



GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

AFY 2016 and FY 2017 Budget



Presentation to: Board of Community Health

Presented by: Elizabeth K. Brady, Chief Financial Officer

Date: April 14, 2016



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.

Agenda

- FY 2016 Current Budget
- AFY 2016 Budget
- FY 2017 Budget



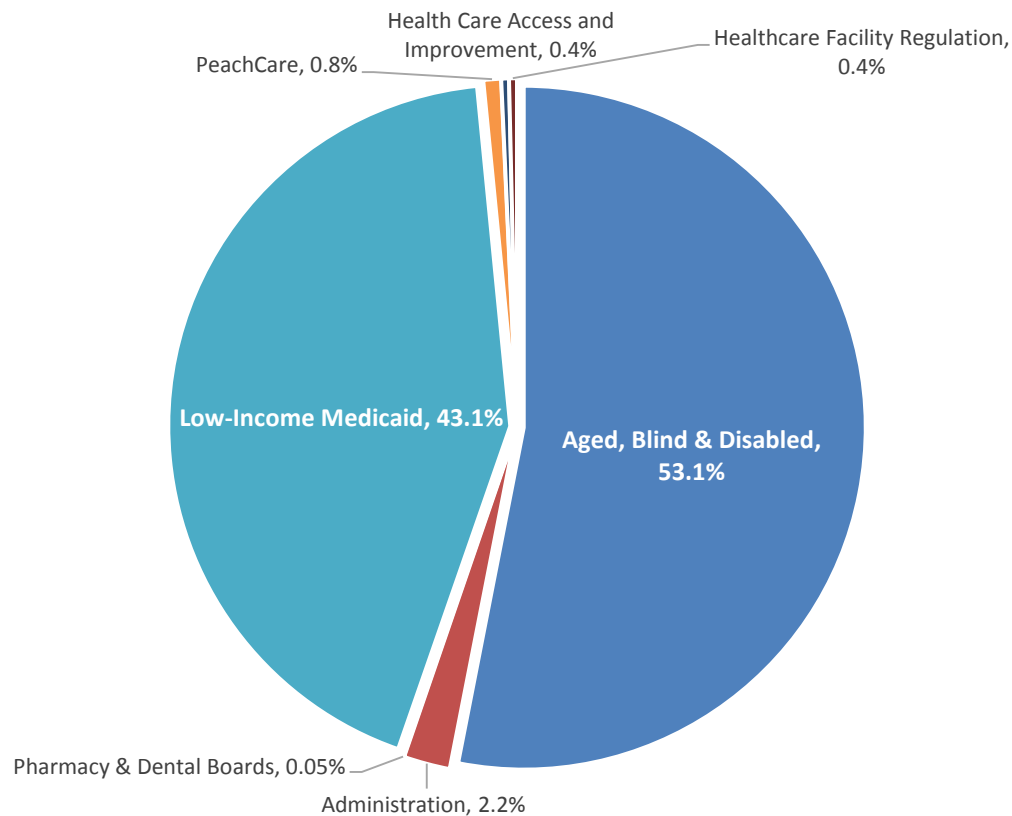
FY 2016 Current Budget

FY 2016 Budget

State Funds Budget by Program*

Total Funds Appropriated: \$13,642,102,230

State Funds Appropriated: \$2,979,649,363



97% of all DCH State Funds are budgeted in Medicaid and PeachCare



**GEORGIA DEPARTMENT
OF COMMUNITY HEALTH**

* Chart includes state funds only and does not include attached agencies.

FY 2016 State Funds Budget Highlights

- Departmental Administration budget cut of \$2 million.
- \$3.3 million was appropriated in the Healthcare Facility Regulation program to hire additional nurse surveyors and address a structural deficit.
- \$8.7 million increase in rate calculations for nursing facility ownership changes from January 1, 2012 to June 30, 2014.
- \$5.9 million to increase reimbursement rates for select OB/GYN codes to the 2014 Medicare fee schedule.
- \$17.2 million added for increased reimbursement rates for select primary care codes.





