

Board of Community Health
Meeting
June 11, 2015

Members Present

Norman Boyd
Kiera von Besser
Michael Kleinpeter
Russ Childers
Allana Cummings
Roger Folsom

Members Absent

Rick Jackson
Donna Thomas Moses
Clay Cox

The Board of Community Health held its regularly scheduled meeting at the Department of Community Health (DCH), Fifth Floor Board Room, 2 Peachtree Street, N.W., Atlanta, Georgia. Commissioner Clyde L. Reese, III 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). Chairman Norman Boyd presided and called the meeting to order at 10:35 a.m.

Minutes

The Minutes of the May 14, 2015 meeting were unanimously approved.

Opening Comments

None to report.

Committee Reports

None to report.

Commissioner's Report

Commissioner Reese thanked the Board, members of the public and staff for their attendance.

Commissioner Reese recognized two senior staff members that are retiring June 30, 2015 and shared the following:

1. Vince Harris, Chief Information Officer (CIO): Almost 30 years in state government. Mr. Harris has done a tremendous job at DCH over the last six years in several high level positions.

Matt Jarrard will assume the role of CIO July 1, 2015. Mr. Jarrard has been with the state for 20 years, 15 of which he has been the statistical data expert for the Certificate of Need (CON) program. Mr. Jarrard has worked with Mr. Harris for the past two months in preparation for this transition. Commissioner Reese thanked Mr. Jarrard for his willingness to take on this new role.

2. Tim Connell, Chief Financial Officer (CFO): Almost 37 years in state government. Mr. Connell has done tremendous work for the State his entire career in many high level managerial capacities. Mr. Connell has helped DCH stabilize our financial state of affairs and brought a level of professionalism and expertise that will be missed.

A successor has not been identified for the CFO position, but interviews are currently taking place. When a permanent replacement has been identified an announcement will be made.

Commissioner Reese closed by thanking Mr. Harris and Mr. Connell for their service and wished them well in their future endeavors.

Chairman Boyd thanked everyone as well on behalf of the Board.

John Upchurch, Director of Reimbursement briefed the Board on the request for final adoption of the adjustment of Medicaid reimbursement for nursing facilities that had a change of ownership for the period January 1, 2012 through June 30, 2014 based on the facility's cost under new ownership. In response to Chairman Boyd's question, Mr. Upchurch noted that the funds for this adjustment were included in the State Fiscal Year 2016 Appropriations Act. This change, subject to CMS approval, is to be effective for services provided on and after July 1, 2015.

The Department held a public hearing on this proposed action on May 18, 2015 at 10:30 am. No oral comments were received. An opportunity for written comments was also held through May 25, 2015. During this period, no written comments were received.

Russ Childers MADE a MOTION to approve for final adoption Nursing Home Services Rate Update Public Notice. Michael Kleinpeter SECONDED the MOTION. ON THE MOTION, the yeas were 6, nays 0, abstained 0, and the MOTION was APPROVED. (A copy of the Nursing Home Services Rate Update Public Notice is attached hereto and made an official part of these minutes as Attachment #3).

John Upchurch next briefed the Board on the request for final adoption of the increase

in Medicaid reimbursement for antepartum care physician services as included in the State Fiscal Year 2016 Appropriations Act. This change, subject to CMS approval, is to be effective for services provided on and after July 1, 2015.

The Department held a public hearing on this proposed action on May 20, 2015 at 10:00 am. An opportunity for written comments was also held through May 27, 2015. During this period, one written comment was received. No oral comments were received. The written comment was from the Georgia Academy of Family Physicians (GAFFP). GAFFP supported the proposal to increase reimbursement for physician antepartum care.

Allana Cummings MADE a MOTION to approve for final adoption Medicaid Physician Rate Increase for Antepartum Care Public Notice. Roger Folsom SECONDED the MOTION. ON THE MOTION, the yeas were 6, nays 0, abstained 0, and the MOTION was APPROVED. (A copy of the Medicaid Physician Rate Increase for Antepartum Care Public Notice is attached hereto and made an official part of these minutes as Attachment #4).

Mr. Upchurch also briefed the Board on the request for final adoption of the increase in Medicaid reimbursement for certain physician services for designated providers as included in the State Fiscal Year 2016 Appropriations Act. This change, subject to CMS approval, is to be effective for services provided on and after July 1, 2015.

The Department held a public hearing on this proposed action on May 21, 2015 at 10:30 am. An opportunity for written comments was also held through May 28, 2015. During this period, one written comment was received. No oral comments were received. The written comment was from GAFFP. GAFFP supported the proposal to increase reimbursement for the proposed physician primary care codes.

Allana Cummings MADE a MOTION to approve for final adoption Physician Rate Increase for Primary Care Public Notice. Michael Kleinpeter SECONDED the MOTION. ON THE MOTION, the yeas were 6, nays 0, abstained 0, and the MOTION was APPROVED. (A copy of the Physician Rate Increase for Primary Care Public Notice is attached hereto and made an official part of these minutes as Attachment #5).

