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2019 SESSION: HEALTH AND HUMAN SERVICES BUDGET AND LEGISLATIVE HIGHLIGHTS

Health services formally provided through state insurance partnerships cover over 2.5 million Georgians: 1.8 million enrolled in Medicaid; over 650,000 covered lives within the State Health Benefit Plan (SHBP); and 130,000 insured by PeachCare for Kids. The FY 2020 budget funds an additional \$300 million for Georgia's health care agencies, including an additional \$165 million for Medicaid programs, \$74 million for behavioral health and developmental disabilities programs, \$24 million for the Division of Family and Children Services (DFCS), and \$10 million for public health. These additions bring the total state dollars appropriated for health care to \$5.9 billion, accounting for 22% of the total budget. Below are highlights of the new funding in FY 2020.

Health Budget

- The FY 2020 budget includes \$55.8 million in the Department of Community Health (DCH) for Medicaid growth as well as an additional \$95.7 million to replace federal funds in the Medicaid programs due to a reduction in the Federal Medical Assistance Percentage (FMAP) and the enhanced FMAP.
- The Medicaid budget includes \$5.9 million for gene therapy drug coverage; \$6.8 million for Medicare Part B premiums; \$9.3 million for a revision to the Inpatient Prospective Payment System (IPPS); \$3.2 million to include seven additional long-term acute care hospitals (LTACs) and three additional intermediate rehabilitation facilities (IRFs) as Medicaid providers; \$575,455 for a \$150 per diem add-on payment for hospital-based swing bed units in rural hospitals; and \$205,155 for a 3% rate increase in select dental codes.
- HB 31 includes funding for two new Federally Qualified Health Centers (FQHCs), one for primary care in Screven County and one for behavioral health in Chatham County.
- The FY 2020 budget provides \$513,000 for the Champions for Children program, which is in addition to the \$128,250 provided for the program in the Amended FY 2019 budget.
- HB 31 includes \$250,000 for grants to rural hospitals to meet the federally-required upgrades to emergency rooms for behavioral health patients.
- To support Georgia's nursing homes, the FY 2020 budget funds \$13.7 million for a 3% inflationary cost increase; \$716,614 for a 1% increase in the add-on rate for nursing homes with over 45% of their population with cognitive impairment; \$330,000 to support enhanced background checks; and \$109,342 for a 3% increase in the ventilator reimbursement rate. The budget also includes \$401,524 in DCH to fund a \$5 increase in the personal needs allowance, which is the second installment of a two-year plan to increase the personal needs allowance by \$20 for nursing home residents.
- The House and Senate agree to provide \$828,042 to fund 54 OB/GYN residency slots, bringing the total number of slots to 104, with 36 slots at Emory University School of Medicine, 20 slots at Medical College of Georgia, 16 slots at Memorial University Medical Center, 16 slots at Morehouse School of Medicine, and 16 slots at Navicent Health Care Macon.

- HB 31 supports undergraduate and graduate medical education with \$1.9 million for new primary care residency slots; \$572,670 for student capitation rates at Philadelphia College of Osteopathic Medicine (PCOM) Georgia and PCOM South Georgia; \$500,000 for a three-year primary care residency track, \$381,470 for child and adolescent psychiatry residency slots, \$352,968 for the Rural Surgery Initiative, and \$115,500 for pediatric residency slots at Augusta University; \$300,000 for additional student housing for community-based rotations; and \$180,000 for a start-up grant to begin a residency program at South Georgia Medical Center.
- The General Assembly supports Morehouse School of Medicine by providing \$5 million to offset a reduction in federal matching funds as well as \$500,000 for a Center of Excellence on Maternal Mortality in order to advance maternal health in Georgia.
- HB 31 includes additional support for maternal health by providing \$1.05 million to screen, refer, and treat maternal depression and related behavioral disorders in rural and underserved areas; \$200,000 for additional nurse abstractors for the Maternal Mortality Review Committee; and \$600,000 for three satellite perinatal support sites in Jenkins, Randolph, and Wilcox counties.
- Within the Department of Public Health, the FY 2020 budget includes \$150,000 for a nurse peer assistance program to support nurses recovering from substance abuse; \$300,000 for regional cancer coalitions to enhance screening, awareness, prevention education, care coordination, and navigation; \$150,000 for three additional sickle cell outreach offices; \$500,000 for county health departments to provide feminine hygiene products to low-income clients; \$275,000 for five Coverdell-Murphy Act remote stroke readiness grants; and \$40,000 for five new Level IV trauma centers to support rural Georgia access to emergency trauma care.

