

Board of Community Health
Meeting
April 12, 2012

Members Present

Norman Boyd.
Jack M. Chapman, M.D.
Inman C. "Buddy" English, M.D
Jamie Pennington
Archer Rose
William H. Wallace, Jr.

Members Absent

Ross Mason
Clay Cox
Hannah Heck

The Board of Community Health held its regularly scheduled meeting at the Department of Community Health, Fifth Floor Board Room, 2 Peachtree Street, N.W., Atlanta, Georgia. Commissioner David A. Cook was also present. (An agenda and a List of Attendees are attached hereto and made official parts of these Minutes as Attachments #1 and #2). Vice Chairman Norm Boyd chaired the meeting in the absence of Chairman Ross Mason. Vice Chairman Boyd called the meeting to order at 10:35 a.m.

Minutes

The Minutes of the March 8, 2012 meeting were UNANIMOUSLY APPROVED and ADOPTED.

Vice Chairman Boyd stated that Chairman Mason was unable to attend the Board meeting today due to his attendance of the Georgia Warriors Alliance summit in Warm Springs, Georgia.

Committee Reports

Ms. Jamie Pennington stated that the Policy Committee held a meeting this morning regarding the Medicaid Redesign project. Several stakeholders offered comments about the redesign and Ms. Pennington expressed the committee's gratitude for the stakeholder input.

Vince Harris, Chief Financial Officer presented the State Health Benefit Plan Employer Contribution Rate Resolution. Mr. Harris stated that this resolution adjusted the state employer contribution rates for FY12 and establishes the rate for FY13. This resolution ensures that the State Employees Plan employer contribution rate does not exceed the maximum amount authorized by the appropriations act for FY12. (30.155%) To enable this adjustment the rate must be set at 29.781% for the months of May and June 2012. For FY13 the appropriations act provides an additional \$68.9 million to the plan to

increase the employer contribution. This resolution recognizes the employer amount and sets the contribution rate for employees at 29.781% of the total salaries during the entire year of FY13. One important provision of this resolution is the authorization of the Commissioner to set the monthly rates different from the 29.781% for FY 13 as long as the annualized contribution does not exceed the 29.781% as provided in the Appropriations Act. Ms. Pennington MADE a MOTION to approve the Resolution entitled SHBP Employer Contributions: Rate. Dr. English SECONDED the MOTION. On the motion the yeas were 6 and nays, 0 and the MOTION was UNANIMOUSLY APPROVED. (A copy of the Resolution entitled "SHBP Employer Contributions: Rate" is attached hereto and made an official part of these minutes as Attachment #3).

Dr. Jerry Dubberly, Chief, Medicaid Division, presented the Nursing Facility Services Public Notice for initial adoption. Dr. Dubberly stated that this particular action was as a result of the 2012 Legislative session's budget. The Legislature included an item in the budget to move to the 2010 cost report as a basis for payment for Nursing Facility Services. This public notice includes several components: it reflects the department's intent to use the 2010 cost report in the reimbursement methodology for nursing facility services rendered on or after July 1, 2012; allows part of the funding for this change to be derived from an increase in nursing facility provider fees to the current federal maximum of 6%; and it updates the RS Means Index. The RS Means Index is an input to help establish the Fair Rental Value System (FRVS) reimbursement rate. The FRVS is a funding mechanism which helps to better recognize the cost of the actual facilities and their improvements. The RS Means Index will be adjusted to a level consistent with the funds allotted for this action in the FY 13 budget. This action does represent an increase in expenditures. Mr. Rose MADE a MOTION to approve for initial adoption, the Nursing Facility Public Notice. Ms. Pennington SECONDED the MOTION. On the motion the yeas were 6 and nays, 0 and the MOTION was UNANIMOUSLY APPROVED. (A copy of the Nursing Facility Services Public Notice" is attached hereto and made an official part of these minutes as Attachment #4).

Mr. Scott Frederking presented an update on the amended FY 12 and the FY13 budgets. Mr. Frederking presented the budget items according to the programs that were affected: Medicare and PeachCare, State Health Benefit Plan, Administration, Health Care Access, Healthcare Facility Regulation and Indigent Care Trust Fund. The changes made in the amended budget would balance the current year budget. It was further stated that a copy of the Budget presentation would be available on the Department of Community Health website. (A copy of the Budget Presentation is attached hereto and made an official part of these minutes as Attachment #5).

