**GEORGIA DEPARTMENT
OF COMMUNITY HEALTH**

2014
ANNUAL
REPORT

FY 2014 Annual Report

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FY 2014 ANNUAL REPORT

Healthcare Facility Regulation

The Healthcare Facility Regulation (HFR) Division of the Georgia Department of Community Health (DCH) served Georgia residents through its administration of the state's Certificate of Need (CON) program and oversight of statewide healthcare facilities.
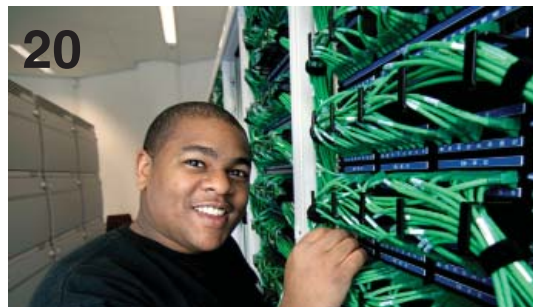
During FY 2014, the Division of Health Information Technology (Health IT) continued its mission to advance the use of health information technology throughout Georgia to reduce health care disparities, improve health outcomes, increase the efficiency of health care delivery and reduce overall health care costs.

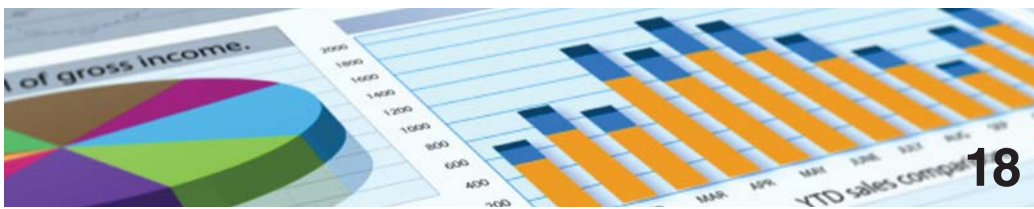**GEORGIA DEPARTMENT OF COMMUNITY HEALTH**

The Big Health Care Picture and Georgia

Introduction

As one of four state health agencies serving Georgia's population of nearly 10 million citizens, the Georgia Department of Community Health (DCH) oversaw a budget of nearly $12 billion in Fiscal Year 2014. DCH served as the lead agency for Medicaid and also oversaw the State Health Benefit Plan (SHBP), Healthcare Facility Regulation and Health Information Technology. DCH's programs provided access to health care services for one in four Georgians, including some of the state's most vulnerable and underserved populations. During FY 14, Clyde L. Reese III, Esq., served as DCH Commissioner, as the Department provided Georgians with access to affordable, quality health care through effective planning, purchasing and oversight.

In FY14, DCH continued to make decisions about its health care vendors for members of the State Health Benefit Plan in an effort to provide affordable, high-quality health insurance plans to members. As a result, SHBP provided members with enhanced vendor and health plan options for the calendar year 2015 Plan Year. After an Invitation for Proposals (IFP), SHBP added a statewide UnitedHealthcare Health Maintenance Organization (HMO), UnitedHealthCare High Deductible Health Plan (HDHP), UnitedHealthCare Medicare Advantage Plan and Kaiser Permanente regional HMO. A statewide HMO option from Blue Cross Blue Shield of Georgia (BCBSGa) was also added.

DCH's Medicaid Division procured and implemented an Integrated Eligibility System (IES) and made many changes associated with the Affordable Care Act. The Healthcare Facilities Regulation Division regulated over 15,000 facilities, providers and registrants and responded to complaints against licensed and/or certified facilities. The Health Information Technology Division facilitated Emory Healthcare and Grady Health System in connecting to the Georgia Health Information Network Inc. (GaHIN), and the Office of Inspector General recovered more than $31.2 million. Overall, DCH's offices continued to support the mission, vision and goals of the Department.

In the DCH Annual Report for FY 2014, you will find descriptions of what the department does, pertinent figures and what divisions and offices considered their greatest accomplishments for the year.

We are dedicated to A *Healthy* Georgia.

DCH Organization

DCH Board

DCH is governed by the Board of Community Health. The board is composed of nine people who have policymaking authority for the Department. The board is appointed by the Governor and confirmed by the State Senate. The board meets monthly. The members serving at the end of FY 14 were:

- Norm Boyd, Chairman
- William H. Wallace Jr., Vice Chair
- Jamie Pennington, Secretary
- Clay Cox

- Donna Moses
- Jack Chapman, MD
- Kiera L. Von Besser
- Richard Jackson
- Allana Cummings

Georgia Department of Community Health

Board of Community Health

Governor

Georgia Board for Physician Workforce

Executive Assistant

Commissioner

Georgia Composite Medical Board

Georgia Drugs and Narcotics Agency

Healthcare Facility Regulation

Medical Assistance Plans

State Health Benefit Plan

Office of Health Information Technology

Information Technology

Financial Management

General Counsel

Communications and Legislative Affairs

Inspector General

Georgia State Board of Pharmacy

Georgia Board of Dentistry

Executive Offices   Programs   Admin Offices   Attached Agencies

2014 DCH Total Expenditures
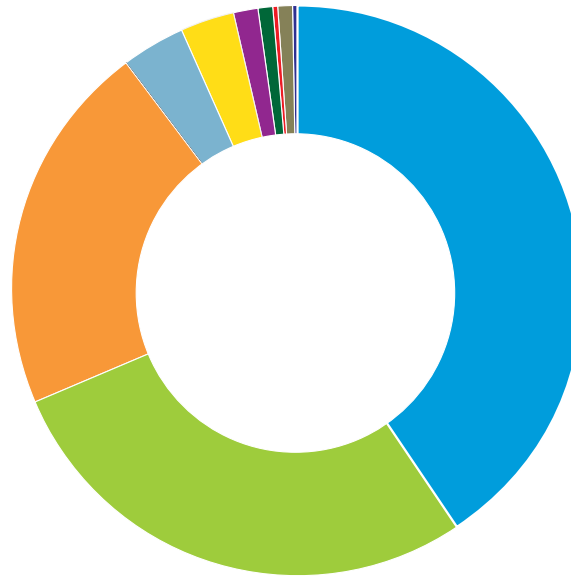
0.1%	Healthcare Facility Regulations	3.2%	Indigent Care Trust Fund
0.8%	Administration	3.4%	PeachCare for Kids
0.4%	Medical Education and Licensing	21.2%	State Health Benefit Plan Payments
0.7%	Systems Support	28.1%	Low-Income Medicaid
1.3%	Medicaid and PeachCare for Kids Program Support	40.6%	Aged, Blind and Disabled
0.2%	Health Care Access and Improvement		

FY 2014 Table of Members and Expenditures

Measures	Medicaid[4]	Medicaid-ABD	Medicaid-LIM	PeachCare for Kids™
Members Average[1]	1,633,977	479,374	1,154,603	215,438
Member Months	19,607,722	5,752,489	13,855,233	2,585,258
Net Payment	$5,372,651,294	$4,783,181,845	$589,469,449	$21,909,778
Providers[2]	95,177	69,624	88,316	40,515
Claims Paid	50,038,488	25,474,210	24,564,278	3,447,138
Capitation Amount	$3,078,709,441	$34,976,641	$3,043,732,800	$403,638,064
Total Payment[3]	**$8,451,360,734**	**$4,818,158,486**	**$3,633,202,248**	**$425,547,842**
Total Payment Per Member Per Month	$431	$838	$262	$165

Source: Truven Health Analytics Advantage Suite, based on incurred dates July 2013 through June 2014, paid through November 2014.

