

# Amended FY 2012 & FY 2013 Program Budget Request



Presentation to: Board of the Department of Community Health

Presented by: Scott Frederking

# Mission

## The Georgia Department of Community Health

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

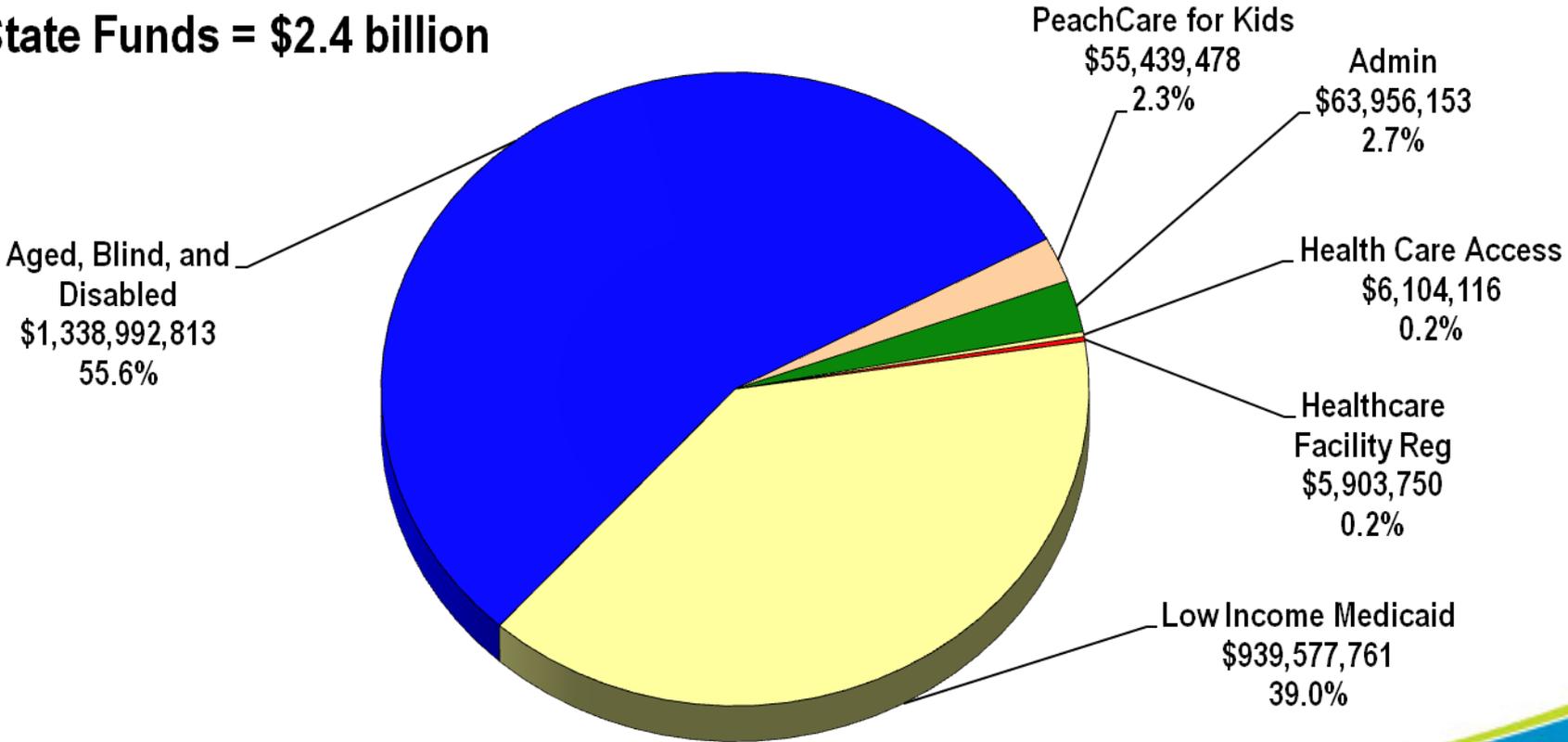
*We are dedicated to a healthy Georgia.*

# Agenda

- Budget Instructions
- Administrative cuts and items needing funding
- Medicaid benefits financial status
- PeachCare for Kids benefits financial status
- State Health Benefit Plan

# DCH FY 2012 State Funds Budget

**Total Funds = \$11.2 billion**  
**State Funds = \$2.4 billion**



\*State funds include tobacco funds and provider fees

# OPB Budget Instructions

Amended FY 2012 and FY 2013 budgets require cuts of 2 percent to state funds.

