

**MINUTES OF THE  
BOARD OF COMMUNITY HEALTH MEETING  
November 12, 2009**

**Members Present**

Richard Holmes, Chairman  
Ross Mason, Vice Chairman  
Kim Gay, Secretary  
Norman Boyd  
Dr. Inman C. "Buddy" English  
Hannah Heck  
Sidney Kirschner  
Archer Rose

**Members Absent**

Raymond Riddle

The Board of Community Health held its regularly scheduled monthly meeting at the Department of Community Health, Fifth Floor Board Room, 2 Peachtree Street, N.W., Atlanta, Georgia. Dr. Rhonda Medows, Commissioner, 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). Chairman Holmes called the meeting to order at 10:42 a.m.

**Minutes**

The Minutes of the August 27, September 10 and October 8, 2009 meetings were UNANIMOUSLY APPROVED and ADOPTED.

**Committee Reports**

Kim Gay, Chairman of the Care Management Committee, reported that Carie Summers, CFO, gave an overview of the financial impact of CMO versus Fee-For-Service Medicaid. Medicaid staff gave an in-depth explanation of CMO oversight; membership services, provider services, performance quality outcomes, and contract and financial monitoring. Ms. Gay stated this overview gave the Committee a better understanding of how the Department works with and the effectiveness of the CMOs.

**Commissioner's Comments**

Dr. Rhonda Medows, Commissioner of DCH, reported that the Department completed its final budget review meetings with the Governor. The next step is for the Governor to release his budget in 2010. Dr. Medows said the October revenue estimates for the state is a 17% decline from October 2008. She said she did not know how this will impact the Department's budget.

Dr. Medows said the Department is following the Healthcare Reform bills closely—both the House and Senate versions—to determine the impact to the state such as impact on enrollment expansion, proposed SCHIP changes, as well as work involving Health Information Exchanges. In addition the Department is assessing the impact on the State Health Benefit Plan. State government, as an employer, may be subject to employer mandates and changes in the health insurance reform.

Dr. Medows said the State of Georgia has been allocated 1.4 million dosages of the H1N1 vaccine. The projected need is 4 million for the target population recommended by the CDC. Most of the vaccines delivered to the state have been injectable dosages and have been distributed to the Health Districts and through private practitioners who serve the target populations.

**Department Updates**

Clyde Reese, General Counsel, presented for final adoption the Healthcare Facility Regulation Rules for Personal Care Homes. The proposed rule changes renumber the existing personal care home rules from Chapter 290 to Chapter 111 and propose changes to the rules in regards to memory care services and reporting requirements for events that happen in the home. Mr. Reese said the substantive changes are found in Rules 111-8-62-.03, 111-8-62-.19 and 111-8-62-.20, 111-8-62-.30 and 111-8-62-.31.

A public hearing was held on October 21, 2009. During the comment period the Department received 29 written comments; 21 of which were supportive of the proposed changes. At the public hearing 7 persons presented comments; 6 of those were in opposition. He said in

general, the supportive comments focused on the fact that these rules for memory care services and for reporting add protections in this arena for residents who have cognitive disabilities—primarily Alzheimer’s disease and dementia—that will protect them from wandering and getting lost and provide greater oversight to these persons in personal care homes that provide memory care or Alzheimer’s units. Primarily those comments, written and oral, in opposition dealt with one particular rule change that will require the assistance of a nurse when administering medication to patients incapable of self administration. There were some concerns that this would create budgetary issues and/or staffing issues for the smaller homes and could not be implemented in an efficient manner.

After the examination of the comments, both written and oral, the Department, particularly, the Division of Healthcare Facility Regulation, is recommending to the Board to move forward with the rules as proposed. It is thought that on balance overall, the protections that these rules provide, which are new for personal care home environment for persons with cognitive disabilities, Alzheimer’s disease and dementia, will provide greater protection for these residents. The Division intends to issue interpretive guidelines to address concerns regarding nursing assistance for administration of medication that will outline in detail circumstances that come within this realm of incapability of self administration that will not be unduly burdensome to the homes and to the community.

Mr. Boyd asked what is the reason for requiring nursing assistance for those incapable of self administering medication. Mr. Doug Colburn, Chief, Healthcare Facility Regulation Division, said the reasoning behind adding this requirement to the rules specifically addressed individuals who are incapable of self administration or recognizing that they are administering the drug and briefly gave examples of residents who were incapable of self-administration. Dr. English asked if a registered nurse or licensed practical nurse could fulfill this requirement, and Mr. Colburn said yes—both could fulfill the requirement. Chairman Holmes asked the Division going forward to evaluate further those concerns about the budgetary and staffing burdens of this nursing requirement. Mr. Colburn stated that in the next few months the Division will fully revise the Personal Care Homes rules and will have a chance to revise this particular nursing requirement if warranted.