AFY 2016 Budget

AFY 2016 Budget*

Medicaid Benefits Items			Governor's Recommendations	As Passed	Difference
1	Aged Blind and Disabled, Low-Income Medicaid, PeachCare	Funds requested for AFY 2016 benefit growth.	\$32,507,590	\$32,507,590	\$0
2	Aged Blind and Disabled	Provide funding for pharmacy cost due to high cost of Hepatitis C and Cystic Fibrosis drugs.	26,520,266	26,520,266	0
3	Aged Blind and Disabled	Provide funding to cover increase in Part D clawback payments starting in January 2016.	4,157,276	4,044,497	(112,779)
4	Indigent Care Trust Fund	Provide funding for state match for DSH payments for private deemed and non-deemed hospitals.	14,668,976	14,668,976	0
5	Aged Blind and Disabled	Provide funding for an increase in the premiums for Part B Medicare for Medicaid members who are also eligible for Medicare ("dual eligible").	13,081,365	13,081,365	0
TOTAL FOR MEDICAID BENEFITS			\$90,935,473	\$90,822,694	(\$112,779)

AFY 2016 Budget*

Operations Items			Governor's Recommendations	As Passed	Difference
6	Administration	Cover added expenses for 1095-B reporting required by the Patient Protection and Affordable Care Act (PPACA).	\$1,817,591	\$1,817,591	\$0
7	Administration	Increase funds to account for reduced matching rate for certain MMIS-related activities.	2,155,857	2,155,857	0
8	Administration	Increase funds for Teamworks to comply with new IRS reporting requirements of the Patient Protection and Affordable Care Act (PPACA).	3,520	3,520	0
9	Healthcare Facility Regulation	Reduce funds to meet projected expenditures.	--	(119,000)	(119,000)
TOTAL FOR OPERATIONS ITEMS			\$3,976,968	\$3,857,968	(\$119,000)

AFY 2016 Budget			Governor's Recommendation	As Passed	Difference
	Medicaid Benefits Items		\$90,935,473	\$90,822,694	(\$112,779)
	Operations Items		3,976,968	3,857,968	(119,000)
TOTAL BUDGET RECOMMENDATION			\$94,912,441	\$94,680,622	(\$231,779)



AFY 2016 Budget*

State Health Benefit Plan Items			Governor's Recommendations	As Passed	Difference
10	State Health Benefit Plan	Increase funds for Medicare Advantage plans effective January 1, 2016. (Total Funds: \$45,800,000)	Yes	Yes	--
11	State Health Benefit Plan	Increase funds to reflect updated projections for membership, medical services utilization, and medical trend changes. (Total Funds: \$31,105,104)	Yes	Yes	--
12	State Health Benefit Plan	Reduce funds for the reduction in employee contribution rates effective January 1, 2016. (Total Funds: (\$5,550,000))	Yes	Yes	--
13	State Health Benefit Plan	Reflect the delay of the scheduled increase of the employer contribution rate for non-certificated school service employees from July 1, 2015 to January 1, 2016. (Total Funds: (\$56,763,150))	Yes	Yes	--



FY 2017 Budget

FY 2017 Budget*

Medicaid Benefits Items		Governor's Recommendations	As Passed	Difference
1	Aged Blind and Disabled, Low-Income Medicaid Funds requested for FY 2017 benefit growth.	\$102,896,756	\$61,042,555	(\$41,854,201)
2	Aged Blind and Disabled Provide funding for pharmacy cost due to high cost of Hepatitis C and Cystic Fibrosis drugs.	26,520,266	24,398,107	(2,122,159)
3	Aged Blind and Disabled Provide funding to cover increase in Part D clawback payments starting in January 2016.	8,212,532	8,088,994	(123,538)
4	Aged Blind and Disabled Provide funding for an increase in the premiums for Part B Medicare for Medicaid members who are also eligible for Medicare ("dual eligible").	21,039,788	21,039,788	0
5	Aged Blind and Disabled, Low-Income Medicaid FY2017 Federal Medical Assistance Percentage (FMAP) savings.	(38,443,460)	(38,443,460)	0
6	PeachCare FY2017 Enhanced Federal Medical Assistance Percentage (eFMAP) savings.	(24,648,601)	(24,648,601)	0
7	Aged Blind and Disabled Transfer administration of the Community Care Services Program (CCSP) waiver program to the Department of Community Health.	52,680,775	52,680,775	0
8	Aged Blind and Disabled, Low-Income Medicaid Additional revenue from hospital provider payments.	13,564,771	13,564,771	0