[1] *Members Average is the average number of members per month with any coverage type. Each member is counted once for each month they are eligible, then this count is divided by the overall number of months in the time period during which at least one member was enrolled.*

[2] *Unique count of providers used across the ABD and LIM populations. Providers represents multiple locations for individual providers.*

[3] *Includes Net Payment and Capitation Amounts.*

[4] *Medicaid includes Medicaid ABD and Medicaid LIM and excludes PeachCare.*

Medicaid

In FY 2014, the Department of Community Health (DCH) served as the single state agency for the administration of the Medicaid program under Title XIX of the Social Security Act, providing health care for children, pregnant women and people who were aged, blind or disabled (ABD). DCH's Medicaid Division oversaw the Georgia Medicaid programs and PeachCare for Kids® (Georgia's Children's Health Insurance Program [CHIP] population). Medicaid and PeachCare for Kids members received services through either managed care (Georgia Families or Georgia Families 360°) or fee-for-service arrangements. The Medicaid Division provided management oversight of the Medicaid and PeachCare for Kids programs by:

- Developing and implementing policies on allowable services and service delivery.
- Implementing the Georgia Families 360° managed care program for children in state custody who are receiving adoption assistance and select youth in the juvenile justice system.
- Overseeing member eligibility and enrollment into Medicaid and PeachCare for Kids, and enrollment into the Georgia Families care management organizations (CMOs) and the Georgia Families 360° care management organization.
- Overseeing the seven programs offering home- and community-based services (HCBS) alternatives over long-term institutional care.

HCBS Waiver Program	Members	Net Payment	Net Pay Per Member Per Year
Community Care Services Program	12,093	$137,054,328.59	$11,333.36
SOURCE - Service Options Using Resources in a Community Environment	17,806	263,530,220	$14,879.42
Independent Care Waiver Program	1,245	$46,514,554.94	$37,361.09
GA Pediatric Program (Medically Fragile Day Care)	268	$5,955,376.50	$22,221.55
New Options Waiver	5,097	$67,565,566.96	$13,255.95
Comprehensive Supports Waiver	7,066	$400,621,281.53	$56,697.04

- Collecting data and reporting the performance metrics for both the fee-for-service population and members in Georgia Families and Georgia Families 360°. The state used the Healthcare Effectiveness Data and Information Set (HEDIS) as a tool to measure performance on important dimensions of care and service.
- Developing and implementing new programs in Medicaid and PeachCare for Kids promoting continuity of care, care coordination and enhanced health outcomes, such as the rapid cycle process improvement process.
- Controlling expenditures and overseeing all categories of service including capitation payments, pharmacy, inpatient hospital, outpatient hospital, nursing and long-term care facility and transportation.
- Addressing member needs through Medicaid and PeachCare for Kids provider relations and resolution services.
- Evaluating opportunities to improve efficiency and effectiveness in Medicaid operations and implementing changes that streamline processes for providers and Medicaid and PeachCare for Kids members.

Major Programs and/or Initiatives

Beyond the primary role of managing Medicaid, the division developed new and innovative programs that enhanced the effectiveness and efficiency of health care services offered. The most notable program enhancements were in Medicaid Redesign. Medicaid Redesign began in FY 11 and focused on improving the health of Medicaid members, while also controlling the ever-increasing expenditures of providing Medicaid services in Georgia. In FY 14, Medicaid implemented the following:

- **Improved health outcomes of 23,000 children, youth and young adults in foster care, children and youth receiving adoption assistance plus select youth in the juvenile justice system.** To accomplish this, DCH transitioned these children and youth into a new Medicaid managed care program called Georgia Families 360°in March 2014. By focusing on the total well-being of the child, Georgia Families 360° addresses both their physical health and behavioral

needs through a holistic approach. The program is administered by a single Care Management Organization (CMO), Amerigroup, that provides:

- Medical homes – with a consistent primary care provider
- Dental homes – for routine and other dental services
- Care coordination teams – to ensure appropriate, consistent and effective ongoing health care, regardless of where the member lives in Georgia
- Personal health care plans – individualized detailed recommendations for ongoing care for physical and behavioral health issues
- Electronic health records to ensure coordinated care between providers
- Ombudsman staff to support members and families
- Monitoring and management of psychotropic medications

- **Planned re-procurement for the CMO contracts.** DCH first implemented Georgia Families, the Medicaid managed care program, for Low Income Medicaid (LIM) and PeachCare for Kids members in FY 05. The current contracts will expire at the end of FY 15. The new CMO contracts will be implemented in CY 16 with changes to the Georgia Families program, such as a value-based purchasing component to ensure that the CMOs meet pre-defined performance metrics.
- **Procured and implemented an Integrated Eligibility System (IES).** Along with other state agencies in FY 14, DCH worked to develop a robust IES, projected to be operational in FY 16. As the lead agency, DCH worked closely with the Department of Human Services (DHS), Department of Public Health (DPH) and others to develop an integrated eligibility solution. A single point of entry is being created to serve those applying for Medicaid, Food Stamps (SNAP), Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits and more.
- **Executed the ICD-10 project for Medicaid.** With a deadline of October 1, 2015, DCH completed its testing of the ICD-10 coding necessary for implementation of ICD-10 and ensured that the Georgia Medicaid Management Information System (GAMMIS) would be ready

with more than 150,000 medical codes.

- **Implemented the Centralized Credentialing Verification Organization.** In FY 14, DCH began developing a streamlined credentialing process, projected to be operational in FY 15. The Credentialing Verification Organization (CVO) will be responsible for credentialing and re-credentialing Medicaid, PeachCare for Kids, Georgia Families and Georgia Families 360° providers in accordance with guidelines established by the National Committee for Quality Assurance (NCQA). The CVO will conduct primary source verification as well as monthly monitoring of Provider fraud and abuse sanctions. Additionally, the CVO shall have a Credentialing Committee, chaired by a Medical Director responsible for reviewing all credentialing and re-credentialing applications.

- **Planned for implementation of the new HCBS Settings Rule.** CMS issued new regulation for the delivery of HCBS, defining the characteristics and qualities of an authorized provider-owned or operated setting in which services can be delivered. The regulation required the state to develop Transition Plans describing how the state would assure compliance with the new rules, which call for service to be provided in an integrated setting and in the most community-inclusive manner. Georgia engaged a statewide Task Force, conducted a series of public meetings to provide education on the rules and seek input on the development of the Transition Plan. Georgia prepared and submitted four waiver-specific Transition Plans as well as a cross-waiver Statewide Transition Plan. CMS approved the waiver-specific plans and approval of the Statewide Plan is pending. Implementation of the plans will be ongoing through 2019.

- **Provided 511,023 members with Non-Emergency Transportation in FY 14.**

- **Implemented Affordable Care Act mandates to create a system of coverage between Medicaid, PeachCare for Kids, the Children's Health Insurance Program (CHIP) and the Federal Insurance Exchange by October 1, 2013.** The system enables individuals and families to apply for coverage using a single application and have their eligibility determined for all insurance affordability programs. Members can apply for all of the programs using the same web portal and the same paper applications. Members can also apply by phone. Federal funding was provided to Georgia to update its legacy systems, VIDA and SUCCESS so they could comply with federal rules. Numerous State Plan Amendments were also required by the PeachCare for Kids and Medicaid programs. Some of the changes requiring system changes and state plan amendments are listed below.

  - The ACA mandated that state Medicaid and CHIP (PeachCare for Kids) programs use different income counting rules for many eligibility categories. These new counting rules are referred to as the Modified Adjusted Gross Income (or "MAGI"). This required significant changes to existing computer systems. The rules did not change for Aged, Blind and Disabled categories.

