

**Aged, Blind and Disabled Medicaid Cost Trends for FY10-FY12
Data Explanations**

Significant¹ Increases in Cost Trends from State Fiscal Year (FY) 2010 to State FY 2012:

1. Category of Service (COS) 010 - Inpatient hospital
Increased payment trends in inpatient hospital claims are the result of two different influences. The first is from the introduction of a hospital provider fee add-on. More information of that change is detailed below under Reimbursement Changes section. The second trend factor is from the increase in utilization due to increases in the number of patients receiving more expensive services. Eliminating the impact of the 11.88% add-on from the hospital provider fee, net payment increased by 17% while patients increased 6% from FY2010 to FY2012.
2. COS 70 - Outpatient Hospital
Similar to the trends in inpatient hospital claims, outpatient expenditures increased because of the hospital provider fee add-on and increased utilization of higher cost procedures. While patient counts only increased by 5% from FY2010 to FY2012, overall net payments increased over 34%. Removing the influence of the 11.88% hospital provider fee add-on, net payments increased 20% from FY2010 to FY2012. The per patient expenditure amounts, without the 11.88% add-on, increased 14% over that same time period.
3. COS 440 – Community Mental Health Services
The Community Mental Health Services along with other home and community-based services continue to increase from the efforts to move ABD members from nursing facilities and into community-based services. During the FY2010-FY2012 time period, the Department of Behavioral Health and Developmental Disabilities (DBHDD) along with other state departments increased efforts to ensure vulnerable Georgians had access to care mental health services through Medicaid. Over the FY2010-FY2012 time period, this COS saw increases of 70% in net payments, 15% increase in patients, and a 33% increase in total services.
4. COS 681 – Comprehensive Supports Waiver Program (COMP)
COMP increased based on the efforts of the state to move ABD members from institutional and nursing facilities to home and community-based services. Over the FY2010 to FY2012 time frame, COMP experienced an 11% increase in overall net payments and an increase of 6% in ABD patients.
5. COS 930 – Service Options Using Resources in a Community Environment (SOURCE)
SOURCE like other home and community based services experienced increases in overall utilization and cost because of the effort to move members into the community from

¹ Significant represents an average increase or decrease of 6% in projected costs from FY10 to FY12 and an average expenditure level from FY10 to FY12 of over \$31 million.

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institutional and nursing facilities. SOURCE also experienced increased from the expansion of waiver slots as well as an increase in the number of providers offering SOURCE services. SOURCE had an increase of 31% in net payments from FY2010 to FY2012 with an increase of 14% in patients, 35% in overall services and 24% increase in the number of providers.

Significant¹ Decreases in Cost Trends from State Fiscal Year (FY) 2010 to State FY 2012:

1. COS 170 - Stated Owned Intermediate Care Facility for the Mentally Retarded
The State of Georgia made a concerted effort to move nursing home members to home and community based services. Much of this increase is influenced by the Department of Justice settlement on these types of services in Georgia. The settlements mandated that Georgia move more members out of institutional care and into community based services. As more ABD members are moved, it is expected this category of service along with other institutional facilities will continue to see decreases in utilization and overall expenditure levels.

Reimbursement Changes (occurring during FY10 to FY12):

1. COS 010/070 – Inpatient and Outpatient Hospital – in FY11, the state began collecting a hospital provider fee. Part of the legislation creating the fee also included an 11.88% add-on the inpatient and outpatient hospital claims.
2. COS 110 - Nursing Home - costs increased the second half of FY12 from an increase in the cost report used to determine reimbursement. Previously, DCH used 2006 cost report to determine the reimbursement levels. In the second half of FY12, DCH switched updated the reimbursement rates by using the 2009 cost report. In FY13, DCH updated once again to the 2010 cost reports.