

**MINUTES OF THE
BOARD OF COMMUNITY HEALTH MEETING
May 13, 2010**

Members Present

Ross Mason, Vice Chairman
Norman Boyd
Hannah Heck
Sidney Kirschner
Archer Rose

Members Absent

Richard Holmes, Chairman
Dr. Inman C. "Buddy" English

The Board of Community Health held its regularly scheduled monthly meeting at the Department of Community Health, Fifth Floor Board Room, 2 Peachtree Street, N.W., Atlanta, Georgia. Commissioner Clyde Reese was present also. (An agenda and a List of Attendees are attached hereto and made official parts of these Minutes as Attachments #1 and #2). Vice Chairman Mason called the meeting to order at 10:33 a.m.

Minutes

The Minutes of the April 10, 2010 meeting were UNANIMOUSLY APPROVED and ADOPTED.

Vice Chairman's Comments

Vice Chairman Mason congratulated Commissioner Reese on his appointment as Commissioner of Community Health. Mr. Mason said he was delighted to have Commissioner Reese leading the Department during a very challenging time of changes at the national level and state budget. He said he was excited about Commissioner Reese's leadership and looked forward to working with him.

Committee Reports

Hannah Heck, Chairperson of the Care Management Committee, stated that the focus of the meeting was on emergency room utilization, triage rates, and appeals data, both in the Georgia Families Medicaid managed care programs and the State Health Benefit Plan and efforts to decrease emergency room utilization. Ms. Heck said the most striking factor in the emergency room utilization was the impact of the H1N1 Influenza in 2009, particularly for respiratory emergency medical services. The Committee also received an update on enrollment growth--a 9% increase since last year.

Archer Rose, Chairperson of the Audit Committee, said the Committee received an update on the implementation of the new Medicaid Management Information System (MMIS) which staff anticipates will go live on November 1, 2010. The Committee was made aware that Metcalf Davis Mauldin and Jenkins, a Joint Venture, reached an agreement with the Department to audit the FY 2010 Financial Report. Mr. Rose said the Committee and JV had an interesting discussion on the timeline, particularly in light of the addition of the Public Health Division and the challenges this will present to the staff and Joint Venture to develop an appropriate audit schedule. Myers and Stauffer presented an update on FY 2010 benefits testing.

Commissioner's Comments

Commissioner Reese said he was honored to accept the Governor's appointment as Commissioner of Community Health. Commissioner Reese stated he will strive to be the best Commissioner he can be, both internally for staff and management, and externally for the people the Department services, and also those who serve those people. Commissioner Reese stated he will focus on access and communication. He said he appreciated everyone's well wishes and will move forward with the work of the Department.

Commissioner Reese announced that the go-live date for implementing the Medicaid Management Information System (MMIS) from Affiliated Computer Services (ACS) to Hewlett Packard (HP) has moved from July 1, 2010 to November 1, 2010 in order to extend the testing period to make sure the Department has a system that will work and avoid problems experienced in years past.

Commissioner Reese stated that the Department will update the Board on the FY 2010 Amended Budget. He said since today's agenda was lengthy, the Department would focus on

the FY 2010 Amended budget only. The FY 2011 Budget will be discussed at the June meeting.

Commissioner Reese said during the Legislative Update, the Board will hear about House Bill 1055—a part of which is the hospital fee that the hospitals stepped up to the plate to help close a hole in the budget. Hospitals will be assessed a fee (a percentage of their net patient revenue) beginning September 30, 2010. He said the Department will try to implement the fee in an open and inclusive fashion. The Hospital Advisory Committee has been reconstituted and established a financial subcommittee of that group to help the Department and work with DCH on the methodology and data sources to implement the fee. He said the Department is hopeful that having this type process will allow the fee to be implemented in a transparent manner. The Department will also present a public notice today for a rate increase which is part of the entire effort.

Commissioner Reese said the Department has not talked about healthcare reform to the public and to the Board. In the coming months, the Department will talk more about this topic. Staff is working internally to determine what is included in the federal legislation, requirements, timelines, and impact to Medicaid and the State Health Benefit Plan. He said the Department is cognizant of the things that an administrative agency such as DCH has to do and are working on them, particularly those items that are coming on line sooner than others.

Department Updates

Mr. Doug Colburn, Chief, Healthcare Facility Regulation Division, began discussion on Rule 111-8-68, Residential Mental Health Facilities for Children and Youth. The rule was approved for initial adoption to release for public comment in March. The Department received one written comment, and based on that comment, the Department decided to incorporate the suggestions into a revised rule to bring before the Board today and ask for initial adoption to release the revised rule for public comment. Mr. Colburn stated that the comments centered on a timeframe for evaluation of children coming into a facility. He said the Department thought it was important to incorporate some of the suggestions and re-release the rule. Mr. Rose MADE a MOTION to approve for initial adoption Rule 111-8-68 to be published for public comment. Ms. Heck SECONDED the MOTION. Vice Chairman Mason called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of Rule 111-8-68 is attached hereto and made an official part of these MINUTES as Attachment # 3).

