

Health department seeks more money

\$213 million shortfall in 2012 state Medicaid, PeachCare budgets.

1.7 million Georgians benefit from programs.

By **Carrie Teegardin**
 cteegardin@ajc.com

The state agency that runs the Medicaid and PeachCare for Kids programs will ask Gov. Nathan Deal to find more than \$570 million in state coffers to cover shortfalls in the 2012 and 2013 budgets for the health care programs.

The request, presented Thursday to the Department of Community Health board, should not surprise the governor's office. Lawmakers this spring borrowed money from Medicaid to cover funding gaps in other state programs – including a major shortfall in the state employee and retiree health care plan. Lawmakers also delayed payments owed by Medicaid to give the budget some relief.

“The bulk of the money they are requesting from the governor's office is very predictable,” said Tim Sweeney, senior health care analyst at the Georgia Budget and Policy Institute. “The legislators who voted on it knew there was a hole in the budget when they

passed the budget.”

Whether the state can find the money to close the Medicaid and PeachCare gaps is unclear. The shortfall for the 2012 fiscal year – which is the current budget year – is more than \$213 million.

The shortfall for 2013 is about \$359 million. Medicaid officials said Thursday that operating without the additional money would be difficult – and Sweeney agreed.

“This shows how dire the issue is from a revenue standpoint – there was no proposal as to how the agency could manage without those dollars,” Sweeney said of Thursday's presentation.

The Medicaid and PeachCare programs provide health care to about 1.7 million Georgians. The only way to save significant money in the state's Medicaid obligations is to cut payments to doctors and hospitals. But those providers are already underpaid and state officials rejected a major cut that was on the table last year, fearing that even more doctors would simply refuse to see patients on Medicaid.

The Department of Community Health will forward its request to the governor's office for preliminary review, but the agency will continue to take public input on the proposal before the board formally approves the budget request next month.