Medicaid and PeachCare benefits are **exempt** from the cut.

Revenues from Hospital Provider Payments and Nursing Home Provider Fees are exempt from cuts.

DCH must identify additional cuts to cover any enhancements to the budget.

# Calculation of Cut Target

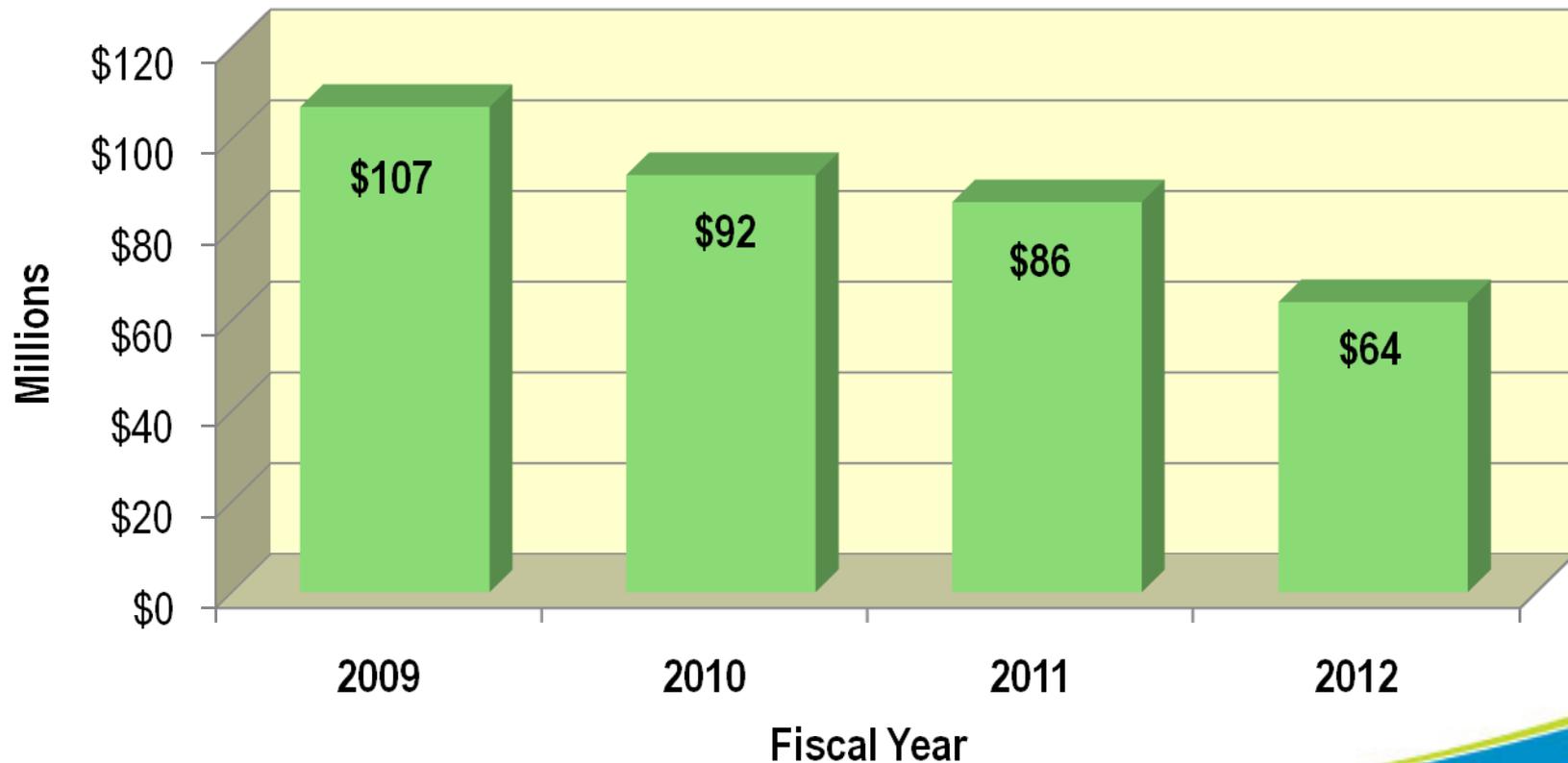
Program	Budgeted State Funds	2%
Administration	63,956,153	1,279,123
Health Care Access and Improvement	6,104,116	122,082
Healthcare Facility Regulation	5,903,750	118,075
Total	75,964,019	1,519,280

