Board of Community Health
Minutes
February 9, 2012

Members Present **Members Absent**

Ross Mason
Norman Boyd
Jack M. Chapman, M.D.
Clay Cox
Inman C. "Buddy" English, M.D.
Hannah Heck
Jamie Pennington
Archer Rose
William H. Wallace, Jr.

The Board of Community Health held its regularly scheduled meeting at the Department of Community Health, Fifth Floor Board Room, 2 Peachtree Street, N.W., Atlanta, Georgia. Commissioner David A. Cook was also present. (An agenda and a List of Attendees are attached hereto and made official parts of these Minutes as Attachments #1 and #2). Chairman Mason called the meeting to order at 10:34 a.m.

Minutes

The Minutes of the January 12, 2012 meeting were UNANIMOUSLY APPROVED and ADOPTED.

Committee Reports

Chairman Mason stated that the Policy Committee meeting had a presentation by the Georgia Warrior Alliance. There are 23,000 troops that served in Iraq and Afghanistan in the Northern metro portion of Georgia. The Georgia Warrior Alliance is a combination of Joint Chiefs and a dozen or so non-profit organizations dedicated to serving troops and returning veterans with significant injuries, post traumatic stress and providing assistance in re-entering the job field. The Georgia Warrior Alliance is hosting a summit on April 11- 15, 2012 at Warm Springs in an effort to link that 23,600 acres in partnership with the Augusta community, the leading healing environment in America for programs and services for men and women in the military and their families and to link the legacy of FDR at Warm Springs to the legacy of the Eisenhower medical facilities in Augusta. The committee discussed how a tele-medicine network might enhance the Warm Springs facilities. The Committee explored the possibility of having a DCH off-site meeting on the same weekend in Warm Springs. The Committee is excited about the opportunity for Georgia to lead the nation in this area.

Report of the Commissioner

The Board has three action items before it today and the Department would like to present an update on the Medicaid Redesign which is progressing well. Commissioner Cook stated that he would like to comment on an action taken by the Board at the January 12, meeting regarding proposed rate changes sent to DCH by the DBHDD. The rates have been studied by DBHDD for almost a year now, and the rates were sent to the Department of Community Health by Dr. Shelp asking the department to move forward with the proposal. A Public notice was given for new proposed rates and on January 26th a public hearing was held. The hearing was attended by a substantial number of the public, along with oral testimony. DCH has also received numerous written comments. The Commissioner thanked members of the public who took the time to submit written comments and to appear at the Hearing to testify. He also stated that the comments are being taken very seriously and will be taken into account as the review moves forward. As a result of this response, the Commissioner asked that this action be held until further review is done in coordination with DBHDD. There was no objection expressed by the Board to hold the issue.

Vince Harris, Chief Financial Officer presented the SHBP Employer Contributions: Rate Correction Resolution. This resolution corrects the previous Resolution that stated that the employer contribution is 34%. The correct amount is 34.063 %. Ms. Pennington MADE a MOTION to approve the Resolution entitled SHBP Employer Contributions: Rate Correction. Dr. English SECONDED the MOTION. On the motion the yeas were 9 and nays, 0 and the MOTION was UNANIMOUSLY APPROVED. (A copy of the Resolution entitled "SHBP Employer Contributions: Rate Correction" is attached hereto and made an official part of these minutes as Attachment #3).

Dr. Jerry Dubberly, Chief, Medical Assistance Plans presented the CHIP Rate Increase Public Notice. Dr. Dubberly stated that this action calls for a proposed provider reimbursement rate increase in the PeachCare for Kids® program for selected services. These services would result in a rate increase for claims with a date of service on or after April 1, 2012. This would increase the designated evaluation and management codes and four immunization codes to up to 100% of the 2011 Medicare rate. This action would also result in an increase of reimbursement for selected hospital inpatient services (DRG) by 15%. Specific codes and categories are listed in the public notice. These increases promote preventative care. The change is to help compensate providers who would experience decreased payment for patients who moved from SHBP to PeachCare for Kids®. The public notice also lists the Champus DRG codes that are increased. The estimated cost of this proposed change is $1.2 million dollars in state funds for 2012 and 4.8 million dollars in state funds for 2013. There will be an opportunity for public comment on February 23, 2012. Dr. Chapman MADE a MOTION to approve for initial adoption the CHIP Rate Increase Public Notice. Ms. Heck SECONDED the MOTION. On the motion the yeas were 9 and nays, 0 and the

