

Board of Community Health  
Meeting  
August 28, 2014

**Members Present**

Norman Boyd  
Bill Wallace  
Allana Cummings  
Jamie Pennington  
Clay Cox  
Donna Moses  
Rick Jackson

**Members Absent**

Kiera von Besser

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 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 Norm Boyd presided and called the meeting to order at 10:33 a.m.

**Minutes**

None to approve.

**Opening Comments**

None to report.

**Committee Reports**

None to report.

**Commissioner's Report**

Commissioner Reese thanked the Board Chairman and other members of the Board for their attendance.

Commissioner Reese indicated that he will devote this meeting to the budget and not present a report, but wanted to inform the Board that Tim Connell, Chief Financial Officer and Elizabeth Brady, Budget Director will present the AFY2015 and FY2016 Budget.

After the process today, the budget will be presented to the Office of Planning and Budget (OPB) and then be incorporated into the Governor's vast budget and presented to the General Assembly in January moving forward with the process resulting in the AFY2015 and FY2016 budgets.

Tim Connell, Chief Financial Officer presented to the Board's the proposed FY2015 Amended and FY2016 budgets. Mr. Connell began by summarizing the just concluded 2014 fiscal year. He noted that the Department expended approximately \$2.9 billion in state funds over the course of the fiscal year of which over 97% were expended directly on behalf of Georgia citizens. He further noted that during FY2014 DCH served one in four Georgians and over 47% of Georgia's children through it various programs. He concluded his comments on FY2014 by indicating that the Department ended the fiscal year with a small surplus of about \$1.8 million that will be returned to the State Treasury.

Mr. Connell made a few comments regarding the FY2015 budget and informed the Board that the Department has a budget of over \$3 billion in state funds for the year with over 97% of those funds targeted directly to Georgia citizens. He concluded his comments regarding the FY2015 budget by noting the impact on the DCH budget that is attributable to the ACA.

Turning next to the proposed FY2015 Amended Budget, Mr. Connell told the Board that the total request totals \$82.19 million and is comprised of 11 different items. He reviewed with the Board each individual item and responded to questions. Highlights of the request include a reduction of \$32.81 in the benefits budget in ABD due to slower growth than originally projected; a \$3.31 million request on behalf of HFRD to address a structural shortfall in funding as well as the addition of two nurse survey teams; \$37.98 million to pay the CMO's funds due to them; \$8.75 million to implement language added by the General Assembly in the FY2015 Appropriations Bill to provide for increased rates for nursing homes that have changed ownership since January 1, 2012; \$24 million to cover the cost of new Hepatitis C drugs for an estimated 800 Medicaid members and \$7.06 million to initiate the Presumptive Eligibility Feature of the ACA.

Next, Mr. Connell addressed the Department's budgetary needs for FY2016. He stated that the Department's total request for new funds for FY2016 totals \$146.53 million. He informed the Board that a number of the items contained in the FY2016 request were continued over from FY2015 and so he would only specifically addresses new items. The highlights for FY2016 included a \$47.4 million increase in the benefits budget for Low Income Medicaid (LIM), ABD and PeachCare for Kids (PCK). This request represents a 1.6% increase over FY2015; an \$18.22 million decrease associated with a more favorable Federal Math rate on Federal Funds (FMAP); \$18 million for the cost of initiating the ABD case care management program. Mr. Connell noted that the case

care management program will save the Department a significant amount of money beginning in FY2017; and, \$2.14 for the Independent Care Waiver Program (ICWP) to provide needed nursing care services to a small number of individuals who have “aged out” of the Georgia Pediatric Program (GAPP) as well as provided enhanced services for approximately 230 individuals already enrolled in ICWP.

Jamie Pennington, Secretary thanked Mr. Connell and Commissioner Reese for the amount of work put into the projections, Budgets and presentation to the Board.

Rick Jackson MADE a MOTION to approve the State Health Benefit Plan-Design and Rates. Clay Cox SECONDED the MOTION. ON THE MOTION, the yeas were 7, nays 0, abstained 0, and the MOTION was APPROVED. (A copy of the AFY2015 and FY2016 Budget Presentations are attached hereto and made an official part of these minutes as Attachment #3).

Elizabeth Brady, Budget Director presented a financial overview of the State Health Benefit Plan (SHBP). Ms. Brady reviewed the revenue and expense projections for SHBP through FY2017, noting the employer contribution rates, employee premium assumptions, Affordable Care Act (ACA) cost impacts, procurement savings, and the projected operational deficit in FY2017. Ms. Brady explained that SHBP has engaged the Office of the State Treasurer in portfolio management services for the plan. \$388 million was transferred from Georgia Fund 1 to short-term investments and to date had earned about \$82,000 with estimated annual earnings of over \$640,000. Ms. Brady also provided highlights from the report of the actuary on the retiree medical valuations as of June 30, 2013, including the Unfunded Actuarial Accrued Liabilities for the State and School Personnel other Post-Employment Benefit (OPEB) funds and the Annual Required Contribution amount.

Chairman Norm Boyd expressed recognition of the positive results in the managing aspect of the budgeting process and commented Commissioner Reese and the staff's management performance.

### **New Business**

None to report.

### **Adjournment**

There being no further business to be brought before the Board, Chairman Boyd adjourned the meeting at 11:30 a.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE 28th DAY OF August, 2014.

William H. Wallau, Jr.,  
Jamie Pennington  
Secretary

VICE CHAIR  
FOR MS. JAMIE  
PENNINGTON,  
SECRETARY

Norm Boyd  
Norm Boyd  
Chairman

Official Attachments:

- #1 List of Attendees
- #2 Agenda
- #3 AFY2015 and FY2016 Budget Presentations