Mr. Reese stated that through the standard process of providing these rules to the Legislative Counsel who distributes the rules to the Chairs of the House and Senate Health Committees and in turn distributes to the Committee members, the Department received no comments from either committee.

Ms. Gay MADE a MOTION to approve for final adoption moving Personal Care Homes Rules and Regulations from Chapter 290-5-35 to Chapter 111-8-62 and proposed changes to Rule 111-8-62. Dr. English SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Chapter 290-5-35 (Repealed) and Chapter 111-8-62 is attached hereto and made an official part of these Minutes as Attachment # 3). Mr. Reese said the Department will transmit these rules to the Secretary of State and the rules will be effective 20 days later.

Carie Summers, Chief Financial Officer, presented the Nursing Facility Special Ventilator-Dependent Reimbursement Rates Public Notice that creates a reimbursement rate and methodology for nursing homes that handle long-stay ventilator-dependent patients. This public notice establishes an initial payment rate of \$463.87 a day and would be adjusted annually on January 1 based on an inflation factor until June 30, 2012 which at that point, cost report information would be available to set cost rates. The Department will utilize the services of its medical management contractor (currently the Georgia Medical Care Foundation) to identify long-stay, ventilator-dependent, patients in acute care hospitals who are candidates to be discharged from the hospital into one of these units. The Department’s medical management contractor would also assist the hospitals with hospital discharge planning to ensure appropriate transfers to nursing facilities that are capable of providing care to ventilator-dependent residents. These changes are part of the Department’s FY 2010 budget appropriations. The cost savings is estimated to be \$10.8 million total funds; \$3.8 million state funds. An opportunity for public comment will be held up to November 30, 2009. Mr. Mason MADE a MOTION to approve for initial adoption the Nursing Facility Special Ventilator-Dependent Reimbursement Rates Public Notice to be published for public comment. Mr. Rose SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Nursing Facility Special Ventilator-Dependent Reimbursement Rates Public Notice is attached hereto and made an official part of these MINUTES as Attachment # 4).

Ms. Summers said the H1N1 Influenza Vaccine Administration Reimbursement Public Notice that was initially adopted at the October 8 board meeting establishes a reimbursement rate of

\$8 for providers who administer the H1N1 vaccine to adults over age 19. This fee is consistent with the vaccine administration rate described for children under the Medicaid Early and Periodic Screening, Diagnosis and Treatment (EPSDT) programs guideline. The Department received no testimony at the public hearing on October 28 and no written comments by the October 30 deadline. Mason MADE a MOTION to approve for final adoption the H1N1 Influenza Vaccine Administration Reimbursement Public Notice. Ms. Heck SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the H1N1 Influenza Vaccine Administration Reimbursement Public Notice is attached hereto and made an official part of these MINUTES as Attachment # 5).

Ms. Summers said the Psychiatric Residential Treatment Facilities (PRTF) Public Notice that was approved for initial adoption at the October 8 board meeting would allow the Department to make reimbursement changes effective January 1, 2010. The public notice 1. permits the use of more recent cost reports based on audited financial results for years more recent than PRTF 2006 fiscal year; 2. defines the mid-point of each rate year as January 1 and trend for inflation up to the \$370/day cap; 3. increases the utilization adjustment factor from 80% to 90% to minimize payment for excess capacity; and 4. clarifies that rates for new providers, initially based on the median rate of existing PRTFs, are interim rates and are subject to cost settlement up to the existing \$370/day cap once audited cost reports are available. A public hearing was held on October 28, 2009 but there was no testimony. The Department received three written comments. One commenter expressed support for the use of the updated cost reports. All three respondents expressed concern about moving the utilization standard from the previous level of 80% of licensed capacity to the proposed 90% licensed capacity. Ms. Summers stated that Department feels it can address those concerns by clarifying in the provider policy manual that the Department would utilize maximum operating capacity reported by the PRTF instead of licensed capacity and would be able to audit self-reported information through the annual cost reporting process as well as reviewing staff-to-child ratios to affirm the bed positions. These changes are expected to be budget neutral. Mr. Mason MADE a MOTION to approve for final adoption the Psychiatric Residential Treatment Facilities Public Notice. Mr. Rose SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Psychiatric Residential Treatment Facilities Public Notice is attached hereto and made an official part of these MINUTES as Attachment # 6).

