

MINUTES OF THE
BOARD OF COMMUNITY HEALTH MEETING
March 10, 2011

Members Present

Ross Mason
Norman L. Boyd
Inman C. "Buddy" English, MD
Hannah Heck
Jamie Pennington (via phone)
William H. Wallace, Jr.
Mary Eleanor Wickersham, DPA

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 present. (The 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 10:38 a.m.

The Minutes of the February 10 Meeting were UNANIMOUSLY APPROVED and ADOPTED.

Chairman's Opening Comments

Chairman Mason recognized Mr. Howard H. "Bo" Callaway. Mr. Callaway described the Callaway Homecoming Initiative called Warrior 2 Citizen. The goal is to try reducing record levels of divorce and suicide rates among military families by bringing those families together for recreation and counseling to help with the return from combat. The program will be based at Callaway Gardens near Columbus, Georgia.

Committee Report

The first meeting of the Policy Committee was held this morning. Chairman Mason invited several organizations to the Committee meeting to talk about their respective innovative projects. Some of the entities invited included Georgia Tech Institute for People and Technology, Georgia Partnership for Telehealth, Children's Healthcare of Atlanta, Unite, Georgia Free Clinic Network, and Metro Atlanta Chamber of Commerce. Chairman Mason said there is opportunity to transform healthcare delivery, quality and costs. He said he is hopeful that nonprofit communities and the private sector will collaborate to infuse those ideas and drive innovations in healthcare.

Report of the Commissioner

Commissioner Cook stated he had five items to bring to the Board's attention; a presentation on the SHBP financial status, Resolution on SHBP Employer Contribution Rates, a Resolution on Public Health Real Property in Macon, a Legislative Update, and the Commissioner's report on the Department's key initiatives.

Commissioner Cook introduced Brenda Fitzgerald, M.D., the new Director of the Public Health Division, and Ryan Deal, the new Communications Director.

Vince Harris, Chief Financial Officer, reported on the State Health Benefit Plan financial status to give the board ideas as to why a resolution is needed. The SHBP has a \$250-300 million projected deficit in FY 2012. There are five major reasons for the projected deficit. The Board resolution is one step toward managing the deficit. Since FY 2008, the Department of Education appropriation designated for the non-certificated SHBP members has decreased from \$279 million to \$25 million in FY 2011. Funding from the federal Early Retiree Reinsurance Program (ERRP) will be less in FY 2012 than what was initially projected. The amount will adjust from \$110 million to \$67 million with no guarantee the funding will be there. The appropriation to the Department of Education for FY 2012 for the non-certificated plan is \$30 million in FY 2012, which is \$56 million less than in FY 2011. The first month of FY 12, SHBP will only receive \$7 million from the Teachers' Employer Contribution compared to the \$111 million normally received. This is due to the timing of the implementation of the Employer Contribution rate change. Employees are retiring at a higher rate than in the past, and agencies are not filling all vacancies due to budget reductions.

Mr. Harris presented for the Board's consideration a Resolution entitled "State Health Benefit Plan Employer Contribution Rates." On February 10, 2011, the Board established the employer contribution rates for the State Employee Plan and the Teachers' Plan for the first ten months of FY 2011. The resolution presented today will set employer contribution rates for the State Employee Plan at 22.667% and the Teachers' Plan at 1.429% for the last two months of FY 2011. This rate resolution provides the Department an aggregate rate for FY 2011 to ensure that the employer contributions to the SHBP will not exceed the maximum amount of contributions permitted by the General Assembly. The resolution also sets the Non-certificated Public School Employees' per member per month rate at \$246.20 effective May 2011 billing and continuing until changed by board resolution.

Ms. Heck asked if any of the rate changes will impact employee contributions. Mr. Harris stated that all changes are to the employer contribution rates and will not impact the employee. Ms. Heck MADE a MOTION to adopt the Resolution presented, "The State Health Benefit Plan Employer Contribution Rates." Mr. Rose SECONDED the MOTION. The MOTION was UNANIMOUSLY APPROVED. (A copy of a Resolution "State Health Benefit Plan Employer Contribution Rates" is attached hereto and made an official part of these Minutes as Attachment # 3).

