

**MINUTES OF THE  
BOARD OF COMMUNITY HEALTH MEETING  
August 27, 2009**

**Members Present**

Richard Holmes, Chairman  
Kim Gay, Secretary  
Norm Boyd  
Inman C. English, M.D.  
Hannah Heck  
Sid Kirschner  
Raymond Riddle  
Archer Rose

**Members Absent**

Ross Mason, Vice Chairman

The Board of Community Health held its monthly meeting at the Department of Community Health, Fifth Floor Board Room, 2 Peachtree Street, N.W., Atlanta, Georgia. (An agenda and a List of Attendees are attached hereto and made official parts of these Minutes as Attachments #1 and #2). Chairman Holmes called the meeting to order at 10:46 a.m. and asked Dr. Medows to begin her comments.

**Commissioner's Comments**

Dr. Medows presented an update and briefing on the Department's efforts to address the seasonal flu issues and the H1N1 flu virus. With respect to surveillance and disease monitoring, she reported that from April to this date there have been 147 hospitalizations and four deaths associated with the H1N1 virus. More importantly than following the number of cases is surveilling the severity of the disease which remains at a mild to moderate severity and the surveillance of any changes in antiviral drug resistance. The Department is also monitoring school absenteeism rates across the state. As of Wednesday there were 9-10 counties that had 1-4 schools that had absenteeism rates above 10% (the norm is 3% this time of year). There has been one school closure in Baldwin County. The decision to close a school rests with the district health officer and the local school district.

The State's mass vaccination plan is two pronged—seasonal flu vaccinations and H1N1 flu vaccinations. The H1N1 flu vaccine will be distributed nationwide by the McKesson Company when it becomes available. The District Health Officers will be the lead on who in the community will be receiving the vaccine and who will serve as vaccinators for the target population. The Department is trying to assist the District Health Officers by investigating the possibility of statewide agreements with entities such as Wal-Mart and Minute Clinics that have stepped up to assist with the Department's efforts. The Department is also making considerable efforts to expand the capacity of the state vaccine registry which is called GRITS (Georgia Registry of Immunizations Transactions and Services).

Dr. Medows said mitigation and community resources is a very complex and detailed effort underway through the Emergency Preparedness staff and the emergency management systems in each community. This includes assessing hospital capacity which includes the number of beds, intensive care units, ventilators, ability to divert, ability to share regional resources, and the ability to serve as centers of care during a pandemic. The Department is preparing for two scenarios; 1. an increase in volume of individuals who have influenza but the severity stays the same (mild to moderate) and 2. the severity increases requiring more people to require hospitalizations or need more advanced care.

Dr. Medows described the Department's communications campaign called *Roll Up Your Sleeve* which gives basic information on seasonal flu and H1N1 flu and strongly urges everyone to get the seasonal flu shot as soon as it becomes available. Next week the Department will make available seasonal flu vaccinations at various worksites and school districts for state employees and public school employees.

The Department has conducted multiple stakeholder briefings and meetings with the public and faith based organizations. Included were physicians, provider associations, Composite State Board of Medical Examiners, nurses, nurse associations, nurse practitioners, pharmacists, paramedics, dentists, veterinarians, and nursing homes. In addition the Department briefed state agency heads and partnered with the Department of Early Childhood Learning, Department of Education, Board of Regents of the University System of Georgia, and the Technical College System of Georgia to provide information about the H1N1 virus.

The Department has been working with the Georgia Emergency Management Agency and Homeland Security through the Homeland Security Task Force since the H1N1 flu virus has reached pandemic status. In an effort to make sure the Department is on target and receives the best assistance possible, DCH staff went on a site visit to the Centers for Disease Control (CDC) and met with CDC emergency preparedness, epidemiology and other program staff. Dr. Medows also met with Dr. Friedman, the CDC Director, to discuss Georgia's preparation plans going forward. Next week, DCH staff will have a review with the U.S. Departments of Health and Human Services, Homeland Security and Education to assess Georgia's preparedness.

