



# Amended FY 2013 and FY 2014 Final Budgets



Presentation to: Board of the Department of Community Health

Presented by: Tim Connell, Chief Financial Officer



# Mission

## The Georgia Department of Community Health

We will provide Georgians with access to affordable, quality health care through effective planning, purchasing and oversight.

*We are dedicated to A Healthy Georgia.*



# Departmental Administration

# Department Administration

	<b>Final FY 2012 Budget</b>	<b>Amended FY 2013 Budget</b>	<b>FY 2014 Budget</b>	<b>Difference FY 2013 and FY 2014</b>
State Appropriation	\$66,917,489	\$75,199,302	\$65,377,496	(\$9,821,806)
Federal Funds	311,343,503	317,859,858	255,875,903	(61,983,955)
Other Funds	25,178,579	30,306,903	24,286,230	(6,020,673)
<b>Total Departmental Administration</b>	<b>403,439,571</b>	<b>\$423,366,063</b>	<b>\$345,539,629</b>	<b>(\$77,826,434)</b>



# Health Care Access and Improvement

# Health Care Access and Improvement

	<b>Final FY 2012 Budget</b>	<b>Amended FY 2013 Budget</b>	<b>FY 2014 Budget</b>	<b>Difference FY 2013 and FY 2014</b>
State Appropriation	\$6,148,595	\$6,967,234	\$6,742,234	(\$225,000)
Federal Funds	7,632,740	23,555,105	21,548,346	(\$2,006,759)
Other Funds	100,000	0	0	0
<b>Total Health Care Access and Improvement</b>	<b>\$13,881,335</b>	<b>\$30,522,339</b>	<b>\$28,290,580</b>	<b>(\$2,231,759)</b>



# Healthcare Facility Regulation

# Healthcare Facility Regulation

	<b>Final FY 2012 Budget</b>	<b>Amended FY 2013 Budget</b>	<b>FY 2014 Budget</b>	<b>Difference FY 2013 and FY 2014</b>
State Appropriation	\$5,986,173	\$6,959,146	\$6,959,146	\$0
Federal Funds	10,495,929	9,307,354	8,296,900	(1,010,454)
Other Funds	0	100,000	100,000	0
<b>Total Healthcare Facility Regulation</b>	<b>\$16,482,102</b>	<b>\$16,366,500</b>	<b>\$15,356,046</b>	<b>(\$1,010,454)</b>





# Aged, Blind and Disabled Medicaid (ABD)

# Aged, Blind and Disabled Medicaid

	<b>Final FY 2012 Budget</b>	<b>Amended FY 2013 Budget</b>	<b>FY 2014 Budget</b>	<b>Difference FY 2013 and FY 2014</b>
State Appropriation	\$1,367,607,654	\$1,612,583,039	\$1,588,229,982	(\$24,353,057)
Federal Funds	3,270,763,690	3,188,106,266	3,149,479,068	(38,627,198)
Other Funds	350,946,478	331,831,620	336,131,620	4,300,000
<b>Total Aged, Blind and Disabled Medicaid</b>	<b>\$4,989,317,822</b>	<b>\$5,132,520,925</b>	<b>\$5,073,840,670</b>	<b>(\$58,680,255)</b>

# Aged, Blind and Disabled Medicaid Highlights

## Amended FY 2013 Budget Highlights:

- Add \$132,293,459 to increase funds for projected growth
- Reflect collections of \$11,486,052 in hospital cost settlements from FY 2009-2011
- Save \$834,767 by eliminating hospital reimbursement for preventable admissions
- Increase budgetary flex between ABD and LIM from 2% to 10%

## FY 2014 Budget Highlights:

- Add \$128,581,462 to increase funds for projected growth
- Reflect collections of \$6,030,178 in hospital cost settlements from FY 2011-2012
- Save \$1,715,298 by eliminating hospital reimbursements for preventable admissions
- Save \$10,307,223 from a change in federal match rates
- Add \$330,274 to fund 20 additional Independent Care Waiver slots
- Recognize savings of \$1,300,000 by moving eligible members from Medicaid to the Veterans Administration
- Increase budgetary flex between ABD and LIM from 2% to 10%





