



To: Board of Community Health

CC: Dr. Rhonda M. Medows

From: Carie Summers  
Chief Financial Officer

RE: Final FY 2006 Amended Budget – HB 1026

Attached is the Department's Amended FY 2006 budget as excerpted from HB 1026. For your convenience, the following summarizes the changes made by the General Assembly to the Governor's original budget recommendations:

**Additions:**

1. (#77.2) Provide funds for a pilot project in Liberty County with the Community Health Centers.  
Total Funds - \$1,000,000  
State Funds - \$500,000
2. (#79.11) Add 10 new slots to the Independent Care Waiver Program for Physical disabilities and traumatic brain injuries.  
Total funds - \$137,725  
State Funds - \$53,038

**Reductions (state funds):**

1. (#79.1) Add funds to replace the loss of Upper Payment Limit (UPL) funds.  
Governor's Recommendation - \$91,726,671  
Final - \$90,000,000  
Net Reduction - \$1,726,671
2. (#79.4) Use savings generated from Medicaid efficiencies to fully fund additional Medicaid needs.  
Governor's Recommendation - (\$88,268,433)  
Final - (\$89,268,433)  
Net Reduction - \$1,000,000
3. (#79.8) Reduce Medicaid Benefit funds based on savings from lower cost in pharmacy and outpatient services.  
Governor's Recommendation - (\$10,085,500)  
Final - (\$11,585,500)  
Net Reduction - \$1,500,000

**Eliminations:**

1. (#76.3 and #80.10) Fund additional costs associated with the Medicaid Modernization contracts. (H and S: Do not cover costs associated with the Medicaid Modernization 1115 Waiver.  
Total Funds - \$1,100,000  
State Funds - \$550,000

**Realignment:**

1. The funding for the operation of Hughes Spalding Children's Hospital was moved from the Indigent Care Trust Fund Program (#78.6) to the Health Care Access and Improvement Program (#77.3). -  
Total and State Funds - \$2,000,000

2. (#80.8) The amount of state funding transferred from DHR to DCH for mental health services covered under Georgia Healthy Families was changed. This was necessary to reflect the new CMO implementation date for the Atlanta and Central regions.  
 Original Transfer Amount - \$2,025,041  
 Revised Transfer Amount - \$675,014  
 Change - (\$1,350,027)

**Other Issues:**

1. Legislative cuts made in FY 2006 that are not expected to be realized were not funded.  
 a. (#79.5) ER Pilot Expansion - \$3,100,000  
 b. (#79.6) Moving Nursing Home Residents to SOURCE - \$800,000  
 c. (#79.3) Disease Management - \$13,000,000
2. The change in implementation date of Georgia Healthy Families was not reflected in the budget. The Governor's recommended budget was based on an April 1, 2006 implementation date. The new date is June 1, 2006. This will increase the department's state fund cost in the Low Income Medicaid program by \$3,855,699 and reduce expected CMO Quality Assessment Fee revenue in the Indigent Care Trust Fund by \$14,356,130.

**SUMMARY:**

<u>Fund Sources</u>	<u>FY 2006</u>	<u>Amended FY 2006</u>	<u>Difference</u>	<u>% Change</u>
Federal Funds	\$ 4,535,269,475	\$ 4,631,829,486	\$ 96,560,011	2.1%
State Funds	\$ 2,201,858,248	\$ 2,234,911,589	\$ 33,053,341	1.5%
Tobacco Settlement Funds	\$ 58,087,386	\$ 58,087,386	\$ -	0.0%
Other Funds	\$ 295,898,629	\$ 334,591,869	\$ 38,693,240	13.1%
Interagency Transfers	\$ 2,300,654,587	\$ 2,532,098,034	\$231,443,447	10.1%
<b>Total Funds</b>	<b>\$ 9,391,768,325</b>	<b>\$ 9,791,518,364</b>	<b>\$399,750,039</b>	<b>4.3%</b>

**Total Funds**

<u>Programs</u>	<u>FY 2006</u>	<u>Amended FY 2006</u>	<u>Difference</u>	<u>% Change</u>
Departmental Admin and Support	\$ 308,047,110	\$ 380,266,118	\$ 72,219,008	23.4%
Health Care Access and Improvement	\$ 6,436,389	\$ 9,437,464	\$ 3,001,075	46.6%
Indigent Care Trust Fund	\$ 368,267,504	\$ 478,178,323	\$109,910,819	29.8%
Medicaid: Aged, Blind, and Disabled	\$ 3,586,371,934	\$ 3,571,080,432	\$ (15,291,502)	-0.4%
Medicaid: Low-Income Medicaid	\$ 2,631,014,671	\$ 2,631,194,046	\$ 179,375	0.0%
Nursing Home Provider Fees	\$ 248,196,640	\$ 245,807,928	\$ (2,388,712)	-1.0%
PeachCare for Kids	\$ 241,496,714	\$ 241,496,714	\$ -	0.0%
State Health Benefit Plan	\$ 1,959,882,468	\$ 2,192,000,929	\$232,118,461	11.8%
<b>Subtotal</b>	<b>\$ 9,349,713,430</b>	<b>\$ 9,749,461,954</b>	<b>\$399,748,524</b>	<b>4.3%</b>
Composite Bd. of Medical Examiners	\$ 2,135,705	\$ 2,136,842	\$ 1,137	0.1%
GBPW: Board Administration	\$ 533,241	\$ 533,497	\$ 256	0.0%
GBPW: Graduate Medical Education	\$ 6,501,965	\$ 6,501,965	\$ -	0.0%
GBPW: Mercer School of Medicine Grant	\$ 17,960,862	\$ 17,960,862	\$ -	0.0%
GBPW: Morehouse School of Medicine Grant	\$ 10,141,628	\$ 10,141,628	\$ -	0.0%
GBPW: Undergraduate Medical Education	\$ 3,428,706	\$ 3,428,706	\$ -	0.0%
State Medical Education Board	\$ 1,352,788	\$ 1,352,910	\$ 122	0.0%
<b>Total</b>	<b>\$ 9,391,768,325</b>	<b>\$ 9,791,518,364</b>	<b>\$399,750,039</b>	<b>4.3%</b>