



Teaching Hospitals

Broward Health
Jackson Health System
Mount Sinai
Medical Center
Orlando Health
Tampa General Hospital
UF Health Jacksonville
UF Health Shands Hospital

June 30, 2020

Mary Mayhew, Secretary
Agency for Health Care Administration
Attn: Medicaid 1115 MMA Waiver Renewal
2727 Mahan Drive
Building 3 - Mail Stop #8
Tallahassee, FL 32308

Public Hospitals

Halifax Health
Lee Health
Memorial Healthcare System
Sarasota Memorial
Health Care System

Re: Florida Medicaid's 1115 MMA Waiver/Low Income Pool Renewal &
Florida's \$2.71 billion in Charity Care Costs

Dear Secretary Mayhew:

I would like to open this letter by thanking you for your leadership in the battle against COVID-19 in Florida. The Safety Net Hospital Alliance of Florida members consider our partnership with the State on the health care frontlines to be both a privilege and a success.

Children's Hospitals

Johns Hopkins All Children's Hospital
Nicklaus Children's Hospital

As you know, Safety Net Alliance hospitals kept our facilities open through the early frenzied days of the pandemic. As others struggled, our mission to provide world-class hospital care to everyone regardless of their ability to pay revealed our clarity of purpose. Safety Net Alliance members were prepared. We moved quickly and effectively to secure needed medical surge supplies, expand testing capabilities and pre-position dedicated hospital capacity to ensure we would not be overwhelmed.

Regional Perinatal Intensive
Care Center

Ascension Florida &
Sacred Heart Health System

Not surprising, Safety Net Alliance hospitals have cared for the majority of the Floridians hospitalized for COVID-19. Our members and their medical school partners have met the challenge of COVID-19 in many other extraordinary ways as well. We have pioneered engineering methods that allow doctors to multiply medical equipment capacity. Invested in specialized laboratory infrastructure that has allowed us increase testing capacity while reducing turnaround time. Dedicated staff to community engagement campaigns to reduce the spread of this disease. And, we are even participating in new clinical trials to find a cure for the virus.

Justin Senior
Chief Executive Officer

Melinda Kennedy
President &
Chief Operations Officer

However, Safety Net hospitals will not survive this challenging public health and economic landscape without public funding support for charity care provided to the low-income uninsured, adequate reimbursement for care to Medicaid enrollees and federal support for lost revenue resources. The early renewal and extension of Florida Medicaid's 1115 Managed Medical Assistance (MMA) Waiver is now more important to Florida's health care safety net than ever. We would therefore like to take this

opportunity to voice our support for an increase in Florida's Low Income Pool (LIP) charity care program.

Florida's population continues to be among the fastest growing states in the U.S. Unfortunately, our federal charity care funding has not kept pace, leaving Florida to receive significantly less per capita charity care funding as compared to national and peer state averages. There are nearly one million more Floridians today than in 2017 when the current LIP charity care program cap was set at \$1.5 billion. As a result of this growth, Florida's hospital charity care costs have reached \$2.31 billion¹, thus three-quarters of a billion dollars of charity costs is suppressed from today's LIP program. These costs do not even include the \$396 million in charity care losses incurred by Florida's medical school faculty physicians, federally qualified health centers or behavioral health entities. The bottom line is that federal support for Florida's charity care is woefully inadequate and these government-sanctioned data resources point to the critical need for a \$2.71 billion LIP charity care funding cap.

Lastly, I would be remiss if I did not recognize Florida's local government health care entities that are the bedrock of this federal-state-local charity care program partnership. These public entities share our mission to improve access to care for low-income populations and in most cases, have self-imposed local taxes on their citizenry in order to annually fund the state's share of the LIP charity care program. Their funding also complements the MMA program by strengthening connections between critical safety net providers, communities and the state's MMA program.

For all of the reasons stated herein, we request that you include a request to increase the LIP charity care funding cap to \$2.71 billion in Florida's 1115 MMA Waiver renewal application.

Respectfully,

Melinda L. Kennedy
President & Chief Operations Officer

1. US Centers for Medicare and Medicaid Services, CMS 1152 Hospital Cost Report, worksheet S-10, line 23, column 1, "Cost of charity care", FY 2018