

Georgia Department of Community Health
Hospital Advisory Committee Meeting
March 6, 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	Charles Brumbeloe
Crisp Regional Hospital	Wayne Martin
East Georgia Regional Medical Center	Bob Bigley
Flint River Community Hospital	Andy Smith
Floyd Medical Center	Rick Sheerin
Georgia Alliance of Community Hospitals	Julie Windom
Georgia Hospital Association	Joe Parker
Grady Health System	John Henry
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

At the committee meeting on February 27, in response to a request for clarification concerning the Georgia eligibility criterion for measuring a hospital's Medicaid and PeachCare charges as a percentage of total charges, the committee agreed that only covered charges from paid claims should be considered. Co-chairman David Seagraves explained that, based on continuing discussions following that meeting, the data subcommittee was asked to provide comments about the recommendation. The committee then received a report from Glenn Pearson, chairman of the data subcommittee, regarding a teleconference meeting on March 2, 2006. A copy of Mr. Pearson's report is attached. Mr. Pearson reported that the subcommittee discussed three alternatives for the criterion measurement:

- Dividing Medicaid and PeachCare covered charges by total charges for all payers (committee's previous recommendation);
- Dividing Medicaid and PeachCare covered charges by covered charges for all payers;
- Dividing Medicaid and PeachCare total charges by total charges for all payers;

The subcommittee's recommendation was to agree with the committee's recommendation, and following discussion about the subcommittee report, the committee affirmed its previous decision.

Jim Erickson and Kevin Londeen of Myers & Stauffer then reviewed the hospital-specific allocation data that had been provided to the committee on March 3. Mr. Erickson noted that, following the committee meeting on February 27, the data had been updated to incorporate cost to charge ratio data that was specific to inpatient and outpatient services. The review of the data model also demonstrated the use of allocation pools and the application of an enhanced allocation factor for "deemed" hospitals, those meeting federally-established eligibility criteria regarding Low Income Utilization Rates (LIUR) or Medicaid Inpatient Utilization Rates (MIUR.)

In subsequent discussion, the following are some of the items mentioned about the revised data model:

- Changes in hospital-specific data could result from the Department's data validation procedures. The Department reported that it would attempt to complete all validation activities prior to finalizing DSH allocation calculations. The Department agreed to a request from Co-chairman Bob Colvin that the results of the data validation process be presented to the data subcommittee prior to DSH funds being disbursed.
- Amounts included in the data model for SFY2006 UPL amounts are estimates only and would be replaced by actual values when UPL payment amounts are finalized.
- The impact of the proposed 10% adjustment to the allocation factor for deemed hospitals can be magnified depending on the portion of an allocation pool attributable to deemed hospitals.
- The allocation method does not give any consideration to the profitability of a hospital.
- By relying on a hospital's DSH limit loss on services to Medicaid and uninsured patients as a basis for allocation, the model does not reward a hospital for being efficient.
- For hospitals with material increases in DSH limit amounts, significant changes in self-reported data elements would be subject to review in the data validation process.
- For hospitals that reported a significant number of "other" Medicaid days in the DSH survey, the data could be subject to review in the data validation process.
- While the timing of CMS's review and approval could not be guaranteed, the Department explained that it had already communicated with CMS about the expected policy change and would submit draft information to allow for CMS's earliest consideration.
- In response to concerns about whether SFY2005 was the appropriate period for small rural hospitals to use as the basis for determining the amount of the allocation pool, the Department noted that the amount used, from final SFY2005 allocations, provided a larger allocation pool than any other data source from 2003 through 2005.

The committee then considered a motion to accept the allocation model and, after additional discussion, voted to recommend the model for use in SFY2006. The committee later agreed to recommend that the Department should pursue an option of making interim disbursements, if there should be any delays in obtaining CMS approval for the proposed changes.

Following the discussion about the DSH allocation model, Carie Summers, Chief Financial Officer for the Department, provided a brief update regarding the status of UPL calculations. Ms. Summers reported that the Department would attempt to have UPL data ready by the end of March and that the Department was continuing to work with CMS to obtain the approval required for disbursement. In response to questions during the report, Ms. Summers agreed that should approval be obtained near the end of March, UPL transactions might be deferred until April so that funds for all 4 quarters in SFY2006 could be included in the initial transactions.

For the next advisory committee meeting, Ms. Summers reported that the Department planned to provide an update about the ongoing projects for updating rate setting methods for both inpatient and outpatient services. Ms. Summers noted that, as stipulated in the Department's appropriation, the planned change in inpatient payment rates must be budget neutral, so the impact of any change would result in some hospitals gaining payments while other hospitals could lose funds. Mr. Colvin asked committee members whether future meetings should also be scheduled for Monday afternoons, and no objections were noted. The committee also requested that any materials to be discussed at future meetings be provided about 1 week prior to the meeting.

The meeting was adjourned at approximately 3:00 p.m.