

**Department of Community Health**  
**FY 2009 Budget Request – Highlights**  
**Attached Agencies Information Pending**  
**Approved by the Board August 23, 2007**

Fund Source Change	FY 2008 Appropriation	FY 2009 Request	Difference	Percent Change
State Funds	2,377,339,706	2,617,338,586	239,998,880	10.1%
Tobacco Funds	53,823,656	53,823,656	0	0.0%
Indigent Care Trust Fund	158,537,322	140,301,640	(18,235,682)	-11.5%
Health Insurance Funds	2,709,509,743	2,868,581,016	159,071,273	5.9%
Other Funds	597,658,808	358,060,726	(239,598,082)	-40.1%
Federal Funds	5,509,482,136	5,768,510,172	259,028,036	4.7%
<b>Total</b>	<b>11,406,351,371</b>	<b>11,806,615,796</b>	<b>400,264,425</b>	<b>3.5%</b>

**The DCH request reflects the following:**

**Increase in State Funds = \$283,640,106**

**\$225.5 million state funds** to replace the loss of revenues pre-funded in FY 2007 to cover UPL funds not available in FY 2008 to offset benefits expenses (\$152.5 million), plus the loss of revenues pre-funded in FY 2007 to cover ABD Benefits expenses in FY 2008 (\$73 million):

- Low Income Medicaid (LIM) Benefits expense = \$79.8 million state funds
- Aged, Blind and Disabled Medicaid (ABD) Benefits expense = \$72.7 million state funds
- Aged, Blind and Disabled Medicaid (ABD) Benefits expense = \$73 million state funds

**\$14.1 million state funds** to replace the loss of revenues pre-funded in FY 2007 to cover UPL funds not available in FY 2008 to offset Administration costs for the Benefits claims system contract.

**\$40.3 million state funds** (Total \$112.7 million) to fund provider rate enhancements in LIM, ABD and PeachCare.

- LIM = \$21.8 million state funds (Total \$60.5 million)
  - ABD = \$17.5 million state funds (Total \$48.3 million)
  - PeachCare = \$1.0 million state funds (Total \$3.9 million)
- a. Change maximum allowable reimbursement for family planning, physicians, physician assistants, nurse midwives, advanced nurse practitioners, podiatrists, oral max surgery, children's intervention services, children's intervention school services, psychological services, dialysis professional, and vision to 88.5% of 2007 RBRVS as specified by Medicare for the Atlanta area. Physician injectable drugs will be reimbursed based on 88.5% of the 2007 Medicare Fee Schedule.  
State funds increase: \$10,370,851 (Total \$28.9 million)
  - b. Increase cost coverage from 93.6% to 97.5% of cost for 16 trauma hospitals; increase cost coverage from 91% to 93.5% of cost for non-trauma hospitals.  
State funds increase: \$16,667,927 (Total \$46.6 million)
  - c. Based on facility-wide Cost-to-Charge ratios to determine cost, pay 100% of cost for trauma hospitals and 95% of cost for non-trauma hospitals. Assumes a 2.5% increase on average in rates for procedures linked to RBRVS. Increase triage fee for non-emergent use of the ER to \$60.  
Increase cap on outpatient services based on increases in inpatient.  
State funds increase: \$6,639,122 (Total \$18.9 million)

- d. Add 50 slots to the Independent Care Waiver Program (ICWP) to address the community waiting list.  
State funds increase: \$784,829 (Total \$2.2 million)
- e. Increase ICWP Personal Support Rates by 7%.  
State funds increase: \$829,779 (Total \$2.3 million)
- f. Provide an additional 1% add-on to per diems for nursing home facilities meeting the requirements of the quality incentive program.  
State funds increase: \$1,798,500 (Total \$5.0 million)
- g. Update Home Health Services reimbursements based on 2006 cost reports; increase the cap to \$90; pay the lesser of the cap or 100% of cost.  
State funds increase: \$1,377,670 (Total \$3.8 million)
- h. Increase codes for global maternity delivery rates by 2.5%.  
State funds increase: \$896,026 (Total \$2.6 million)
- i. Provide coverage for digital mammography.  
State funds increase: \$359,526 (Total \$1.0 million)
- j. Increase EPSDT Healthcheck rates by 2.5% - all ages.  
State funds increase: \$559,041 (Total \$1.6 million)

**\$1.4 million state funds** (Total \$4.2 million) to support the federal Money Follows the Person demonstration grant; 100 Independent Care Waiver Program members are targeted by DCH in FY 2009.

**\$2.0 million state funds** to provide the following program enhancements:

- \$750,000 for the second year of a matching grant program funding pilots focusing on developing Health Information Exchange initiatives
- \$750,000 for Phase Two of the consumer website transparency initiative
- \$500,000 for a health disparities matching grant program

**\$327,646 state funds** (Total \$925,438) to annualize the FY 2008 pay increase for twelve months in FY 2009 for DCH.

**Decrease in State Funds = \$43,641,226**

**Reduce state funds for department operations by \$2,026,028** through operating efficiencies to meet a 2% state funds budget reduction target. Included in this amount is a reduction of \$500,000 in state funds earmarked for the Georgia Cancer Coalition in the Indigent Care Trust Fund.

**Reduce \$4 million in one-time legislative adds** including:

- \$500,000 for Area Health Education Centers
- \$1,250,000 for behavioral health services integration with Community Health Centers
- \$1,500,000 for “new start” Community Health Centers
- \$750,000 for electronic medical records linkage among Federally Qualified Health Centers

**Reduce state funds by \$1,750,000** to reflect a final payment of \$1,500,000 in FY 2009 to support the operation of Hughes Spalding Hospital. Payments are based on a four-year fiscal year plan.

**Adjust Care Management Organization Quality Assessment Fee revenues downward by \$30,557,910** (Total \$85,692,400) to reflect projected collections.

**Adjust Nursing Home Provider Fee revenues downward by \$5,307,288** (Total \$14,754,762) to reflect projected collections.

NOTE: these two adjustments should also be reflected in the Governor's Revenue Estimate.

**State Health Benefit Plan – Increase in Other Funds**

\$159,071,273 in other funds to reflect additional revenues necessary to cover FY 2009 expenditures in the State Health Benefit Plan.

<b>Program Funds Change</b>	<b>FY 2008 Appropriation</b>	<b>FY 2009 Request</b>	<b>Difference</b>	<b>Percent Change</b>
Low Income Medicaid	2,924,600,849	2,997,831,450	73,230,601	2.5%
Aged, Blind and Disabled Medicaid	4,273,886,947	4,475,743,604	201,856,657	4.7%
Indigent Care Trust Fund	432,822,000	396,168,028	(36,653,972)	-8.5%
Nursing Home Provider Fees	324,921,888	321,097,220	(3,824,668)	-1.2%
PeachCare	313,825,507	328,377,885	14,552,378	4.6%
State Health Benefit Plan	2,687,375,431	2,846,267,534	158,892,103	5.9%
Health Care Access and Improvements	17,987,926	13,668,853	(4,319,073)	-24.0%
Administration and Program Support	430,930,823	427,461,222	(3,469,601)	-0.8%
<b>Total DCH Program Budgets</b>	<b>11,406,351,371</b>	<b>11,806,615,796</b>	<b>400,264,425</b>	<b>3.5%</b>