Mr. Blake Fulenwider, Deputy Commissioner and Dr. Jerry Dubberly presented an update concerning the Medicaid Redesign project. Mr. Fulenwider stated that as we move into the month of April the department is evaluating the timeline and there is a lot of interest in where we stand in the process. The department is re-assessing the timeline as it continues to work with the task forces and stake holders. Stakeholders have requested that the department slow down the process and take a deeper look into the evaluations made. The task forces at this point have had several meetings. The

meetings are very in depth, deliberate and the level of engagement is tremendous. The work with financial direction and actuarial analysis is ongoing as the redesign moves forward. The department hopes to have a strong blueprint in what is expected in short and long-term. As far as finance in the redesign, the department is working daily with actuaries and others that are doing financial analysis for the department. There is uncertainty surrounding the "Affordable Care Act" with the Supreme Court having taken up oral arguments in the last couple of weeks, with the expectation that the Court will render a decision in early June. The department is continuing to evaluate proposals that have been received from a number of provider groups who have offered proposals to the department. Mr. Fulenwider stated the department is not operating on a blank slate; there are a lot of limitations with this redesign that have to be taken in consideration. With the implementation of the January 2014 expansion of the Medicaid program the state is expecting an additional enrollment of 650,000 or more eligible participants to be added to the Medicaid program at that time. The department is also limited because of the CMO contracts that will be expiring in June 30, 2014. The department needs to make sure that it has sufficient time to implement and procure whatever the redesign may be. It will be a very time consuming and labor intensive process to be sure that all of the pieces are in place before going live with any part of the program. Another constraint is found in the Appropriations Act, that reduced approximately \$250,000 needed to fund the consulting process surrounding the Medicaid redesign project. A date for the final analysis phase in the redesign has yet to be determined. The department continues to work with Navigant to determine what would be a reasonable amount of time to do a thorough job. The department remains committed to putting quality first in this redesign. The department will keep the Board of Community Health updated with the progress of this project. It is a major initiative and enormous initiative for the department and it is of critical importance to the state.

Dr. Dubberly presented key themes the department has received from the project's taskforces. Three Task Forces have been formed; the Provider Task Force; the Aged, Blind and Disabled Task Force and the Children and Families Task Force. The Provider Task Force was established to inform the department from the Provider's perspective what is working, what is not working and what things need to be considered as the department moves forward in the redesign. The Aged, Blind and Disabled Task Force includes some providers and a number of advocates and sister agencies who are partners with the department it manages these specific populations. The input from this Task force targets populations from the highest acuity levels that are very difficult to treat and coordinate because they have very different needs. There is representation from Developmental Disabilities, which is very different from the needs of the Aging and Blind. This is a very productive task force. The Children and Families task Force is also focused on foster care and how the state can provide better medical oversight for the children in foster care. There is also a workgroup underway for Substance Abuse and Mental Health. There have been eight meetings to date, with each meeting lasting three to four hours. The representatives of the department listen rather than talk; also the groups do a lot of brainstorming. These Task Forces are advisory in nature offering input and feedback on the redesign. Many of the themes throughout the different Task Force groups were the same, such as: consistency, simplification, quality care, vendor


responsibilities, agencies working together to provide care, focusing on wellness and allowing sufficient time to implement each stage of the redesign. The providers are reinforcing that the department is on the right track and the Task Forces will work with DCH throughout the process of the redesign in all aspects. (A copy of the Medicaid Redesign Update is attached hereto and made an official part of these minutes as Attachment #6).

Vice Chairman Boyd thanked the Commissioner for inviting the Board members to the E-Health Summit and further stated that it was a very informative program.

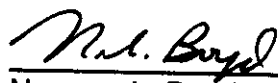
Adjournment

There being no further business to be brought before the Board, Vice chairman Boyd adjourned the meeting at 11:32 AM.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE 10th DAY OF May, 2012.



ROSS MASON
Chairman



Norman L. Boyd
Vice Chairman

Official Attachments:

- #1 List of Attendees
- #2 Agenda
- #3 SHBP Employer Contributions: Rate Resolution
- #4 Nursing Facility Services Public Notice
- #5 Budget Presentation
- #6 Medicaid Redesign Update