MOTION was UNANIMOUSLY APPROVED. (A copy of the CHIP Rate Increase Public Notice is attached hereto and made an official part of these minutes as Attachment #4).

Dr. Dubberly presented the Nursing Facility Services Public Notice. During the public comment period, one (1) oral comment was received and three (3) written comments were received. The one oral comment was received from the Georgia Health Care Association (GHCA), which voiced support of the public notice and thanked the Department for its work in making changes to the cognitive performance methodology related to the Minimum Data Set conversion from 2.0 to 3.0. The association also recommended certain amendments to reflect the use of 2009 base year in other affected measurements in the public notice. The three written comments mirrored the oral comments. Dr. Dubberly thanked GHCA members who assisted with the technical amendments that were needed to correct the action at the January 2012 Board meeting. One written comment opposed the change and recommended change from cost reports to alternative methods that reward efficiency.

The Department agrees that it should review the current nursing facility services reimbursement methodologies. In fact, part of the current redesign work is looking at ways Medicaid can become a more value-based purchaser. However, this is a larger effort that would occur over a longer period of time and would probably require a phased-in approach. The Department respectfully asks for the Board's favorable consideration and final adoption of this action. Mr. Boyd MADE a MOTION to approve for final adoption the Nursing Facility Services Public Notice. Mr. Rose SECONDED the MOTION. On the motion the yeas were 9 and nays, 0 and the MOTION was UNANIMOUSLY APPROVED. (A copy of the Nursing Facility Services Public Notice is attached hereto and made an official part of these minutes as Attachment #5).

Blake Fulenwider, Deputy Commissioner presented an update on the Medicaid Redesign Initiative by the Department. DCH contracted with Navigant Consulting Inc. to conduct a Medicaid Redesign Strategy Evaluation. Navigant will assist through all phases of review (initial analysis through final implementation). Navigant is a global business consulting firm with experience in health care and has worked with virtually every state's Medicaid program.

The timeline for the Redesign project consists of five phases; **Assessment Phase,** August 2011 – January 2012, **Recommendation Phase,** January – April 2012, **Procurement Phase,** April 2012 – January 2013, **Implementation Phase,** January 2013 – January 2014, and **Redesign Launch,** January 2014.

The Strategy report included a national environmental scan targeting twelve states for review, a Georgia specific environmental scan and an options and evaluation report.

The Goals of the Redesign plan are to enhance appropriate use of services by members (33% weight), to achieve long-term sustainable savings in services (33% weight), and to improve health care outcomes for members (34% weight).

There are six strategic requirements for the redesign; to gain administrative efficiencies to become a more attractive payer for providers, to ensure timely and appropriate access to care for members within a reasonable geographic area, to ensure operational feasibility from a fiscal and administrative oversight perspective, to align reimbursement with patient outcomes and quality versus volume of services, to encourage members to be accountable for their own health and healthcare with a focus on prevention and wellness, and to develop a scalable solution to accommodate potential changes in member populations, as well as potential changes in legislative and regulatory policies. (A copy of the power point presentation on Medicaid Redesign is attached hereto and made an official part of these minutes as Attachment # 6).

Mr. Fulenwider then offered to answer questions from the Board pertaining to the Medicaid Redesign presentation.