# DCH Administration, Health Care Access and Healthcare Facility Regulation



# DCH Administration Budget by Fiscal Year

## State Funds



# Proposed Administrative Cuts

Item	AFY 12	FY 13
Regular operating expenses	(164,050)	(113,675)
Contracts	(1,355,230)	(1,405,605)
<b>Total</b>	<b>(1,519,280)</b>	<b>(1,519,280)</b>
Target	(1,519,280)	(1,519,280)
Difference	0	0

# Administration Items Needing Funding

Item		AFY 12	FY 13
1.	ICD-10 and 5010 IT Projects (Federal Mandates)	1,142,675	1,663,396
2.	Managed Care Consultants (Medicaid Redesign and Solution)	1,250,000	650,000
3.	Health Information Exchange Project (Leverages \$12 million in Federal Grants)	837,850	1,685,348
4.	Electronic Health Records Incentive Project (Leverages \$400 million in Federal Funds)	925,554	1,150,000
5.	Medicaid Redesign Impacts (Actuaries and Project Assistance)	0	1,600,000
6.	Georgia Medical Care Foundation enhanced file reviews	0	1,000,000

# Administration Items Needing Funding, cont'd

Item		AFY 12	FY 13
7.	Expanded Category of Service case file review	0	1,000,000
8.	MMIS matching funds if certification is delayed	16,951,344	0
<b>Total</b>		<b>21,107,423</b>	<b>8,748,744</b>

# Request for additional funds

- DCH will request the use of projected budget surplus from FY 2011 to cover Medicaid IBNR and administrative needs in AFY 2012.
- DCH will request use of federal reimbursement from MMIS certification to cover administrative needs in FY 2013.

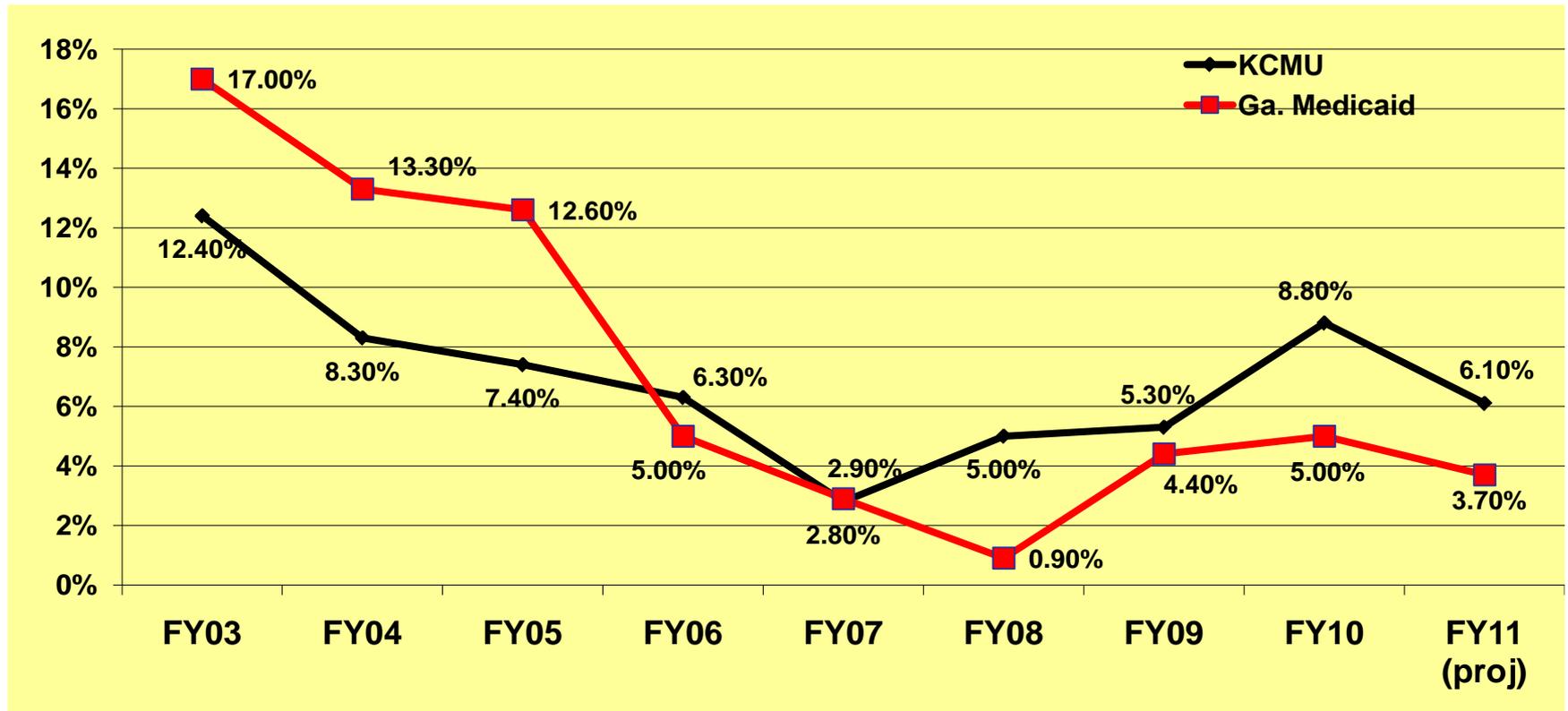
# Health Care Access Program Redistribution

