NEWS RELEASE

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Department of Community Health Medicaid and CHIP Redesign Moves Forward

Task Force and Workgroup Recommendations to be Implemented

ATLANTA (July 13, 2012) -- Today, the Georgia Department of Community Health (DCH) announced that it will move forward with implementing key recommendations from its Medicaid and CHIP (Children’s Health Insurance Program) Redesign task forces and workgroups. It will not, however, pursue wholesale restructuring of Georgia’s Medicaid program at this time because of increasing uncertainty at the federal level.

“I am very proud of the process we have used during this redesign initiative,” said David A. Cook, commissioner of the Georgia Department of Community Health. “As a result of our efforts, we will implement numerous initiatives to improve services in a cost-effective manner. Even though increasing uncertainty in Washington would make a full Medicaid Redesign imprudent at this time, it is important that we focus on what we can do to provide better service.”

The department will continue using a Care Management Organization (CMO) to service the Low-Income Medicaid and PeachCare for Kids® populations in a full risk-based managed care environment. The department will work to improve the current program and incorporate many of the excellent ideas received from stakeholders.

DCH will also transition foster children to a single-designated CMO to achieve greater continuity of care for this special population.

“This is an opportunity that will greatly enhance our service to this vulnerable population through better care coordination that simply does not exist today,” Cook said.

In addition to this initiative, the department will continue to utilize information it gains from the redesign process. For example, the department plans to improve Medicaid care by encouraging movement toward Patient-centered Medical Homes.
Also, DCH will utilize a value-based purchasing model. Value-based purchasing will allow DCH to continuously improve the quality of care for members while containing costs.

Another initiative will create a centralized web portal that will reduce administrative burdens and make it easier for providers to serve their patients. Specifically the portal will give health care providers more comprehensive, accurate and up-to-date information about their members and their medical history, streamline their credentialing process, present key performance metrics, and align the metrics with areas of improvement.

A final initiative will create a Common Pharmacy Preferred Drug List that will simplify the program and reduce administrative burdens on providers.

DCH will continue moving forward with its Home- and Community-based Services Rebalancing initiatives. This rebalancing will encourage the delivery of patient care to home- and community-based settings rather than skilled nursing facilities. The result will be improved care in the least restrictive setting at a cost that is less than or equal to the cost of placing a patient in a skilled nursing facility.

“The redesign process has been a great benefit for the department,” Cook added. “It has allowed us to start a meaningful dialogue with the health care community, take a comprehensive look at options, receive recommendations on improvements, and solicit feedback on numerous ideas. We will continue the process as we look at more ways to improve Georgia’s Medicaid program.”

After several months of in-depth analysis, the department concluded that the current health care environment is so volatile that acting now with a full redesign would not serve the best interests of all Georgians.

The fallout from the recent U.S. Supreme Court’s decision on the Affordable Care Act as well as the potential impact of the November elections contributed to the uncertainty. There is also a great deal of unpredictability about Medicaid funding as a result of federal budget talks scheduled to take place later this year.

Moreover, substantial uncertainty exists about how states might replace the loss of federal Upper Payment Limit funding if they moved toward greater managed care. While waivers to offset the loss of that funding are possible, it takes nearly a year to get through the federal waiver process and by then the current waiver system could prove unnecessary.

In addition, an increasing number of influential national leaders are proposing to give every state a waiver from the Affordable Care Act. These leaders have expressed support for a block grant system of funding, which would eliminate the cumbersome waiver system currently in place.

“Although we are not moving forward with a full redesign at this time, this process has been invaluable and it will continue,” Cook concluded.

About the Georgia Department of Community Health

Through effective planning, purchasing and oversight, the Georgia Department of Community Health (DCH) provides access to affordable, quality health care to millions of Georgians, including some of the state’s most vulnerable and underserved populations.
DCH is responsible for Medicaid and PeachCare for Kids, the State Health Benefit Plan, Healthcare Facility Regulation and Health Information Technology in Georgia.

David A. Cook serves as Commissioner for the Georgia Department of Community Health. To learn more about DCH and its dedication to *A Healthy Georgia*, visit [www.dch.georgia.gov](http://www.dch.georgia.gov).