# Low Income Medicaid (LIM)

# Low Income Medicaid

	<b>Final FY 2012 Budget</b>	<b>Amended FY 2013 Budget</b>	<b>FY 2014 Budget</b>	<b>Difference FY 2013 and FY 2014</b>
State Appropriation	\$1,055,234,823	\$1,081,317,570	\$1,124,912,513	\$43,594,943
Federal Funds	2,200,945,685	2,199,573,387	2,232,445,330	32,871,943
Other Funds	48,151,897	40,306,161	36,720,780	(3,585,381)
<b>Total Low Income Medicaid</b>	<b>\$3,304,332,405</b>	<b>\$3,321,197,118</b>	<b>\$3,394,078,623</b>	<b>\$72,881,505</b>

# Low Income Medicaid Highlights

## Amended FY 2013 Budget Highlights:

- Add \$79,355,008 to increase funds for projected growth
- Reflect collections of \$7,831,983 in hospital cost settlements from FY 2009-2011
- Save \$569,202 by eliminating hospital reimbursement for preventable admissions
- Recognize savings of \$1,875,000 by eliminating elective births prior to the 39<sup>th</sup> gestational week
- Increase budgetary flex between ABD and LIM from 2% to 10%

## FY 2014 Budget Highlights:

- Add \$87,669,129 to increase funds for projected growth
- Reflect collections of \$4,111,791 in hospital cost settlements from FY 2011-2012
- Save \$1,169,609 by eliminating hospital reimbursements for preventable admissions
- Save \$4,087,071 from a change in federal match rates
- Recognize savings of \$5,120,000 by eliminating elective births prior to the 39<sup>th</sup> gestational week
- Transfer \$13,356,832 from PeachCare for children aged 6-18 falling between 100-133% of the federal poverty level
- Extend the Planning for Healthy Babies waiver beyond planned end date of December 31, 2013
- Replace \$56 million in state funds with tobacco settlement funds
- Increase budgetary flex between ABD and LIM from 2% to 10%





# PeachCare for Kids

# PeachCare for Kids

	<b>Final FY 2012 Budget</b>	<b>Amended FY 2013 Budget</b>	<b>FY 2014 Budget</b>	<b>Difference FY 2013 and FY 2014</b>
State Appropriation	\$72,439,533	\$98,580,863	\$82,317,878	(\$16,262,985)
Federal Funds	234,068,340	310,514,043	260,313,682	(50,200,361)
Other Funds	275,269	264,089	151,783	(112,306)
<b>Total PeachCare for Kids</b>	<b>\$306,783,142</b>	<b>\$409,358,995</b>	<b>\$342,783,343</b>	<b>(\$66,575,652)</b>



# PeachCare for Kids Highlights

## **Amended FY 2013 Budget Highlights:**

- Add \$19,854,812 to increase funds for projected growth

## **FY 2014 Budget Highlights:**

- Add \$15,661,036 to increase funds for projected growth
- Transfer \$13,356,832 to Low Income Medicaid for children aged 6-18 falling between 100-133% of the federal poverty level



# Indigent Care Trust Fund

# Indigent Care Trust Fund

	<b>Final FY 2012 Budget</b>	<b>Amended FY 2013 Budget</b>	<b>FY 2014 Budget</b>	<b>Difference FY 2013 and FY 2014</b>
State Appropriation	\$18,803,443	\$16,622,029	\$0	(\$16,622,029)
Federal Funds	321,015,921	293,604,986	257,075,969	(36,529,017)
Other Funds	134,306,994	152,890,433	150,450,219	(2,440,214)
<b>Total Indigent Care Trust Fund</b>	<b>\$474,126,358</b>	<b>\$463,117,448</b>	<b>\$407,526,188</b>	<b>(\$55,591,260)</b>