FY 2017 Budget*

Medicaid Benefits Items (cont.)			Governor's Recommendations	As Passed	Difference
9	Aged Blind and Disabled	Reduce funds for previous changes in rate calculations for nursing facility operator changes to reflect projected expenditures.	--	\$(4,100,000)	\$(4,100,000)
10	Aged Blind and Disabled	Increase funds to provide for a 3% inflation adjustment on the 2012 nursing home cost reports.	--	11,300,000	11,300,000
11	Aged Blind and Disabled	Increase funds for the Independent Care Waiver Program (ICWP) Personal Support rates to match the CCSP and SOURCE program rates.	--	3,774,382	3,774,382
12	Aged Blind and Disabled	Increase funds for reimbursement rates for Adult Day Health Centers by 5% to provide parity with other home and community-based service providers.	--	399,670	399,670
13	Aged Blind and Disabled, Low-Income Medicaid	Increase reimbursement rates for occupational and physical therapy within the Children's Intervention Services (CIS) program.	--	2,000,000	2,000,000
14	Aged Blind and Disabled	Evaluate budget neutral payment methodologies for Medicaid member access to services provided by newly-enrolled long-term acute care and inpatient rehabilitation hospitals.	--	Yes	
15	Aged Blind and Disabled	Transfer funds from the Medicaid: Aged, Blind and Disabled program to the Departmental Administration and Program Support program for positions and operational costs related to the Community Care Services Program (CCSP).	--	(1,407,028)	(1,407,028)

FY 2017 Budget*

Medicaid Benefits Items (cont.)		Governor's Recommendations	As Passed	Difference		
16	Aged Blind and Disabled, Low-Income Medicaid	Increase funds to increase reimbursement rates for select primary care and OB/GYN codes to 100% of 2014 Medicare levels.	--	\$26,203,315	\$26,203,315	
17	Low-Income Medicaid	Increase Advanced Life Support (ALS) emergency transport code reimbursement rate for EMS providers by 7%.	--	634,314	634,314	
18	Low-Income Medicaid	Effective July 1, 2016, Care Management Organizations (CMO) are required to increase their current per unit reimbursement rates for contracted primary care, OB/GYN, and EMS providers at the increased rates mandated by HB 751.	--	Yes		
19	Low-Income Medicaid	Provide funds to evaluate cost-saving measures through accurate diagnosis of ADHD through NEBA and report back to the General Assembly by January 1, 2017.	--	200,000	200,000	
20	Aged Blind and Disabled	Increase funds for a 3% increase in ventilator reimbursement rates.	--	95,041	95,041	
21	Low-Income Medicaid	Increase funds for a \$250 add-on payment for newborn delivery in rural counties (population less than 35,000).	--	387,407	387,407	
TOTAL FOR MEDICAID BENEFITS				\$161,822,827	\$157,210,030	(\$4,612,797)

FY 2017 Budget*

Operations Items		Governor's Recommendations	As Passed	Difference
22	Administration, Dentistry, Pharmacy, Health Care Access and Improvement, Healthcare Facility Regulation Increase funds for merit-based pay adjustments and employee recruitment and retention initiatives effective July 1, 2016.	\$686,031	\$749,156	\$63,125
23	Administration, Dentistry, Pharmacy, Health Care Access and Improvement, Healthcare Facility Regulation Increase funds to reflect an adjustment in merit system assessments.	20,738	5,828	(14,910)
24	Administration, Dentistry, Pharmacy, Health Care Access and Improvement, Healthcare Facility Regulation Reduce funds to reflect an adjustment in agency premiums for DOAS administered self-insurance programs.	(32,977)	(76,238)	(43,261)
25	Administration Increase funds to reflect an adjustment in TeamWorks billings.	24,035	24,035	0
26	Administration Reduce funds to reflect 100% federal match for PeachCare administration.	(7,669,673)	(7,669,673)	0
27	Administration Increase funds to comply with the Patient Protection and Affordable Care Act (PPACA) requirement that 1095-B forms be provided to individuals enrolled in PeachCare or Medicaid.	1,817,591	1,817,591	0
28	Administration Increase funds to replace the loss of federal funds for the Medicaid Management Information System (MMIS).	2,155,857	2,155,857	0