Finally, Dr. Medows said Carie Summers, Chief Financial Officer, will present budget information for the Medicaid, PeachCare for Kids, Public Health, Emergency Preparedness, Healthcare Access, and Administration budgets. This is the initial presentation to the board. The Board will be asked to vote on the recommendations at the next board meeting.

## Department Updates

Carie Summers, CFO, presented a Resolution – Replacing Certain State Health Benefit Plan Employer Contribution Rates for August through November 2009. This resolution is a correction to a resolution that was adopted at the August 13 meeting relating to the liquidation of the OPEB long-term investment funds and reducing the employer contributions from August–November 2009. She said unfortunately the payroll locations could not make adjustments in time for the September payments. The Resolution presented today asks the Board to allow the Department to further adjust the percent of payroll that state agencies and local boards of education pay for the September–November time period, resulting in the same budget outcome as the previous resolution. The difference is the payroll locations would make the change one month later than originally anticipated. The state Employee Plan Employer contribution rate would remain at 22.165% for August and 16.581% of payroll for September, October and November 2009. The Teachers' Plan Employer contribution rate would be 18.534% of state-based salaries for local school systems and RESAs for August and 14.492% for September, October, and November 2009. Mr. Boyd MADE a MOTION to adopt a Resolution – Replacing Certain State Health Benefit Plan Employer Contribution Rates for August through November 2009. Mr. Rose SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of a Resolution – Replacing Certain State Health Benefit Plan Employer Contribution Rates for August through November 2009 is attached hereto and made an official part of the Minutes as Attachment # 3).

Next Ms. Summers presented the Amended FY 2010 and FY 2011 Program Budgets. The Department, as with all state agencies, was asked to prepare 4, 6 and 8 percent cuts for both the Amended FY 2010 and FY 2011 budgets for Public Health, Healthcare Facility Regulation, DCH Administration and Healthcare Access and Improvement programs. The required cut level for the Medicaid/PeachCare for Kids budget is 3 percent. In the event of enhancements, the dollars must be found within the existing budget and cuts made elsewhere to redirect for the additions.

The summary of the Amended FY 2010 and FY 2011 budget cuts to the DCH Administration, Healthcare Access and Healthcare Facility Regulation programs is \$4.8 million (4 percent), \$6.4 million (6 percent), and \$8.8 million (8 percent).

Ms. Summers said during the budget development for Public Health, the Department relied on the Public Health budget staff and also reached out to the Public Health program directors and District Health Directors to solicit input. The guiding principles were: 1. try to minimize cuts to programs that support H1N1 Monitoring and Prevention; 2. try to minimize cuts to programs that provide pharmacy support to public health patients; 3. take advantage of additional federal and grant funds that can be earned under the new cost allocation plan for Public Health; 4. utilize new or higher user fees to supplant state fund cuts; and avoid cuts to Vital Records. The budget targets for Public Health (including Public Health Administration) are \$7.8 million (4 percent); \$11.8 million (6 percent) and \$15.7 million (8 percent). She reviewed the AFY 2010 and FY 2011 cuts for state level operations, state programmatic cuts, cost allocation plan, grant in aid reductions and state level fee proposals. Ms. Summers also reviewed additional cuts that would be necessary to meet budget targets without the fee proposals.

Dr. Medows emphasized that the Department is trying to avoid the additional cuts that would be necessary without the fee proposals. She reiterated that the input and ideas about the cuts came from program directors and 12 of the 18 district health directors.

Ms. Summers stated that in FY 2010 the total cuts plus the fees is a little over \$15 million—about \$778,041 short of the 8 percent target. At the 8 percent level, 49 percent of the reduction is local grant in aid; 36 percent at the state level; and 14 percent made up by the new fees. In FY 2011 the total cuts plus fees is about \$16.5 million versus the 8 percent target of \$15.7 million, resulting in a surplus of \$778,041. In this scenario, 45 percent of the reduction is local grant in aid; 29 percent at the state level and 25% in new fees. After addressing questions from the Board, Ms. Summers moved to the PeachCare and Medicaid budgets.

