

# Impact of Current Economic Crisis

Presentation to the  
Senate Special Committee on Stimulus Priorities  
February 20, 2009



# Agenda

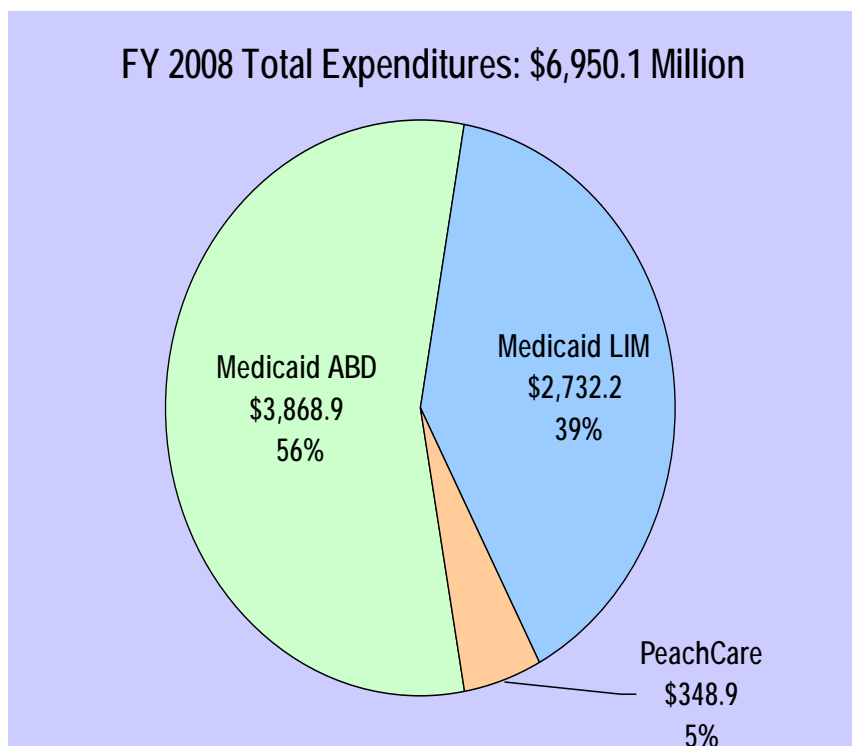
- Who We Serve
- How is the Budget Crisis Affecting the Bottom Line?
- How Have Projected Priorities Changed?
- How has the Number of People in Need of Assistance Changed?
- Federal Stimulus provisions impacting DCH



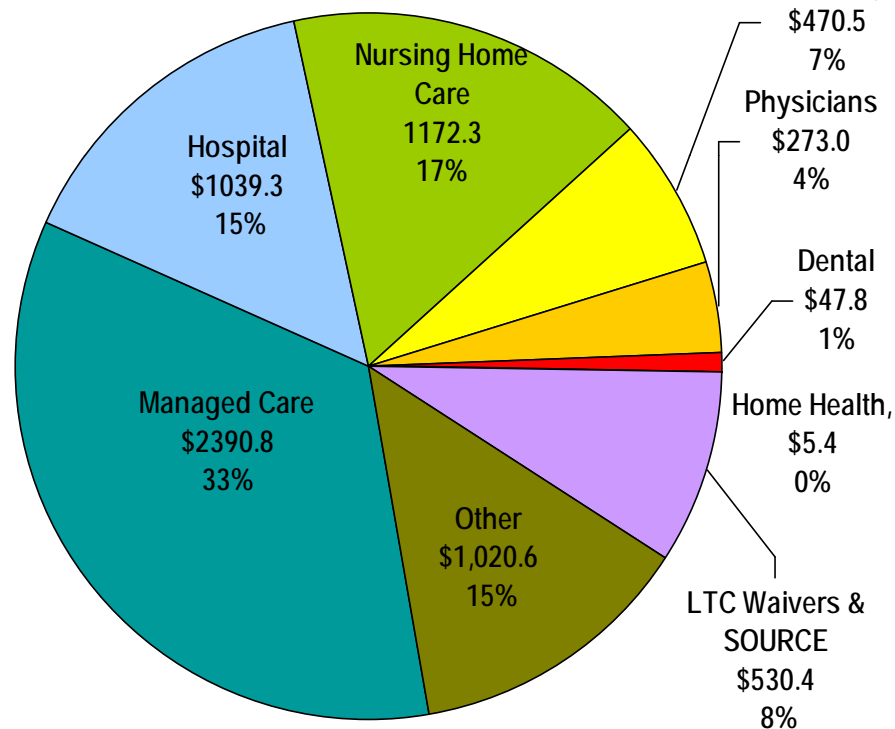
# Georgia Department of Community Health

