



The following is a summary of some of the key budget items impacting hospitals from [H.B. 81](#) - FY 2022 Appropriations Act, passed by the General Assembly on March 31, 2021. Find a copy of the bill and related details [here](#) (Select “FY2022” under *Search by Year.*) All figures reflect State Funds unless otherwise noted.

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**BUDGET OVERVIEW:** The FY 2022 Appropriation for total state funds is **\$27.3 billion** or 5.1% more (+\$1.3 billion) than the original FY 2021 Appropriation.

1. **No Medicaid payment rate cuts** for any provider group.
2. The FY 2022 Appropriation includes **\$76 million** in state funding for the implementation of the **Patients First Act** (2019 Session), appropriated in FY 2022, including \$65 million for benefits and \$1 million for additional eligibility staff.

The Patients First Act authorized the Department of Community Health to submit a Section 1115 waiver to the Centers for Medicare and Medicaid Services (CMS) to increase Medicaid eligibility. Approved by CMS in 2020, the Georgia Pathways to Coverage Section 1115 waiver provides Medicaid coverage to low-income adults ages 19 through 64, with incomes up to 100 percent of the FPL who are not otherwise eligible for Medicaid coverage. As a condition of eligibility, applicants and beneficiaries must complete a minimum of 80 hours of qualifying work activities. See the Department of Community Health’s [website](#) for more information.

3. Indigent Care Trust Fund

- a. Increased funds to annualize the state match for Medicaid DSH payments for private hospitals eligible for the **DSH** program. (+\$35 million)

4. Medicaid/PeachCare for Kids

Provider Rates and Benefit Coverage

- a. New funding for **skilled nursing home payments**:
  - i. Update to 2019 Cost Reports with 5% inflation (+\$20 million)
  - ii. Provide supplemental quality incentive payments to eligible facilities limited to appropriated amount (+\$12 million)
  - iii. One-year hold harmless for skilled nursing facilities that meet minimum quality standards for losses under the transition to the 2019 cost report (+\$8 million)
  - iv. Updated insurance rate pass-through components to current costs (+\$3.5 million)
  - v. 5.9% increase in nursing home ventilator reimbursement rate. (+\$400 thousand)
  - vi. The Department is instructed to amend the Medicaid state plan to update the nursing home cost report no less than every two years.
- b. 10% rate increase (\$19.6 million in state funds with enhanced FMAP from the American Rescue Plan Act of 2021) for **home and community-based long term care** service providers.
- c. New funding to increase 18 select **primary care and OB/GYN codes** to 2020 Medicare levels. (+\$7.1 million)
- d. New funding to increase 15 select **dental codes** by 3%. (+\$117 thousand)



- e. The Department of Community Health to evaluate the feasibility of funding **portable radiography** and accredited mobile imaging services in nursing homes, assisted living facilities, or in the home. (+\$250 thousand)

Medicaid Financing

- f. Increased funds to restore a one-time reduction from a Care Management Organization (CMO) **retro rate amendment and risk corridors**. (+\$51 million)
- g. Additional funding for increases in Medicaid enrollment, medical services utilization, and medical trend. (+\$48 million)
- h. Recognition of additional **Hospital Provider Payment (HPP) Program (\$30 million)** and **Nursing Home Provider Fee (NHPF) (\$3 million)** revenue used for the state share of Medicaid benefits expenditures. Increased HPP and NHPF funds are a function of the increase in the amount of revenue subject to assessment and not a change in the assessment methodology or amount.
  - a. FY 2022 Hospital Provider Fees = \$387,091,717
  - b. FY 2022 Nursing Home Provider Fees = \$159,928,774
- i. Increased funding for Medicaid costs related to **Medicare** parts B and D. (+\$12.8 million)
- j. Savings to reflect the repeal of the **Health Insurer Fees**. (-\$39 million)

5. Medicaid Matching Rates

*(NOTE: impacts the departments of Community Health, Public Health, Behavioral Health and Developmental Disabilities and Human Services)*

- a. Due to the COVID-19 Public Emergency, the **FMAP increased** by 6.2 percentage points between July 1, 2020 through September 30, 2021 resulting in a need for less state funds to maintain total Medicaid funding levels in the FY 2021 appropriation (passed in 2020). State funds will need to be restored to the base for FY 2022 to replace the additional federal funds that were realized in FY 2021. (+\$29 million)
- b. On October 1, 2021, the **FMAP will decrease** from 67.30% to 67.03% and the enhanced FMAP will decrease from 88.61% to 76.92%; both resulting in a need for more state funds to maintain total funding levels. (+\$39 million)

6. State Health Benefit Plan

- a. Authorization to use \$500 thousand in SHBP funding for a pilot program for a **drug deactivation system** that provides a safe disposal of unused prescription and over-the-counter medications.
- b. Authorization to utilize existing funds to begin a pilot program for the use of **care coordination and technology in rural areas** for patients with chronic medical conditions.