Mr. Colburn asked Sharon Dougherty of the HFR Division to present Rule 111-8-25, a culmination of House Bill 994 and House 1055. Ms. Dougherty said the Division is requesting the Board's approval to release for public comment amendments to the rules and regulations for Enforcement of Licensing Requirements to incorporate a fee schedule for all 25 programs in the HFR Division. Currently the Division only requires fees for four programs. However, pursuant to House Bill 994, the Division will charge licensing activity fees for all licensure programs. A hearing will be held on June 17 to give the Division an opportunity to review the comments and if necessary, re-release for public comment. Ms. Heck MADE a MOTION to approve for initial adoption Rule 111-8-25 to be published for public comment. Mr. Kirschner SECONDED the MOTION. Vice Chairman Mason called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of Rule 111-8-25 is attached hereto and made an official part of these Minutes as Attachment # 4).

Lisa Flagg, Legal Counsel for the Public Health Division, presented Rules 111-9-2-.12 and 111-9-2-.18. The Department proposes to repeal the Department of Human Resources Rules and Regulations for Emergency Medical Services in Chapter 290-5-30 in its entirety and adopt in a new chapter 111-9-2. Rule 111-9-2-.12 provides that there must be a final disposition of a criminal action before an emergency medical service personnel can be licensed. It also defines the term "Final Disposition of a Criminal Matter," and amends the time frame in which applicants are eligible to reapply following denial of licensure. Rule 111-9-2-.18 adds summary suspension as an action the Department can take when the public safety and welfare is at risk and require an emergency action. Rule 111-9-2-.18 also expands the list of actions that can warrant a license suspension and outlines the appeal procedures to which an applicant is entitled. A discussion ensued about the proposed language that would allow the Department the right to deny any application for licensure if it determines that it is not in the best interest of the public safety and welfare to grant the application. Ms. Flagg and Special Attorney General Chris Hamilton gave instances of when this rule could be invoked if the public safety and welfare is best served by denying an application. Applicants would have the right to appeal directly to the Office of State Administrative Hearings and have a full hearing before an administrative law judge and continued rights on up to judicial review in Superior Court. Mr. Rose MADE a MOTION to approve for initial adoption Rules 111-9-2-.12 and 111-9-2-.18 to be published for public comment. Mr. Boyd SECONDED the MOTION. Vice Chairman Mason called for votes;

votes were taken. The MOTION was UNANIMOUSLY APPROVED. (Copies of Rules 111-9-2-.12 and 111-9-2-.18 are attached hereto and made official parts of these Minutes as Attachments #5 and #6 respectively).

Dr. Jerry Dubberly, Chief, Medical Assistance Plans, presented the Hospital Services Public Notice for initial adoption. He said the public notice is comprised of two parts. The first part relates to the Provider Payment Act (House Bill 1055). This calls for a rate increase for hospital services provided on July 1, 2010 to June 30, 2013 to recognize the hospital fee that will be imposed through this Act. The reimbursement will be based upon 1.45% of net patient revenue unless otherwise specified in the Act. The second part of the public notice provides for an increase in Medicaid reimbursement for the cost of metabolic newborn screening from \$40 to \$50 to consider a related increase in the amount charged by the Division of Public Health for the screening. The fiscal impact on an annual basis is \$229 million in total funds or \$57 million in state funds. The provider rate increase is for both Fee-for-Service Medicaid as well as Medicaid managed care organizations. A public hearing will be held on May 26. Ms. Heck MADE a MOTION to approve for initial adoption the Hospital Services Public Notice to be published for public comment. Mr. Boyd SECONDED the MOTION. Vice Chairman Mason called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Hospital Services Public Notice is attached hereto and made an official part of these MINUTES as Attachment # 7).

Mr. Russell Crutchfield, Legislative Director, gave an overview of major bills that affected the Department and were passed by the Legislature. The majority of the bills are awaiting the Governor's review and signature. House Bill 994, the Department's legislation, allows the Department to assess licensing fees for all of the healthcare facility types licensed under the Healthcare Facilities Regulation Division. The Board of Community Health is required to adopt a schedule of fees and rules governing the licensure process. The fees are adjusted annually for inflation using the Consumer Price Index. The legislation also allows for outside accreditation of some facilities that elect to engage a private not-for-profit inspection agent which is acceptable to CMS. In addition, DCH received a line item in the FY 2011 budget that funds five positions in the HFR Division.