Human Services Budget

- The FY 2020 budget includes \$4.9 million in the Department of Behavioral Health and Developmental Disabilities (DBHDD) for residential treatment of addictive diseases, which will add six new facilities across the regions in Georgia. The Senate adds, and the House agrees, to provide \$50,000 to expand comprehensive treatment, prevention, and recovery support services to pregnant and postpartum women living with substance use disorder. The budget also recognizes more than \$26 million in new funds for behavioral health services to increase bed capacity and outpatient services, as well as to annualize the cost of crisis centers around the state.
- The Senate and House agree to provide funding for the developmentally disabled population in Georgia, including \$120,417 to increase supported employment provider rates by 10% and \$50,000 in one-time funds for permanent supported housing in Forsyth County which will assist in creating a model plan for statewide utilization.
- HB 31 provides \$9.5 million to meet the funding needs of the Administrative Services Organization (ASO) to increase efficiency and support services delivered by DBHDD. The budget also includes \$1.8 million for an additional eight forensic community coordinators, five forensic evaluators, and one community integration home; \$7.9 million to annualize and add an additional 125 New Options Waivers (NOW) and Comprehensive Supports Program (COMP) slots for the intellectually and developmentally disabled; and \$1.5 million to annualize supported employment and education services for 500 young adults.
- The Senate agrees to the House addition of \$500,000 in state-matching funds for the HomeFirst public-private partnership to provide behavioral health services for permanent homeless supported housing in

Fulton County. HB 31 also includes an increase of \$250,000 for Mercy Care Health Systems to provide mental and primary health care for indigent Georgians.

- The FY 2020 budget provides the Department of Human Services \$501,796 to meet the demands of the 4.2% growth in adoption services.
- HB 31 provides funding for some of the most vulnerable Georgians including: an increase of \$1.4 million to reduce the waitlist for home-delivered meals to serve an additional 665 Georgians; and \$1.3 million to fund 17 additional adult protective services caseworkers, bringing the total to 172. This addition will lower the caseload to 1:24; national standards are 1:15. The House and Senate agree to an increase of \$2 million for 1,053 additional slots for non-Medicaid home and community based services and an increase of \$157,000 for assistive technology to assist older Georgians in their homes and communities. The budget also includes \$849,951 for 50 additional Medicaid-Aged, Blind and Disabled eligibility caseworkers.
- With more than 13,000 children in the state's care, providing adequate resources for children in foster care remains a priority of the House and Senate. The budget includes \$9.8 million for Out of Home Care to meet the growth in utilization as well as \$940,000 for a pilot program to follow-up on closed foster care cases.
- The House led the way two years ago on providing an increase in the per diem rate for foster care providers; in the FY 2020 budget, the House recommends, and the Senate agrees, to add \$2.6 million to raise the Division of Family and Children Services (DFCS) relative caregiver daily rate by \$1. Furthermore, the budget utilizes \$808,210 in existing funds to support retention initiatives for eligible relative and foster caregivers and an increase of \$867,058 to replace federal funds to continue child care placement for priority families. The budget also provides \$375,000 in the Judicial Council to provide grants for civil legal services for kinship care families.
- HB 31 includes \$366,752 for five additional public guardianship caseworkers; an increase of \$250,000 to the Court Appointed Special Advocates (CASA) to enhance the statewide capacity of volunteers; and \$427,550 for new quality assurance and ongoing monitoring of child welfare support service providers.
- The FY 2020 budget provides the Georgia Vocational Rehabilitation Agency with \$149,733 to expand the outreach of independent living for disabled citizens in underserved areas and \$106,500, matched with federal funds, for Academic Transition Teachers in Inclusive Post-Secondary Education (IPSE) programs.
- Within the Department of Veterans Service, the FY 2020 budget provides \$128,946 to establish an additional field service office in Clayton County. The bond package includes \$2.1 million for improvements at the Georgia War Veterans Nursing Homes in Milledgeville.