DCH Program	Enrolled (12/08)	Budget FY 2009
Low Income Medicaid (LIM)	955,350 Children and Pregnant Women Income Limit Varies by Age up to 200% FPL	\$917M State Funds 36% State 64% Federal
Aged, Blind, and Disabled Medicaid (ABD)	384,213 Elderly, Disabled Adults & Children Variable by Category SSI, Nursing Home, MN	\$1.1B State Funds 36% State 64% Federal
PeachCare for Kids (SCHIP)	211,102 Children 90% have incomes under 200% FPL Incomes up to 235% FPL	\$98.6M State Funds 25% State 75% Federal
State Health Benefit Plan (SHBP)	696,851 State Employees, School District Employees, Legislators, etc.	\$2.7B Total Funds 75% State 25% Employee
Administration and Healthcare Access	All DCH Admin Contracts & Ops Federal & State Grants Rural Health & FQHC	\$120M State Funds \$10M Tobacco

# FY 2008 Expenditures: Medicaid and PeachCare



FY 2008 Total Incurred Expenditures: \$6,950.1 Million



Of the 1,550,665 People in Medicaid & PCK – **24.8% are in ABD**

\$s in Millions

# AFY 2009

## Governor's Recommendation for State Funds

In millions	Current FY 2009	Change AFY 2009	
		\$	%
Medicaid	\$2,106.7	(118.6)	-5.6%
PeachCare	\$98.7	(22.1)	-22.4%
ICTF	\$0	7.0	
Nursing Home Provider Fee	\$120.8	3.9	3.2%
Administration	\$106.9	(14.1)	-13.2%
Health Care Access	\$25.6	(16.5)	-64.6%
Attached Agencies	<u>\$55.7</u>	<u>(3.7)</u>	<u>-6.6%</u>
<b>TOTAL State Funds</b>	<b>\$2,514.3</b>	<b>(\$164.1)</b>	<b>(6.5%)</b>

Note: State Funds include State General Funds, Tobacco Funds, and Provider Fees.



# FY 2010

## Governor's Recommendation for State Funds

In millions	Current FY 2009	Change FY 2010	
		\$	%
Medicaid	\$2,106.7	199.3	9.5%
PeachCare	\$98.7	(6.5)	-6.6%
ICTF	\$0	50.7	
Nursing Home Provider Fee	\$120.8	1.7	1.4%
Administration	\$106.9	(15.1)	-14.2%
Health Care Access	\$25.6	(12.7)	-49.6%
Attached Agencies	<u>\$55.7</u>	<u>(4.6)</u>	<u>-8.3%</u>
<b>TOTAL State Funds</b>	\$2,514.3	212.8	8.5%
SHBP (classified as other funds)	\$2,704.7	241.5	8.9%

Note: State Funds include State General Funds, Tobacco Funds, and Provider Fees.



# Guiding Principles for Budget Reductions

DCH Priorities: (listed in order of most important items to preserve and fund)

