

Board of Community Health
Meeting
August 25, 2022

Members Present

Norman Boyd
Roger Folsom
Russell Crutchfield
David Crews
Anthony Williamson
Nelva Lee
Shane Mobley

Members Absent

Robert Cowles
Cynthia Rucker

The Board of Community Health held its meeting via Zoom teleconference. (An agenda and a List of Attendees are attached hereto and made an official part of these Minutes as Attachments #1 and #2). Chairman Norman Boyd presided and called the meeting to order at 10:30 a.m.

Minutes

None to approve.

Opening Comments

None to report.

Commissioner's Report

Commissioner Noggle thanked the Board, members of the public and staff for their participation via Zoom.

The following updates were provided to the Board:

- Thanked the Board for the approval of the State Health Benefit Plan (SHBP) design resolutions and cost sharing options.
- The Department received a favorable judicial ruling for the 1115 Pathways waiver last week, which is the limited expansion of Medicaid to certain populations involving community engagement requirements.
- The Governor and the Director of the Office of Planning Budget (OPB) issued budget instructions a couple of weeks ago that agencies are to submit flat budgets, so no increase.

Richard Kim, Budget Director Plans presented to the Board the AFY23 and FY24 Budget requests.

The presentation highlighted the activities of FY2022, the current budget as it stands, and finally followed by the AFY2023 and FY2024 budget requests.

In FY2022, the Department had a total expenditure of \$20 billion and a State Funds expenditure of \$3.4 billion. The State funds shown on the chart does not include the attached nor the State Health Benefit Program (SHBP).

More than 96% of our expenditures went towards direct healthcare, while less than 3% of our expenditures went towards administrative costs.

At least 1 in 4 Georgians are a direct beneficiary of DCH. Whether it is through the Medicaid and PeachCare for Kids (PCK) program or the SHBP, DCH provides for the healthcare needs of 3.4 million Georgians.

Low-Income Medicaid (LIM) accounts for 56% of the total Georgians DCH served and a vast majority of that population is under the age of 19 years old.

Throughout FY2022, DCH provided rate increases and grants to multiple providers, especially in these crucial times, where the healthcare industry is marred by high inflation and staffing shortages. And we did it with an emphasis on data and quality.

We were also able to provide reimbursement for codes such as donor milk to help premature and fragile newborns thrive by preventing serious complications.

Finally, the Center for Medicare and Medicaid Services (CMS) has approved the Home and Community Based Services (HCBS) spending plan, which the Department has earned \$190 million in federal supplemental dollars to reinvest back into the HCBS program.

HB911 has laid out our Fiscal Year budget for 2023. Our total funds budget is \$18.2 billion; and the State funds budget is \$4.3 billion, where 98% of the State funds budget is budgeted in the Medicaid and PCK programs.

FY2023 base budget calls for rate increases for long-term acute care and Psychiatric Residential Treatment Facilities (PRTF), a reimbursement for medical nutrition therapy and Therapeutic Services, an elimination of Attestation for physician and physician extenders, as well as extension of postpartum coverage, and express lane enrollment to Medicaid for those applying for other benefits such as Supplemental Nutrition Assistance Program or Temporary Assistance for Needy Families (TANF).

Going forward, some of the budget uncertainty will be the unwinding of the Public Health Emergency (PHE). With the duration of the PHE, the Families First Coronavirus Response Act provided a 6.2% bump in federal match participation rate if the State kept the Maintenance of Effort (MOE). If the State kept members on the roll during the

duration of the PHE, some of the State costs were offset with federal dollars causing a State savings even though the enrollment kept rising.

With the anticipated ending of the PHE, as membership declines gradually over the 12-to-14-month period, the 6.2% bump will immediately end at the end of the quarter in which the PHE ends. This will leave the State to make up for the difference of higher enrollment and lower federal match participation rate.

During the unwinding period of the PHE, to promote continuity of coverage and meet federal requirements, the State can only initiate 1/9th of the total caseloads.

Chairman Boyd asked a question about the ending of the PHE.

Richard Kim's response:

The PHE has not been officially extended. The last extension is through October 15.