FY 2017 Budget*

Operations Items (cont.)			Governor's Recommendations	As Passed	Difference
29	Administration	Increase funds to reflect an adjustment in the employer share of the Employees' Retirement System.	--	\$15,014	\$15,014
30	Administration	Reduce funds for contracts.	--	(275,625)	(275,625)
31	Administration	Utilize existing funds to initiate contract services with an external firm for mandatory nursing home audits.	--	Yes	
32	Administration	Transfer funds from the Medicaid ABD program for positions and operational costs related to the Community Care Services Program (CCSP).	--	1,407,028	1,407,028
33	Administration	Redirect any administrative savings from the transfer of the CCSP to fund additional slots and report to the Georgia General Assembly on progress by January 1, 2017.	--	Yes	
34	Administration	DCH is authorized to submit a request an 1115 waiver request to the Centers for Medicare and Medicaid Services.	--	Yes	
35	Administration	Inspect each medical facility the Department is authorized to regulate under Paragraph (7) of OCGA 31-2-1 on an annual basis, maintain records and report to the General Assembly each year.	--	Yes	
36	Health Care Access and Improvement	Eliminate one-time start-up funds for Federally Qualified Health Centers.	--	(250,000)	(250,000)
37	Health Care Access and Improvement	Increase funds for two FQHC community start-up grants in Jackson and Jenkins Counties.	--	500,000	500,000
38	Health Care Access and Improvement	Increase funds for contract services for medically fragile children who do not qualify for the "Katie Beckett" TEFRA/Deeming Waiver.	--	250,000	250,000

FY 2017 Budget*

Operations Items (cont.)			Governor's Recommendations	As Passed	Difference
39	Health Care Access and Improvement	Utilize existing funds to continue the Rural Hospital Stabilization Committee's grants, with pilot sites to be selected by the Rural Hospital Stabilization Committee.	--	Yes	
40	Health Care Access and Improvement	Increase one-time funds for the purchase of three telemedicine equipment devices to support middle Georgia EMS services.	--	42,000	42,000
41	Health Care Access and Improvement	Increase funds to the Southwest Georgia Cancer Coalition to assist with access to quality cancer care and treatment in Southwest Georgia.	--	25,000	25,000
42	Health Care Access and Improvement	Increase funds to establish a Patient Centered Medical Home (PCMH) grant program for rural stabilization.	--	300,000	300,000
43		Additional General Obligation Bond request for the Integrated Eligibility System = \$3,000,000.			
TOTAL FOR OPERATIONS ITEMS			(\$2,998,398)	(\$980,027)	\$2,018,371

FY 2017 Budget			Governor's Recommendation	As Passed	Difference
	Medicaid Benefits Items		\$161,822,827	\$157,210,030	(\$4,612,797)
	Operations Items		(2,998,398)	(980,027)	2,018,371
TOTAL BUDGET RECOMMENDATION			\$158,824,429	\$156,230,003	(\$2,594,426)

FY 2017 Budget*

State Health Benefit Plan Items			Governor's Recommendations	As Passed	Difference
44	State Health Benefit Plan	Increase funds for Medicare Advantage plans effective January 1, 2016. (Total Funds: \$91,600,000).	Yes	Yes	--
45	State Health Benefit Plan	Increase funds to reflect updated projections for membership, medical services utilization, and medical trend changes. (Total Funds: \$4,252,738).	Yes	Yes	--
46	State Health Benefit Plan	Reduce funds for the reduction in employee contribution rates effective January 1, 2016. (Total Funds: (\$11,100,000)).	Yes	Yes	--
47	State Health Benefit Plan	Reduce funds by identifying future year plan design changes (Total Funds: (\$32,784,000)).	Yes	Yes	--
48	State Health Benefit Plan	Reduce funds due to a scheduled reduction in the Transitional Reinsurance Fee imposed by PPACA (Total Funds: (\$7,420,000)).	Yes	Yes	--
49	State Health Benefit Plan	Increase funds for a scheduled increase of the employer contribution rate for non-certificated school services employees from \$746.20 to \$846.20 effective January 1, 2017 (Total Funds: \$30,405,700).	Yes	Yes	--
50	State Health Benefit Plan	Authorize a pilot program for non-certificated system-directed health care coverage for a 24-month pilot effective for coverage year January 1, 2017, at the end of which the participating systems may opt to return to the state plan without penalty.	--	Yes	
51	State Health Benefit Plan	Reflect a total fund balance for Other Post-Employment Benefits (OPEB) liabilities of \$925,103,053 by recognizing 2015 payments (\$478,094,972) and pending deposits (\$314,627,314).	--	Yes	

AFY 2016 and FY 2017 Budget Update

**Additional Information on DCH
Website**

www.dch.georgia.gov