EMORY HEALTHCARE

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Commissioner David Cook
Georgia Department of Community Health
2 Peachtree Street
Atlanta, GA 30302

Dear Commissioner Cook:

Emory Healthcare is the largest, most comprehensive health system in Georgia and includes The Emory Clinic, Emory Children's Center, Emory University Hospital, Emory University Hospital Midtown, Emory Johns Creek Hospital, Wesley Woods Center, Emory University Orthopaedics and Spine Hospital and the jointly owned Emory-Adventist Hospital. Through a Joint Operating Company that became effective in January 2012, Emory Healthcare is the 51% majority owner of St. Joseph's Hospital.

We appreciate the opportunity to respond to the Navigant Report on Medicaid Redesign. Emory Healthcare was one of the first providers in Georgia to sign a memorandum of understanding in 2006 with the three existing Care Management Organizations when the State began the Georgia Families Program. While the current Medicaid Managed Care program is not without challenges, we are even more concerned that expanding to include the Aged Blind and Disabled (ABD) population will only compound these challenges and result in reduced care for this very vulnerable population.

Consistent with strategic requirements of the Department of Community Health for the future design strategy, the two major issues that we believe must be addressed in the new design program are: 1) access to care for members; and 2) ensuring operational feasibility. Access to care is a very important element for the members of this Medicaid population. The inefficiencies in both the administration of the Medicaid plan and the existing financial deficit have been deterrents to providers. We believe it is important that DCH take a strong look at appropriate reimbursement for these providers, and must be willing to increase reimbursement so that it is at least in line with CMS reimbursement. Without this, there will not be an adequate pool of willing providers to care for these members. We are also concerned that physician enrollment does not accurately reflect true access for patients. The State of Georgia is already faced with a physician workforce shortage and the existing reimbursement, or an even lower reimbursement that is likely to be the case with an expanded CMO program, will result in many physicians in the State choosing not to treat the Medicaid patient. As stated

above, this is a very vulnerable population with complex medical conditions, resulting in more costly treatments and services for these patients.

Additionally, administrative inefficiencies in receiving provider numbers for each physician, with a different provider number required for each practice location have been cumbersome and untimely. Physicians are delivering care but having to wait up to 6 months for CMOs to receive and load such numbers in their system, therefore claims payments are delayed as long, if not longer. If these problems are not resolved with the current CMO program, they will only multiply if the ABD population is placed in a CMO program.

Emory's physician faculty provides care to patients at Grady Hospital and currently receives payments through the Physician UPL program along with multiple other physicians and teaching hospitals in Georgia. It's a federal matching program that does not cost the State of Georgia anything, with the exception of the minimal administrative cost to administer. However, per federal statute, if the ABD population moves into a managed care program it disqualifies the otherwise qualified providers in Georgia from participating in the federal UPL program. This situation has already occurred with a portion of the Medicaid population in Georgia and has had negative consequences on a number of facilities and providers in Georgia; and has been a significant contributor to the ongoing financial challenges Grady has experienced due to losing millions of annual dollars from this program. Removing the ability for these providers to participate in this federal funding program only increases the likelihood that more providers would stop caring for the Medicaid population because they cannot afford to do so.

In summary, we believe the deficiencies and administrative challenges of the existing CMO program, that have increased costs to healthcare providers significantly, should be resolved before the State expands this to the low-income Medicaid population, and under no circumstances should this program be expanded to include the ABD population. There are other tried and true programs in the State of Georgia such as SOURCE and home- and community-based waiver programs that can be enhanced to meet the state's goals and strategies. Thank you.

Sincerely,

John T. Fox

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