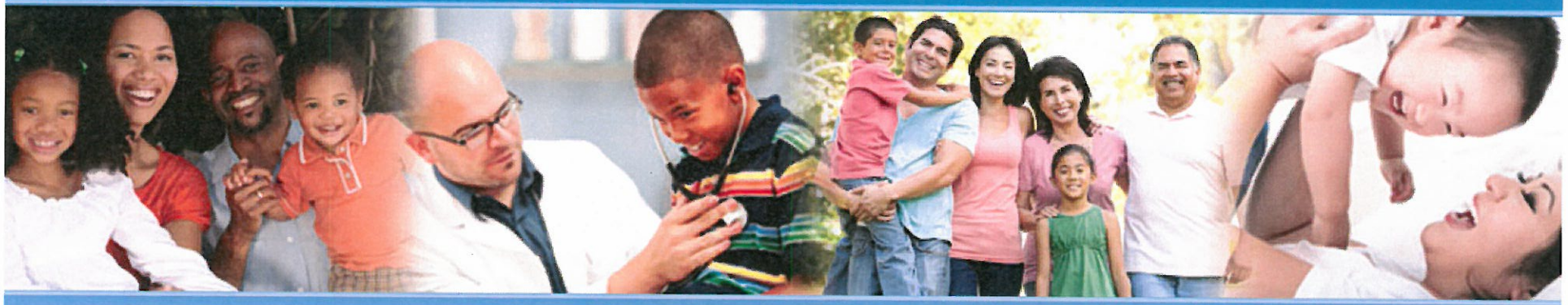
GEORGIA DEPARTMENT OF COMMUNITY HEALTH

AFY2015 and FY2016 Budget



Presentation to: Board of Community Health

Presented by: Tim Connell, Chief Financial Officer

Date: May 14, 2015

GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

Mission

The Georgia Department of Community Health

We will provide Georgians with access to affordable, quality health care through effective planning, purchasing and oversight.

We are dedicated to A Healthy Georgia.

Agenda

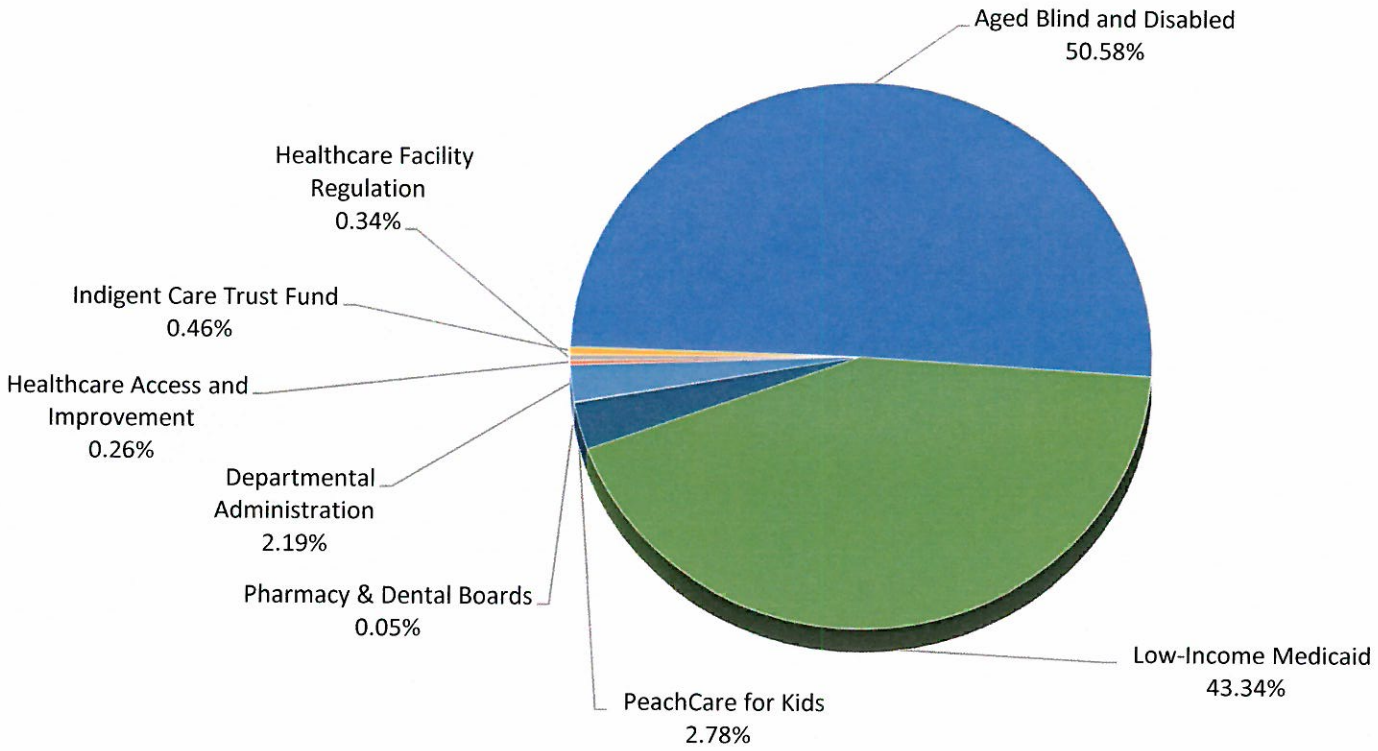
- FY2015 Amended and FY2016 State Funds Budget by Program
- FY2015 Amended Budget
- FY2015 Amended SHBP
- FY2016 Budget
- FY2016 SHBP
- Preliminary AFY2016 Budget Request

GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

FY2015 Amended and FY2016 State Funds Budget by Program

FY2015 Amended Budget
State Funds Budget by Program*

Total Funds Appropriated: $13,243,958,442
State Funds Appropriated: $3,052,496,150



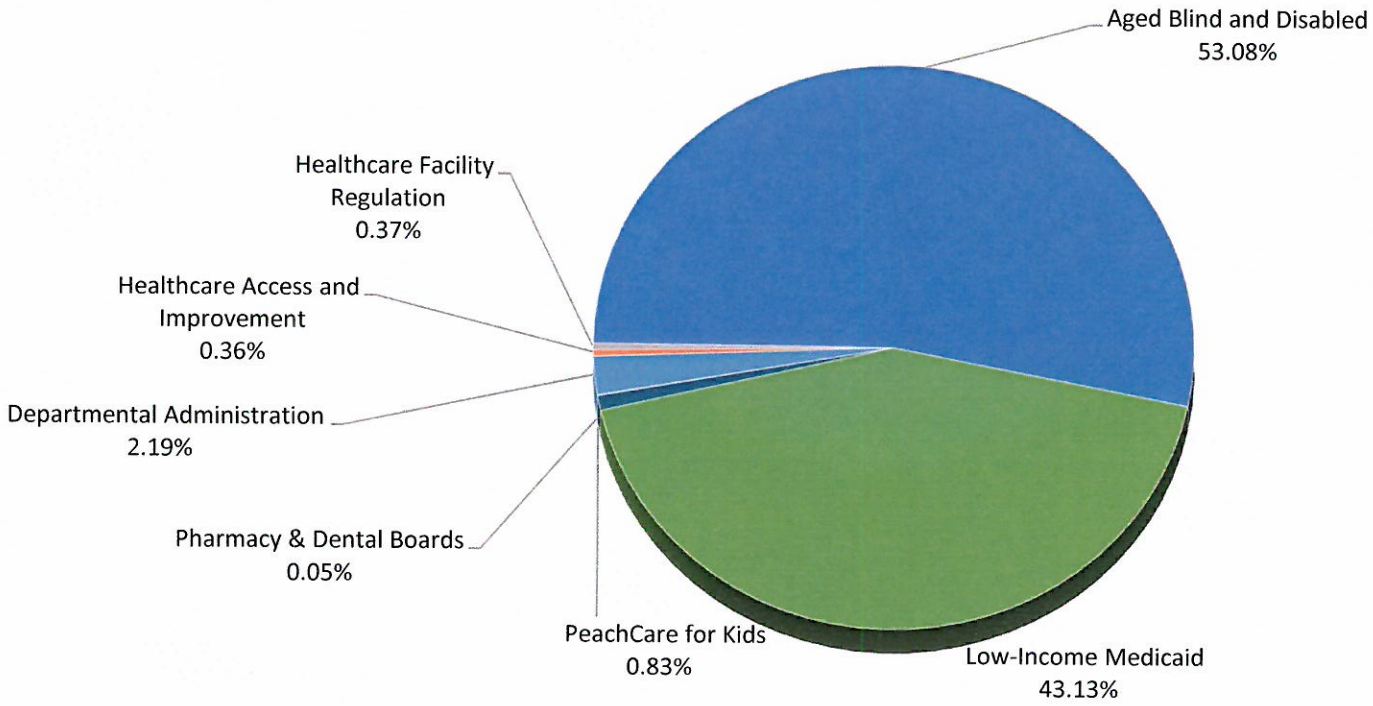
97% of all DCH State Funds are budgeted directly on behalf of beneficiaries.