  - The ACA added Mandatory Coverage Expansions:
    - Children: 6-19 year-olds below 138 percent of the FPL became Medicaid-eligible (state retained enhanced federal Medicaid match)
    - Foster Care Youth: Youth leaving foster care who were enrolled in Medicaid when they left were Medicaid-eligible until age 26
    - Hospital Presumptive Eligibility: Hospitals were permitted to take applications for members that are potentially eligible for presumptive programs in Georgia (pregnant women, women with cervical cancer)
    - The ACA required changes to the PeachCare for Kids waiting period and premium payment policy

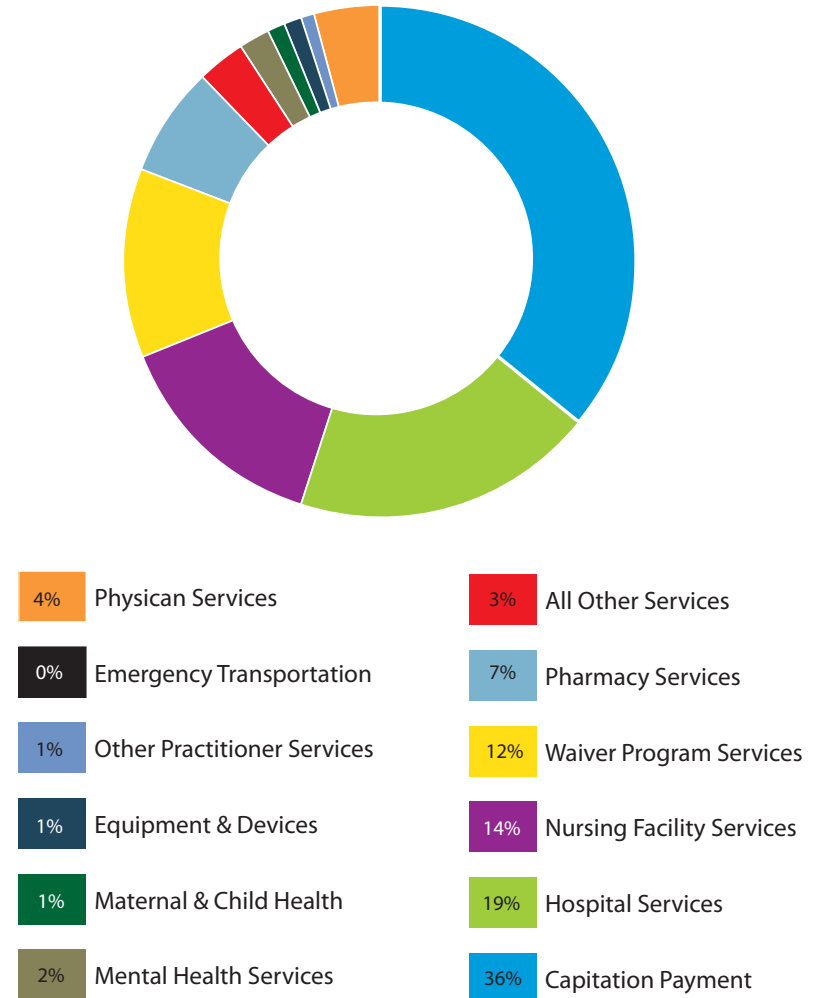**Table of Historical Medicaid Members and Payments by Fiscal Year[1]**

Fiscal Year	Average Members	Total Payments[2]	Payment Per Member	Percent Change in Payment Per Member
2000	947,054	$3,482,779,560	$3,677	N/A
2001	996,901	$3,822,786,433	$3,835	4.3%
2002	1,268,225	$4,461,972,245	$3,518	-8.3%
2003	180,953	$4,885,865,204	$3,875	10.1%
2004	1,326,909	$6,039,465,103	$4,552	17.5%
2005	1,376,730	$6,311,890,515	$4,585	0.7%
2006	1,390,497	$6,280,193,139	$4,517	-1.5%
2007	1,283,940	$6,155,158,918	$4,794	6.1%
2008	1,268,661	$6,371,942,440	$5,023	4.8%
2009	1,353,191	$6,703,774,787	$4,954	-1.4%
2010	1,447,865	$6,954,116,861	$4,803	-3.0%
2011	1,496,881	$7,464,027,216	$4,986	3.8%
2012	1,540,666	$7,813,851,582	$5,072	1.7%
2013	1,588,074	$8,047,771,351	$5,068	-0.1%
2014	1,633,977	$8,451,360,734	$5,172	2.1%

Source: Truven Health Analytics Advantage Suite based on incurred dates July 1999 through November 2014

1 Medicaid includes Medicaid ABD and Medicaid LIM and excludes PeachCare.

2 Includes Net Payment and Capitation Amounts.

Medicaid Payments Distribution by Service Type

4%	Physican Services	3%	All Other Services
0%	Emergency Transportation	7%	Pharmacy Services
1%	Other Practitioner Services	12%	Waiver Program Services
1%	Equipment & Devices	14%	Nursing Facility Services
1%	Maternal & Child Health	19%	Hospital Services
2%	Mental Health Services	36%	Capitation Payment

PeachCare For Kids™ Members Average and Payments[1] by Fiscal Year

**Peachcare For Kids Payment
Distribution by Service Type : FY 2014**

Table of Historical Medicaid Members and Payments by Fiscal Year[1]

Fiscal Year	Average Members	Total Payments[2]	Payment Per Member	Percent Change in Payment Per Member
2000	8,503	$50,730,000	$5,966	--
2001	14,028	$115,931,116	$8,264	38.5%
2002	154,406	$170,916,516	$1,107	-86.6%
2003	180,953	$212,319,603	$1,173	6.0%
2004	200,562	$262,676,747	$1,310	11.6%
2005	208,185	$273,274,876	$1,313	0.2%
2006	238,330	$310,331,108	$1,302	-0.8%
2007	273,659	$432,157,786	$1,579	21.3%
2008	249,681	$345,678,006	$1,384	-12.3%
2009	205,548	$304,985,696	$1,484	7.2%
2010	202,527	$299,535,400	$1,479	-0.3%
2011	199,532	$316,597,618	$1,587	7.3%
2012	205,330	$337,567,832	$1,644	3.6%
2013	218,139	$401,292,737	$1,840	11.9%
2014	215,438	$425,547,842	$1,975	7.4%

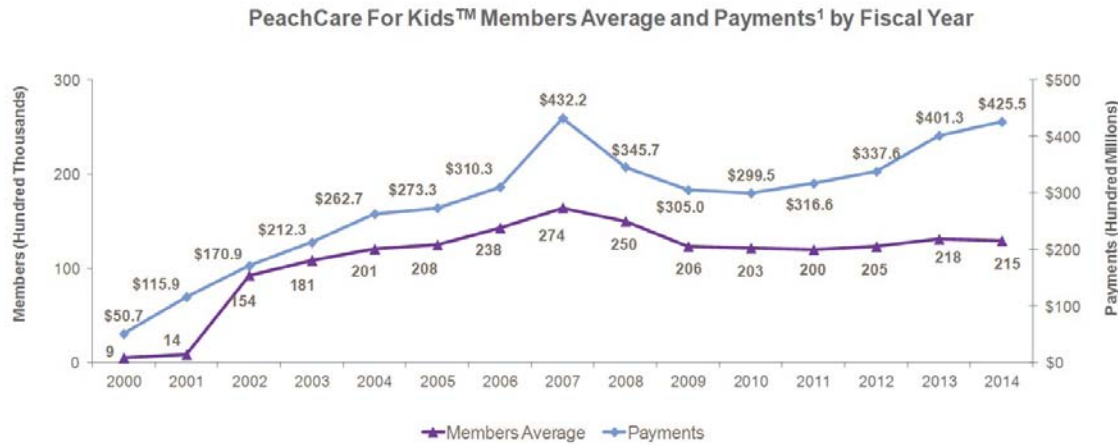|				
0%	Maternal & Child Health		1%	Pharmacy Services
0.2%	All Other Services		1%	Physican Services
0.3%	Mental Health Services		2%	Hospital Service
1%	Other Practitioner Services		95%	Capitation Payments

