

# AMENDED FY 2008 AND FY 2009 BUDGET SUMMARY

Presentation to  
BOARD OF COMMUNITY HEALTH  
MAY 8, 2008



**CARIE SUMMERS, CHIEF FINANCIAL OFFICER**

# Overview - Amended FY 2008

- Impacts Current Year Budget
- HB 989 – signed by the Governor on March 21, 2008
- DCH - Overall 4.2% Increase in Total Funds (+\$484.0 m) but 3.3% decrease in State Funds (-\$80.8 m)



# Amended FY 2008

## INCREASES

- \$236.0 m prior year state fund increase for FY 2007 IBNR
- \$13.7 m state fund increase in Indigent Care Trust Fund for funding for private hospitals DSH eligible
- \$15.9 m state fund increase in PeachCare for Kids to cover FY 2008 expenditures
- \$30.3 m other fund increase to pre-fund FY 2009 SHBP costs for school employees



# Amended FY 2008

## DECREASES

- \$76.9 m state fund reduction in Aged, Blind, and Disabled to reflect revised benefit projections
- \$33.2 m state fund reduction in LIM and PCK to reflect revised collection of CMO QA fees
- \$300 k state fund reduction in Departmental Administration and Program Support for the Regional HIT pilot partnership with MCG.



# Overview – FY 2009

- Effective for July 1, 2008
- HB 990 – Appropriations Act not yet signed by the Governor (no later than May 21, 2008)
- DCH - Overall 7.2% Increase in Total Funds (+\$816.6 m) and 1.1% increase in State Funds (+\$27.5 m)

# FY 2009 Medicaid/PCK Benefit Financing

- \$258.8 m increase in federal funds for [Federal Financial Participation](#) rate increase
- \$204.9 m increase in prior year state funds for FY 2008 [IBNR](#) in Medicaid
- \$31.3 m reduction in state funds for [revised benefit projections](#) in Medicaid
- \$27.8 m reduction in state funds in LIM and PCK to reflect revised [collection of CMO QA fees](#)
- \$17.3 m state fund increase in [PeachCare](#) for Kids to cover [FY 2009 expenditures](#)

# FY 2009 Medicaid/PCK Enhancements

## Rate Increases (impacts FFS and CMO\*)

- Inpatient and Outpatient Hospital Services
- Home Health
- Healthcheck
- RBRVS Physician and Related Services
- Global Maternity
- Community Care Services Providers
- Ambulance
- Independent Care Waiver Program
- Dental
- Nursing Home
- Psychiatric Residential Treatment Facilities
- Developmental Disabilities Providers

\* Where applicable

# FY 2009 Medicaid/PCK Enhancements

- Scope of Services
  - Digital Mammography
- Eligibility Expansions
  - Foster Care Children Ages 18 – 20
  - Independent Care Waiver Slots
    - 100 for Money Follows the Person
    - 75 for community waiting list



# FY 2009 Healthcare Access

- Enhancements
  - \$9.25 m for grants for the Rural Safety Net for Primary Care
  - \$2 m to support provisions of S.B. 404 – Georgia Health Marketplace Authority
  - \$1 m for start up funding for 4 new community health centers
  - \$1 m for funding for behavioral health integration at 4 community health centers
  - \$950 k for grants to create Safety Net clinics
  - \$500 k for grants funds to SE Firefighters' Burn Foundation
  - \$150 k for a planning grant for the Georgia Wellness Incentive Pilot program



# FY 2009 Healthcare Access

- Reductions of One-Time Funding from FY 2008
  - \$1.75 m for state support of [Hughes Spalding Children's Hospital](#)
  - \$1.5 m for start up funding for [6 new community health centers](#)
  - \$1.25 m for funding for [behavioral health integration](#) at 5 community health centers
  - \$750 k for [Electronic Medical Record system](#) development for Federally Qualified Community Health Centers
- \$1.5 m transfer of funding for [Regional Cancer Coalitions](#) to Board of Regents (Georgia Cancer Coalition)



# FY 2009 SHBP

## CHANGES IN REVENUE

- \$24.2 m by increasing **employee premiums** on average 7.5%
- \$16.7 m reduction by decreasing the **percent of payroll contribution** by state agencies from 22.843 to 22.165 percent
- \$9.9 m from employer contributions on behalf of **legislative and judicial employees**

## CHANGES IN EXPENDITURES

- PBM to **guarantee independent pharmacists** AWP – 13% + \$3.41 per script dispensing fee



# FY 2009 Administration

- Increases
  - Annualized 08 Salary Adjustment
  - 2.5% Salary increase January 2009, including funding for performance increases and adjustments to the statewide salary plan
- Reductions
  - \$5 m in operational expenditures
  - Workers' Compensation premiums reduced



# Budget Summary and Comparison

<u>Program</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>\$ Change</u>	<u>% Change</u>
Departmental Administration and Program Support	\$ 430,930,823	\$ 426,660,620	\$ (4,270,203)	-1.0%
Health Care Access and Improvement	\$ 17,987,926	\$ 26,272,898	\$ 8,284,972	46.1%
Indigent Care Trust Fund	\$ 432,822,000	\$ 398,662,493	\$ (34,159,507)	-7.9%
Medicaid: Aged, Blind, and Disabled	\$ 4,273,886,947	\$ 4,611,480,973	\$ 337,594,026	7.9%
Medicaid: Low-Income Medicaid	\$ 2,924,600,849	\$ 3,377,418,806	\$ 452,817,957	15.5%
Nursing Home Provider Fees	\$ 324,921,888	\$ 335,870,759	\$ 10,948,871	3.4%
PeachCare	\$ 313,825,507	\$ 341,864,111	\$ 28,038,604	8.9%
State Health Benefit Plan	<u>\$ 2,687,375,431</u>	<u>\$ 2,704,743,166</u>	<u>\$ 17,367,735</u>	<u>0.6%</u>
<b>TOTAL (All Funds)</b>	<b>\$ 11,406,351,371</b>	<b>\$ 12,222,973,826</b>	<b>\$ 816,622,455</b>	<b>7.2%</b>
TOTAL (State Funds)	\$ 2,431,163,362	\$ 2,458,651,881	\$ 27,488,519	1.1%