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

* Chart does not include attached agencies or the State Health Benefit Plan

FY2016 Budget
State Funds Budget by Program*

Total Funds Appropriated: $13,710,697,700
State Funds Appropriated: $2,979,649,363



97% of all DCH State Funds are budgeted directly on behalf of beneficiaries.

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

* Chart does not include attached agencies or the State Health Benefit Plan

GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

FY2015
Amended Budget

FY2015 Amended Budget*

Medicaid Non-ACA Items			Governor's Recommendations	As Passed	Difference
1	Aged Blind and Disabled, Low-Income Medicaid, PeachCare for Kids	Available funds in current FY2015 Medicaid and PeachCare budgets.	($24,222,317)	($24,222,317)	$0
2	Aged Blind and Disabled	Provide funding for pharmacy cost due to high cost of Hepatitis C drugs.	$19,708,761	$19,708,761	$0
3	Aged Blind and Disabled, Low-Income Medicaid	Provide funding for refund of federal share of Medicaid collections as a result of Federal Office of Inspector General audit.	$3,368,692	$3,368,692	$0
4	Aged Blind and Disabled, Low-Income Medicaid, PeachCare for Kids	Restore legislative cuts (Hospital Cost Settlements: $4,500,000, ABD Care Coordination: $4,150,677, PARIS: $863,000).	$9,513,677	$9,513,677	$0
5	Aged Blind and Disabled, Low-Income Medicaid	Nursing Home Provider Fee and Hospital Provider Fee revenue projection update.	($2,603,819)	($2,603,819)	$0

* State Funds Only

FY2015 Amended Budget (cont'd)*

	Medicaid Non-ACA Items (cont'd)		Governor's Recommendations	As Passed	Difference
6	Aged Blind and Disabled	Utilize enhanced federal participation rate to increase Medicaid reimbursement rates for personal support services by 5% in the Independent Care Waiver Program (ICWP).	Yes	Yes	
7	Low-Income Medicaid	Replace tobacco settlement funds transferred to the Georgia Center for Oncology Research and Education (CORE) in HB744 (2014 Session) with state funds.	$225,000	$225,000	$0
8	Indigent Care Trust Fund	Increase funds to provide matching funds for all private deemed and non-deemed hospitals eligible for the Disproportionate Share Hospital (DSH) program.	$14,133,296	$14,133,296	$0
9	Indigent Care Trust Fund	Use prior year reserve funds to provide matching funds for all private deemed and non-deemed hospital eligible for the DSH program. Prior Year Funds = $1,805,402.	$0	$0	$0
10	Indigent Care Trust Fund	Increase funds in the Ambulance Licensing Fee activity to reflect funds available. ***(CC: Yes, Increase funds in the Ambulance Licensing Fee activity to reflect actual funds available and utilize funds to pay claims for adult rotary wing emergency transport as directed by HB 744 (2014 Session).***	Yes	Yes	

