

Board of Community Health
Meeting
August 24, 2023

Members Present

Norman Boyd
Roger Folsom
Russell Crutchfield
David Crews
Nelva Lee
Cynthia Rucker
Anthony Williamson
Shane Mobley
Robert Cowles

Members Absent

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 10:24 a.m. (delayed start due to technical issues)

Minutes

None to approve.

Opening Comments

None to report.

Commissioner's Report

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

The following updates were provided to the Board:

- In the first Board meeting in August, aside from usual business, SHBP presented the upcoming plan year rates and preparation for open enrollment, which will run October 16th-November 3rd.
- The Department continues to focus on our day-to-day mission, working with families, providers, and numerous partners to administer various services and support.

- There is a tremendous amount of energy, focus and thought that goes into the nationwide Medicaid redetermination effort, as well as the new Pathways to Coverage program and large procurements.
- For today's meeting, Joseph Hood, COO will present the AFY24 and FY25 budget request.

Commissioner Carlson personally thanked the entire team for their commitment to detail and teamwork on this effort.

He also thanked Governor Brian P. Kemp and Rick Dunn, OPB Director. Due to the legislature's strong fiscal management, Georgia's healthy economic position has allowed for agencies like ours to strategically assess how we might make use of a 3% enhancement to our budget.

- The Care Management Organization (CMO) procurement is a large procurement and administrative lift, and a significant health initiative for our state. It sets the tone for our priorities, desired outcomes, aspirations for the future and expectations for valued managed care partners.

The Department needs to honestly assess what's expected of us, including preparedness, how and where we need to grow in terms of human resources, advanced systems, technology, infrastructure, better data quality, integration, and improved analytics in a planning process that began with the vision and leadership of Commissioner Noggle and our vendor partners.

- The performance management portion of today's presentation will outline our intent to invest in ourselves in a strategic and fiscally responsible manner. By doing so, DCH will be a better partner for our providers and payers, deliver better services for our families, and be a more efficient department on behalf of the Georgia taxpayers.

Joseph Hood, Chief Operating Officer presented to the Board the Department's budget requests for AFY 2024 and FY 2025.

The agenda page outlines the main sections of the presentation, which include FY 2023 budget highlights, FY 2024 current budget, amended FY2024 budget request, FY 2025 budget request, and State Health Benefit Plan (SHBP) financial status.

The FY 2023 total funds expenditure by program page shows a pie chart of how the DCH spends its total funds of \$21.8 billion across its eight programs, with Aged, Blind and Disabled (ABD) and Low-Income Medicaid (LIM) accounting for the largest shares.

The FY 2024 state funds expenditure by program page shows a pie chart of how the DCH spends its state funds of \$4 billion across its eight programs, with ABD and LIM accounting for the largest shares.

The Georgia Beneficiaries of DCH Programs page shows a pie chart of how many Georgians are served by each of the four major programs: ABD, LIM, PeachCare for Kids (PCK), and State Health Benefit Plan (SHBP). It also shows a pie chart of the breakdown of LIM beneficiaries by category: children, pregnant women, and low income/caretaker.

The rate increases page shows a table of the rate increases for various services and providers in FY 2023 for ABD, LIM, and PCK programs. The table lists the state funds and total funds amounts for each rate increase.

The FY 2024 total funds budget by program page shows a pie chart of the total funds budget of \$19.7 billion for each of the eight programs, excluding the attached agencies.

The FY 2024 state funds budget by program page shows a pie chart of the state funds budget of \$4.6 billion for each of the eight programs.

The appropriations highlights page shows a table of the appropriations highlights for FY 2024 for ABD, LIM, and PCK programs. The table lists the state funds and total funds amounts for each highlight.

The AFY 2024 Budget Request page shows a table of the budget requests in enrollment, utilization/rate changes, Medicare Part B Premiums and Part D Clawback, drug rebates, nursing home costs, Incurred but Not Reported (IBNR), and pharmacy expenses for ABD, LIM, and PCK programs. The total state funds requests across the three programs is \$531.9 million.

The AFY 2024 budget request for One-time investment page explains the request for \$7.2 million in state funds to support the CMO Performance Management initiative, which aims to improve the oversight and outcomes of the managed care organizations that serve Medicaid and PeachCare members.

The FY 2025 budget request page shows a table of the changes in enrollment, utilization/rate changes, FMAP (federal medical assistance percentage) restoration and loss, Medicare Part B Premiums and Part D Clawback, drug rebates, nursing home costs, and pharmacy expenses for ABD, LIM, and PCK programs. The total state funds requests across the three programs is \$1.083 billion.

The CMO Performance Management page shows six strategic areas for the function, including strategic direction, talent and organization, data and information, technology and architecture, analytics and reporting, and execution. The table provides a framework for the CMO Performance Management Initiative.

The next page shows the cost and number of role positions needed for the CMO Performance Management initiative for FY 2025. The roles include provider network, member services, analytics, data, data quality, cost/utilization, executive leadership, and

leadership and support. The total cost for the 49 positions is \$5.7 million, with a state share of \$2.8 million.

The Department also proposes a 7% increase to base salaries in the Healthcare Facility Regulation Division to address recruitment and retention for several positions, including nurse managers, compliance specialists, quality assurance specialists, and regulatory compliance managers. The projected cost of the increase is \$1.3 million for 168 positions.

The Georgia Medicaid Management Information System (GAMMIS) is an enhanced claims processing system for DCH-managed programs, PeachCare and Medicaid. The Medicaid Enterprise System Transformation (MEST) project will replace the legacy GAMMIS system. MEST will improve performance, enhance quality outcomes, and provide increased value to Medicaid systems and technology with integrated, interoperable, and highly agile modules. DCH proposes to recognize the 1% reduction (\$1,372,082) scenario in budget instructions through savings in contractual services as the transition from GAMMIS to MEST begins in FY 2025.

The final page shows the projected revenues, expenditures, and fund balances for SHBP for FY2023, FY2024, and FY2025. The net surplus/deficit was negative in FY2021 but was positive in FY2022, and is projected to remain positive in FY 2023, FY 2024, and FY 2025. Revenue is projected to grow due to an increase in the per member per month (PMPM) contributions from school employees. This additional revenue is the result of changes made by the Governor and the General Assembly. We thank them for their support.

Mr. Hood respectfully asked for the Board's favorable consideration of adoption for the AFY 2024 and FY 2025 budgets.

Nelva Lee MADE a MOTION to approve the AFY 2024 and FY 2025 budgets. Russell Crutchfield SECONDED the MOTION. ON THE MOTION, the yeas were 9, nays 0, abstained 0, and the MOTION was APPROVED.

(A copy of the AFY 2024 and FY 2025 budget 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 11:43 a.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE 24th DAY OF August, 2023.

Cynthia Rucker

Cynthia Rucker
Secretary

Norman Boyd

Norman Boyd
Chairman

Official Attachments:

- #1 Agenda
- #2 List of Attendees
- #3 AFY 2024 and FY 2025 budgets