7. Department of Community Health Administration

- a. New funding for three **senior leadership** positions to support the department's increasing workload, including contract oversight. (+\$835 thousand)
- b. Utilize existing funds of \$750 thousand and new state funds of \$50 thousand for operations of an **All-Payer Claims Database**.



- c. Increased funding for a business support analyst, a financial analyst, and three compliance specialists to **support quality incentive payment** reimbursements. (+\$725 thousand)
8. Healthcare Facilities Regulation
- a. Increased funds to support strategic measures for stabilizing staffing and addressing the surveying backlog in the **nursing home program**. DCH is required to submit reports twice a year addressing progress on implementation of the stabilization plan and the reduction of the survey backlog to the Chairs of the Appropriations committees and subcommittees for Health and the legislative budget offices. (\$7.5 million)
  - b. Annualized funding of \$4.9 million was made available for contractual services to ensure **safe and healthy living conditions** for residents of long-term care and health care facilities.
  - c. Additional funding for a nurse manager and two business support analysts to support skilled nursing facility quality incentive payment reimbursements. (+\$265 thousand).
9. Health Care Access and Improvement
- d. \$500 thousand in funding earmarked for two **federally qualified health center** start up grants in Jeff Davis and Marion counties.
  - e. Increased funding to provide an additional three-year grant to rural hospitals for **Electronic Intensive Care Units (EICU)** to improve patient outcomes and reduce the need for long distance travel away from local communities for this level of care. (+\$300 thousand)
  - f. Increased funding for South Central Primary Care Center **dental program**. (+\$125 thousand)
  - g. A reduction of \$6 million in one-time funding from FY 2021 for the **Rural Hospital Stabilization Grants** (from \$15 million to \$9 million). The Department of Community Health is required to review the grant process and report potential new formal grant process to the Chairs of the appropriations committees and subcommittees for Health and the legislative budget offices.
  - h. Eliminate **start-up funding** for a charity clinic. (-\$100 thousand)
10. Medical Education
- a. Funding for Year 2 of 3 of increased **medical education funding** for the Teaching Program in the Board of Regents. (+\$7.8 million)
  - b. Funding for Year 2 of 7 for **Mercer School of Medicine's medical school campus in Columbus**. (+\$5.3 million)
  - c. Matching funds for an endowment gift to the [MCG 3+ Program](#) at the Medical College of Georgia. (\$5.2 million)
  - d. Funding for **188 new residency slots** in primary care medicine. (+\$2.6 million)
  - e. New operational funding for the **Medical College of Georgia Hospital and Clinics Program** in the Board of Regents. (+\$1.6 million)
  - f. Funding for two **medical examiner/forensic pathologist** at Mercer School of Medicine. (+\$500 thousand)



- g. Increase funds for the initial planning work for the establishment of **two graduate medical education programs**. (+\$300 thousand)
- h. Increased funds to expand the physician loan forgiveness program to include the **forensic pathology fellowship program** at Georgia Bureau of Investigation in partnership with the Medical College of Georgia. (+100 thousand).
- i. Direction to coordinate with medical education programs to develop graduate medical programs to address the shortage of **medical examiners and forensic pathologists**.

11. Public Health

- a. Increased funding for **newborn screening of Krabbe disease**. (+\$1 million)
- b. Annualized funding of **\$860 thousand** for a chief medical officer, a deputy commissioner of public health and a chief data officer hired in FY 2021 to support the agency with the COVID 19 pandemic response and ongoing **agency leadership**.
- c. New funding for a **nurse peer assistance program** to support nurses recovering from substance abuse. (+\$150 thousand)
- d. Recognition of federal funding for maintenance and operations of the **new vaccine management system** implemented in FY 2021.