* State Funds Only

FY2015 Amended Budget (cont'd)*

	Medicaid ACA Items		Governor's Recommendations	As Passed	Difference
11	Low-Income Medicaid	Increase funds for projected costs due to ACA Presumptive Eligibility rules.	$2,354,550	$2,354,550	$0
12	Low-Income Medicaid	Provide additional funds needed for 12 month eligibility reviews.	$14,126,603	$14,126,603	$0

	Operations Items				
13	Administration	Reduced funds for operations.	($82,725)	($82,725)	$0
14	Georgia Board of Dentistry	Reduced funds for operations.	($4,999)	$0	$4,999
15	Georgia State Board of Pharmacy	Reduced funds for operations.	($4,999)	$0	$4,999
16	Healthcare Facility Regulation	Replace federal funds lost as a result of updates to the cost allocation plan.	$2,895,661	$2,895,661	$0
17	Healthcare Facility Regulation	Increase funds for eight additional nurse surveyors effective April 1, 2015. ***(CC: Increase funds for personnel for four additional nurse surveyors effective April 1, 2015)***	$102,731	$51,366	($51,365)
Grand Total			**$39,510,112**	**$39,468,745**	**($41,367)**

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

* State Funds Only

FY2015 Amended Budget Financial Summary*

	Programs	FY2015 Budget	AFY2015 Budget Changes	AFY2015 Budget As Passed
1	Departmental Administration	$66,857,380	($82,725)	$66,774,655
2	Healthcare Access and Improvement	$7,877,990	$0	$7,877,990
3	Healthcare Facility Regulation	$7,475,244	$2,947,027	$10,422,271
4	Indigent Care Trust Fund	$0	$14,133,296	$14,133,296
5	Aged Blind and Disabled	$1,593,729,697	($49,848,392)	$1,543,881,305
6	Low-Income Medicaid	$1,241,617,401	$81,237,326	$1,322,854,727
7	PeachCare for Kids	$93,922,150	($8,917,787)	$85,004,363
9	Pharmacy & Dental Boards	$1,547,543	$0	$1,547,543
Totals		**$3,013,027,405**	**$39,468,745**	**$3,052,496,150**

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

* State Funds Only

GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

FY2015 Amended
State Health Benefit Plan (SHBP)

FY2015 Amended SHBP*

	SHBP Non-ACA Items	Governor's Recommendations	As Passed	Difference
1	Increase funds for members requiring treatment with new Hepatitis C drugs.	$12,000,000	$12,000,000	$0
2	Increase funds for reserves to fund future claims and Other Post-Employment Benefits (OPEB) liabilities.	$187,122,496	$187,122,496	$0
3	Increase funds to reflect the cost of the bariatric surgery pilot program effective January 1, 2015. (Total Funds: $2,700,000)	$2,700,000	$2,700,000	$0
4	Reduce funds to reflect updated projections for membership, medical services, utilization, and medical trend changes.	($292,157,041)	($292,157,041)	$0
5	Submit a study to the Governor and General Assembly by June 30, 2015 that examines why SHBP's costs are higher than other comparable government employee health plans and describe a variety of options for reducing costs without further diminishing the value of health benefits received by members. ***(CC: Yes; Submit a study to the Governor and General Assembly by June 30, 2015 that examines why SHBP's costs are higher than other comparable government employee health plans and describe a variety of options for reducing costs without further diminishing the value of health benefits received by members. <u>The General Assembly also finds that non-certificated school employees are an essential part of the education delivery system and directs that any such report include an examination of options to provide health benefits for these workers.</u>***	$0	$0	$0

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

*Other Funds; Note: There are no state funds appropriated directly to the SHBP.

