

FY 2012 Budget Highlights



Presentation to: The Board of the Department of Community Health
Presented by: Scott Frederking, Budget Director

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FY 2012 Budget Highlights

- Medicaid and PeachCare
- Public Health
- State Health Benefit Plan
- Administration and Health Care Access
- Healthcare Facility Regulation

Medicaid and PeachCare

- State general funds totaling \$684 million were put back into the budget to replace expiring federal stimulus dollars.
- Medicaid reimbursement will be reduced by one-half of one percent for all providers except: hospitals, nursing homes, home and community based services and those whose rates are set by CMS (Federally Qualified Health Centers, Rural Health Clinics and hospice care).
- The legislature did not agree with the Governor's recommendation to eliminate optional coverage for adult vision, dental and podiatry services.
- Existing member co-pays will increase and new co-pays will be started for PeachCare members six years and older totaling \$5 million.
- \$77.6 million in state matching funds were removed from the budget based on projected benefits needs.

Medicaid and PeachCare, contd.

- Funds will be transferred from the Department of Corrections to reflect the relocation of medically fragile offenders to community nursing homes.
- Funding was added for 33 new Independent Care Waiver slots.
- \$10 million in general obligation bonds will be issued to match \$90 million in federal funds to implement a new eligibility system.
- The department is authorized to increase the nursing home provider fee and use those revenues to rebase reimbursement rates based on the most recent year cost report.
- The department is also authorized to increase provider reimbursement rates to nursing facilities and long-term care services case managed through the SOURCE program using revenue generated by House Bill 117.

Public Health

- Programmatic and administrative funds were transferred from DCH to establish and operate the new Department of Public Health.
- The legislature concurred with the Governor's recommended reductions to program operations.
- \$3.8 million in state funds were added to help cover expenses for Georgia Enterprise Technology Services (GETS).
- High cost hemophilia clients will be moved into the federal Pre-existing Condition Insurance Plan.
- \$2.8 million in Temporary Assistance for Needy Families (TANF) funds was earmarked for the Children 1st program.
- The legislature did not agree with the Governor's recommendation to reduce general grant in aid to counties by 4%.

State Health Benefit Plan

- The legislature concurred with the Governor's recommended steps to maintain a financially viable state health plan, e.g., increasing employee premiums, implementing plan design changes, eliminating the Open Access Plan. Items in which the legislature differed with the Governor included:
 - The per member per month billing for non-certificated school service personnel will increase effective July 1, 2011 from \$218.20 to \$246.20 (\$73.6 million).
 - Added funds to reflect an increase in the employer share to SHBP (\$147.4 million).
 - Recognized savings from maximizing the use of minimally invasive procedures in outpatient settings (\$21.8 million).

Administration and Health Care Access

- The legislature generally concurred with the Governor's recommended reductions and additions to department administrative operations.
- An additional cut of \$750,000 was made to department operations.
- Funds were added for 3 new community health centers in Berrien, Baldwin and Putnam counties at \$250,000 each plus \$250,000 for behavioral health services in Rockdale County.
- The Health Share Volunteer program (state-sponsored liability coverage for providers offering free healthcare services) was transferred to the new Department of Public Health, along with the Georgia Trauma Care Network Commission and the Brain and Spinal Injury Trust Fund which were administratively attached to DCH.

Healthcare Facility Regulation

- The legislature concurred with the Governor's recommended reductions to program operations.
- An additional cut of \$378,000 was made to program operations.

FY 2012 Budgets Highlights

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