Next, Mr. Upchurch briefed the Board on the request for final adoption of the cost neutral methodology change to the Medicaid and Peachcare Inpatient Hospital Prospective Payment System. This change, subject to CMS approval, is to be effective for services provided on and after July 1, 2015.

The Department held a public hearing on this proposed action on May 22, 2015 at 10:30 am. No oral comments were received. An opportunity for written comments was also held through May 29, 2015. During this period, written comments were received from

Grady Memorial Hospital, Piedmont Healthcare and the Georgia Hospital Safety Net Coalition.

Grady Memorial Hospital (Grady) Comments

Grady expressed concern that the stop-gain limited their gain from the IPPS change and resulted in Grady's inpatient Medicaid cost coverage being at 67% versus an average inpatient Medicaid cost coverage of 72% for all hospitals. Grady also was concerned that their Medicaid Graduate Medical Education (GME) payments under the new methodology would be \$6 million below their actual Medicaid GME cost and the methodology does not account for growth in Medicaid utilization. Additionally, Grady states that they are finally able to invest back in their physical plant due to benevolent community givers, however, the change in the allocation of capital cost under the IPPS change offsets this gain. Grady asks that the stop gain be removed from Grady's rate and reimbursement for capital and medical education be increased to reflect the true Medicaid cost.

DCH Response to Grady Comments

The updated IPPS rates for Grady do include a reduction in certain components of the rate, but these are offset by increases due to the addition of the IME component and the Medicaid Utilization Adjustment Factor. We project Grady's overall Medicaid inpatient reimbursement to remain at the same level under the IPPS update as it is currently.

Piedmont Healthcare (Piedmont) Comments

Piedmont commented that the change to capital reimbursement removes the incentive to invest in new equipment and buildings which hinders efforts to improve efficiency in patient care and maintain quality of care. They believe this change increases reimbursement for hospitals with higher acuties, not hospitals that have improved facilities and updated equipment to provide better care.

Additionally, Piedmont believes the change in Indirect Medical Education penalizes hospitals that cannot have an education program. They state this will move payments from smaller hospitals to the larger hospitals that can afford to have an education program and eliminates DCH's budget neutrality principle in relation to IPPS payment methodology changes.

Finally, Piedmont disagrees with the use of the Medicaid Utilization Adjustment Factor. They believe hospitals that treat higher percentages of Medicaid members are already compensated by the Indigent Care Trust Fund Program and the Provider Fee Program. They state this change doubles the benefit to hospitals with high Medicaid utilization.

DCH Response to Piedmont Comments

Capital cost will continue to be reimbursed under the IPPS update as a component of the base rate, but reimbursement will be spread across all hospitals. The current model emphasizes capital investments by reimbursing at a 100% of cost while other inpatient services are covered at a lower share of costs. This penalizes those poorer facilities that lack the funds for capital investment. The proposed change emphasizes reimbursement of direct services delivered to Medicaid recipients over bricks and mortar.

The Indirect Medical Education factor supports the State and DCH objective to promote and support growth of the Georgia physician workforce. The Medicaid Utilization Factor supports DCH's policy to focus payment on service delivery by supporting those hospitals that serve a higher share of Medicaid members. Therefore, DCH believes both of these changes are appropriate.

Georgia Hospital Safety Net Coalition (the Coalition) Comments

The Coalition indicated their concern that base rates are not equal but vary depending on the hospital's peer group classification. Additionally, the Coalition believes the proposed changes to the capital reimbursement portion of the IPPS payments disproportionately impacts not-for-profit hospitals that choose to reinvest in their community by providing infrastructure improvements necessary to serve their growing patient base. They request that this portion of the proposed changes either be delayed or phased-in so that hospitals can plan capital improvements in accordance with the new policy. The Coalition also requests the stop loss/stop gain provision be reconsidered as their understanding was that they were told that no hospital would experience an annual loss of greater than \$500,000.

DCH Response

For future IPPS updates, DCH will consider changes to the peer group classifications.

The change to capital reimbursement shifts the emphasis from bricks and mortar and more appropriately emphasizes reimbursement of direct services delivered to Medicaid recipients. The stop-loss factor serves to moderate the change in capital reimbursement.

Under the IPPS update, most hospitals do project to have either an increase in reimbursement or a decrease of less than \$500,000 annually. A small number of hospitals do have projected decreases exceeding \$500,000, but DCH believes the 5.5% stop-loss appropriately mitigates decreases while allowing for budget neutrality.

Russ Childers MADE a MOTION to approve for final adoption Inpatient Hospital Prospective Payment System Methodology Change Public Notice. Allana Cummings SECONDED the MOTION. ON THE MOTION, the yeas were 6, nays 0, abstained 0, and the MOTION was APPROVED. (A copy of the Inpatient Hospital Prospective Payment System Methodology Change Public Notice is attached hereto and made an official part of these minutes as Attachment #6).

