



July 31, 2015

Agency for Healthcare Administration
2727 Mahan Drive
Mail #1
Tallahassee, FL 32308

Dear Ms. Dudek

Highlands Regional Medical Center believes it is in compliance with the requirements of Chapter 409, Florida Statutes. Highlands Regional Medical Center does not believe it is a party to any contractual arrangements with MMS Plans that contain Medicaid fee schedules that are at or above 120% of the Medicaid fee schedule that were entered into after AHCA's implementation of the Managed Medicaid Assistance program. Out of an abundance of caution, Highlands Regional Medical Center does believe that some of its contracts that pre-date the State's implementation of its Medicaid Managed Medical Assistance program contain terms that are not tied to Medicaid Allowable rates that may result in reimbursement in individual cases at rates higher than 120% of the Medicaid fee schedule. Examples of these terms include provisions governing the reimbursement of implants, high cost drugs, and high tech radiology. Our Hospital is currently engaged in renegotiating these pre-program contracts and expects to have them completed by no later than the fourth quarter, 2015.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'John D. Montois', written in a cursive style.

John D. Montois
Acting Chief Executive Officer

JDM: ac

Administration Office
PH 863.471.5800
3600 South Highlands Avenue
Sebring, Florida 33870-5416
PH 863.385.6101
FX 863.385.3489