Ms. Summers reported that the PeachCare for Kids (PCK) program ended FY 2009 with a \$5.1 million surplus. She reviewed the FY 2009 PCK Revenue and Expense Drivers: a 4.7 percent decline in enrollment; 6.5 percent increase in Per Member Per Month (PMPM) costs; and an increase in families with higher incomes paying more in premiums. A \$21.5 million surplus is projected for FY 2010 and \$16.7 million is projected in FY 2011 which will be used to offset the cuts and cover growth in the Medicaid program.

In FY 2009 the Medicaid program ended with a \$47.6 million surplus. Ms. Summers reviewed the FY 2009 Low Income Medicaid (LIM) drivers, FY 2010–2011 Projected LIM PMPM, Aged, Blind and Disabled (ABD) cost drivers, and FY 2010–2011 Projected ABD PMPM. The Medicaid Fund status projection is \$1.6 million surplus in FY 2010 and \$83.3 million deficit in FY 2011.

Ms. Summers reviewed the Department's approach to reductions in benefits. Areas targeted first included use of prior year surplus; correction and maintenance of accurate eligibility records; fraud recoveries; and correction and recovery of claims payment errors. Areas the Department could not target are: member eligibility (ARRA requires maintenance of July 2008 eligibility through December 2010); and any policy change that required significant re-programming of the MMIS (due to July 2010 conversion to a new MMIS). Areas that did not make sense to target were optional services that are less costly alternatives to mandatory services.

Amended FY 2010 Medicaid budget recommendations include providing state matching funds for private Disproportionate Share Hospitals with deemed status (enhancement); supplant FY 2010 state funds with FY 2009 benefits surplus; re-project Medicaid enrollment and revise assumptions concerning the impact of unemployment on Medicaid; re-project PCK membership to reflect lower trend in enrollment; reflect impact of member merge adjustments; reflect drug company national settlement; reflect impact of Breast and Cervical Cancer eligibility reviews; and reflect impact of changing the Pre-Admission Screening and Resident Review contract. This \$61.4 million surplus would be rolled forward to cover FY 2011 needs.

The FY 2011 budget recommendations include cover projected growth in Medicaid; add 100 Independent Care Waiver Program (ICWP) slots to support the Money Follows the Person Initiative; cover ICWP waiting list of 179 people; supplant state funds with FY 2010 benefits surplus; re-project PeachCare membership to reflect lower trend in enrollment; increase revenues from the Nursing Home Provider Fees to supplant state funds earmarked for Fair Rental Value and Quality Incentive rate adjustments implemented in FY 2010; assign adopted foster care children to CMOs; negotiate greater discounts for high priced specialty drugs and establish a set reimbursement rate; discount risk adjustment factors in CMO rates by capping CMO rates at the 50 percentile of the rate range; reduce reimbursement to CMOs by 1.86 percent; apply an 1.86 percent across the board cut to all Fee-For-Service providers funded with DCH state funds; and reduce reimbursement to Non-Emergency Transportation brokers by 1.86 percent. Ms. Summers concluded the presentation of the Amended FY 2010 and FY 2011 Program Budgets. Ms. Gay MADE a MOTION to approved the initial presentation of the Amended FY 2010 and FY 2011 Program Budget proposals. Mr. Kirschner SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Amended FY 2010 and FY 2011 Program Budgets proposal is attached hereto and made an official part of these Minutes as Attachment # 4).

### **Minutes**

The Minutes of the August 13 meeting were UNANIMOUSLY APPROVED and ADOPTED.

### **Adjournment**

There being no further business to be brought before the Board, Chairman Holmes adjourned the August 27 meeting at 12:10 p.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE \_\_\_\_\_  
DAY OF \_\_\_\_\_, 2009.

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RICHARD L. HOLMES  
Chairman

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KIM GAY  
Secretary

### Official Attachments:

- #1 List of Attendees
- #2 Agenda
- #3 Resolution – Replacing Certain State Health Benefit Plan Employer Contribution Rates for August through November 2009.
- #4 FY 2010 and FY 2011 Program Budgets proposal