



Serving Georgia's Elderly Since 1953

July 3, 2012

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The Honorable David A. Cook
Commissioner
Georgia Department of Community Health
2 Peachtree Street, NW
40th Floor
Atlanta, Georgia 30303-3159

Commissioner Cook,

We are contacting you to thank you for your continued support of the mission shared by Georgia Health Care Association and your Department to better serve the health care needs of the people of Georgia. We also greatly appreciate the opportunity to provide our input on the Medicaid and CHIP Redesign initiative that has been undertaken by the Department of Community Health.

We share your strong support for the Redesign Goals and Key Strategies that were set forth by the *Medicaid and PeachCare for Kids Design Strategy Report* prepared by Navigant Consulting, which include improving health care outcomes for Medicaid beneficiaries, enhancing the appropriate use of services by members, and achieving long-term sustainable savings in services. In fact, thanks to the tireless work of the dedicated professionals, our member companies have been making consistent, significant progress towards each of these three goals. This is why we are so confident that the best path forward for the Georgia Medicaid program is to avoid drastic changes to delivery systems that have proven so successful at achieving progress towards the stated goals of the Medicaid Redesign initiative. Therefore, we are deeply concerned about unproven proposals to incorporate "commercial style" managed care as yet another unnecessary layer of bureaucracy in the delivery of quality care in our skilled nursing facilities, as well as to eliminate the key structural components that have made the Service Options Using Resources in Community Environment (SOURCE) program such a nationally recognized model of success.

When considering the largely unproven proposal to incorporate the "commercial style" managed care delivery system into the delivery of long-term care support services, it is important to remember that skilled nursing facilities already utilize a highly developed payment system that is patient-specific and provides assurance the state of Georgia is paying only the cost of care for the delivery of a comprehensive list of services, including long-term care, pharmacy, and rehabilitation services, just to name a few. Inserting a "commercial style" managed care company into Georgia's long-term care system would mean that the industry standard medical loss ratio of 15 percent would take funds directly from an already underfunded long-term care system, without any proven added value by companies who have dangerously limited experience in the field. Furthermore, a shift to "commercial style" managed care delivery system would jeopardize substantial federal funding streams via Medicaid upper payment limits and intergovernmental transfer mechanisms.

As you know, the SOURCE program has been praised as an innovative model for other state Medicaid programs to follow, and SOURCE remains the preferred option for Aged-Blind-Disabled populations as well as for Long Term Services and Supports. Georgia's Elderly & Disabled Waiver (GA 0112) is set to expire on September 30, 2012, but given all of the uncertainty of the future of the Georgia Medicaid program with the recent Supreme Court decision regarding the Medicaid expansion population under Section 2001 of the *Affordable Care Act*, the upcoming elections, and Georgia's Medicaid redesign project, an extension of the current waiver would give providers in Georgia a much-needed hedge against the volatility and uncertainty.

In a time when cost-considerations weigh heavily on the budget, SOURCE utilizes a sophisticated payment system that is patient specific and provides assurance that the state will not overpay for the care provided. By enforcing these cost-protection barriers, SOURCE simultaneously provides premium care for qualifying beneficiaries while simultaneously shielding the state from runaway costs. For these reasons, the Georgia Department of Community Health convened a special work group this January to assist in the development of a strong waiver to renew GA0112, working alongside the *National Quality Enterprise* in strengthening the performance measures and quality improvement sections of the waiver application.

Our requested extension of the current SOURCE waiver would allow participating providers to provide services as currently authorized by CMS, allowing decisions regarding the future of the program to be made with far greater clarity regarding the future shape of the Medicaid program in Georgia and across the nation. To continue to serve the beneficiaries in Georgia, we respectfully request the waiver extension application to CMS include a disregard of the enrollment limit described in the current outstanding waiver amendment. This request is being made in an effort to continue the rebalancing success that Georgia has experienced to date through this waiver. Capping access to Home and Community Based Services runs counter to the federal rebalancing initiative. Doing so will likely shift costs into higher cost settings, increasing outlays at both the federal and state levels at a time when these outlays cannot be sustained without major cuts in other vital areas. Continuation of the current waiver with adequate enrollment levels is necessary to restore this important program element. This request is also consistent with CMS initiatives around coordinated care and rebalancing.

As you work to rebalance Georgia's Medicaid program in light of national policy changes and state budget pressures, we trust you will consider the fundamental importance of maintaining and strengthening the parts of our current system that are working well. Subjecting beneficiaries and providers to deleterious changes now would be both detrimental in the short run and, in the long run, counterproductive to the stated goals of Georgia's Medicaid and CHIP Redesign initiative.

We appreciate your consideration and look forward to continuing to work closely with you on these vital programs for the state of Georgia.

Respectfully,

A handwritten signature in black ink, appearing to read "Jon S. Howell", written in a cursive style.

Jon S. Howell