



Please find a summary of some of the key budget items impacting hospitals from the Governor's budget reports, both released January 10, 2019. Find full versions of the Governor's budget reports at <http://opb.georgia.gov/> under "Key Documents". All figures reflect State Funds unless otherwise noted.

1. No Medicaid payment rate cuts for any provider group.

2. **Amended FY 2019** changes:

Indigent Care Trust Fund

- a. Full funding for both deemed and non-deemed private hospitals eligible for the **Disproportionate Share Hospital (DSH)** program. (\$18.8 million)

Medicaid/PeachCare for Kids

- b. Administrative funding for an external consultant to review and analyze **Medicaid waiver options**. (\$1 million)
- c. New funding for the revision of the hospital **Inpatient Prospective Payment System (IPPS)** reimbursement model, effective for dates of service on and after January 1, 2019. (\$4.6 million)
- d. New funding to include additional **long-term care acute hospitals (LTACs) and intermediate rehabilitation facilities (IRFs)** as Medicaid providers, effective January 1, 2019. (\$2.5 million)
- e. Increased funding for Medicaid costs related to **Medicare** parts B and D. (\$3.1 million)
- f. New funding for **gene therapy drug** coverage recently approved by the FDA. (\$5.8 million)
- g. A reduction in projected **Hospital Provider Payment Program** revenue used for the state share of Low-Income Medicaid benefits expenditures. (\$14.5 million)
- h. Additional funding for increases in Medicaid enrollment, medical services utilization and medical trend. (\$33.8 million)

State Health Benefit Plan

- i. Additional funding for increases in SHBP membership, medical services utilization and medical trend. (\$162 million)
- j. **Savings from Medicare Advantage Plan** rates in 2019. (-\$42 million)
- k. Funds to ensure **mental health benefit parity**. (\$3.6 million)

Public Health

- l. Recognition of \$5.0 million in additional collections of Super Speeder and Reinstatement Fees and \$805 thousand from the Fireworks Excise Tax for use by the **Georgia Trauma Care Network Commission**.

Medical Education

- m. New funds to the Mercer University School of Medicine to establish a **four-year medical school campus in Columbus**. (\$9.3 million)



Health Care Access and Improvement

- n. Use of tobacco settlement funds to service medically fragile children through the Easter Seals' **Champions for Children** Program. (\$480 thousand)

3. **FY 2020 Budget** items:

Medicaid/PeachCare for Kids

- a. New funding for the revision of the hospital **Inpatient Prospective Payment System (IPPS)** reimbursement model, effective for dates of service on and after January 1, 2019. (\$9.3 million)
- b. New funding to include additional **long-term care acute hospitals (LTACs) and intermediate rehabilitation facilities (IRFs)** as Medicaid providers, effective January 1, 2019. (\$3.2 million)
- c. Increased funding for Medicaid costs related to **Medicare** Part B. (\$6.8 million)
- d. New funding for **gene therapy drug** coverage recently approved by the FDA. (\$5.9 million)
- e. Additional funding for increases in Medicaid enrollment, medical services utilization and medical trend. (\$88.9 million)
- f. Savings from a one-year moratorium of **Health Insurance Fees** as required by the Affordable Care Act. (\$34 million)
- g. Recognition of additional **Hospital Provider Payment Program** (\$10.4 million) revenue used for the state share of Low-Income Medicaid benefits expenditures.

Medicaid Matching Rates

- h. The Federal Medical Assistance Percentage (**FMAP**) **will decrease** from 67.62% to 67.30% and the enhanced FMAP will decrease from 100% to 88.61%; both resulting in a need for more state funds to maintain total funding levels. (\$100 million)
 - i. Medicaid - \$64.6 million
 - ii. PeachCare for Kids - \$27.4 million
 - iii. Department of Community Health Departmental Administration – \$3.7 million
 - iv. Georgia Board for Physician Workforce Graduate Medical Education - \$181 thousand
 - v. Public Health - \$70 thousand
 - vi. Department of Behavioral Health and Developmental Disabilities - \$4.0 million

Georgia Board for Physician Workforce

- i. Funding for 112 **new residency slots** in primary care medicine. (\$2.3 million)
- j. Increased funding for **loan repayment awards** for rural advanced practice registered nurses, dentists, physician assistants and physicians. (\$500 thousand)

State Health Benefit Plan

- k. Increased funding for increases in SHBP membership, medical services utilization and medical trend. (\$245 million)
- l. **Savings from Medicare Advantage Plan** rates in 2019. (-\$126 million)
- m. Funds to ensure **mental health benefit parity**. (\$7.9 million)



Public Health

- n. New funds for **perinatal facility designation** per HB 909 (2018 Session.)

Behavioral Health and Developmental Disabilities

- o. Annualized funding for the cost of **behavioral health crisis centers** in areas with the greatest need. (\$8.3 million)
- p. Increased funds for:
 - i. The state's **behavioral health services for adults** (\$10.6 million)
 - ii. Adult behavioral health **crisis bed capacity** (\$10.2 million)
 - iii. Adult mental health consumers in **community settings** (DOJ Settlement Agreement compliance (\$2.5 million)
 - iv. Residential treatment of adult addictive diseases. (\$4.9 million)

Corrections

- q. Funding to cover projected expenses related to the contract for **inmate mental and dental health** services. (\$10.9 million)