Health and Human Services Committee Legislation

HB 187 by Rep. Katie Dempsey (13th) (**VETOED**) establishes a three-year pilot program, through the Department of Community Health (DCH), to provide coverage for the treatment and management of obesity and related conditions for 250 people per year, including medication and counseling.

HB 217 by Rep. Houston Gaines (117th) provides that an employee or agent of a registered syringe services program is immune from civil and criminal liability arising from the possession, distribution, or exchange of hypodermic syringes, needles, and related supplies as part of the syringe services program.

HB 290 by Rep. Sharon Cooper (43rd) establishes a three-year pilot program to provide pre-exposure prophylaxis drug assistance or services to people who have tested negative for HIV but have risk factors that may expose

them to the virus. The pilot program will be conducted in counties identified as at risk for outbreaks of HIV as a result of a high rate of opioid-related use. No later than December 31, 2022, the Department of Public Health shall submit a detailed written report on the implementation and effectiveness of the pilot program.

HB 345 by Rep. Sharon Cooper (43rd) provides prohibitions relating to a pregnant female inmate or a female inmate who is in the immediate postpartum period. It prohibits custodians from requiring a woman during the second or third trimester of pregnancy to squat or cough during a strip search. Additionally, a pregnant woman is not required to undergo any vaginal examinations unless prescribed and performed by a licensed health care professional. The bill prohibits a custodian from using handcuffs, waist shackles, leg irons, or restraints of any kind on a woman who is in the second or third trimester of pregnancy, in labor, in delivery, or in the immediate postpartum period.

HB 481 by Rep. Ed Setzler (35th) is known as the 'Living Infants Fairness and Equality (LIFE) Act'. This act requires that that no abortion is authorized or will be performed if an unborn child has been determined to have a human heartbeat except when: a physician determines, in reasonable medical judgement, that a medical emergency exists; the probable gestational age of the unborn child is 20 weeks or less and the pregnancy is the result of rape or incest in which an official police report has been filed alleging the offense of rape or incest; or the pregnancy is medically futile.

HR 589 by Rep. Mark Newton (123rd) creates the House Study Committee on Maternal Mortality. In addition to identifying, investigating, and disseminating findings regarding maternal deaths, the committee will also develop strategies and institute systematic changes needed to decrease and prevent maternal deaths in Georgia. This study committee is composed of seven members of the House. The bill requires at least two of these members to be African American female legislators. Additionally, two members of the Georgia Maternal Mortality Review Committee shall be appointed to the study committee by the speaker of the House. The study committee will stand abolished on December 1, 2019.

SB 16 by Sen. Kay Kirkpatrick (32nd) authorizes the Georgia Composite Medical Board to administer the 'Interstate Medical Licensure Compact Act'. This bill allows physicians to become licensed in multiple states and creates another pathway for licensure that does not otherwise change a state's existing Medical Practice Board. Additionally, the bill adopts the prevailing standard for licensure and affirms that the physician must be under the jurisdiction of the state medical board where the patient is located. State medical boards that participate in the compact retain the jurisdiction to impose an adverse action against a license to practice medicine in that state issued to physician through the procedures in the compact.

Human Relations and Aging Committee Legislation

HB 300 by Rep. Vance Smith (133rd) changes the name of "continuing care retirement community" to "life plan community."

HB 374 by Rep. John LaHood (175th) allows for liquid morphine to be administered to hospice patients by a medication aide. The initial dose must be administered by a licensed hospice health care professional to observe any adverse reactions, and then the medication aide must observe and document the patient's need for liquid morphine thereafter. The assisted living community is responsible for training the medication aide. The bill sets an on-site limit of 50 milliliters of liquid morphine per hospice patient.

HR 533 by Rep. John LaHood (175th) creates the House Study Committee on Innovative Financial Options for Senior Living. The committee is composed of five members and can meet up to five times prior to abolishment on December 1, 2019. The committee is responsible for studying the availability of affordable independent living with supportive services and exploring options to expand this type of housing for seniors.