- DCH will request transferring the funds for Health Planning/Certificate of Need activities from the Health Care Access program to the Healthcare Facility Regulation program for better coordination.
- DCH will request transferring the funds for the Office of Rural Health from Health Care Access to the Administration program.
- The Health Care Access program will be eliminated.

# Medicaid Benefits Financial Status



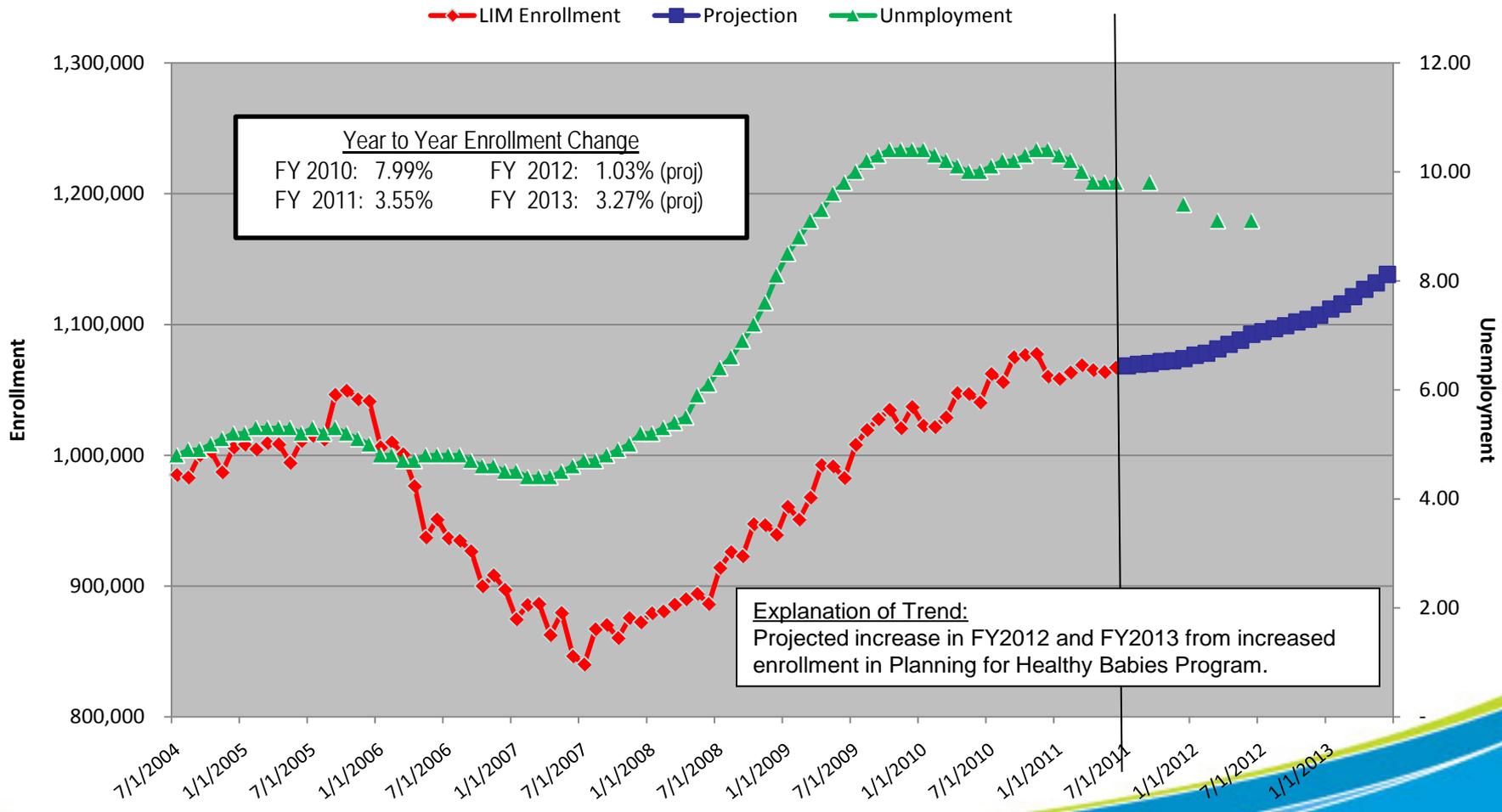
# GA Medicaid vs. National Medicaid Averages