Ms. Summers presented a Resolution – State Health Benefit Plan Employer Contribution Rates for Remainder of Fiscal Year 2010; Authorization of Use of Reserves Currently Appropriated to Incurred But Not Reported Claims for Remainder of Fiscal Year 2010. The Resolution has two purposes: 1. clarify employer contribution rates from December 2009 to June 2010; and 2. requests the Board's authorization for the Department to utilize funds set aside for Incurred But Not Reported (IBNR) claims as an interim revenue source pending changes by the General Assembly in the upcoming Session dealing with revenues that are needed by the Plan. Ms. Summers said in September she presented to the Board the fiscal status of the Plan and at that time there were major concerns that revenue was not adequate to cover expense. The Department proposed to make several changes to the Plan design and Calendar Year 2010 as a way to reduce expenditures and also asked the Board to pass a Resolution that would increase employee premiums for CY 2010. Those two activities were not sufficient and the Department projected a \$70-75 million shortfall for FY 2010 and 2011. The Resolution presented today would give the Department authority to use cash set aside as an asset for IBNR to ensure that there is enough funds to pay claims and revert to the rates the Board adopted at the May 14 meeting which is what was appropriated in the Appropriations Act (House Bill 119).

Mr. Mason asked what occurs if expenses are more or less than \$70-75 million. Ms. Summers stated that the total amount set aside for IBNR is \$237 million. She said the statute requires the Department to monitor the reserves, and if at any time those reserves are not sufficient to cover, together with the other revenue sources that are available, the Department would need to take some action, potentially in the middle of the Plan year, to make further changes to the Plan design to reduce expenditures or the possibility of making additional changes to premiums.

Ms. Gay MADE a MOTION to adopt a Resolution – State Health Benefit Plan Employer Contribution Rates for Remainder of Fiscal Year 2010; Authorization of Use of Reserves Currently Appropriated to Incurred But Not Reported Claims for Remainder of Fiscal Year 2010. Mr. Mason SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of a Resolution – State Health Benefit Plan Employer Contribution Rates for Remainder of Fiscal Year 2010; Authorization of Use of Reserves Currently Appropriated to Incurred But Not Reported Claims for Remainder of Fiscal Year 2010 is attached hereto and made an official part of these MINUTES as Attachment # 7).

Ms. Summers announced that this was her last report to the Board as she is resigning from the Department effective November 13. She thanked the Board and the Commissioner for their support over the years and the 100 staff members of the Financial Management Division.

Chairman Holmes said during his 12-year tenure on the Board he has worked with all the Department's CFOs and Budget Directors over the years, but Ms. Summers has been the best of the best and has always been caring, passionate, responsive, and extremely professional. He also kidded her about her technology challenges during board presentations. On behalf of the Board, he wished her well in her future endeavors.

Dr. Medows reported to the Board that the directors who reported to the CFO have been reassigned. The Reimbursement Unit has been assigned to Dr. Jerry Dubberly, Chief, Medical Assistance Plans. The SHBP financial staff will now report to Nancy Goldstein, Chief, State Health Benefit Plan. Scott Frederking, the Budget Director, and Michelle Jones, the Accounting Director, will report directly to Dr. Medows and the Chief of Staff. Dr. Medows said a nationwide search is underway to fill the CFO position. Dr. Medows also wished Ms. Summers well and acknowledged her years of service to the State of Georgia.

### **Chairman's Closing Comments**

Chairman Holmes referred the board members to a list of the 2010 meeting dates. He brought to their attention the two meeting dates in August and the possibility that the November meeting may be changed since the regularly scheduled meeting date coincides with a state holiday.

### **Adjournment**

There being no further business to be brought before the Board, Chairman Holmes adjourned the meeting at 11:23 a.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2009.

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RICHARD L. HOLMES  
Chairman

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KIM GAY  
Secretary

### Official Attachments:

- #1 List of Attendees
- #2 Agenda
- #3 Rule 290-5-35 (Repealed) and Chapter 111-8-62
- #4 Nursing Facility Special Ventilator-Dependent Reimbursement Rates Public Notice
- #5 H1N1 Influenza Vaccine Administration Reimbursement Public Notice
- #6 Psychiatric Residential Treatment Facilities Public Notice
- #7 Resolution – SHBP Employer Contribution Rates for Remainder of Fiscal Year 2010; Authorization of Use of Reserves Currently Appropriated to Incurred by Not Reported Claims for Remainder of Fiscal Year 2010