Special Committee on Access to Quality Healthcare Legislation

SB 106 by Sen. Blake Tillery (19th), referred to as the 'Patients First Act', authorizes the Department of Community Health (DCH) to submit a Section 1115 waiver request to the United States Department of Health and Human Services Centers for Medicare and Medicaid Services by June 30, 2020. This may include an increase in the income threshold of up to a maximum of 100 percent of the federal poverty level. Upon approval of this waiver, the bill also authorizes DCH to implement the terms and conditions without any further legislative action. Additionally, Senate Bill 106 authorizes the governor to submit a Section 1332 innovation waiver proposal, or multiple thereof, to the United States Secretaries of Health and Human Services and the U.S. Treasury by December 31, 2021.

Other Relevant Healthcare Legislation

HB 63 by Rep. Sharon Cooper (43rd) requires health benefit plans to utilize certain clinical review criteria to establish step-therapy protocols, and provides for a determination process for patients and their doctors to petition for an override of these protocols. Additionally, this bill requires that drug samples are not considered trial and failure of a preferred prescription drug in lieu of trying the step therapy required prescription drug.

Certificate of Need (CON) Legislation

HB 186 by Rep. Ron Stephens (164th) revises Certificate of Need (CON) provisions, extends the Rural Hospital Tax Credit, and creates the Office of Health Strategy and Coordination. For CON, HB 186 increases the capital threshold to \$10 million for new, expanded, or relocated clinical facilities and removes the requirement for CON approval for non-clinical space upgrades and renovations. It expands the definition of "health care facility" to include freestanding emergency departments and facilities not located on a hospital's primary campus. "Primary campus" is the building where the bulk of inpatient beds are operating and any facilities within 1,000 yards of it. "Remote hospital location" is a new or acquired facility or organization that is under the administrative and operational control of a main provider. CON application fees for a health care facility in a rural county are waived; however, no new, modified, or converted CON will be issued to an applicant with outstanding payments owed to the state until the payments have been resolved.

It allows for the conversion and application of CON without opposition or appeal for a destination cancer hospital to become a "general cancer hospital," which is defined as a destination cancer hospital in existence prior to January 1, 2019 that provides inpatient and outpatient treatment for cancer and co-morbid illnesses; it includes general cancer hospital within the definition and requirements of "hospital" for the purposes of CON.

Appeals to a CON application are allowed by parties that: have a similar service application in the same batching cycle; or offer similar services or have a primary service area within a 35-mile radius of the proposal. Hospitals and ambulatory surgery centers (ASCs) are not required to have a CON for certain imaging and diagnostic equipment under \$4 million, but the ASC physician must be present 75 percent of the time the machine is in use. Letters of determination are approved within 60 days if the letter is without objection. Objections must be filed within 30 days of an entity providing DCH with notice of the activity.

The bill requires the Department of Community Health (DCH) to prepare the state health plan by December 1st of every calendar year and allows the department to seek recommendations from technical advisory committees for the plan. DCH is charged with reviewing, recommending the requirements and standardized reporting of indigent and charity care levels for each type of facility for accurate tracking and enforcement. Additional annual reporting and posting requirements for CON entities include: direct and emergency medical services transfers to a hospital or the emergency department; the number of rooms, beds, procedures and patients with demographics and payer source; patient's county of origin; and operational information, such as procedure types, volume and charges. The department and CON facilities will publish annual reports on their website, and DCH will also provide copies to certain leadership.

Further disclosure and requirements for hospitals and hospital authority corporations, enforced by DCH and effective July 1, 2020, include: audited financial statements; audited Internal Revenue Service (IRS) Form 990 with Schedule H, and for those hospitals that are not required to submit this form, one will be designed and provided by DCH; state-required annual questionnaire and financial survey; community benefit report; disproportionate share hospital survey; property holdings; ownership or interest in any partnership, corporation, joint venture, trust or captive insurance company; loans, bonds and debt information; ending fund balances of net assets for the hospital and each affiliate; cash reserves; going concerns; the legal organizational chart showing the relationship of the hospital to its parent corporation, subsidiaries, and affiliates; salaries and fringes as reported to the IRS Form 990; evidence of accreditation; and policies regarding the provisions for financial assistance and debt collection. Information or links to the information must be provided on the hospital's website and updated annually with a minimum two-year archive period.

HB 186 states non-profit hospitals may not renew or hold any property for medical use rights.