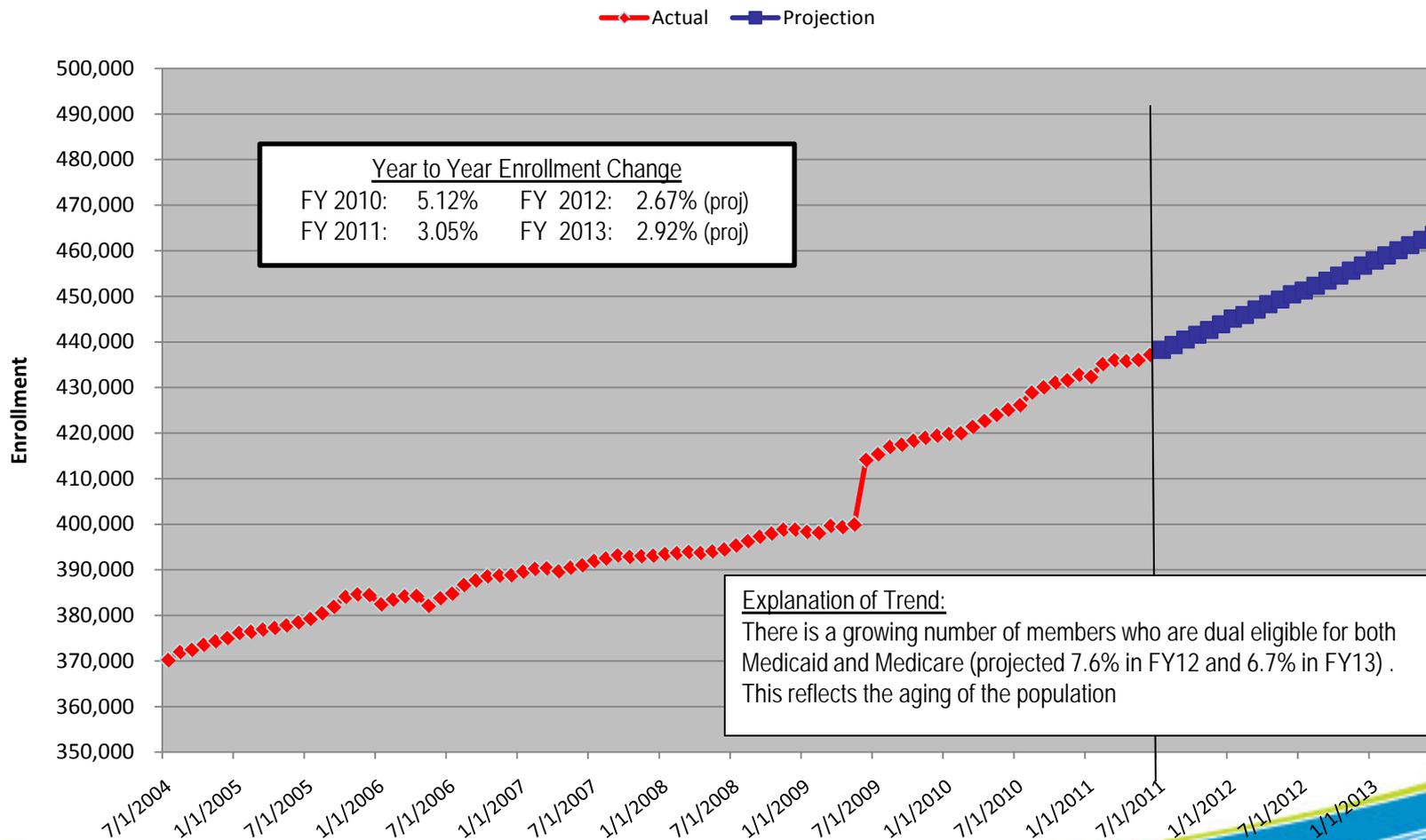
**In FY 2011, Georgia Medicaid continued to experience single-digit trends of 3.7% and remain lower than the national benchmarks of 6.5% - 10.5%.**

