



July 29, 2015

Elizabeth Dudek
AHCA Secretary
Agency for Health Care Administration
2727 Mahan Drive, Mail Stop #1
Tallahassee, Florida 32308

Re: Hospital Agreement Response

Dear Secretary Dudek:

Thank you for your letter of July 17, 2015. Coventry appreciates the State's efforts to reduce hospital contracts in excess of the state Medicaid rate.

Coventry is in compliance with Section 409.975(6), Florida Statutes, which provides as follows:

For rates, methods, and terms of payment negotiated after the contract between the agency and the plan is executed, plans shall pay hospitals, at a minimum, the rate the agency would have paid on the first day of the contract between the provider and the plan. Such payments to hospitals may not exceed 120 percent of the rate the agency would have paid on the first day of the contract between the provider and the plan, unless specifically approved by the agency.

Coventry certifies that it has not negotiated "rates, methods or terms of payment" with any hospital since the effective date of the MMA contract that have resulted in rates over 120 percent of the state Medicaid rate. The only Coventry Medicaid hospital contract with rates over 120 percent of the state Medicaid rate was entered into in May 1991 and the rates were most recently renegotiated in October 2012. This hospital contract is in the process of being renegotiated, and should the rates continue to be excess of 120 percent of the state Medicaid rate, the rates will be submitted to the Agency for approval.

We are in agreement that "excessive reimbursement levels in hospital contracts are unsustainable and cannot be maintained." Coventry continues its efforts to reduce its hospital contract rates that are over 100% of the state Medicaid rate, and appreciates the Agency's assistance in addressing this challenge.

Sincerely,

A handwritten signature in cursive script, appearing to read "Heidi Garwood".

Heidi Garwood
Chief Executive Officer
Coventry Health Care of Florida, Inc.

cc:

Eunice Medina, AHCA AHC Administrator
Erica Baker, AHCA Gvt. Operations Consultant III
Geraline Savoia, Coventry Sr. Compliance Consultant