Source: Truven Health Analytics Advantage Suite based on incurred dates July 1999 through November 2014

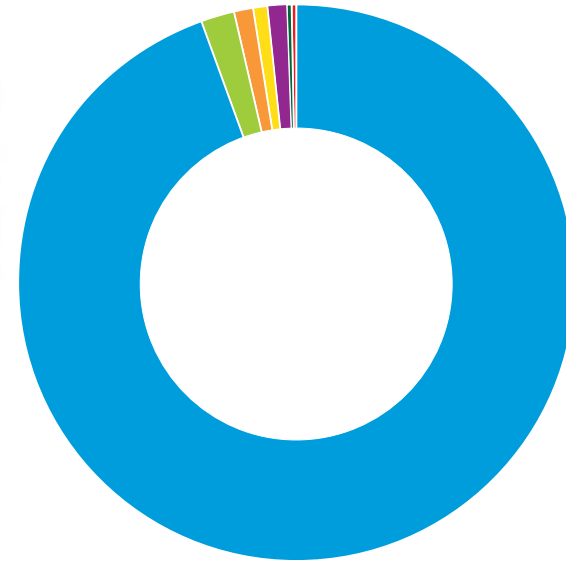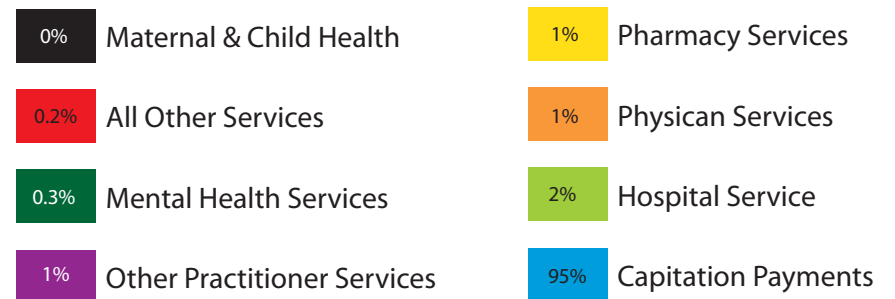1 Medicaid includes Medicaid ABD and Medicaid LIM and excludes PeachCare.

2 Includes Net Payment and Capitation Amounts.

State Health Benefit Plan

The Georgia Department of Community Health (DCH) served as the state's administrator of health insurance coverage for state employees, teachers, school system employees and retirees who continued coverage (including annuitants and former employees on extended coverage), and covered dependents. This health coverage is known as the State Health Benefit Plan (SHBP).

SHBP is composed of three plans: the State Employees Plan, the Teachers Plan and the Public Schools Employees Plan. SHBP covered 625,585 lives as of June 2014.

SHBP is a self-insured, self-funded plan that pays benefits out of the premiums contributed from members (through monthly payroll deductions) and from monthly contributions from the employers that offer the SHBP (e.g., state agencies and public school systems).

SHBP also offers fully insured Medicare Advantage options for former employees who are continuing coverage and are enrolled at a minimum in Medicare Part B. Employer contributions and member premiums are used to purchase Medicare Advantage insurance.

In FY 2014, SHBP offered eligible active employees annuitants under age 65 and eligible former employees the choice of three Health Reimbursement Arrangement (HRA) options, Gold, Silver and Bronze.

Structure of SHBP

Within the Division, there were six primary operating units:

- *Plan Management* developed the Benefit Plan and designed the Plan documents, which contained the terms and conditions of the SHBP. The unit was responsible for monitoring compliance with vendor contracts.
- *Medical Management* provided oversight of the vendors' performance of services for clinical programs, including but not limited to: utilization management; case management; disease management; behavioral health; wellness and pharmacy management and the overall quality of these services.
- *Communications* provided information to employers and members about the Plan's benefits, eligibility, policies and procedures.

- **Employer Services** assisted participating employers with information and training about Plan coverage and billing.
- **Administrative Solutions Team** assisted members with all eligibility matters including changes and premium payment issues, as well as oversight of the eligibility vendor and appeals.
- **Vendor Program Management** provided oversight and monitoring of vendor performance

The SHBP operated using a calendar year for its Plan Year.

Accomplishments

On January 27, 2014, plan options for the Blue Cross Blue Shield HRA options (Gold, Silver and Bronze) were changed to replace pharmacy co-insurance with co-payments and to apply co-payments for certain office visits in order to provide financial relief for our membership. This redesign became effective by March 14, 2014 and was retroactive to January 1, 2014.

Specifically, co-payments were applied to: primary care visits (Family Practice, General Practice, Internal Medicine, Pediatrics and OB/GYN); specialty visits, emergency room visits, urgent care visits and rehabilitation outpatient services (physical, speech and occupational therapy; cardiac and pulmonary rehabilitation) services.

As a result of this plan redesign, the following number of claims and payments reprocessing were realized:

- Commercial claims –- 380,431
- Commercial claims payments –- $58,864,463.41
- Pharmacy claims –- 70,525
- Pharmacy claims payments –- $1,495,841.40

Also during 2014, SHBP embarked on a process to provide additional plan option choices to its membership. To that end, SHBP issued an Invitation for Proposal (IFP) for the following services: Statewide Health

Maintenance Organization (HMO), Regional HMO for the 29-county Metropolitan Service Area (MSA), Statewide High Deductible Health Plan (HDHP) and Statewide Medicare Advantage. As a result of this process, the following Third Party Providers were awarded contracts:

- United Healthcare –- Statewide HMO, HDHP and Medicare Advantage
- Kaiser Permanente –- Regional HMO
- Blue Cross Blue Shield would continue to provide TPA and Medical Management services for Statewide HRA services in addition to Statewide HMO services.

FY 2014 Table of State Health Benefit Plan Covered Lives[1]

Category	Members Average	Employee / Retiree	Dependent
State Employees - Active	98,579	53,468	45,111
State Employees - Retired	50,198	34,380	15,819
Teachers – Active	242,123	101,057	141,066
Teachers – Retired	76,643	52,986	23,658
School Service Personnel – Active	123,365	63,878	59,487
School Service Personnel – Retired	30,282	21,988	8,294
Contracts/Board Members	1,912	1,214	697
COBRA/Surviving Spouse	2,969	2,607	363
SHBP TOTAL	626,072	331,577	294,495

Source: Truven Health Analytics Advantage Suite, based on incurred dates July 2013 through June 2014, paid through November 2014.

[1]Members Average reflects enrollment for the Fiscal Year, July 2013 through June 2014.

Early Cancer Detection Campaign —- Communications were sent to 261,043 members/spouses/dependents who had not received recommended cancer screening for mammograms, pap smears and colonoscopies. These members were eligible to receive a $100 Visa gift card via a sweepstakes. Five hundred (500) gift cards were awarded to those members who received a cancer screening.

Targeted email campaigns for the following:
- January: Cervical Health Awareness Month (215,178 members)
- February: National Heart Health Month (194,070 members)
- March: Colorectal Cancer Awareness Month (201,098 members)
- August: Preventive Care (205,942 members)
- October: Monthly Breast Cancer Awareness Month (210,685 members) and Squash
- Pre-diabetes (210,685 members)

Additionally, various onsite presentations were held at employer work sites:
- August Presentation: Living it Up? The Impact of Lifestyle and Health Screenings (49 attendees)
- September Presentation: Knowing Your Family Medical History Can Be Life-Saving (63 attendees)
- October Presentations: Squash Pre-diabetes: Are you pre-diabetic? Learn ways to stay healthy and prevent diabetes (19 attendees)

Flu Shots 2014

- Conducted 118 SHBP-sponsored flu clinics in partnership with Blue Cross and Blue Shield of Georgia (BCBSGa) to 3,840 individuals.
- Conducted four SHBP-sponsored flu clinics in partnership with the Department of Public Health to 950 individuals.

