

Contact:

Tony Carvalho  
President  
Safety Net Hospital Alliance of Florida  
850-201-2096  
[tony@snhaf.net](mailto:tony@snhaf.net)

Ron Bartlett  
Senior Vice President  
Hill + Knowlton Strategies  
813-545-2399  
[ron.bartlett@hkstrategies.com](mailto:ron.bartlett@hkstrategies.com)

**FOR IMMEDIATE RELEASE**

**SENATE PLAN HURTS TEACHING AND CHILDREN'S HOSPITALS;  
HOUSE PROTECTS SAFETY NET**

*SNHAF alarmed by Senate proposal to divert \$75 million to for-profit hospitals*

**TALLAHASSEE, FL, April 3, 2013** – Two of Florida's top teaching hospitals would be cut about \$65 million under a Florida Senate plan to change how hospitals are reimbursed for providing Medicaid care. Two of the state's leading specialty-licensed children's hospitals would lose \$10 million under the plan.

For-profit hospitals would see Medicaid reimbursements increased by about \$75 million under the Senate's plan, in what amounts to a massive reallocation of Medicaid funding away from Florida's safety net hospitals and to investor-owned hospitals, many of which have corporate headquarters in other states.

By contrast, Florida House Speaker Will Weatherford and his appropriations committee have produced a plan that treats all hospitals fairly and ensures that safety net hospitals are protected as the state transitions from a fee-for-service Medicaid reimbursement system to a new Diagnostic-Related Groups, or DRG, reimbursement system. Those are the conclusions of a preliminary analysis conducted by the Safety Net Hospital Alliance of Florida (SNHAF) on the Senate and House plans for converting to a DRG payment system for Medicaid.

The Senate Appropriations Committee approved its DRG plan on Wednesday with no hospital-specific details made public.

"Our state's teaching, public and children's hospitals are alarmed that the Senate's plan would result in such deep funding cuts to facilities that educate our next generation of doctors and provide specialized care to some of our state's sickest children," said Tony Carvalho, SNHAF's president. "The Senate's plan is starkly different from the House, which is guided by fairness and recognizes the critical importance of safety net hospitals. We strongly urge Senate leadership to reconsider and move toward the House plan."

Under the Senate's plan, two of state's largest and most important teaching hospitals – Jackson Memorial Health System in Miami and Shands at the University of Florida in Gainesville – would see their Medicaid reimbursements cut by a combined \$65 million. These two teaching hospitals train 1,300 medical residents annually.

Meanwhile, two of the state's leading specialty-licensed children's hospitals – All Children's Hospital in St. Petersburg and Miami Children's Hospital – would see Medicaid reimbursements cut by about \$10 million under the Senate's proposal. At these two children's hospitals, about 70 percent of all the kids treated are covered by Medicaid.

Among public hospitals, Lee Memorial Health System in Fort Myers is the biggest loser, with the Senate proposing about \$8 million in cuts, while in Broward County the two major public hospital systems – Broward Health and Memorial Healthcare System – would lose more than \$7.6 million combined.

In total, the 14 safety net alliance hospital systems – which represent just 10 percent of all hospitals statewide – would see Medicaid reimbursements cut by approximately \$80 million in the Senate.

Meanwhile, for-profit hospitals wind up the big winners in the Senate's plan, received an additional \$75 million in Medicaid reimbursements. "The Senate's massive shift in funding from safety net to investor-owned hospitals is difficult to understand," Carvalho said. "Not only does the Senate plan damage the state's safety net hospitals, it is unfair to large urban counties, like Miami-Dade and Broward, because it redistributes more of their earned federal funds to other parts of the state."