Next, Mr. Upchurch briefed the Board on the request for initial adoption of a Public Notice for the PeachCare physician rate increase for certain primary care services. DCH proposes to increase PeachCare reimbursement for certain primary care visits including HealthCheck well child visits which are routine comprehensive preventive health visits for infants through young adults 20 years of age. Health Check is Georgia's Early, Periodic Screening, Diagnosis and Treatment Program (EPSDT). The proposal is to increase these rates to the same level as Medicaid rates to be effective July 1, 2015.

An opportunity for public comment will be held on June 18, 2015 at 10:30 am at the Department of Community Health in the 5th Floor Board Room. Written comments may be submitted on or before June 25, 2015.

Roger Folsom MADE a MOTION to approve for initial adoption Peachcare Physician Rate Increase for Primary Care Public Notice. Kiera von Besser SECONDED the MOTION. ON THE MOTION, the yeas were 6, nays 0, abstained 0, and the MOTION was APPROVED. (A copy of the Peachcare Physician Rate Increase for Primary Care Public Notice is attached hereto and made an official part of these minutes as Attachment #7).

Heather Bond, Deputy Director, Policy and Provider briefed the Board on the request for final adoption of the GA Medicaid Air Ambulance Rate Increase for Adult Medicaid Members. Pending CMS approval and effective for services provided on or after July 1, 2015, the Department is proposing to reimburse emergency air ambulance services for Medicaid Adults (21 years of age and older) at the pediatric rate. The purpose of these changes is to comply with SFY2016, State Appropriations Bill (H.B. 76), Item 88.15, which requires the Department to provide reimbursement for rotary wing air ambulance adult transports at the pediatric rate. This change is estimated to increase expenditures for SFY 2016 as follows: Total Funds: \$1,533,742, and State Funds: \$500,000.

The Department held a public hearing on this proposed action on May 20, 2015 at 11:15 am. An opportunity for written comments was also held through May 27, 2015. During this period, one comment was received from Airmethods, Med-Trans Air Medical Transport and Air Evan LifeTeam supporting final adoption of the rule.

Allana Cummings MADE a MOTION to approve for final adoption GA Medicaid Air Ambulance Rate Increase for Adult Medicaid Members Public Notice. Roger Folsom SECONDED the MOTION. ON THE MOTION, the yeas were 6, nays 0, abstained 0, and the MOTION was APPROVED. (A copy of the Georgia Medicaid Air Ambulance Rate Increase for Adult Medicaid Members Public Notice is attached hereto and made an official part of these minutes as Attachment #8).

Janice Carson, Deputy Director, Performance, Quality and Outcomes briefed the Board on the request for final adoption of the Proposal to Reimburse Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) for the Purchase and Insertion of Long acting Reversible Contraceptives (LARCs).

The Department held a public hearing on this proposed action on May 22, 2015 at 11:30 am. No individuals presented themselves. An opportunity for written comments was also held through May 29, 2015. During this period, one letter of support was received during this period from the March of Dimes.

Kiera von Besser MADE a MOTION to approve for final adoption Proposal to Reimburse Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) for the Purchase and Insertion of Long acting Reversible Contraceptives (LARCs) Public Notice. Russ Childers SECONDED the MOTION. ON THE MOTION, the yeas were 6, nays 0, abstained 0, and the MOTION was APPROVED. (A copy of the Proposal to Reimburse Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) for the Purchase and Insertion of Long acting Reversible Contraceptives (LARCs) Public Notice is attached hereto and made an official part of these minutes as Attachment #9).

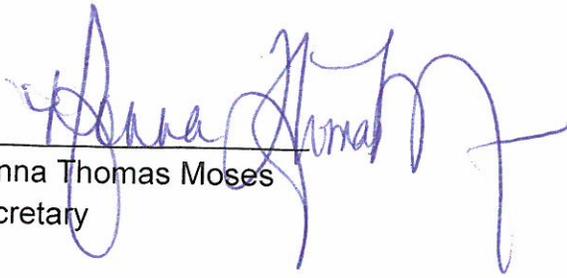
New Business

None to report.

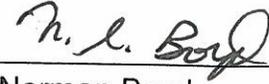
Adjournment

There being no further business to be brought before the Board, Chairman Norman Boyd adjourned the meeting at 11:10 a.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE 11th DAY OF June, 2015.



Donna Thomas Moses
Secretary



Norman Boyd
Chairman

Official Attachments:

- #1 List of Attendees
- #2 Agenda
- #3 Nursing Home Services Rate Update Public Notice
- #4 Medicaid Physician Rate Increase for Antepartum Care Public Notice
- #5 Physician Rate Increase for Primary Care Public Notice
- #6 Inpatient Hospital Prospective Payment System Methodology Change Public Notice
- #7 PeachCare Physician Rate Increase for Primary Care Public Notice
- #8 Georgia Medicaid Air Ambulance Rate Increase for Adult Medicaid Members Public Notice
- #9 Reimbursement to FQHCs and RHCs for the Purchase and Insertion of Long Acting Reversible Contraceptives (LARCs) Public Notice