Well-Being Assessments 2014

Total Well-Being Assessment completions in 2014 were 155, 719, of which 123,791 were completed by member, 31,647 were completed by spouses and 281 were completed by dependents over 18.

SHBP Members Average by Plan Type FY 2014[1]
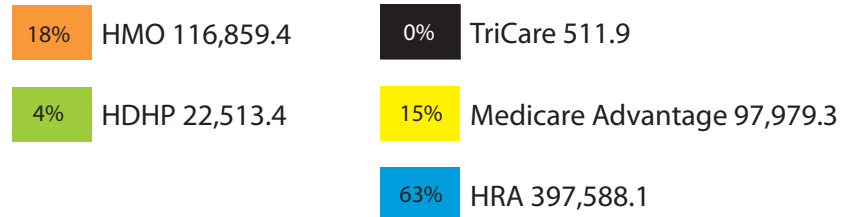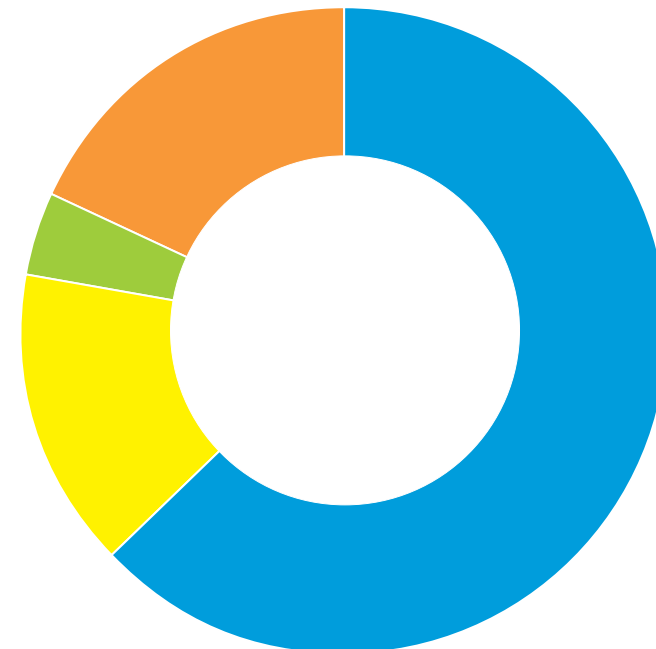
18%	HMO 116,859.4	0%	TriCare 511.9
4%	HDHP 22,513.4	15%	Medicare Advantage 97,979.3
63%	HRA 397,588.1		

Source: Truven Health Analytics Advantage Suite, based on incurred dates July 2013 through June 2014, paid through November 2014.

1Members Average reflects enrollment for the Fiscal Year, July 2013 through June 2014.

FY 2014 Table of State Health Benefit Plan Covered Lives[1]

Measures	State Active	State Retiree	Teacher Active	Teacher Retiree	NonCert Active	NonCert Retiree	COBRA/ Surviving Spouse	Total SHBP
Members Average[2]	100,261	50,243	242,308	76,643	123,365	30,282	2,969	626,072
Member Months	1,203,132	602,911	2,907,696	919,721	1,480,382	363,383	35,633	7,512,858
Net Payment	$436,372,707	$312,959,661	$830,905,861	$470,164,485	$595,051,284	$185,420,890	$27,414,357	$2,858,289,246
Providers	48,616	47,342	64,677	68,675	47,554	33,877	16,027	266,304
Claims Paid	2,366,837	1,939,241	5,005,452	2,878,779	3,201,738	1,166,045	118,065	13,384,675
Capitation Amount[3]	$1,214,387	$606,625	$2,925,947	$926,203	$1,490,815	$365,944	$35,921	$7,565,841
Healthcare Reimbursement Amount	$14,236,012	$3,707,514	$30,858,623	$7,267,546	$17,657,482	$1,466,638	$147,472	$75,341,288
Total Payments[4]	$451,823,107	$317,273,799	$864,690,431	$478,358,233	$614,199,581	$187,253,472	$27,597,751	$2,941,196,374
Payments Per Member	$376	$526	$297	$520	$415	$515	$774	$391

Source: Truven Health Analytics Advantage Suite, based on incurred dates July 2013 through June 2014, paid through November 2014.

1 The State Active group also includes the Contract Active group. The State Retiree group also includes the Contract Retiree group. The Teacher Active group also includes the County Government Active group. The COBRA group includes COBRA Continuees and Surviving Spouse/Dependents from each Employee Type Group.

2 Members Average reflects enrollment for the Fiscal Year, July 2013 through June 2014.

3 Includes Cigna Capitation Amounts only for July-December 2013.

4 Includes Net Payments, Healthcare Reimbursement Amount, and Capitation Amounts.

SHBP Members Average and Payments[1] by Fiscal Year

**Table of Historical SHBP Members and Payments by Fiscal Year[1]**

Fiscal Year	Members Average	Total Payments	Payment Per Member	% Change in Payment Per Member
2000 [2]	--	--	--	--
2001	647,466	$1,110,543,053	$1,715	2.6%
2002	663,944	$1,212,072,547	$1,826	-1.6%
2003	615,167	$1,099,992,138	$1,788	7.3%
2004	627,636	$1,378,907,068	$2,197	10.0%
2005	642,553	$1,484,143,212	$2,310	4.3%
2006	647,581	$1,881,122,239	$2,905	-8.3%
2007	664,251	$2,000,575,396	$3,012	10.1%
2008	684,346	$2,187,836,485	$3,197	17.5%
2009	695,484	$2,522,951,203	$3,628	0.7%
2010	691,410	$2,647,862,985	$3,830	-1.5%
2011	686,776	$2,671,440,140	$3,890	6.1%
2012	677,393	$2,761,172,702	$4,076	4.8%
2013	648,242	$2,581,075,739	$3,982	-1.4%
2014	626,072	$2,941,196,374	$4,698	-3.0%

Source: Truven Health Analytics Advantage Suite, based on incurred dates July 1999 through June 2014, paid through November 2014.
1 Includes Net Payments, Healthcare Reimbursement Amounts, and Capitation Amounts.
2 Data for FY 2000 is not available.
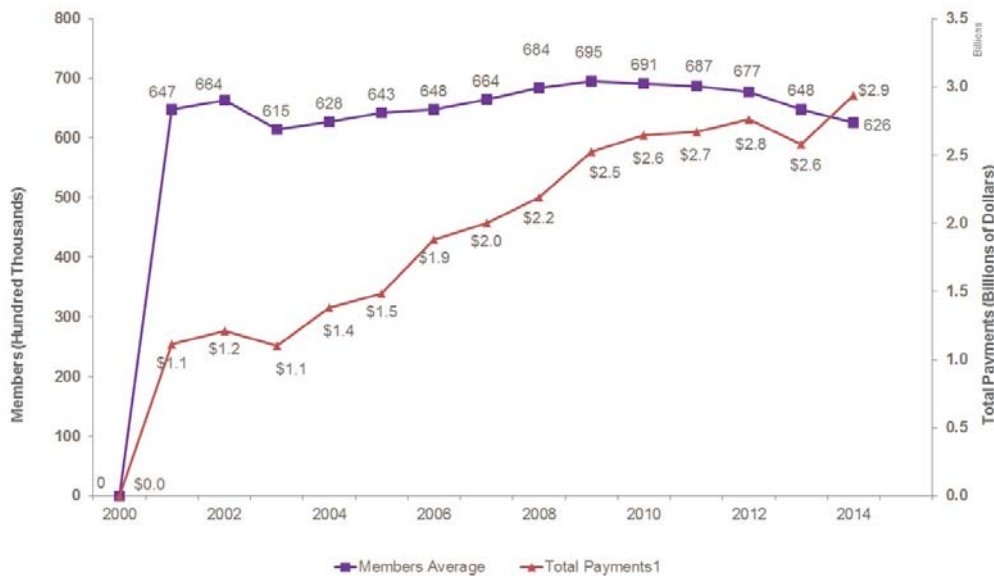
Healthcare Facility Regulation

The Healthcare Facility Regulation (HFR) Division of the Georgia Department of Community Health (DCH) served Georgia residents through its administration of the state's Certificate of Need (CON) program and oversight of statewide healthcare facilities.