FY2015 Amended SHBP (cont'd)*

SHBP ACA Items		Governor's Recommendations	As Passed	Difference
6	Increase funds to account for limits imposed on cost sharing by the PPACA.	$5,946,000	$5,946,000	$0
7	Increase funds to account for the projected increased enrollment due to the individual mandate and auto-enrollment of new employees as required by PPACA.	$3,675,000	$3,675,000	$0
8	Reduce funds due to a scheduled reduction in the Transitional Reinsurance Fee imposed by PPACA.	($1,029,000)	($1,029,000)	$0

*Other Funds; Note: There are no state funds appropriated directly to the SHBP.

GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

FY2016
Budget

FY2016 Budget*

Medicaid Non-ACA Items			Governor's Recommendations	As Passed	Difference
1	Aged Blind and Disabled, Low-Income Medicaid, PeachCare for Kids	Program growth in ABD, LIM, and PeachCare (1.6% Increase).	$33,090,747	$33,090,747	$0
2	Aged Blind and Disabled, Low-Income Medicaid, PeachCare for Kids	Restore legislative cuts (Cost Settlements, ABD Care Coordination, PARIS).	$9,373,500	$9,373,500	$0
3	Low-Income Medicaid	Replace tobacco funds transferred to the Department of Public Health (DPH) for the Georgia Center for Oncology Research and Education (CORE) with state funds.	$225,000	$225,000	$0
4	Aged Blind and Disabled	Reflect additional funds needed to support operating costs of nursing homes changing ownership on or after January 1, 2012.	$8,749,685	$8,749,685	$0
5	Aged Blind and Disabled	Nursing Home Provider Fee Revenue Projection Update.	$212,713	$212,713	$0
6	Low-Income Medicaid	Remove one-time funding for foster care run out.	($4,800,000)	($4,800,000)	$0
7	Aged Blind and Disabled	Provide skilled nursing services in the Independent Care Wavier Program.	Yes	Yes	

* State Funds Only

FY2016 Budget (cont'd)*

Medicaid Non-ACA Items (cont'd)			Governor's Recommendations	As Passed	Difference
8	Aged Blind and Disabled, Low-Income Medicaid	Reduce funds to reflect an increase in the projected Federal Medical Assistance Percentage (FMAP).	($60,320,777)	($62,688,377)	($2,367,600)
9	Aged Blind and Disabled	Provide funding for initial cost for ABD Care Coordination.	$12,111,228	$0	($12,111,228)
10	Aged Blind and Disabled	Provide funding for pharmacy cost due to high cost of Hepatitis C drugs. The Department's estimated cost is $24,878,688.	$22,832,100	$0	($22,832,100)
11	Aged Blind and Disabled	Increase funds to provide an increase for Personal Support Services covered under the Independent Care Waiver Program (ICWP). ***(CC: Increase funds to provide an additional $.75 per hour rate)***	$0	$1,994,142	$1,994,142
12	Low-Income Medicaid	Provide funds to increase reimbursement rates for select OB/GYN codes to the 2014 Medicare fee schedule.	$0	$5,914,098	$5,914,098
13	Low-Income Medicaid	Provide funds to increase reimbursement rates for select primary care codes.	$0	$17,199,378	$17,199,378
14	Low-Income Medicaid	Increase funds to provide reimbursement for rotary wing air ambulance adult transports at the pediatric rate.	$0	$500,000	$500,000

* State Funds Only

FY2016 Budget (cont'd)*

Medicaid ACA Items			Governor's Recommendations	As Passed	Difference
15	Low-Income Medicaid	Cover increased cost due to ACA Presumptive Eligibility rules.	$15,194,943	$6,161,400	($9,033,543)
16	Low-Income Medicaid, PeachCare for Kids	Reduce funds to reflect an increase in the projected Enhanced Federal Medical Assistance Percentage (eFMAP).	($93,593,829)	($93,593,829)	$0
17	Low-Income Medicaid	Provide additional funds needed for ACA woodwork effect.	$2,844,224	$2,844,224	$0
18	Low-Income Medicaid	Provide additional funds needed for 12 month eligibility reviews.	$37,858,099	$37,858,099	$0
19	Low-Income Medicaid	Remove one-time funding for CMO state insurance premium tax liability due to the ACA.	($1,100,000)	($1,100,000)	$0

