

**MINUTES OF THE
BOARD OF COMMUNITY HEALTH MEETING
July 9, 2009**

Members Present

Richard Holmes, Chairman
Ross Mason, Vice Chairman (via phone)
Kim Gay, Secretary
Dr. Inman English
Dr. Ann McKee Parker
Archer Rose

Members Absent

Raymond Riddle

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 10:34 a.m.

Minutes

The Minutes of the June 11 meeting were UNANIMOUSLY APPROVED and ADOPTED.

Commissioner's Comments

In Commissioner Medows' absence Dr. Carladenise Edwards, Chief of Staff, offered comments. She said Commissioner Medows was in Washington DC attending the National Governors Association H1N1 Flu Summit. The Department of Community Health assumed the responsibility for the Public Health Division and Regulatory Services on July 1. Dr. Medows is serving as the State Health Officer as well as the Acting Public Health Director until the Governor appoints someone to that role.

Department Updates

Dr. Jerry Dubberly, Chief, Medical Assistance Plans, presented a summary of the comments received on the Durable Medical Equipment Services Public Notice which was initially adopted at the May 14 board meeting. The Department received 45 comments – 16 oral and 29 written. The overarching concern was about the reduction in revenue and decreased profitability for some providers. Dr. Dubberly said the reimbursement change would result in a decrease in reimbursement for many providers; however it is the Department's responsibility under the Code of Federal Regulations (CFR) to guard against unnecessary or inappropriate use of Medicaid services and excess payments. Dr. Dubberly said staff looked at other states' durable medical equipment (DME) reimbursement methodology and found that Georgia's reimbursement rates were consistent with other states in terms of percentage of the Medicare rate. One of the differences to note is Georgia is using the 2007 Medicare rate as a base and other states are using 2008 or 2009.

Another concern was there may be an adverse impact on the patient, including limited access to DME and rehabilitation services resulting in decreased quality of care and a shift in cost to hospital providers. Dr. Dubberly said there is no data available at this time to substantiate that access will be limited. He said the Department will monitor access to care issues or unintended or unrecognized consequences for members.

Another concern was in reference to a lack of communication of policy changes and reimbursement methodologies. Dr. Dubberly said the Department has published notification of these changes. In addition, this reimbursement methodology has been in the proposed budget since last year. There have been at least six formal public presentations that have been made available on the Department's web site.

The Department also received a number of comments from complex rehabilitation providers advocating the Department to recognize complex rehab products and services as a separate benefit category. Dr. Dubberly said the Department recognizes the uniqueness of these services; however, it is not feasible at this time to redesign the current system to incorporate a new category of service nor to provide enhanced reimbursement for these services.

Ms. Gay MADE a MOTION to approve for final adoption the Durable Medical Equipment Services Public Notice. Mr. Rose SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Durable Medical Equipment Services Public Notice is attached hereto and made an official part of these Minutes as Attachment # 3).

Next Dr. Dubberly discussed the Physicians' Injectable Drug List (PIDL) Public Notice. He said House Bill 119 called for a change in reimbursement to 80% of the 2007 Medicare rate for Physician Injectable drugs. This proposed change to the reimbursement methodology was initially adopted at the May 14 meeting. A public hearing was held and DCH received an overwhelming response from providers and stakeholders. Major concerns were: reimbursement was less than the acquisition costs for many of the drugs and providers would not be able to afford to provide the drugs; a shift in care from the physician's

office to the more costly outpatient hospital setting; adverse impact to patient's access to drugs and healthcare. As a result of the comments received, the Department did further investigation and solicited invoices from providers to look at the actual acquisition costs and compared the Department's proposed reimbursement methodology. Dr. Dubberly said the department found that in many cases the reimbursement level was at or below the acquisition costs for the providers. The Department also looked at 27 different states that used Average Sales Price (ASP) pricing (the Medicare reimbursement rate is ASP plus 6%); 26 states were at 100% of the Medicare rate. Dr. Dubberly stated that today he is asking to rescind the public notice issued on May 14 and ask for favorable consideration of a new public notice.

Effective for dates of service on or after September 1, 2009, the new PIDL Public Notice proposes to update the maximum allowable reimbursement for physicians' injectable drugs administered by a provider or appropriate designee in an office setting to the lesser of ASP plus 6% which is 100% of Medicare as defined January 1 of each year or upon the drug's initial entry into the market, which ever is later or the provider's usual and customary charge. For drugs that do not have ASP, the Public Notice calls for the continued reimbursement methodology of AWP minus 11% or the provider's usual and customary charge; which ever is lesser. This would allow the Department to achieve the savings that was projected in the budget even though there are 10 months to achieve the savings.

Mr. Holmes stated he thought this was a great example of the Department receiving good feedback during the public comment period, addressing some of those concerns and issues raised, and in this particular case, finding another way to accomplish the same end. Ms. Gay MADE a MOTION to approve for initial adoption the Physicians' Injectable Drug List Public Notice to be published for public comment. Dr. Parker SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Physicians' Injectable Drug List Public Notice is attached hereto and made an official part of these Minutes as Attachment # 4).

Adjournment

There being no further business to be brought before the Board, Chairman Holmes adjourned the July 9 meeting at 10:50 a.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE _____

DAY OF _____, 2009.

RICHARD L. HOLMES
Chairman

KIM GAY
Secretary

Official Attachments:

- #1 List of Attendees
- #2 Agenda
- #3 Durable Medical Equipment Services Public Notice
- #4 Physicians' Injectable Drug List Public Notice