Dr. Brenda Fitzgerald, Director, Division of Public Health, presented for the Board's consideration a Public Health Real Property Resolution. The Macon Regional Public Health Facility is owned by the State of Georgia but maintained by Public Health Facilities staff. The building is in need of significant repair. Estimates for the repair is \$2.2 million-- mostly for new heat and air systems, plumbing and bringing the structure up to code. The total statewide facilities improvements budget is \$500,000. With the Board's approval, the State Properties Commission can sell the property for fair market value. After the facility is sold, the money will be placed in the General Treasury, and funds will be appropriated to cover the costs of a move to another facility (\$103,400) and an on-going annual lease (\$250,500 per year). Commissioner Cook added that the reason for bringing the Resolution to the Board at this meeting is because it needs to be included in a general statute passed by the General Assembly. At Chairman Mason's request, Dr. Fitzgerald will provide the Board with a report on other properties owned by the Division of Public Health. Mr. Rose MADE a MOTION to adopt the Public Health Real Property Resolution as presented. Dr. English SECONDED the MOTION. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Public Health Real Property Resolution is attached hereto and made an official part of these Minutes as Attachment # 4).

Jesse Weathington, Interim Director, Legislative and External Affairs, provided a legislative update. The Amended FY 2011 Appropriations Act was passed on March 7. The House Appropriations Committee passed the FY 2012 Budget this morning; and the Representatives will debate on Friday, March 11. The Department is tracking 67 bills and resolutions. Mr. Weathington reviewed 20 bills on which the Department is focused. House Bill (HB) 33 provides zero-based budgeting; HB 107 extends active employee benefit rates to dependents of certain public employees killed in the line of duty; HB 187 provides for a single administrator for Medicaid-PeachCare dental services; HB 214 establishes a separate Department of Public Health; HB 229 provides for a final decision of the administrative law judge for Medicaid hearings and appeals; HB 247 allows for a national fingerprint and background check for emergency medical services personnel; HB 405/SB 178 provides for the creation, regulation and licensure of a third category of service for assisted living communities; HB 476 establishes a Georgia Health Exchange Authority; HB 489 prohibits the use of contingency fee based contracts for Medicaid audit recovery coordinators; SB 17 establishes a Special Advisory Commission on Mandated Health Insurance Benefits; SB 63 creates a pilot and subsequent statewide Georgia Medical Assistance Fraud and Prevention Program; SB 76 provides the Georgia Trauma Care Network Commission with an administrative fix in billing for certain uncompensated trauma care if a trauma activation occurs; and SB 215 converts Medicaid and PeachCare funds to premium assistance to allow low-income families to participate in private sector health insurance plans. (A copy of the 2011 General Assembly Legislative Update is attached hereto and made an official part of these Minutes as Attachment # 5).

Commissioner Cook gave an overview of the DCH Current Scope of Work that will be coming before the Board in the coming months. The Department is drafting Personal Care Home Proxy Care Giver Rules to be presented in April or May. The Emergency Medical Services rules that were tabled in July are currently being reevaluated and will be brought before the Board in April.

The Department is heavily engaged in several current projects that include certification of the new Medicaid Management Information System (MMIS). Currently the Department receives a 50-50 federal funding match with the Centers for Medicare and Medicaid Services (CMS). Once CMS certifies the new MMIS, the funding match will be a retroactive 75-25 match.

The current diagnostic coding system, (ICD-9 with about 13,600 codes) will be replaced with ICD-10, which is required by the federal government to be implemented by October 2013. ICD-10 expands the current 13,600 codes to more than 69,000 diagnostic codes.

