

Congress of the United States
Washington, DC 20515

April 14, 2015

Mr. Andy Slavitt
Acting Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services
201 Independence Avenue, S.W., Room 445-G
Washington, D.C. 20201

Dear Acting Administrator Slavitt:

Over the past three months, Florida has been working with the Centers for Medicare and Medicaid Services (CMS) to determine the future of the Low Income Pool (LIP) in order to prevent disruption of access to quality health care for low income individuals in the State of Florida. Currently, the LIP includes approximately \$2.1 billion in annual funding. These dollars, among other things, allow local governments to make investments in their own health care delivery systems, fund hospitals for providing services to the current Medicaid population, fund the faculties at Florida's medical schools for services provided to the current Medicaid population, and offset losses providers incur from rendering services to uninsured and underinsured Floridians. The LIP program, however, is in many ways separate and apart from any decision to expand Medicaid as envisioned under the Affordable Care Act.

Uncompensated care will still exist in Florida with or without the expansion of Medicaid, and thus it is important to continue the LIP so that the federal government and Florida continue to support providers who serve this ongoing uninsured population.

Time is of the essence. Florida's House of Representatives and Senate must propose, negotiate, and finalize the state's budget by the second half of April 2015. CMS therefore must agree in principle on the LIP in the first half of April 2015. This agreement in principle need only express the total dollar value of the LIP going forward, along with any general parameters around the flow of the funds.

CMS has stated that it will not provide LIP funds to pay for costs associated with uninsured Floridians who would become insured if the state expanded the Medicaid program.

Florida has sought out independent studies that estimate the amount of uninsured costs that would remain in the state even if Florida were to expand its Medicaid program. In a report from 2012, the Urban Institute, in conjunction with the Robert Wood Johnson Foundation, estimated that **Florida would still have nearly \$1.6 billion in costs related to uncompensated care even after it expanded its Medicaid program.** This \$1.6 billion dollar figure is particularly reliable, in that it comes from an independent source and predates the current negotiations.

Additionally, the LIP currently includes incentives of over \$400 million annually that are fully independent of any political decision around Medicaid expansion. These funds

support Florida's medical schools, county health departments, local health centers, and poison control initiatives.

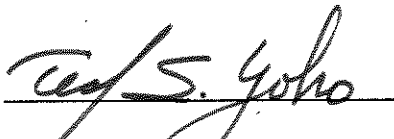
CMS should not destabilize, eliminate, or hold these programs hostage to an expansion decision. Continuing LIP, at approximately the current level of funding, would treat Florida equally with other states, like California, that have both expanded Medicaid and continue to receive uncompensated care funds for their remaining uninsured populations. Florida strongly believes \$1.6 billion in remaining uncompensated care, coupled with the over \$400 million in support of the medical schools and other providers, should be the basis of a renewed LIP.

Florida is willing to address other concerns expressed by CMS during the current LIP discussions, such as streamlining and refining the rate of return local governments receive for participation and tweaking the funds' distribution to more closely follow the patient.

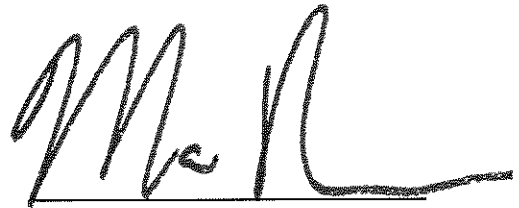
Florida is asking CMS to treat the state consistently with other states that have expanded, like California, and to support health care providers in the state that provide services to people who would remain uninsured even if Florida Medicaid expanded. Florida is also asking CMS to continue to support institutions and initiatives, like medical schools, that are critical to Florida's health care system and that have nothing to do with the expansion decision.

As members of the Florida Congressional delegation, we ask that you strongly support Florida's efforts in this regard, and urge CMS to agree in principle to continue LIP funding near the current level of funding prior to mid-April.

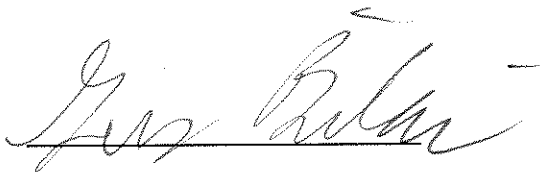
Sincerely,



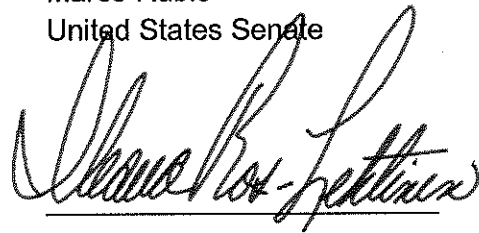
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