Source: The Kaiser Commission on Medicaid and the Uninsured, *The Crunch Continues: Medicaid Spending, Coverage and Policy in the Midst of a Recession: Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2009 and 2010*. September 2009 and *Waiting for Economic Recovery, Poised for Health Care Reform: A Mid-Year Update for FY 2011 - Looking Forward to FY 2012* January 2011

# LIM Enrollment: FY 2005 – Projected FY 2012 and 2013



# ABD Enrollment: FY 2005 – Projected FY 2012 and 2013



# Medicaid: FY 2012 and FY 2013

## State Fund Status

\$s in millions	FY 2012 Projected	FY 2013 Projected
State Fund Revenue	<b>FMAP = .6595</b>	<b>FMAP = .6529</b>
State General Funds	1,822.54	1,822.54
Hospital Provider Fee	222.51	222.51
Nursing Home Provider Fees	131.32	131.32
Tobacco Funds	102.19	102.19
Reserved Fund Balance	6.50	0
Ambulance Fees	2.20	2.20
<b>Total State Revenues</b>	<b>2,287.27</b>	<b>2,280.77</b>
State Fund Expense	<b><u>(2,479.92)</u></b>	<b><u>(2,606.84)</u></b>
Surplus/(Deficit)	<b><u>(192.65)</u></b>	<b><u>(326.07)</u></b>
Average Monthly Medicaid Membership	1,521,655	1,569,801