The Medicaid Incentive Program, funded by CMS, incentivizes providers to use certified electronic health records in a manner that will be consistent with meaningful use. DCH is leading a strategic initiative to foster the development of a Health Information Exchange, a platform that will connect communities of health care providers and allow the secure exchange of clinical data among and between providers, providing supportability of health records. Commissioner Cook said this is truly a public-private partnership. Georgia's approach is to facilitate the private sector development of the infrastructure to allow this to happen.

The Department has participated with a private not-for-profit entity known as the Georgia Health Information Exchange Inc. The Department's role is to facilitate private sector implementation of electronic health records. The Department received a \$13 million grant from the Office of National Coordinator. The funds will be used as grants to facilitate the movement of electronic health records.

Another project is the implementation of an electronic WIC (Women, Infants, and Children) clinical information system to assist the Department and Health Districts to manage the WIC program. Currently the Public Health Division uses four separate clinical data systems. The new system will provide for the transition of banking services to an electronic benefit transfer.

The Department is developing an RFP to obtain a web-based application to replace the current Vital Records system. This project is needed to keep pace with federal requirements and legislation. The new system will consolidate historical records digitally that will be accessed and produced more efficiently. The cost of the project is about \$3.8 million. The target implementation date is 2012.

The Babies Can't Wait program is a statewide interagency service delivery system for infants and toddlers with developmental delays or disabilities. The new information system would allow all 18 Public Health Districts to complete federal reporting from a centralized repository. This solution would support the third party administrative services as well as enterprise billing. The cost of the project is about \$3.4 million. The target implementation date is October 1, 2011.

Current procurements include the Medicaid Care Management Organizations (CMO). The Department will study best practices, innovations, and the direction of national health reform and how it will affect Georgia. One of the big issues will be Medicaid expansion to a larger population—adding almost 600,000 members in the State of Georgia. The Department will do an environmental scan of what other states are doing and will seek input from its Georgia stakeholders. The Department received approval to extend the current CMO contracts for one year with another one-year option.

The Department is in final preparation to release the Non-Emergency Transportation (NET) RFP. Presently there are five service regions in the state and three brokers who service those regions.

National Healthcare Reform law mandated that states have recovery audit contractors on a contingency fee basis unless the state has clear indication that it should not be on a contingency fee basis. There is legislation pending in the Georgia General Assembly that deals with this issue. Once the Department has certainty from the Legislature, the Department will move forward with an RFP for the recovery audit contractor.

The current Pharmacy Benefits Manager contract expires June 30, 2012. The Department is moving forward with the RFP to implement the contract by July 1, 2012.

Potential new projects include a Medicaid Eligibility System. Commissioner Cook said he is hopeful the General Assembly will approve the Governor's request for a \$10 million bond that would be used with a 90% federal match to build a Medicaid Eligibility System.

Another potential new project is the Health Insurance Exchange. Legislation is pending in the General Assembly concerning the Health Insurance Exchange. It is unclear now who would own the Exchange and how it would work. There are federal requirements that require the state to determine if a person is Medicaid or SCHIP eligible. The Department will have to be involved at a minimum to make initial scans and eligibility determination.

Lastly, Commissioner Cook said the Department has been making preparations in the event House Bill 214 is passed and the Division of Public Health becomes the Department of Public Health. The effective date for the stand alone agency would be July 1, 2011. (A copy of the

DCH Current Scope of Work presentation is attached hereto and made an official part of these Minutes as Attachment # 6).

Chairman's Closing Comments

The next Board of Community Health meeting is Thursday, April 14, 2011, 10:30 a.m.

Adjournment

There being no further business to be brought before the Board, Chairman Mason adjourned the meeting at 11:33 a.m.

THESE MINUTES ARE HEREBY APPROVED ADOPTED BY VOTE OF THE BOARD THIS
THE ____ OF _____, 2011.

ROSS MASON
Chairman

ARCHER R. ROSE
Secretary

Official Attachments:

- # 1 List of Attendees
- #2 Agenda
- #3 Resolution - SHBP Employer Contribution Rates
- #4 Public Health Real Property Resolution
- #5 2011 General Assembly Legislative Update
- #6 DCH Current Scope of Work Presentation