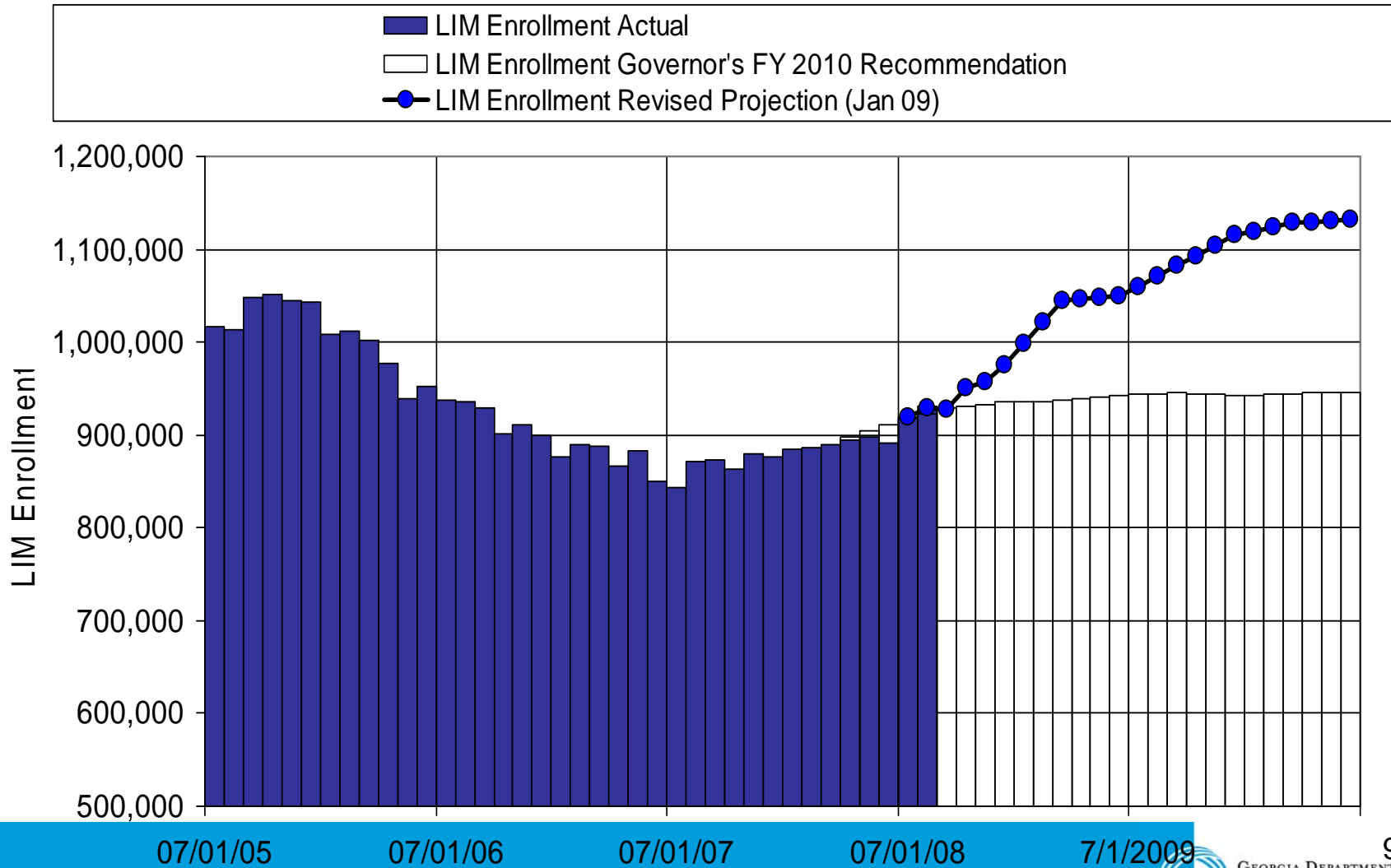
1. People in Need
2. Provider Payment for Care
3. CMO Health Plan Rates
4. Capital Expenditures for Providers

Continuous Improvement of Medicaid Financial Integrity and Recovery





# FY 2010 LIM Enrollment Projection



# Stimulus Package Initiatives Impacting DCH

- Federal Medical Assistance Percentage (FMAP) Enhancement
- COBRA Subsidy
- Health Information Technology Support
- Transitional Medical Assistance extension
- Disproportionate Share Hospital Program Enhancement
- Regulation moratoria impacting Medicaid Provider Reimbursement



# Example of Financial Impact of Enhanced FMAP

Fund Source	Current	With FMAP Enhancement	Difference
Total Expense	\$100.00	\$100.00	\$-
FMAP	64.14%	71.10%	6.96%
Federal Funds	\$64.14	\$71.10	\$6.96
State Funds	\$35.86	\$28.90	(\$6.96)



# Proposed Federal Stimulus Package: Enhanced FMAP

	<u>Final</u>
<b>Enhanced FFP</b> Current GA = 0.6449 (09) = 0.6510 (10)	6.2 percentage points
<b>High Unemployment Add-on</b>	5.5, 8.5, or 11.5 percent increase over ½ of enhanced FMAP
<b>Eligibility Maintenance of Effort Required?</b>	Yes
<b>Financial Impact:</b> FFY 2009 (Oct 2008 – Sept 2009) FFY 2010 and FFY 2011 (Oct 2009 – Dec 2010) <div style="text-align: right;"><b>TOTAL</b></div>	<u>New Federal Funds</u> \$667.6 <u>985.8</u> \$1,653.4
<b>SOURCE:</b>	FFIS Federal Funds Information for States (2/18/09)

