

Board of Community Health
Meeting
August 22, 2019

Members Present

Norman Boyd
Allana Cummings
Roger Folsom
David Crews
Russ Childers
Russell Crutchfield
Anthony Williamson

Members Absent

Mark Trail
Kenneth Davis

The Board of Community Health held its regularly scheduled budget meeting at the Department of Community Health (DCH), 5th Floor Board Room, 2 Peachtree Street, N.W., Atlanta, Georgia. (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.

Committee Reports

None to report.

Commissioner's Report

None to report.

Lisa A. Walker, CFO presented to the Board for adoption the proposed AFY 2020 and FY 2021 budgets.

Ms. Walker began by summarizing the just concluded 2019 fiscal year. She noted that during FY 2019, DCH served 52% of Medicaid beneficiaries in Low Income Medicaid (LIM) program, 20% in the Aged, Blind and Disabled (ABD) program, 24% State Health Benefit Plan (SHBP) program and smaller percentages in various other programs. She stated that Georgia ranked 8th in the country in child enrollment. She also mentioned that 69% of Medicaid/CHIP enrollment in the nation are children. She further noted that

the Department expended over \$3.3 billion in state funds over the course of the fiscal year of which 96% were expended in the Medicaid programs.

Regarding the FY 2019 state funds budget highlights, she noted that \$16.9 million provided for a 4.3% rate increases for nursing homes; \$1.7 million provided additions to the graduate medical education program; \$3.4 million provided for a hourly rate increase for alternative living service providers; \$1.8 million provided for a triage rate increase for hospitals and \$1.2 million provided an increase in the Personal Needs Allowance (PNA).

Ms. Walker made a few comments regarding the FY 2020 budget and informed the Board that the Department has a budget of \$3.4 billion in state funds for the year, with 97% of those funds budgeted in the Medicaid program.

Turning next to the proposed Amended FY 2020 and FY 2021 budgets, Ms. Walker began by explaining the budget instructions released by the Governor's Office of Planning and Budget (OPB). Ms. Walker reviewed with the Board each individual request item for Amended FY2020 budget and responded to questions.

The Amended FY 2020 request items include a 4% reduction (\$4.1 million) in administration; projected growth need in Medicaid of \$28.9 million; \$1.3 million for Medicare Part B subsidy; \$3.8 million for Medicare Part D Clawback subsidy; and \$23 million for private hospitals participating in the Disproportionate Share Hospital (DSH) program. These items result in a total Amended FY 2020 budget request of \$52,880,594.

Next, Ms. Walker addressed the Department's budgetary needs for FY 2021. The FY 2021 budget request includes a 6% reduction (\$6.2 million) in administration; \$5.9 million for the Enhanced Federal Medical Assistance Percentage adjustments in administration; \$71.2 million in projected benefit growth need in Medicaid; \$12.6 million for the Federal Medical Assistance Percentage adjustments; \$38.5 million for the Health Insurer Fee Moratorium (HIF); \$7 million for Medicare Part B subsidy; \$4.6 million for Medicare Part D Clawback subsidy; \$2.9 million to implement Graduate Medical Education and Inpatient Medical Education; and \$62 million for the Enhanced Federal Medical Assistance Percentage adjustments for PeachCare. The total state funds budget request for FY 2020 is \$198,851,438.

Ms. Walker concluded the budget presentation with a financial status update of the SHBP. The Department ended the year with a surplus of \$484.9 million. The Department is projecting an operational deficit of (\$124.6) million in FY 2020, which drops to a projected deficit of (\$219.7) million in FY 2021. The drop in projected surplus

is based on the "status quo" revenue and expense assumptions that are built in the projection. Any changes to plan design, growth assumptions, premium rates, and

employer contribution rates would result in a recast of the plan's projected financial status.

Russ Childers MADE a MOTION to approve for adoption the AFY 2020 budget. David Crews SECONDED the MOTION. ON THE MOTION, the yeas were 7, nays 0, abstained 0, and the MOTION was APPROVED. (A copy of the AFY 2020 budget is attached hereto and made an official part of these minutes as Attachment #3).

Russell Crutchfield MADE a MOTION to approve for adoption the FY 2021 budget. Roger Folsom SECONDED the MOTION. ON THE MOTION, the yeas were 7, nays 0, abstained 0, and the MOTION was APPROVED. (A copy of the FY 2021 budget is attached hereto and made an official part of these minutes as Attachment #4).

New Business/Closing Comments

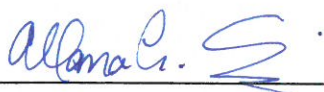
Commissioner Berry thanked Lisa Walker and her team for their hard work on the end of the year close-out and the budget preparation.

Our office will be working with the Office of Planning and Budget (OPB).


Adjournment

There being no further business to be brought before the Board, Chairman Norman Boyd adjourned the meeting at 10:56 a.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE 22nd DAY OF August, 2019.



Allana Cummings
Secretary



Norman Boyd
Chairman

Official Attachments:

- #1 Agenda
- #2 List of Attendees
- #3 AFY 2020 budget presentation
- #4 FY 2021 budget presentation