

FY2006

Medicaid and PeachCare for Kids
Budget Proposal



GEORGIA DEPARTMENT OF
COMMUNITY HEALTH

October 13, 2004



Overview

FY2006 Cash Needs

- Benefits

- FY2006 Budget Instructions

- Proposed FY2006 Budget



FY 2006 Medicaid Cash Request

	State Revenue
State Appropriations (includes Tobacco)	\$ 1,834,472,078
Budgeted UPL	\$ 146,000,000
Nursing Home Provider Fees	\$ 100,229,284
Revenue Subtotal	\$ 2,080,701,362

	State Expense
87% of FY06 Accrual Projection	\$ 2,065,838,936
12% of FY05 Accrual Projection	\$ 264,947,256
1% of FY04 Accrual Projection	\$ 19,417,324
Expense Subtotal	\$ 2,350,203,516

FY 06 Cash Request = \$269.5M



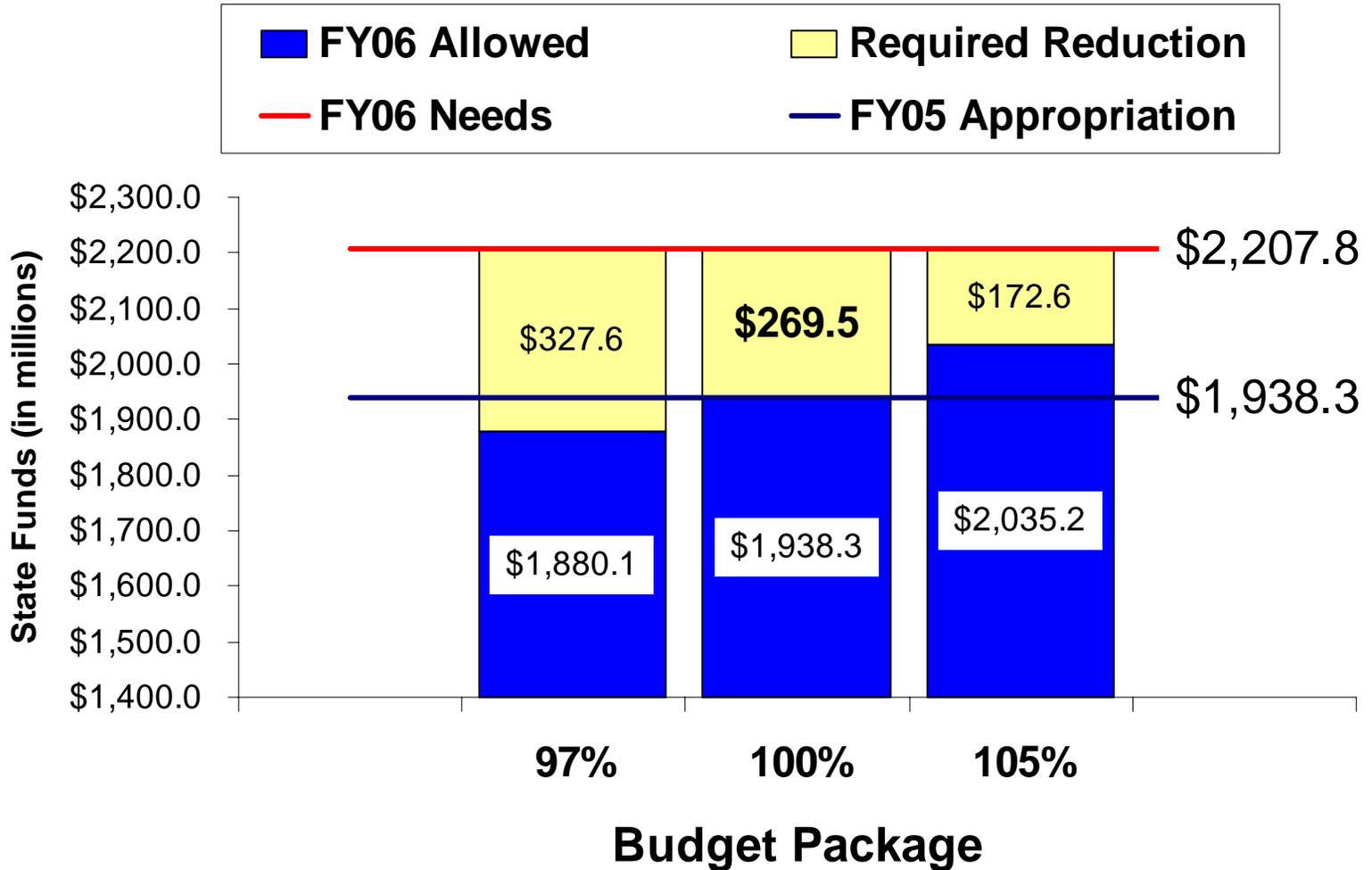
Governor's FY 2006 Budget Instructions

- Instructions Sent to Agencies August 7
- Three different versions submitted for FY2006
 - 97% of FY 2005
 - 100% of FY 2005
 - 105% of FY 2005
- Budget submitted to the Office of Planning and Budget on September 15, 2004 as a draft pending DCH Board approval