The Rural Hospital Tax Credit is extended to 2024 and requires DCH to create a manual with the criteria to qualify and submit for the credit, as well as to develop and include a formula to rank the hospitals by greatest financial need in the manual. This ranked hospital list must also be distributed by any third-party entity soliciting or managing donors. The department will prominently post the: manual; eligible hospitals; annual report; total amount received by third-party entities soliciting or managing donors; and a link to the Department of Revenue's donation information on their webpage. The Department of Revenue will also post the list of eligible hospitals by need, as well as the timeline for donations and a monthly update of all designated and undesignated contributions pre-approved and received, and the aggregate totals for contributions and available credits. All parties are subject to annual auditing by the state.

Authorities that have not operated a hospital for seven or more years, have no outstanding debt, and have a corpus of at least \$20 million may invest up to 30 percent of those funds in mutual funds or other collective investments.

Finally, the bill creates the Office of Health Strategy and Coordination with the objective of connecting state resources, functions, reports, and agencies for improved health care service infrastructure. It allows for the creation of an advisory committee, as well as a Georgia Data Access Forum to promote the collection and use of robust data to meet the objectives. Existing mandatory reporting requirements of certain health entities are amended to include the submission information to the office.

HB 321 by Rep. Jodi Lott (122nd) includes provisions relating to hospital transparency, the Rural Hospital Tax Credit, and the hospital provider payment program.

Section 1 of the bill requires a non-profit hospital, hospital-owned or operated authority, or the authority's non-profit corporation to increase transparency by prominently posting online the most recent versions of certain federal and state documents, which include audited financial statements for the hospital and its affiliates, including all subsidiaries and parent companies. The hospital's statements must distinguish and include gross patient revenue, allowances, charity care, and net patient revenues for the hospital. The subsidiaries and affiliates must provide audited balance sheets that break out the hospital's operating costs. Posted documents must include the hospital's audited Internal Revenue Service Form 990 with Schedule H, and for those hospitals that are not required to submit this form, one will be designed and provided by the Department of Community Health (DCH). State-specific documents for publication online include the hospital's: annual questionnaire; community benefit report; disproportionate share hospital survey; property holdings with location, use, and value; loan, bond, and debt information; ownership, interest, value, and domicile of any joint venture, partnerships, holdings, or captive insurance companies; year-end fund balances (less any interest in the foundation) of net assets that distinguish the purposes and any restrictions of those assets; going concern statements; the legal organizational chart showing the relationship of the hospital to its subsidiaries and affiliates; a report listing the 10 highest salaried administrative positions with amount, fringe, titles, and other benefits; proof of accreditation(s); and policies for charity and reduced cost care payments and collections. While postings must be updated and filed at least once a year by July 1, the documentation for each year will be available on the website indefinitely and DCH's website will provide prominent links to each of these. Failure to comply within 30 days of the deadline results in the suspension of all state funding, provided that DCH gave notice and allowed the opportunity for correction; willful violations will be prosecuted.

Section 2 of the bill provides that hospital authority board members are subject to state conflict of interest laws governing sale and lease transactions.

Section 3 relates to the eligibility and obligations of rural hospitals receiving tax credits. A "rural hospital" is further defined as a hospital that has a three-year average patient margin that is less than one standard deviation above the statewide three-year average, as calculated by the department. DCH is required to create a manual with the criteria to qualify and submit for the credit, as well as develop and include a formula to rank the hospitals by greatest financial need in the manual. The department will prominently post the: manual; eligible and ranked hospital list determined by December 1st of every year; annual report; total amount received by third-party entities soliciting, administering, or managing donors; and a link to the Department of Revenue's donation information on their webpage.

Section 4 of the bill changes the sunset date on the hospital provider payment program from June 30, 2020 to June 30, 2025.

Section 5 directs unspecified donations to rural hospitals to be automatically applied to the hospital ranked with the greatest need that has not yet received the maximum amount of contributions for that year. The Department of Revenue will post the list of eligible hospitals by need, the timeline for donations, and a monthly update of all designated and undesignated contributions preapproved and received as well as the aggregate totals for contributions and available credits. All parties are subject to annual auditing by the state. Lastly, the Rural Hospital Tax Credit is extended through calendar year 2024.