

Department of Community Health UPDATES

Presentation to
Hometown Health
April 20, 2009



Carie Summers, Chief Financial Officer

Agenda

- Amended FY 2009 and FY 2010 Budgets
 - Impact to Hospitals
 - Stimulus Funding
- Disproportionate Share Hospital Program
- Cahaba
- Extended Repayment Plans
- Public Health and Regulatory Services



Budget

WHAT DIDN'T HAPPEN.....

- New Hospital Provider Tax
- Medicaid Reimbursement Cut of 10% for hospitals and 6% for most other providers
- Funding of HB 990 Rate Increases
- Expansion of CMO Quality Assessment Fee to commercial HMO's...CMO Fee will end September 30, 2009



Budget

WHAT DID HAPPEN.....

- Medicaid fully funded from a cash basis
- Significant use of tobacco and federal stimulus funds to fund Medicaid
- Fair Rental Value funding for Nursing Homes
- Medicaid initiatives to save funds focused on eligibility and not provider rate cuts
 - PARIS data matching
 - Use of Revenue data for eligibility determination
- DSH funding for private hospitals in FY 2009



Medicaid/PeachCare for Kids Cost Drivers of Funding Needs

	FY 2010
Medicaid Enrollment by June 2010	1.54 million
PeachCare Enrollment by June 2010	271,500
FY 2010 Growth in Medicaid Enrollment	7.0%
FY 2010 Growth in PCK Enrollment	22.1%
PMPM Inflation in FFS	3.3%
Unemployment Max	10.0%
	4 th Quarter CY 2009



Federal Stimulus Package: Enhanced FMAP

	Current	Projected Enhanced
SFY 2009 (eff. October 1, 2008)	0.6449	0.7110
SFY 2010	0.6510	0.7482

Terms:

- Available from October 1, 2008 – December 30, 2010
- Based on change in the [state's unemployment rate](#) since 2006
- [Maintenance of eligibility](#) required based on levels in effect as of July 2008
- Does not apply to DSH or PeachCare
- State must comply with federal [prompt pay](#) requirements for claims payments
- State can't bank in [rainy day](#) fund
- Georgia's share estimated at \$1.6 billion



Federal Stimulus Package: Other Provisions

- 2.5% increase in state **DSH allotments** for FFY 2009 and FFY 2010
- Funding to reimburse Medicaid providers for **electronic health record systems**
- Loans/grants to healthcare providers for **health information technology**
- **Rural Health Funding** for RHC's/Migrant Health
- Extension of **moratoria on federal reimbursement** regulation changes until June 30, 2009



Disproportionate Share Hospital Program

Funding Available:

- FFY 2009 Allotment higher than FFY 2008
 - \$263 million in FFY 2009 vs. \$253 million in FFY 2008
- Stimulus funding provides for 2.5% increase
 - \$6.6 million

Eligibility Criteria

- No change from FY 2008
 - Federal criteria only
 - G.A.: “no DSH to private hospitals not compliant with CON Indigent Care requirements”

Disproportionate Share Hospital Program

Allocation Formulas

No change from FY 2008

- Two pools: Small Rural and Everyone Else
- Stop Loss/Stop Gains applied to blend new formula developed in FY 2008 with FY 2007 payments

Source Data

- Update to 2007 data (2005 data previously used)



Disproportionate Share Hospital Program

State Matching Funds

- Continued use of IGT's for public hospitals
- State appropriations of \$13.7 million for private hospitals
 - Final need was higher at \$14.4 million
 - Final audited data not available during appropriations process
 - 1 hospital's status changed from public to private
 - To address, we will change payments to non-deemed, private hospitals from 100% to 84% of formula amount.
 - Requires a state plan amendment; will delay payment date of private hospitals



Disproportionate Share Hospital Program

Schedule for Final Payments to Public Hospitals:

- Final data elements and payments posted today, April 20
- Letters of Intent to Transfer by Thursday, April 23
- IGT's due by Friday, April 24
- Payments made by DCH Thursday, April 30 (should be in hospital bank accounts no later than Tuesday, May 5)



Disproportionate Share Hospital Program

Schedule for Final Payments to Private Hospitals:

- Draft State Plan Amendment to CMS this week (April 20)
- Public Notice to DCH Board May 14th
- Formal SPA submission to CMS after May 14th
- DCH Board Vote on June 11
- CMS Approval/Final Payments TBD



Disproportionate Share Hospital Program

New Federal Regulations

- Require states to perform **retroactive audits** of prior year DSH payments
- 2005 and 2006 due to CMS by **December 30, 2009**
- States must ensure that DSH payments were not higher than amounts of actual uncompensated care
- Notice of intent to award audit contract to **Myers and Stauffer** to perform audits



Cahaba

- Taking over Medicare audits for Blue Cross
- DCH in the **process of contracting** with Cahaba to provide information necessary to **continue cost report settlements**



Extended Repayment Plans

- Currently, DCH allows extended repayment plans for cost settlement amounts due
 - Instituted back in 2006 when cost settlement payments expected to be significant for cost settlements through FY 2005
 - Hospital had to attest to fiscal distress
 - 12 months for critical access hospitals; 6 months for all others



Extended Repayment Plans

- Going forward, DCH will revise ERPs
 - ERP's **shortened** to 6 and 3 months, respectively –
 - DCH may agree to longer ERP's in extenuating circumstances with GDOAA audit
 - In addition to attesting to financial distress, hospitals will have to agree to certain **terms and conditions**
 - **Will not impact existing ERPs**



Public Health and ORS

- SB 433 (2008) and HB 228 (2009)
- Effective July 1, 2009
- ORS and Public Health transferring to DCH from DHR
- Focus on transition first; transformation later
- HB 228 provides for an Executive Study Committee to evaluate if PH should be on its own
 - Study due December 2010



Future

- FY 2011 Budget Planning begins this summer
 - Loss of Stimulus Funds after December 2010
 - Continuing Medicaid growth with low/no growth in state revenues
 - Need for provider rate increases
- Federal moratoria on reimbursement regulations ends June 30, 2009
 - What does this mean for public providers?
- Progression on conversion to new DSH formula
 - Year 2 of 3 year transition planned for in FY 2010
- New MMIS on July 1, 2010
- Public Health and ORS operated by DCH



Contact Me

Carie Summers

csummers@dch.ga.gov

404-657-4859

