceed. The minutes will reflect both votes and the amended approval.

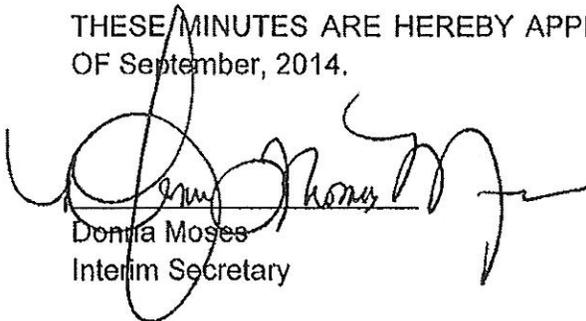
#### New Business

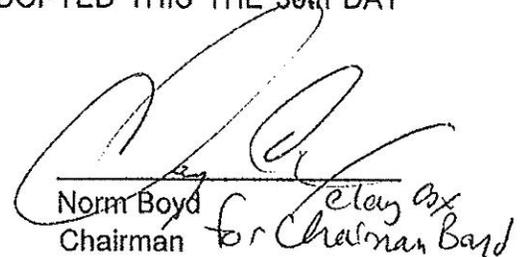
None to report.

#### Adjournment

There being no further business to be brought before the Board, Chairman Boyd adjourned the meeting at 12:08 p.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE 30th DAY OF September, 2014.

  
Donna Moses  
Interim Secretary

  
Norm Boyd  
Chairman for Chairman Boyd

Official Attachments:

#1 List of Attendees

#2 Agenda

#3 Hospital Provider Fee-Tier II Inpatient Methodology Public Notice Public Notice