HFR's Office of Health Planning administered Georgia's (CON) Program that required health care providers to obtain a CON before offering statutorily defined new institutional health services. In other situations, Health Planning issued Letters of Determination to provide guidance on the applicability of CON rules for proposed projects and Letters of Non-Reviewability (LNR) for facilities or services not required to be reviewed under CON rules.

Health Planning conducted annual surveys of CON-regulated facilities and providers to obtain utilization and financial data for health planning and the CON review process. It also conducted architectural plan reviews and site inspections for major renovations and construction projects in hospitals, nursing homes and ambulatory surgery centers. Additionally, Health Planning administered the Patient's Right to Independent Review Program that gave members of health maintenance organizations and other managed care plans the right to appeal an insurer's decision denying coverage for medical services.

HFR's Office of Healthcare Facility Licensing inspected and licensed more than 20 types of health care facilities and services, such as hospitals, nursing homes, assisted living facilities, personal care homes and drug abuse treatment and education programs. HFR certified various health care facilities to receive Medicaid and Medicare funds through contracts and agreements with the Centers for Medicare & Medicaid Services (CMS) and the Food and Drug Administration (FDA) of the U.S. Department of Health and Human Services (HHS).

HFR provided ongoing monitoring of licensed health care facilities to ensure compliance with rules promulgated by DCH. HFR reviewed and issued decisions to facilities' requests for waivers or variances to these rules. Further, HFR investigated reports of unlicensed facilities, complaints against licensed facilities, adverse events and incidents reported by citizens and the facilities themselves.

<div style="background:#8dc63f;padding:10px;color:#fff;font-weight:bold">Accomplishments</div>

- During FY 2014, Health Planning received 63 CON applications, 257 LNRs and Letters of Determination. The office sent 1,404 health planning surveys to regulated facilities and providers and collected and deposited $2,594,986 into the Indigent Care Trust Fund from adjustment payments to offset shortfalls in indigent and charity care commitments. The unit conducted 181 plan reviews and 135 inspections at facilities under construction; 40 appeals were submitted for review by an independent review organization.

- Healthcare Facility Licensing regulated over 15,000 facilities, providers and registrants in FY 2014. The unit issued 764 licenses for new health care businesses in Georgia and conducted 3,060 routine inspections and 1002 initial inspections.

- Healthcare Facility Licensing also responded to 2,973 complaints against licensed and/or certified facilities and 7943 incident reports filed by licensed and/or certified providers. Rules and regulations for Adult Day Centers were adopted.

Health Information Technology

During FY 2014, the Division of Health Information Technology (Health IT) continued its mission to advance the use of health information technology throughout Georgia to reduce health care disparities, improve health outcomes, increase the efficiency of health care delivery and reduce overall health care costs. Health IT's objectives included:

- Transitioning Health Information Exchange (HIE) operations and technology. The Georgia Department of Community Health (DCH) collaborated with the Georgia Health Information Network Inc. (GaHIN), a non-profit organization, to establish the statewide HIE. The network electronically connects Georgia hospitals, physicians and clinicians to safely and securely exchange patient health information. In June 2014, DCH transitioned the operations and technology of the statewide HIE to GaHIN.

- Implementing the Medicaid Electronic Health Records (EHR) Incentive Program (Phase 2). The Medicaid EHR Incentive Program consists of three stages of Meaningful Use. Each stage has its own set of requirements for Meaningful Use. Stage 2 focuses on advanced clinical procedures, including measures focused on more rigorous HIE; additional requirements for e-prescribing and incorporating lab results; electronic transmission of patient care summaries across multiple settings; and increased patient and family engagement. Phase 2 allowed eligible Medicaid professionals and hospitals to apply for Year 3 Meaningful Use Stage 2 payments – further incentivizing Medicaid providers to not only use EHR technology, but also to use it in meaningful ways to improve patient care and reduce health care costs.

- Demonstrating e-health in Medicaid services and supports. DCH was awarded a four-year grant by the Centers for Medicare & Medicaid Services (CMS) to test quality measurement tools and demonstrate e-health in Medicaid long-term services and supports. The grant program, known as TEFT (Demonstration Grant for Testing Experience and Functional Assessment Tools) in Medicaid Community-Based Long-Term Services and Supports), offers $45 million to ten qualified state applicants over four years. The TEFT initiative supports state Medicaid agencies in collecting and reporting on the adult core measures under Section 2701 of the Patient Protection and Affordable Care Act. During the grant period, Georgia will demonstrate the personal health record (PHR) component by working collaboratively with CMS and the Georgia Institute of Technology to survey populations in Georgia's Home and Community-Based Waiver programs. The goals for the work conducted under the TEFT are consistent with the National Quality Strategy, Section 3011 of the Affordable Care Act, and CMS' priorities to achieve better care, a healthier population and more affordable care.

Accomplishments

Georgia Statewide HIE Network

Emory Healthcare and Grady Health System joined Georgia's Department of Public Health and the state's Medicaid program in connecting to the GaHIN. Connecting to GaHIN allows Emory and Grady to augment continuity of care by enhancing patient care coordination among its authorized providers and affiliates, and improve access to a patient's information for diagnosis and treatment.

Medicaid EHR Incentive Program

Through the Division of Health IT, DCH continued its administrative oversight of the Medicaid EHR Incentive Program, including eligibility, registration and attestation for the distribution of incentive payments to eligible Medicaid providers. The 100 percent federally funded payments were made to eligible professionals and hospitals that adopted, implemented or upgraded certified EHR technology and were able to demonstrate improved patient care and reduced health care costs.

This year, the program reached a significant milestone – paying over $200 million to Georgia health care providers since the program's inception in September 2011. With approximately $300 million remaining, DCH encourages all eligible providers to begin the application process before the end of 2016. To help facilitate the technology conversions and to assist providers in completing requirements, the Medicaid EHR Incentive Program has partnered with HP Enterprise Services and the Georgia Health Information Technology Extension Center (GA-HITEC) to offer free assistance to providers on all facets of the program – from completing the application process, to selecting, implementing and using health information technology.

Financial Management

In FY 2014, the Financial Management Division provided financial support to the Georgia Department of Community Health (DCH). Three sections performed the division's work: Financial and Accounting Services, the Budget Office and Reimbursement Services.

Financial and Accounting Services

The Financial and Accounting Services section paid providers, vendors and employees, and ensured that DCH complied with generally accepted accounting principles and performed cash management analysis for the agency. In addition, the section prepared financial reports that secured Medicaid, S-CHIP (PeachCare for Kids®) and other federal funding, and prepared the Department's annual financial statements.

The Budget Office

The Budget Office developed, requested, maintained and monitored the Department's budget. During budget development, the Budget Office prepared budget and cash projections for the Medicaid, PeachCare for Kids and State Health Benefit Plan (SHBP) programs. In addition, the Budget Office, supported by the Financial and Accounting Services section, ensured funding was available for departmental operations before liabilities were incurred.