Mr. Boyd stated that he understood that the reason Navigant was selected was because they had worked with many other states on Medicaid Redesign. He asked if that meant that Georgia was lagging behind other states in this process. Mr. Fulenwider responded that Navigant was selected through an RFP process. He also stated that Georgia has made some tremendous strides in the past couple of years, particularly in driving the quality of healthcare and really building a basis like HEDIS metrics that we are able to capture and compare, we are really on the front end of states in that regard. It is a continual process with these types of programs and states really go thru a transformation every so often, this just happens to be our time. Mr. Boyd asked about the timetable and if the Board would be asked to approve before going to the next phase of procurement? Commissioner Cook stated that the DCH would continue to have an open and transparent process keeping the Board and others appraised of the department activities and that we would use prior experience as a guide.

Dr. Chapman stated that this was a monumental task and thanked the Department for of the hard work put into the redesign. He then asked as the Department looks at the four option presented by Navigant, where is Georgia as far as infrastructure? Mr. Fulenwider stated that Infrastructure was a huge consideration and one of the strategic requirements. DCH will focus on what is available in terms of network and adequacy as a healthcare system in this state as well as internally as an agency; staff resources, IT capacity, etc. Dr. Chapman noted that one of the state's top three goals was to get patients to manage their own healthcare. The state has spent a lot of money on medications for Medicaid patients, is there a way to monitor this process. Going forward with electronic prescriptions we should be able to measure if patients are really

obtaining their meds and taking care of themselves. This should be reflected in less participants utilizing emergency care.

Ms. Pennington thanked the Department again for the redesign effort and asked if the hybrid options in the plan were going to require federal waivers as option eight does? Mr. Fulenwider stated that it would depend on various components. Option Eight required a waiver due to enforceable co-pays. That is a factor to be considered as the Department moves forward. Ms. Pennington then asked if the redesign models were being run assuming that Obama-care is upheld in the state and also run as if it were abolished. She further stated that she understood that the financial impact could be significantly different in comparison. Mr. Fulenwider stated that both models were being tested. In addition the department is working to update additional information received around the definition of Modified Gross Adjusted Income (MAGI) which is an eligibility criteria item. Also, additional guidance from the IRS has created the possibility of changing eligibility. The Department is also working to update the global Projection of the Expansion Population. Mr. Wallace stated that as the Department goes forward in the process it would be great to have an Internet Technology system that is compatible within the state, nationally and internationally.

Ms. Heck asked what potential vendors would be working on prior to the RFP going out in July. Mr. Fulenwider stated that would be based on the requirement set forth by the Department. He further stated that DCH would be laying the groundwork for building the foundation and developing policies that are involved with getting the operation unit together. Ms. Heck further stated that she understood that whatever option or design was chosen the vendor would have additional information for the implementation of the RFP. Dr. Dubberly stated that he thought the question was valid and that at this time the Department could not determine what the scope of the RFP would be until an option was chosen. Mr. Dubberly further stated that certain basic elements will have to be in place for a quality structure, such as strong quality, network development and other underlying tenants for a basic foundation. At that point definition will be given specifically leading up to the release of the RFP.

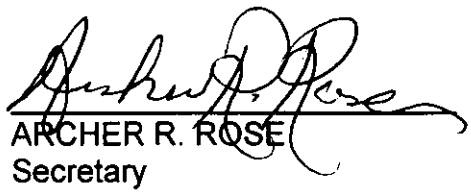
Chairman Mason thanked members of the public for the feedback received on the proposed rate increase for Now and COMP Waiver public notice. He also thanked the Commissioner for the Department's sensitivity in the matter.

Adjournment

There being no further business to be brought before the board, Chairman Mason adjourned the meeting at 11:26 a.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE 8th DAY OF March, 2012.

ROSS MASON
Chairman



ARCHER R. ROSE
Secretary

Official Attachments:

#1 List of Attendees
#2 Agenda
#3 SHBP Employer Contributions: Rate Correction Resolution
#4 CHIP Rate Increase Public Notice
#5 Nursing Facility Public Notice
#6 Medicaid Redesign Power Point Presentation