

DRAFT MINUTES  
**DSH Subcommittee Meeting of the Hospital Advisory Committee**  
**Wednesday, August 8, 2007, 1:00 – 3:00 p.m.**  
**GHA Conference Center, Marietta, Georgia**

**Members Participating:**

**Tim Beatty, Chair - Wellstar, Glenn Pearson, Facilitator – GHA,** Steve Barber - Ty Cobb, Esther Bailes - Grady Memorial, Todd Cox - Athens Regional, Darcy Davis – Memorial, Kerry Loudermilk - Phoebe Putney, Bob McVickers - Medical College of Ga., Doug Moses – CHOA, Rhonda Perry - Medical Ctr. of Central Ga., Jesus Ruiz – Sunlink, Greg Schaack - St. Joseph's/Candler's, Bill Sellers – Archbold, Andy Smith - Flint River, Katrina Wheeler - Satilla Regional, John Williams - Upson Regional, Charlotte Vestal - Crisp Regional

**Guests:**

Chuck Adams - Ty Cobb, Michael Ayres - Grady Memorial Hospital, Robert Bolden – GHA, Cal Calhoun – GHA, Webb Cochran - Tenet Healthcare, Bob Cross - Piedmont Healthcare, Jim Erickson - Myers and Stauffer, Bryan Forlines – MCCG, Rory Gagan – GHA, Ozzie Gilbert - Grady Memorial Hospital, Rick McClements - Jeff Davis Hospital, Lisa Napier - Atlanta Medical Center, Joe Parker – GHA, Mike Polak - Memorial Health, Dodie Putman – HCA, Rick Sheerin - Floyd Medical Center, Dale Spell - Appling Healthcare, Mike Spivey - Spivey/Harris, David Tatum - Children's Healthcare of Atlanta, Kevin Taylor – Archbold, Tracy Thompson - Memorial Health, Tish Towns - Grady Health System, Cindy Turner - Bacon County Hospital, Billy Walker - Memorial Hospital & Manor, John Williams - Upson Regional Medical Center, Jeff Wright - Draffin & Tucker, LLP

- 1) **Call to Order:** The meeting was called to order at 1:00 p.m.
- 2) **Charge:** The subcommittees charge to consider recommendations to the DCH Hospital Advisory Committee, on the Indigent Care Trust Fund eligibility criteria and payment methodology were reviewed. Tim Beatty, of Wellstar Health Systems, Inc. was appointed by the Hospital Advisory Committee to serve as the Chairman of the subcommittee.
- 3) **Guiding Principles:** The subcommittee reviewed the DSH Program Guiding Principles adopted by the Hospital Advisory Committee on Sept. 29, 2005:
  - a. DSH payments should be directed in proportion to uncompensated care provided;
  - b. DSH payments should be based on uncompensated care;
  - c. All hospitals should be reimbursed based upon a uniform methodology;
  - d. DSH payments must be based on available, transparent and easily verifiable data.
  - e. The state should maximize DSH and UPL payments;
  - f. Changes in DSH payments should not put an undue burden on any hospital group.
- 4) **Discussion and Recommendations:** The subcommittee recommends again using FY 2005 data for determining FY 2008 DSH limits, as FY 2006 paid claims data is not as complete.

Myers and Stauffer, consultants to the department introduced *a new proportionality methodology for the purpose of stimulating discussion on eligibility and allocation of payments.* If the “proportionality” concept is adopted, it would make all Medicaid hospital providers disproportionate share, *unless precluded from federal eligibility* by having closed obstetrical services or doing less than 1 percent Medicaid services. Thirty-three more hospitals would become Medicaid DSH and be paid about \$40 million out of the approximately \$408 million fixed pool. One stated benefit is to do away with the “cliff,” where the 33 hospitals receive no DSH payments (even if they have 14.9 percent Medicaid/PeachCare), since they have less than the state DSH criteria of 15 percent of charges being provided to Medicaid and PeachCare patients. Another stated benefit is to pay some hospitals a greater percentage of its DSH Cap, depending on the proportion of uncompensated care to total costs.

The impact of the particular computer model being presented would reduce overall total DSH payments to small and rural hospitals, by eliminating the fixed pool of money that were set aside for rural hospitals in FY 2006 and FY 2007 DSH payments. The department stressed that all components of the distribution process presented are open to change and will be discussed further before recommendations are made and presented to the full Hospital Advisory Committee.

The department would like to put the DSH plan on Public Notice at the October board meeting.

- 5) **Next Meeting:** The subcommittee meets again on Aug. 16, 2007.
- 6) **Adjournment:** There being no other business the meeting adjourned at 3:00p.m.