* State Funds Only

FY2016 Budget (cont'd)*

Operations Items			Governor's Recommendations	As Passed	Difference
20	All Operations	Statewide Changes: Reflect an adjustment in the employer share of Employees' Retirement System, Dept. of Administrative Services premiums, and TeamWorks billings. Provide funds for merit-based pay adjustments and employee recruitment and retention initiatives.	$541,074	$549,620	$8,546
21	Administration	Reduce funds for operations.	($82,725)	($25)	$82,700
22	Administration	Eliminate funds for a consulting contract.	$0	($2,000,000)	($2,000,000)
23	Administration	Increase funds for personnel for additional audit staff to review presumptive eligibility determinations.	$0	$75,000	$75,000
24	Administration	The Department of Community Health, pursuant to OCGA 49-4-142.1 et seq., is hereby authorized to submit a request to the United States Department of Human Services Centers for Medicare and Medicaid Services for a waiver pursuant to Section 1115 of the federal Social Security Act. ***(CC: Yes)***		Yes	Yes
25	Board of Dentistry and Board of Pharmacy	Reduce funds for operations.	($9,998)	$0	$9,998

* State Funds Only

FY2016 Budget (cont'd)*

Operations Items (cont'd)			Governor's Recommendations	As Passed	Difference
26	Healthcare Facility Regulation	Increase funds to replace funds lost as a result of updates to the cost allocation plan.	$2,895,661	$2,895,661	$0
27	Healthcare Facility Regulation	Increase funds for personnel for eight additional nurse surveyors.	$410,922	$410,922	$0
28	Healthcare Access and Improvement	Eliminate one-time start-up funds for Federally Qualified Health Centers (FQHC).	($1,000,000)	($1,000,000)	$0
29	Healthcare Access and Improvement	Provide funds for one Federally Qualified Health Center community start-up grant (Wheeler County).	$0	$250,000	$250,000
30	Healthcare Access and Improvement	Provide funds for the Rural Hospital Stabilization Committee's grants to critical access hospitals and other rural health care providers. ***(CC: Increase funds for the Rural Hospitalization Stabilization Committee's grants to critical access hospitals and other rural health care providers, and report to the General Assembly on progress and rural hospital stabilization efforts)***	$0	$3,000,000	$3,000,000
31	Healthcare Access and Improvement	Increase funds for increased capacity and expansion of services in charity clinics.	$0	$500,000	$500,000

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

* State Funds Only

FY2016 Budget (cont'd)*

Indigent Care Trust Funds			Governor's Recommendations	As Passed	Difference
32	Indigent Care Trust Funds	Increase funds in the Ambulance Licensing Fee activity to reflect actual funds available. ($1 million other funds)	Yes	Yes	
33	Indigent Care Trust Funds	Convene a task force of state legislators, Georgia hospital representatives, Governor's Office representatives, and the Commissioner of the Department of Community Health to develop and submit a plan to the General Assembly by August 1, 2015 to continue supporting uncompensated hospital care for poor and uninsured Georgians once the federal Disproportionate Share Hospital (DSH) funds have been reduced.	Yes	Yes	
Total			**($14,567,433)**	**($33,378,042)**	**($44,418,227)**

* State Funds Only

FY2016 Budget Financial Summary*

	Programs	FY2015 Budget	FY2016 Budget Changes	FY2016 Budget As Passed
1	Departmental Administration	$66,857,380	($1,573,528)	$65,283,852
2	Healthcare Access and Improvement	$7,877,990	$2,784,942	$10,662,932
3	Healthcare Facility Regulation	$7,475,244	$3,453,852	$10,929,096
4	Indigent Care Trust Fund	$0	$0	$0
5	Aged Blind and Disabled	$1,593,729,697	($12,253,591)	$1,581,476,106
6	Low-Income Medicaid	$1,241,617,401	$43,467,920	$1,285,085,321
7	PeachCare for Kids	$93,922,150	($69,273,549)	$24,648,601
9	Pharmacy & Dental Boards	$1,547,543	$15,912	$1,563,455
Totals		**$3,013,027,405**	**($33,378,042)**	**$2,979,649,363**