12. Behavioral Health and Developmental Disabilities

- a. Increased funds for core services to promote equity among providers. (+\$6.5 million)
- b. **\$2 million** in additional funding to accelerate the expansion of the [Georgia APEX Program](#).
- c. **\$400 thousand** in additional funds for **suicide prevention** in the Adult and Child & Adolescent Mental Health programs.
- d. Partner with existing county resources to deliver **mental health telehealth** for the Adult Mental Health Program.

13. Rural Initiatives

- a. **\$40 million** for the OneGeorgia Authority to establish a **Rural Innovation Fund** to assist rural communities in developing targeted solutions for economic, medical, technological, or infrastructure challenges within their regions.
- b. Additional funding of **\$10 million** for the **broadband infrastructure grant program** (established in the Amended FY 2021 Appropriations Act with **\$20 million**) to enable rural communities to leverage existing federal, local, and private resources to quickly target high-need broadband expansion within their areas.



**Highlights – H.B. 81 - FY 2022 Appropriations Act**

**14. American Rescue Plan Act**

H.B. 81 recognized the federal funding the state is expected to receive from the enactment of the [American Rescue Plan Act of 2021](#) on March 11, 2021.

<b>Department</b>	<b>Program</b>	<b>Item</b>	<b>Amount</b>
Behavioral Health and Developmental Disabilities	Adult Addictive Diseases	Substance Abuse Grant	\$45,985,000
	Adult Mental Health Services	Community Mental Health Block Grants	\$45,491,000
	Child Mental Health Services		
Community Affairs	Special Housing Initiatives	Emergency Food and Shelter Program	\$12,351,000
Community Health	Aged Blind and Disabled	FMAP for Home and Community Based Services	\$5,735,269
		Supplemental Quality Incentive Payments to SNFs	Amount Not Noted
Early Care and Learning	Child Care Services	Child Care and Development Block Grant	\$606,960,000
		Head Start Coordination	\$26,728,000
		Child Care Stabilization Grants	\$970,772,000
		Increased matching of the CCDF	\$17,504,000
Economic Development	Georgia Council for the Arts - Special Project	National Endowment for the Arts Grants	\$914,000
	Tourism	National Endowment for the Humanities Grants	\$1,142,000
Education	Federal Programs	Special Education Grants for States	\$89,976,000
		Emergency Assistance to Non-Public Schools	\$65,585,000
	Quality Basic Education Program	Elementary and Secondary School Emergency Relief Fund	\$4,249,371,000
Office of the Governor	Governor's Office	(a) to respond to the Public Health Emergency (b) to respond to workers performing essential work during the PHE (c) for the provision of government services (d) necessary investments in water, sewer, and broadband infrastructure	\$4,654,502,000
		Coronavirus Capital Projects Funds	\$261,682,000



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<b>Department</b>	<b>Program</b>	<b>Item</b>	<b>Amount</b>
Office of the Governor	Emergency Management and Homeland Security Agency	Emergency Management Performance Grants	\$2,679,000
Human Services	Child Abuse and Neglect Prevention	Community-Based Child Abuse Prevention Grants	\$8,397,000
	Child Welfare Services	Child Abuse and Neglect State Grants	\$3,336,000
	Departmental Administration	Capital Assistance Programs for Elderly and Disabled Persons	\$642,000
	Elder Abuse Investigations and Prevention	Long Term Care Ombudsman Services	\$274,000
	Elder Community Living Services	Aging Supportive & Senior Centers	\$12,345,000
		Special Programs for Aging-Nutrition Services	\$20,365,000
		Special Programs for Aging-Disease Prevention and Health Promotion	\$1,206,000
		National Family Caregiver Support	\$3,812,000
	Energy Assistance	Low Income Energy Assistance	\$117,918,000
	Federal Eligibility Benefit Services	Pandemic Emergency Assistance	\$22,004,000
Public Health	Infant and Child Health Promotion	Supplemental Nutrition-Women, Infants and Children	\$13,267,000
Board of Regents	Public Libraries	Institute for Museum and Library Services	\$4,333,000
	Teaching	Higher Education Emergency Relief Fund	\$949,097,000
	Technical Education		\$260,261,000
Transportation	Intermodal	Federal Transit Grants for Rural Areas	\$1,558,000
	Payments to Atlanta-region Transit Link Authority	Federal Urbanized Transit Grants	<u>\$307,399,260</u>
<b>TOTAL</b>			<b>\$12,674,029,260</b>

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