Reimbursement Services

The Reimbursement Services section provided support to nursing homes, long-term care facilities, hospitals and non-institutional providers seeking reimbursement from the Medicaid and PeachCare for Kids® programs. In addition, the section set Medicaid and PeachCare for Kids® CMO capitation and other payment rates. The section also is was responsible for supplemental provider payments such as the Upper Payment Limit (UPL) and Disproportionate Share Hospital (DSH) programs.

In FY 2014, the Office of General Counsel provided legal guidance and support to the Commissioner, the Board of Community Health and all divisions and offices of the Department. The Office prepared contracts; drafted and monitored proposed legislation; analyzed and researched health care policy issues and state and federal laws; provided support in various court cases; processed open records requests; and prepared policies, resolutions, rules and regulations for DCH. The Office also monitored compliance with HIPAA Privacy and Security, provided guidance about regulatory compliance, and administered the Georgia Open Records Act on the Department's behalf. Through its Legal Services section, the Office also handled administrative hearings before the Office of State Administrative Hearings and the internal Hearing Officer designated by the Commissioner.

The Office maintained a close working relationship with various governmental agencies, including but not limited to its sister agencies: the Department of Behavioral Health and Developmental Disabilities (DBHDD), the Department of Human Services (DHS) and the Department of Public Health (DPH) to ensure an open line of communication supporting DCH's programs, goals and missions. Four sections in the Office assisted in these efforts:

- Legal Services
- Contracts Administration
- HIPAA Privacy & Security
- Open Records

From July 1, 2013, to June 30, 2014:

- The Legal Services section received approximately 1,447 member and provider appeals.
- The Contracts Administration section responded to the contract needs of every division and office in DCH. Contracts Administration coordinated with program staff, DCH leadership and vendors to execute approximately 127 contracts, including amendments.
- The HIPAA Privacy & Security section assisted with the "Refreshed and Ready" training program, during which 100 percent of DCH workers, including DCH employees and contractors, completed online training about targeted DCH policies and procedures.
- The Open Records section received approximately 466 requests for records in FY 2014 pursuant to the Georgia Open Records Act. A staff attorney is designated as the DCH Open Records Officer.

Office of General Counsel

Information Technology

In FY 14, the Office of Information Technology (OIT) was composed of four business units:

- The Medicaid Management Information System (MMIS) unit, which supported the various systems used for processing, collecting, analyzing and reporting information needed for all Medicaid and PeachCare for Kids® claim payment functions
- The SHBP IT unit, which supported the Membership Enrollment Management System (MEMS) providing health insurance coverage to SHBP members
- The Information Technology Infrastructure (ITI) unit, which executed End User Computing for the entire agency; and
- The Information Technology Security unit, which ensured security compliance for DCH systems.

Major Accomplishments

Medicaid Management Information System (MMIS)

Georgia MMIS (GAMMIS), one of the most complicated and important IT project in the state, began live operations on November 1, 2010. Since then the GAMMIS team has managed numerous federal and state required system modifications and enhancements, as well as scheduled system maintenance. The GAMMIS team also provided project oversight for the initiation and planning phases of several large federally mandated projects such as ICD-10 and eligibility. The team will continue to support these projects for the design, development and implementation (DDI) phase through project oversight inclusive of resources management, project management and providing subject matter expertise to meet the following deadlines:

- ICD-10 – October 1, 2015
- New Eligibility System – April 1, 2016

The State Health Benefit Plan (SHBP) IT

The State Health Benefit Plan (SHBP) IT unit supported the Membership Enrollment Management System (MEMS), which manages the membership data for health insurance coverage to SHBP members. For FY 14, SHBP IT facilitated the MEMS to ADP transition which included:

- Automated nightly data transmission between Automatic Data Processing, Inc., (ADP) and MEMS to synchronize enrollment data.
- Developed a program to create unique Healthcare Identification numbers for all enrolled members and distributed the identification numbers to ADP and BlueCross BlueShield providing all three entities with a common identifier for tracking member activity.
- Worked with ADP to reconcile over 800,000 fields of data to ensure a successful Open Enrollment.
- Transitioned 2014 Open Enrollment to an APD managed web service that extended enrollment online from an Open Enrollment solution to a year-round application for new hires successfully.
- Completed numerous requests for updates, changes and implementations.

Information Technology Infrastructure (ITI)

The ITI Network Support team continued to facilitate the agency's IT needs. This included constant support with File Transfer Protocol (FTP) sites and SharePoint sites when migrated to the new SharePoint server. Both iPads and Airwatch were introduced to staff along with other devices. The team continuously upgraded iPhones and air cards, and provided end user support by equipping new employees, installing software and adding shared drives to the network.

Office of Information Security

The Office of Information Security (OIS) managed risks to the Department's business missions and day-to-day operations by providing security governance oversight and ensuring organizational compliance with state and federal laws, regulations, policies and standards including the following:

- HIPAA Privacy & Security
- Social Security Administration Security Standards
- HHS/CMS Security Requirements & Standards
- Federal Information Security Management Act (FISMA)/ National Institute of Standards and Technology (NIST) Security Standards
- Federal Bureau of Investigation Criminal Justice Information Services Security Policy (FBI CJIS) Security Standards
- State Security Standards
- IRS Federal Tax Information (FTI) Security Standards

Office of Inspector General

The Office of Inspector General (OIG) safeguarded the integrity of DCH from risk internally and externally. Detecting fraud, waste and abuse was the office's clear charge.

The OIG rigorously reviewed, investigated and audited Medicaid providers and recipients to uncover criminal conduct, administrative wrongdoing, poor management practices and other waste, fraud and abuse. The OIG also recovered the cost of medical expenditures from liable third parties when members were involved in a personal injury action. Additionally, the OIG provided Department oversight, audit and provider enrollment certification services. In FY 14, the office had six units:

- *Program Integrity* –- Monitored Medicaid providers and members;
- *Third Party Liability (TPL)* –- Identified, maintained and recovered third-party resources that were liable for the cost of medical expenditures of the Medicaid members;
- *Provider Enrollment* –- Reviewed, evaluated and processed all applications for supplier and facility enrollment in Georgia Medicaid and PeachCare for Kids®
- *Data Integrity and Analysis Team (DIAT)* –- Generated, analyzed and maintained analytical data and reports within the OIG to assist in the detection of fraud and abuse;
- *Office of Audits* –- Conducted internal and external audits and reviews;
- *Internal Investigations* –- Examined allegations of fraud, waste and abuse by DCH employees, contractors, sub-contractors and vendors.

In FY 14, the OIG was involved in recovering over $31.2 million, including overpayments to Medicaid providers, members and global settlements. The monies collected were actual recoveries. The OIG opened more than 1,200 new Medicaid and PeachCare for Kids cases and referred 28 cases to the Georgia Medicaid Fraud Control Unit. There were 848 cases closed in FY 14.

TPL was involved in recovering over $38.8 million for the TPL recovery and recoupment programs. A total of 18,952 leads/cases were opened and 8,238 were closed/settled.
In addition, the Office of Inspector General began an initiative to engage providers in informally resolving issues identified during the program integrity review. The Department uses discretion in reducing overpayments identified that are attributable to simple error and do not affect the quality of care the member received. Although the provider has the opportunity to appeal the review, the number of appeals received has decreased by 50 percent.

The Office of Communications & Legislative Affairs served as the primary point of contact and outreach for all DCH internal and external communications, and all legislative activities with the Georgia General Assembly.The Office's three main programs include communications, legislative affairs and constituent services. The communications team handled all media and public relations for the Department, responding to the department's diverse communications needs with tools like the DCH web site, press releases, e-newsletters, social media channels, printed materials and more. The Legislative Affairs team analyzed bills and shaped legislative strategies around SHBP, Medicaid, PeachCare for Kids®, Healthcare Facilities Regulation and all health care issues affecting the Department.