# AFY 2012 and FY 2013

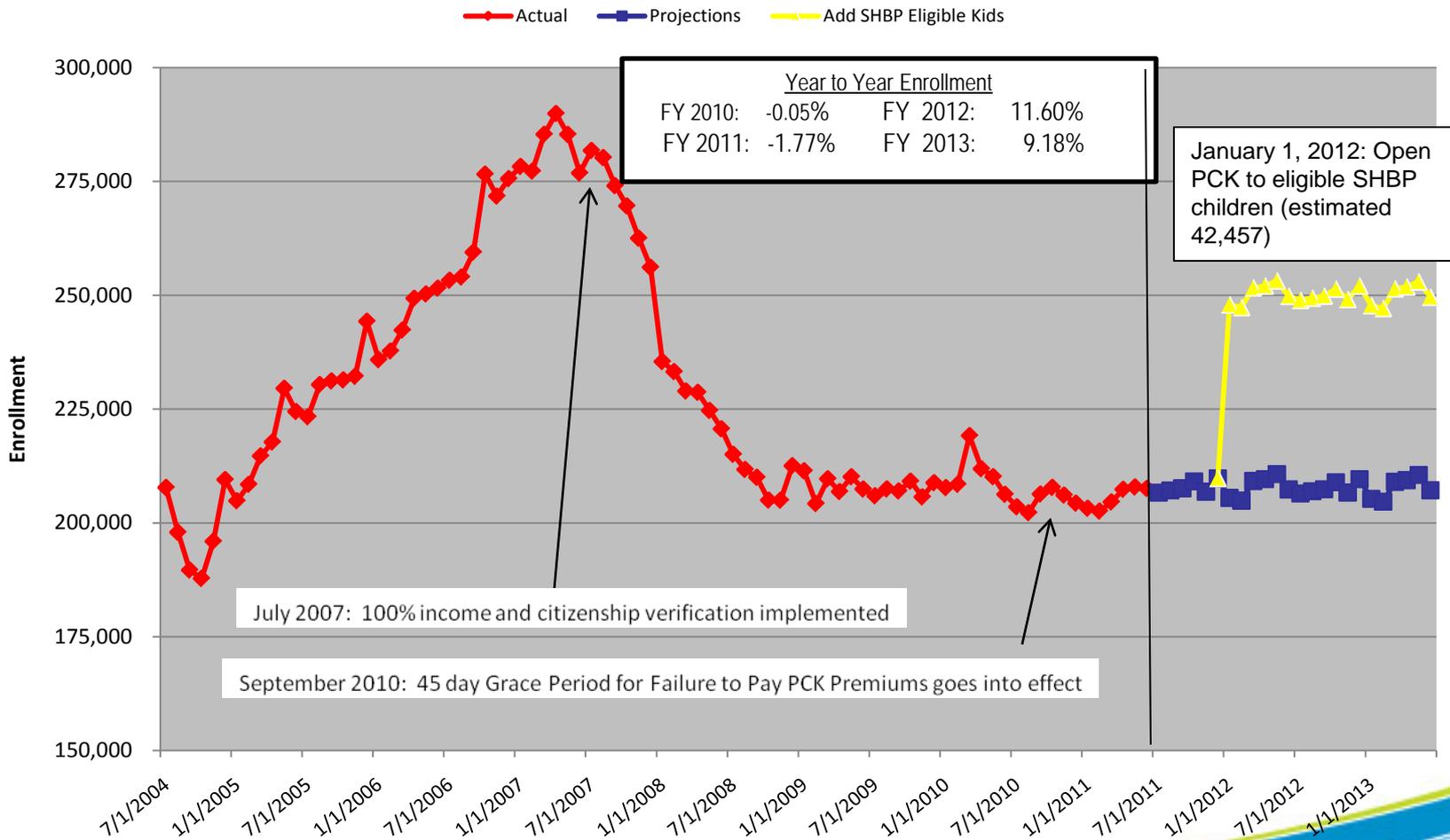
## Reasons for Deficit

Base Budget Deficits		AFY 2012	FY 2013
1.	Restore state funds	77,555,551	77,555,551
2.	Restore one month's CMO Capitation Payment to return to 12 monthly payments	75,612,649	75,612,649
3.	Restore MMIS funding in Medicaid Benefits	<u>0</u>	<u>15,127,330</u>
<b>SUB-TOTAL</b>		<b>153,168,200</b>	<b>168,295,530</b>
Additional Budget Deficits		AFY 2012	FY 2013
4.	Change in federal match rate (FMAP)	0	45,385,130
5.	Medicaid program growth	<u>39,478,619</u>	<u>112,384,729</u>
<b>SUB-TOTAL</b>		<b>39,478,619</b>	<b>157,769,859</b>
<b>TOTAL</b>		<b>192,646,819</b>	<b>326,065,389</b>

# PeachCare for Kids



# PeachCare for Kids: Enrollment



# FY 2012 and FY 2013: PeachCare – State Health Benefit Program

- The State of Georgia is now allowed to offer PeachCare for Kids to state employees, teachers, non-certificated school employees, and others who have access to the State Health Benefit Plan (SHBP).
- DCH estimates over 42,000 children will move from SHBP to PeachCare on January 1, 2012.
- There will be an additional state cost to PeachCare of \$8.4 million in AFY12 and \$17.2 million in FY13.