FY2006

Impact of Medicaid and PCK





FY2006 Budget Proposal Utilization

- Utilization
 - Disease and case management (\$15.4M)
 - Prior Authorization (\$3.0M)
 - Retrospective Reviews of Hospital Admissions (\$2.7M)
 - Orthodontic Policies (\$1.8M)
 - ER Utilization Control (\$2.0M)
 - Drug Lock-In Program (\$1.0M)
 - ICWP Expenditure Cap (\$1.0M)
- Estimated State Fund Savings:
 - 105% package - \$25.8M
 - 100% package - \$26.8M
 - 97% package - \$26.8M



FY2006 Budget Proposal

Cost Avoidance

- Cost Avoidance
 - PCK premiums for ages 1– 5 (\$4.5M) (\$4.2M)
 - Katie Beckett premiums (\$1.5M)
- Estimated State Fund Savings:
 - 105% package - \$0.0M
 - 100% package - \$4.5M
 - 97% package - \$5.7M



FY2006 Budget Proposal

Price

- Price (Rate Reductions)
 - Inpatient Hospital (\$7.8M)
 - Nursing Homes (\$22.2M) (\$29.9M)
 - Outpatient Hospital (\$9.3M) (\$24.1M)
 - Pharmacy (\$12.3M) (\$22.1M)
 - All Other Providers (\$23.5M) (\$41.8M) (\$40.7M)
- Estimated State Fund Savings:
 - 105% package - \$69.9M
 - 100% package - \$120.5M
 - 97% package - \$119.4M



FY2006 Budget Proposal

Cost Settlements

- Outpatient Hospital Cost Settlements
 - Prior year settlements (\$39.1M)
 - Prospective rates (\$19.6M)
- Estimated State Fund Savings:
 - 105% package - \$58.6M
 - 100% package - \$58.6M
 - 97% package - \$58.6M



FY2006 Budget Proposal

Scope

- Scope
 - OTC Pharmacy coverage (\$5.9M)
 - Eliminations
 - Non-palliative drugs in Hospice settings (\$2.2M)
 - Adult Dental services (\$7.9M) (\$7.8M) (\$7.2M)
 - Orthotics and Prosthetics (\$1.5M)
 - Podiatry (\$1.1M)
 - Hospice (\$10.3M)
 - PeachCare for Kids (\$19.0M)
- Estimated State Fund Savings:
 - 105% package - \$18.6M
 - 100% package - \$37.5M
 - 97% package - \$47.2M



FY2006 Budget Proposal

Eligibility

- Eligibility
 - PCK Income requirements (\$3.5M)
 - Clinical standards (\$6.4M)
 - Promissory notes for NH eligibility (\$0.6M)
 - PCK Enrollment (\$2.8M)
 - 185% FPL for PCK (\$7.3M)
 - 185% FPL for Pregnant Women, Infants (\$4.9M)
 - Non-Categorical Eligibles (\$32.5M)
 - ABD to 2X SSI (\$24.6M)
 - Breast and Cervical Cancer Program (\$6.0M)
- Estimated State Fund Savings:
 - 105% package - \$10.5M
 - 100% package - \$20.6M
 - 97% package - \$88.6M



FY2006 Budget Proposal Administration

- Administration
 - Population-based programs (\$400K)
 - Contract funding (\$400K)
- Estimated State Fund Savings:
 - 105% package - \$800K
 - 100% package - \$800K
 - 97% package - \$800K



FY2006 Budget Proposal Summary

Cost Driver	105%	100%	97%
Utilization	\$25.8	\$26.8	\$26.8
Cost Avoidance	-	4.5	5.7
Price	69.9	120.5	119.4
Cost Settlements	58.6	58.6	58.6
Scope	18.6	37.5	47.2
Eligibility	10.5	20.6	88.6
Administration	0.8	0.8	0.8
Total	\$184.3	\$269.4	\$247.1
Target	\$172.6	\$269.5	\$327.6
Surplus/Deficit	\$11.7	\$(0.1)	\$19.5