House Bill 1055 was signed by the Governor on May 12. Part I of the bill, Omnibus Fee Revisions, provides that all agencies that had fees codified in the statute, can now implement a policy to review and modify all user fees collected. Part II, Hospital Provider Payment Agreement, levies a hospital provider payment of 1.45 percent of the net patient revenue of that hospital. The agreement will last for three years, ending on June 30 2013. The revenues from this bill will be deposited into a segregated account into the Indigent Care Trust Fund. The hospital provider payments will be paid at the end of the calendar quarter to the Department and will be based on the most completed and audited Medicaid and Medicare cost reports. Payments will begin on September 30, 2010. Part III, State Ad Valorem Tax Repeal, phases out the state portion of the ad valorem tax. Part IV, Senior Retirement Income Exclusion Repeal, phases out the senior retirement income exclusion.

House Bill 1040 revises the Georgia Registered Professional Nurse Practice Act. It allows an individual with disabilities or his or her representative to select a "proxy caregiver" to receive training from a registered nurse to perform health maintenance activities. House Bill 1170 repeals the state tax exemption for care management organizations. House Bill 1407 requires the Department to contract with a single administrator for Medicaid and PeachCare for Kids™ dental services upon termination of the existing contract in 2012. Senate Bill 344 amends the Health Share Volunteers in Medicine Act to allow physician assistants to be categorized as a state employee for purposes of receiving sovereign immunity. Senate Bill 435 establishes the Georgia Diabetes Control Grant Program. The bill is contingent upon funding. The second portion of the bill was added as a floor amendment and requires tanning facilities to register with the Department and pay an annual registration fee. The bill also prohibits tanning facilities from allowing minors under age 14 from using tanning equipment. Senate Bill 411 provides exemptions from certain unfair trade practices for certain wellness and health promotion programs and includes language from Senate Bill 317 prohibiting any law, rule, or regulation from compelling, directly or indirectly, any person, employer or health provider to participate in any health care system. Senate Resolution 277 proposes an amendment to the Constitution that provides funding for trauma care. There will be a \$10 annual charge on each licensed passenger vehicle for the purpose of funding a Georgia Trauma Trust Fund. (A copy of the 2010 DCH Legislative Summary is attached hereto and made an official part of these MINUTES as Attachment # 8).

Mr. Scott Frederking, Interim Chief Financial Officer, gave an overview of the Amended FY 2010 Program Budget. FY 2010 total funds are \$12.3 billion; \$2.22 billion state funds. Mr. Frederking said when state agencies submitted their proposed budgets in September 2009, they were

required to submit budget cuts of 4, 6 and 8% for all programs. In the DCH budget the Governor and Legislature accepted those cuts and in many cases went beyond the 8% cuts. Mr. Frederking reviewed the budget recommendations for each program. The DCH Administration base budget was \$111 million; the Conference Committee reduced it by \$16.5 million or about 15%. The Healthcare Access base budget was \$9.6 million; the Conference Committee reduced it by \$2.6 million or 27.5%. The Healthcare Facility Regulation base budget was \$6.5 million; the Conference Committee reduced it by \$152,000 or 2.3%. Mr. Frederking presented the Public Health budget in three parts: Public Health Programs - \$102.4 million base budget, \$3 million cut or 2.9% reduction; Public Health Grant-in-Aid - \$68 million state funds, \$7 million cut by Conference Committee or 10.6% reduction; and Emergency Preparedness - \$26.2 million state funds (of which \$23 million is for the Trauma Commission), \$201,000 cut by Conference Committee or 0.8% reduction. Mr. Frederking also reviewed the recommendations for the Medicaid and PeachCare for Kids™ budgets. He remarked that several recommendations are problematic and may be difficult to achieve especially in the LIM (Low Income Medicaid) budget. After addressing questions from Vice Chairman Mason concerning a recommendation in the Healthcare Access program budget, Mr. Frederking concluded his presentation. (A copy of the Amended FY 2010 Program Budget Presentation is attached hereto and made an official part of these MINUTES as Attachment # 9).

Adjournment

There being no further business to be brought before the Board, Vice Chairman Mason adjourned the meeting at 11:34 a.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE _____ DAY OF _____, 2010.

RICHARD L. HOLMES
Chairman

ARCHER R. ROSE
Secretary

Official Attachments:

- #1 List of Attendees
- #2 Agenda
- #3 Rule 111-8-68
- #4 Rule 111-8-25
- #5 Rules 111-9-2-.12
- #6 Rule 111-9-2-.18
- #7 Hospital Services Public Notice
- #8 2010 DCH Legislative Summary
- #9 Amended FY 2010 Program Budget Presentation