	PeachCare Additional Funds	SHBP Savings	Net Savings
FY2012	\$8,365,603	(\$32,121,780)	(\$23,756,177)
FY2013	\$17,162,022	(\$64,243,560)	(\$47,081,538)

# PeachCare: FY 2012 and FY 2013

## State Fund Status

\$s in millions	FY 2012 Projected	FY 2013 Projected
State Fund Revenue	FMAP = .7617	FMAP = .7570
State Fund Appropriation	53.81	53.81
Hospital Provider Fees	1.63	1.63
<b>Total Revenue</b>	<b>55.44</b>	<b>55.44</b>
State Fund Expense	<u>(76.54)</u>	<u>(88.88)</u>
Surplus/(Deficit)	<u>(21.10)</u>	<u>(33.44)</u>
Average Monthly PeachCare Membership	229,111	250,137

# AFY 2012 and FY 2013

## Reasons for Deficit

Base Budget Deficits		AFY 2012	FY 2013
1.	Restore one month's CMO Capitation Payment to return to 12 monthly payments	6,576,280	6,576,280
<b>SUB-TOTAL</b>		<b>6,576,280</b>	<b>6,576,280</b>

Additional Budget Deficits		AFY 2012	FY 2013
2.	PeachCare program growth	6,160,453	7,981,089
3.	SHBP Children Eligible for PCK	8,365,603	17,162,022
4.	Change in federal match rate	0	1,719,038
<b>SUB-TOTAL</b>		<b>14,526,056</b>	<b>26,862,149</b>

<b>TOTAL</b>		<b>21,102,336</b>	<b>33,438,429</b>
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# AFY 2012 and FY 2013

## Medicaid and PeachCare Benefit Budget Request

State Funds Request	Medicaid AFY 2012	PeachCare AFY 2012	Medicaid FY2013	PeachCare FY 2013
Restore State Funds	77,555,551	0	77,555,551	0
Restore one month's CMO Capitation Payment to return to 12 monthly payments	75,612,649	6,576,280	75,612,649	6,576,280
Program Growth	39,478,619	6,160,453	112,384,729	7,981,089
Change in FMAP	0	0	45,385,130	1,719,038
Restore MMIS funding in Medicaid benefits	0	0	15,127,330	0
SHBP Children Eligible for PCK	0	8,365,603	0	17,162,022
<b>TOTAL</b>	<b>192,646,819</b>	<b>21,102,336</b>	<b>326,065,389</b>	<b>33,438,429</b>

# State Health Benefit Plan Changes



# Projected Financial Status

FINANCIAL STATUS	FY12	FY13
Revenue	2,859,232,878	2,809,259,093
Prior Year Cash Balance	50,580,920	(0)
Expense	2,909,813,798	2,985,984,959
Year-End Cash Balance	(0)	(176,725,866)
IBNR Liability	(212,627,000)	(212,627,000)
<i>Surplus/(Deficit) w/IBNR Liability</i>	<i>(212,627,000)</i>	<i>(389,352,866)</i>

Notes: Reflects Plan Year 2012 Plan Changes, FY13 Budget Request, and DOE prepayments

# FY 2013 Options

- Non-certificated School Service Personnel Employer Increase
  - Employer contribution is \$296.20 PMPM as of September 2011
  - Propose increase to \$446.20 PMPM in July 2012
  - Generates an additional \$114 million in FY 2013
- Budget request \$69 million
- Develop plan design changes to address remaining projected deficit of \$63 million

# FY 2013 Projected Financial Status with Options

FINANCIAL STATUS	FY13
Revenue	2,923,365,500
Prior Year Cash Balance	(0)
Expense	2,923,365,500
Year-End Cash Balance	(0)
IBNR Liability	(212,627,000)
<i>Surplus/(Deficit) w/IBNR Liability</i>	<i>(212,627,000)</i>

# AFY 2012 and FY 2013 Program Budget Request

Presentation on DCH Website

[www.dch.georgia.gov](http://www.dch.georgia.gov)

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Information"