

Georgia Department of Community Health
Hospital Advisory Committee Meeting
February 13, 2006

The meeting was called to order at 1 p.m. Committee members attending were:

HOSPITAL/ASSOCIATION	MEMBER/DESIGNEE
Athens Regional Medical Center	Larry Webb
Children's Healthcare of Atlanta	David Tatum
Columbus Regional Healthcare System	Roland Thacker
Crisp Regional Hospital	Wayne Martin
East Georgia Regional Medical Center	Bob Bigley
Floyd Medical Center	Rick Sheerin
Georgia Alliance of Community Hospitals	Julie Windom
Georgia Hospital Association	Joe Parker
Grady Health System	Tish Towns
Habersham County Medical Center	Dick Dwozan
HomeTown Health	Jimmy Lewis
Meadows Regional Medical Center	Alan Kent
Medical Center of Central Georgia	Rhonda Perry
Medical College of Georgia	Don Snell
Memorial Health University Medical Center	Bob Colvin
Minnie G. Boswell Memorial Hospital	Brenda Josey
Phoebe Putney Memorial Hospital	Kerry Loudermilk
Shepherd Center	Dr. Gary Ulicny
Sumter Regional Hospital	David Seagraves
Tanner Medical Center/Carrollton	Lee Sherseth

The minutes for the meeting on December 20, 2006 were approved without changes. Dr. Rhonda Medows, Commissioner of the Department of Community Health, welcomed the committee members and noted that the committee was now at a key stage of their work. Dr. Medows explained that she expected that having this opportunity to listen to the discussions during the meeting would be of great benefit.

The committee then received a report from Carie Summers, Chief Financial Officer for the Department, regarding the Department's budgets for State Fiscal Years 2006 and 2007, currently under review by the Georgia legislature. A report was also provided by from Jim Connolly, Director of Reimbursement Services for the Department, regarding the hospital rate setting project, for which a detailed presentation is planned for the Hospital Advisory Committee meeting in March. Ms. Summers also provided an update regarding UPL payments for State Fiscal Year 2006. Ms. Summers noted that the review of UPL methodologies by CMS was progressing, while discussions with CMS regarding approval of related State Plan Amendments were still continuing. In response to inquiries from Committee members as to whether hospitals should contact Congressional representatives regarding CMS's review of hospitals that can be

designated as public and thus able to provide matching funds by intergovernmental transfers, both Dr. Medows and Ms. Summers advised that such contacts would not be necessary at this time.

Joe Parker, GHA President, provided the advisory committee with information regarding GHA's Hospital Tax Work Group. Mr. Parker reported that the Hospital Tax Work Group found that there was not enough reliable data available to conduct data modeling, so no decisions could be made regarding alternatives, such as a provider tax, that would require action by the Georgia legislature during its current session. Instead, the Hospital Tax Work Group will need to continue its planning efforts regarding such issues as a provider tax, intergovernmental transfers, certified public expenditures or an 1115 waiver to establish a low income pool.

The committee then received a report from Glenn Pearson, chairman of the data subcommittee, regarding a meeting on February 2, 2006. A copy of Mr. Pearson's report is attached. During his presentation, Mr. Pearson reported that the subcommittee now recommended that the Medicaid cost to charge ratio be used for DSH-related calculations for both Medicaid and uninsured patients. After a discussion of the matter, the Hospital Advisory Committee voted to accept the recommendation regarding the use of the Medicaid cost to charge ratio in DSH calculations. Mr. Pearson also reported on the data subcommittee's agreement with proposed testing of DSH data proposed by Myers & Stauffer, the CPA firm providing technical assistance to the Department, as well as some additional testing that could be applied. During discussion of data collection matters, committee members indicated that any time periods allowed for additional responses from hospitals should be limited, to assure that DSH calculations can be completed and related payments disbursed in a timely manner.

Kevin Londeen of Myers & Stauffer then presented the committee with an example application of DSH-related data calculations. Mr. Londeen presented examples of how federal and Georgia DSH criteria could be measured; for purposes of the example, Georgia's prior year qualification standards were used. An example allocation method was also presented, and a copy of the materials presented by Mr. Londeen is attached. The example allocation model included such features as:

- Establishing a pool of funding for small rural public hospitals by considering the aggregate DSH funding provided to such hospitals in prior years;
- Applying a DSH limit adjustment factor to private hospitals to reflect the percentage of DSH payments that may be needed from public hospitals for intergovernmental transfers;
- For DSH funds allocated among hospitals other than small rural public hospitals, providing an enhanced allocation rate for hospitals meeting the federal Medicaid Inpatient Utilization Rate (MIUR) or Low Income Utilization Rate (LIUR) standards;

- For private hospitals, testing aggregate DSH allocations to assure that State matching funds would not exceed the amount currently proposed for the Department's amended budget for State Fiscal Year 2006.

Committee members indicated that the Myers & Stauffer consultants had prepared a very good data model. Co-Chairman Bob Colvin asked whether there were any major objections to the preliminary model, and none were noted. Mr. Colvin asked the committee members to contact Jim Connolly at the Department, if they should later have any suggestions about alternatives that should be considered for modeling. In subsequent discussion, the following are some of the items mentioned about the example data model:

- The example additional allocation provided to hospitals that meet MIUR or LIUR qualifications may provide a DSH payment to DSH limit ratio that is too high compared to other hospitals;
- Allocation model data should include a comparison of DSH payments to DSH limits for provider groups;
- Analysis of DSH payments by provider groups should also look at difference from payments in prior years;
- Future data models presented to the Hospital Advisory Committee should not list names or allow for individual hospitals to be identified.

Co-Chairman David Seagraves then asked the committee to consider a policy recommendation to the Department regarding eligibility criteria for State Fiscal Year 2006. The committee approved that the same criteria effective for the prior year should be applicable for State Fiscal Year 2006. In its discussions, the committee indicated that this decision was applicable for State Fiscal Year 2006 and that the committee would be open to considering changes applicable for future State fiscal years at a later date.

In a matter unrelated to DSH funding, Ms. Summers reminded the committee members that the Department was continuing to process outpatient settlement calculations. For those hospitals experiencing cash flow problems and that may have difficulty repaying any amounts due, the Department does provide an option for making payments over an extended period. Information about the repayment option is provided at the Department's web site.

The meeting was adjourned at approximately 4:00 p.m.