

Georgia Department of Community Health
Hospital Advisory Committee Meeting
April 10, 2006

The meeting was called to order at 1 p.m. Committee members attending were:

HOSPITAL/ASSOCIATION	MEMBER/DESIGNEE
Athens Regional Medical Center	Todd Cox
Children's Healthcare of Atlanta	Doug Moses
Columbus Regional Healthcare System	Roland Thacker
Crisp Regional Hospital	Charlotte Vestal
East Georgia Regional Medical Center	Mike McNair
Floyd Medical Center	Rick Sheerin
Georgia Alliance of Community Hospitals	Julie Windom
Georgia Hospital Association	Glenn Pearson
Grady Health System	Tish Towns
HomeTown Health	Jimmy Lewis
Medical Center of Central Georgia	Rhonda Perry
Medical College of Georgia	Don Snell
Memorial Health University Medical Center	Bob Colvin
Minnie G. Boswell Memorial Hospital	Brenda Josey
Phoebe Putney Memorial Hospital	Kerry Loudermilk
Sumter Regional Hospital	David Seagraves
Tanner Medical Center/Carrollton	Lee Sherseth

The minutes for the meetings on February 27, 2006 and March 6, 2006 were approved without changes. The committee then received an update from Carie Summers, Chief Financial Officer for the Department, regarding the status of UPL and DSH programs. CMS is continuing its review of the matter of how hospitals can be classified as public or private, and a decision by CMS will be needed before UPL payments could be made. The Department expects that CMS will soon complete its review of nursing home UPL policies, and the Department would distribute preliminary SFY2006 calculations later in the week. For DSH payments, if the public notice for the proposed SFY2006 policy changes should be approved by the Board of Community Health at its meeting on April 13, the Department planned to issue interim payments to public hospitals at 50% of amounts shown in preliminary calculations. In response to a request from Ms. Summers, members of the advisory committee indicated that intergovernmental transfers required to fund interim payments to public hospitals could be available within 1 week after any notice. Ms. Summers then indicated that April 21 would be the target date for intergovernmental transfers and that April 28 would be the target date for interim payments. With regard to private hospitals, Ms. Summers explained that interim DSH payments could not be made until after the Department's amended appropriation for SFY2006 was signed, so that the matching funds required for payments to private hospitals would become available.

Bill Deck, Deputy CFO for the Department, provided a brief review of the Department's planned reviews of inpatient and outpatient rate setting projects. The Department contracted with EP&P Consulting to provide technical assistance for these projects and Yvonne Powell, a partner with EP&P Consulting, provided a detailed presentation regarding plans for updating inpatient payment rates as well as a report on the study of outpatient alternatives. A copy of Ms. Powell's presentation is attached. During the presentation and in subsequent discussions, the following are some of the key issues for the inpatient rate setting project:

- For the inpatient project, the impact of the CMO program will need to be considered. Rate setting projections could be based on claim history for all Medicaid and PeachCare patients, including those who would be expected to be enrolled in the future or could use claims only for those patients expected to remain in a fee for service setting.
- Any changes in inpatient rates must be budget neutral, so the impact of updated rates could provide increases or decreases in payments for individual hospitals. Ms. Summers indicated that the advisory committee would be asked for recommendations about appropriate ways to adjust rates for budget neutrality, such as modifying base rates or modifying per case add-on amounts.
- An example data sheet, showing facility-specific cost data elements, was used to demonstrate the type of information that hospitals would be asked to review and confirm. The advisory committee recommended that, when available, the Department should post such information on the DCH web site to assure that appropriate hospital staff could have access to this data.
- The initial review of outpatient claim data indicated that many claims lacked sufficient data for appropriate evaluation. As an initial step, the Department planned to increase the level of detailed data that would be required for outpatient claims. In response to a request from Ms. Powell, advisory committee members indicated that hospitals would have no difficulty if the Department applied the same requirements that hospitals must meet for the Medicare program.
- Committee members were asked to contact Mr. Deck by e-mail if they identified any additional issues that the Department should consider for the rate setting projects.
- The advisory committee recommended that an update on the inpatient rate project be provided at its July meeting. The committee also agreed that a subcommittee should be formed to meet with the Department in June for a detailed review and discussion about data findings. Several hospital representatives volunteered to serve on the subcommittee, and Co-chairmen Bob Colvin and David Seagraves agreed that they would work with the Department regarding the selection of the subcommittee members.

For its May meeting, the advisory committee agreed that it would begin discussions regarding policy recommendations for the SFY2007 DSH program. The May meeting would also be used to address any outstanding issues regarding the SFY2006 program.

As a final item for discussion, Ms. Summers provided the committee with a brief report about the SFY2007 budget for the Department that was recently approved by the legislature. For hospitals, it will no longer be necessary to provide approximately \$30 million in funding to the State Health Benefit Plan. Another budget item impacting hospitals was the GHA proposal that hospitals provide voluntary advance repayments of outpatient cost settlement amounts. The advance payments would be applied to settlement obligations for fiscal years 2002 through 2005 and the total amount due would be approximately \$183 million.

The meeting was adjourned at approximately 3:00 p.m.