# State Health Benefit Plan

# State Health Benefit Plan

	<b>Final FY 2012 Budget</b>	<b>Amended FY 2013 Budget</b>	<b>FY 2014 Budget</b>	<b>Difference FY 2013 and FY 2014</b>
State Appropriation	\$-	\$-	\$-	\$-
Federal Funds	1,017,259	-	-	-
Other Funds	3,028,020,541	3,076,174,662	3,232,435,211	156,260,549
<b>Total State Health Benefit Plan</b>	<b>\$3,029,037,800</b>	<b>\$3,076,174,662</b>	<b>\$3,232,435,211</b>	<b>\$156,260,549</b>

# State Health Benefit Plan Highlights

## Amended FY 2013 Budget Highlights:

- Reflect \$7,450,121 in new revenue by increasing per member per month billings for certificated school service personnel from \$912.34 to \$937.3 effective March 2013
- Reflect \$6,085,000 in new revenue by increasing the employer share of the State Health Benefit Plan from 29,781% to 30.281% effective January 2013
- Reflect a \$4,000,000 increase in expense for implementation of the childhood obesity initiative in cooperation with the Alliance for a Healthier Generation, Department of Public Health, and the Governor's Office
- Reflect savings of \$66,519,000 from implementing plan design changes to deductibles, out of pocket maximums and HRA funding
- Increase employee contribution rates for spousal coverage, generating \$36,379,788 in revenue
- Increase employee premiums 2% (\$6,881,250) due to increased costs as a result of the requirements of the Patient Protection and Affordable Care Act
- Increase employee premiums 7.5% (\$6,419,963) for employee-only and employee + child(ren) tiers
- Reflect \$8,994,000 in revenue generated by implementing an add-on fee of \$7 per employee per month for selected plans
- Reflect \$74,650,990 in updated revenue and expense projections



# State Health Benefit Plan Highlights

## FY 2014 Budget Highlights:

- Reflect \$107,693,937 in revenue from increasing per member per month billings for non-certificated school service personnel from \$446.20 to \$596.20 effective July 2013
- Increase per member per month billings for certificated school service personnel from \$912.34 to \$945 totaling \$37,877,566
- Increase employer share of the State Health Benefit Plan from 29.781% to 30.781% totaling \$26,223,099
- Reflect an \$8,000,000 increase in expense for implementation of the childhood obesity initiative in cooperation with the Alliance for a Healthier Generation, Department of Public Health, and the Governor's Office
- Reflect savings of \$160,796,000 from implementing plan design changes to deductibles, out of pocket maximums and HRA funding
- Increase employee contribution rates for spousal coverage, generating \$118,977,414 in revenue
- Increase employee premiums 2% (\$11,966,438) due to increased costs as a result of the requirements of the Patient Protection and Affordable Care Act
- Increase employee premiums 7.5% (\$11,966,438) for employee-only and employee + child(ren) tiers
- Reflect \$17,988,000 in revenue generated by implementing an add-on fee of \$7 per employee per month for selected plans
- Reflect \$64,856,535 in updated revenue and expense projections





# HB132 Implementation



# HB132 Implementation

## Key Points in Legislation

- Creates an Executive Director to be appointed by each of the Board of Pharmacy and the Board of Dentistry.
- Each board shall appoint and fix the compensation (of the executive director), which shall be approved by the Board of Community Health.
- Both boards shall be under the jurisdiction of the Department of Community Health as “autonomous divisions” of the department.
- Each board “shall exercise its quasi-judicial, rule-making, licensing, or policy-making functions independently of the department and without approval or control of the department and prepare its budget and submit its budgetary requests, if any, through the department.”

## Stakeholder Groups

- Have met with key stakeholder groups including the General Assembly, Office of the Secretary of State, pharmacy and dentistry boards, Georgia Drugs and Narcotics Agency, and professional associations.



# HB132 Implementation

## Key Decisions Made to Date

- Both the Pharmacy and the Dentistry Boards shall each be established as stand-alone divisions (programs) in DCH. Each will have its individual budget and associated budget codes.
- Both boards will be co-located and share space with the Composite Medical Board located at 2 Peachtree.
- Both boards will share certain common support functions with the Composite Medical Board.
- There will be no transfer of funding, staff or equipment from the Secretary of State to DCH for the pharmacy or dental boards.
- Existing staff and funding for the Georgia Drugs and Narcotics Agency will be transferred to DCH by Executive Order.