For the FY2024 budget request, growth in the program can be attributable to both enrollment and utilization. With the anticipated unwinding of the PHE, we expect to see a decline in base enrollment, mostly in the LIM program which will generate a savings of \$154 million in all three programs.

We also anticipate utilization to go up in tandem during the unwinding period as things start to go back to normal. All else being equal, the cost associated with utilization is expected to be \$64 million in all three programs.

As stated earlier, while enrollment is expected to gradually decline over the 12-to-14-month period of unwinding, the 6.2% bump in Federal match participation rate ends at end of the quarter in which the PHE ends. The delta between the fiscal cliff of the State coming up with the additional 6.2% and the gradual decline in enrollment is projected to be \$193 million.

The increase in Medicare Part D Clawback multiplier is projected to be \$4.2 million.

In the base budget, savings have been identified for one quarter of additional savings due to the 6.2% increase in Federal Match Participation Rate. Without any further declaration of formally extending the PHE beyond mid-October, we would have a projected savings of an additional quarter through Dec 2022, which amounts to \$199 million.

During the unwinding period, PeachCare premiums will be suspended until the end of FY2023. That cost is projected to be \$4.5 million dollars in the PeachCare program.

In total, for AFY2023, we are anticipating a savings of \$87 million in all benefits programs.

Fiscal Year 2024 budget request:

Growth in the benefits program for FY2024 is also negative \$101 million dollars, mainly driven by lower enrollment in LIM due to the ending of the PHE.

Since the base budget has a temporary reduction of 6.2% Federal Match participation rate, we are requesting \$181 million to restore the temporary reduction.

Similar to Amended FY2023, the additional cost of carrying members who would have otherwise been off the roll is \$28 million in all programs.

The department is requesting \$13.5 million due to the change in Medicare Part D Clawback multiplier. This amount is a full year where the amended Fiscal Year amount is half a year.

Starting in October of every year, the State's overall Federal Matching Participation Rate changes based on the State's previous year's per capita income relative to the per capita income nationwide.

During the measurement period, which falls around the time States shut down due to the on-set of COVID-19 outbreak, Georgia did slightly better than the national average, hence our Federal Match Participation Rate decreases to 65.69% from 66.02%, which increases the State Funds share in Medicaid and 76.21% to 75.98% in PeachCare.

Finally, our base budget has a temporary reduction due to COVID related suppressed utilization. With the anticipation of PHE ending, the Department is requesting to restore \$51 million in the budget. The total increase in FY2024 for all the benefits program is \$414 million.

Commissioner Noggle made the following clarification:

It is the belief of many States that the PHE will be extended beyond October 15 since CMS did not issue a 60-day advanced notice of ending. Our budget projection assumes the PHE ends on October 15 and the enhanced Federal Medical Assistance Percentages (FMAP) will be through December of this year.

Rich Kim concluded by thanking leadership, partners, providers and staff.

Mr. Kim respectfully asked for the Board's favorable approval of the AFY23 and FY24 Budget requests.

Shane Mobley MADE a MOTION to approve the AFY23 and FY24 Budget requests. Russell Crutchfield SECONDED the MOTION. ON THE MOTION, the yeas were 7, nays 0, abstained 0, and the MOTION was APPROVED.

(A copy of the AFY23 and FY24 Budget request is attached hereto and made an official part of these minutes as Attachment #3).

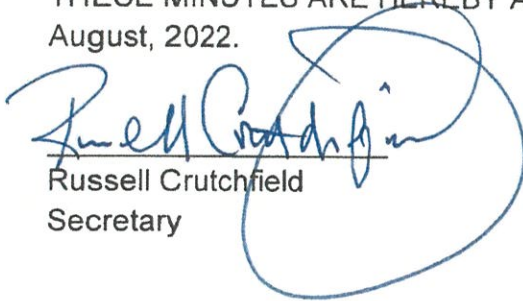
New Business/Closing Comments

None to report.

Adjournment

There being no further business to be brought before the Board, Chairman Norman Boyd adjourned the meeting at 10:57 a.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE 25th DAY OF August, 2022.



Russell Crutchfield
Secretary



Norman Boyd
Chairman

Official Attachments:

- #1 Agenda
- #2 List of Attendees
- #3 AFY23 and FY24 Budget