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

* State Funds Only

GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

FY2016 SHBP

FY2016 SHBP*

	SHBP Non-ACA Items	Governor's Recommendations	As Passed	Difference
1	Increase funds to annualize the cost for providing coverage for hearing aids for children effective January 1, 2015.	$853,980	$853,980	$0
2	Increase funds to annualize the cost of a pilot program to provide coverage for the treatment of autism spectrum disorders (ASDs) effective January 1, 2015.	$2,410,661	$2,410,661	$0
3	Reduce funds to reflect savings from removing copayments from health reimbursement arrangement (HRA) plans.	($58,000,000)	($58,000,000)	$0
4	Reduce funds to reflect updated projections for membership, medical services utilization, and medical trend changes.	($174,853,282)	($174,853,282)	$0
5	Delay the implementation of the scheduled increase of the employer contribution rate for non-certificated school service employees from $596.20 per member per month to $746.20 per member per month, deferring the collection of an estimated $102,825,000 in revenue for the SHBP. ***(CC: NO; Follow OCGA 20-2-910 et seq. and increase funds to implement the scheduled increase of the employer contribution rate for non-certificated school service employees from $596.20 to $746.20 per member per month)***	$0	$102,825,000	$102,825,000

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

*Other Funds; Note: There are no state funds appropriated directly to the SHBP.

FY2016 SHBP (cont'd)*

	SHBP Non-ACA Items (cont'd)	Governor's Recommendations	As Passed	Difference
6	Effective January 1, 2016, eliminate SHBP coverage for non-certificated public school employees, as defined in OCGA 20-2-910, who work, on average, fewer than 30 hours per week. ***(CC: No. Maintain SHBP coverage for non-certificated public school employees as defined in OCGA 20-2-910.)***	$0	$0	$0
7	Increase funds for members requiring treatment with new Hepatitis C drugs. ***(CC: Yes. Utilize existing funds for members requiring treatment with the new Hepatitis C drugs.)***	$15,400,000	$0	($15,400,000)
8	Increase funds for reserves to fund future claims and Other Post-Employment Benefits (OPEB) liabilities. (Total Funds: $98,212,114). ***(CC: Yes. Increase funds for reserves to fund future claims and Other Post-Employment Benefits (OPEB) liabilities. $115,012,114 in total funds).***	$98,212,114	$115,012,114	$16,800,000
9	Increase funds to annualize the cost of the bariatric surgery pilot program effective January 1, 2015. (Total Funds: $5,400,000). ***(CC: No. Annualize funds at the current level for the bariatric surgery pilot program. $3,000,000 in total funds).***	$5,400,000	$3,000,000	($2,400,000)
10	The State Health Benefit Plan shall adopt an emerging technology program allowing members to receive routine episodic care through a consumer oriented telemedicine vendor. ***(CC: Yes)***	Yes	Yes	

*Other Funds; Note: There are no state funds appropriated directly to the SHBP.

FY2016 SHBP (cont'd)*

	SHBP ACA Items	Governor's Recommendations	As Passed	Difference
11	Increase funds to account for limits imposed on cost sharing by the PPACA.	$46,470,000	$46,470,000	$0
12	Increase funds to account for the projected increased enrollment due to the individual mandate and auto-enrollment of new employees as required by PPACA. (Total Funds: $14,155,000)	$14,155,000	$14,155,000	$0
13	Reduce funds due to a scheduled reduction in the Transitional Reinsurance Fee imposed by the PPACA. (Total Funds: $4,924,000)	($4,924,000)	($4,924,000)	$0

*Other Funds; Note: There are no state funds appropriated directly to the SHBP.

AFY2015 and FY2016 Budget

Additional Information on DCH Website

www.dch.georgia.gov