During FY 2014, communications wrote and distributed 14 news releases/advisories and responded to 368 media inquiries and additional follow-up. Media interest focused on changes to the State Health Benefit Plan, Healthcare Facilities Regulation, Medicaid and other various issues, with requests received from state, regional and national media outlets.

Communications continued to produce several publications that have become vital sources of Department news and updates. This includes seven editions of DCH-i, the agency's external newsletter, which keeps the more than 55,000 stakeholders, providers, legislators and other interested Georgians informed about the latest news from DCH, and 12 editions of DCHNOW, an internal monthly e-newsletter for DCH staff. In FY 14, Communications created and published a newsletter for SHBP members, benefit coordinators and payroll locations. In addition, an ICD-10 newsletter encouraging provider compliance was issued regularly to support the agency's educational outreach. Communications sent numerous special email bulletins to the stakeholder community to emphasize upcoming changes, deadlines and other important DCH news. DCH social media channels, including a Facebook page and a Twitter feed, were created to communicate news and information to interested citizens. The Intranet site –- MyDCH –- was used to house staff announcements and other internal communications tools.

The Legislative Affairs staff served as the liaison to government officials, lobbyists, consultants, associations, patient advocacy groups and health-related organizations to support departmental initiatives and programs. Throughout the fiscal year, the Office of Constituent Services (OCS) within the OCLA assisted in providing customer service for Georgia's Medicaid program. OCS interacted daily with members, providers, legislators and others to help people understand the Medicaid program and the department's business functions as a whole. In FY 14, DCH Constituent Services responded and sought favorable outcomes to 2,589 constituent calls, emails, letters, faxes and inquiries.

Communications & Legislative Affairs

Operations

The Operations Division continued its efforts to improve the quality and efficacy of service to its external and internal customers. FY 2014 efforts included the establishment of the Office of Strategic Management, charged with overseeing the agency's Strategic Plan as well as managing the agency dashboard, which reflects the health status of DCH's most critical projects. The Division's administrative offices such as the Office of Human Resources, Office of Procurement Services Vendor/Grantee Management and Support Services focused primarily on enhancing developed process improvement initiatives that allowed for shortened process times for requests; removal of duplicate or superfluous procedures to streamline activities; and the identification of systematic workflows to improve efficiency. These administrative offices support each of the agency's divisions as well as the stakeholders that assist DCH in improving the health status of Georgians. Further, the programmatic offices within Operations continued their mission to provide essential services to the uninsured and underinsured people in the state through the agency's Breast Cancer License Tag Program.

The State Office of Rural Health

The State Office of Rural Health (SORH) received $5,361,311 in state funding and $4,384,185 in federal funding totaling $9,772,834 for FY 14. The SORH linked Georgia's 109 rural counties with state and federal resources to develop long-term solutions to address health care delivery issues and improve health status. The focus for FY 14 funding was facilitating the Rural Hospital Stabilization Committee, building regional rural health systems, supporting rural hospitals to improve their financial stability, increasing number of school-based telehealth sites, placing physicians and allied health professionals in underserved communities, and identifying creative ways to make health care more accessible in Georgia's underserved rural and urban areas. The SORH facilitated improved access to primary health care in all underserved areas of the State by employing education, information, technology and collaboration among the multi-levels of health providers.

Programs included Federally Qualified Health Center Start Up, Rural Health Networks, Area Health Education Centers, Health Professional Shortage Designations, J1 Visa Waiver Programs, the National Health Service Corps, Georgia Breast Cancer Tag Program and the Erlanger Air Ambulance Project.

Office of Procurement Services and Grant Administration

Procurement Services used strategic sourcing to procure quality goods and services at the lowest reasonable cost and at the best value to the State. In FY 14, Procurement Services managed eight procurements with an estimated FY value of $159.9 million; and generated an estimated $4.6 million in savings or cost avoidance through competitive bids and negotiated pricing. Procurement analyzed 173 current and forecasted purchases to identify services that must be either sourced through the competitive bidding process, could be exempt or approved for renewal, termination and/or substantive changes through the amendments of existing contracts.

In FY 2014, Grants Administration successfully managed 103 active grants totaling $20,286,319 in state, federal and in-kind matching funds. In conjunction with DCH business owners, Grants Administration developed performance-based deliverables for all grant awards. The practice of developing performance based deliverables allows the agency to clearly identify the public's return on issuing grant funds. The Office initiated and executed 59 grants totaling $5,865,516.

Grants Administration awarded four grantees through one Rural Health Competitive Grant Award. The purpose of the Rural Health Network Grant is to expand access, increase cost efficiency and improve the quality of essential health care services, including but not limited to primary care, acute care, mental health, oral health, telehealth, emergency medical services and other areas of identified health care related community needs.

Eleven grant awards were renewed in the amount of $6,182,229. Grants Administration also amended 21 grant agreements in the amount of $7,504,694, extended two grant agreements in the amount of $324,000 and initiated 15 grant agreements for termination totaling $1,028,046.

Office of Human Resources

Accomplishments
- DOAS/HRA Audit 2014:
  - Exceeded enterprise average in five out of six measured areas
  - Classification Management and Performance Management identified for recognition as model programs
- State Charitable Contributions Program Coordinator:
  - First Ever - Awarded Governor's Cup
- Right From the Start Medicaid Project:
  - Transferred 300 positions
- Annual "Spring into Training" Compliance
- 100% employee participation
- New Employee Assistance Program (EAP) contract:
  - $3k annual savings
- Kronos upgrade to 7.0
- New Hire Orientation restructure
  - Reduced from two to one day class
- HR Training Room relocated to 40th Floor

The Georgia Board of Dentistry and the Georgia Board of Pharmacy

The Georgia Board of Dentistry ("Board") is responsible for the protection of the public health through the regulation of the practice of dentistry and the enforcement of standards of practice. The Board issues licenses to qualified dentist and dental hygiene applicants, identifies, investigates and sanctions those licensees who practice below the accepted standards of the profession (or without the necessary qualifications), and distinguishes between safe and dangerous dental practices through its rules and policies.

The Georgia Board of Pharmacy ("Board") is responsible for the regulation of pharmacy personnel and pharmacy facilities in Georgia. The Board reviews applications, administers examinations, licenses qualified pharmacist, pharmacy intern, pharmacy technician and pharmacy facility applicants, and regulates the practice of licensees. Complaints are investigated through its affiliated agency, the Georgia Drugs and Narcotics Agency, and if warranted, disciplinary action may be taken by the Board.

Major Accomplishments

In July 2013, the Georgia Board of Dentistry and the Georgia Board of Pharmacy efficiently transitioned from the Office of the Secretary of State to the Department of Community Health with less than a week of interruption of service to licensees and members of the public. During FY '14, the Board implemented a system for the renewal of licenses online, became compliant with its reporting requirements to the National Practitioner Data Bank, and made available all public disciplinary orders on its newly launched web site.

Attached Agencies

Below is a list of the auxiliary charts and maps for the FY 2014 Department of Community Health Annual Report. To access the charts and maps, please visit to https://dch.georgia.gov/annual-reports.

- MEDICAID MEMBERS AVERAGE BY COUNTY MAP
- MEDICAID NET PAYMENTS AND CAPITATION AMOUNT BY COUNTY MAP
- PEACHCARE FOR KIDS® AVERAGE MEMBERS BY COUNTY
- PEACHCARE FOR KIDS® NET PAYMENTS AND CAPITATION AMOUNTS BY COUNTY MAP
- SOURCES OF REVENUE - INDIGENT CARE TRUST FUND
- SHBP AVERAGE MEMBERSHIP BY COUNTY
- SHBP PAYMENTS BY COUNTY