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AGENCY FOR HEALTH  
CARE ADMINISTRATION

June 1, 2015

Elizabeth Dudek  
Secretary  
Agency for Health Care Administration  
2727 Mahan Drive  
Tallahassee, Florida 32308

Dear Ms. Dudek:

Flagler Hospital St. Augustine is a 335 bed, not-for-profit sole community hospital, which serves as the only safety net hospital for the greater part of St. Johns County. Approximately 77% of Flagler Hospital's patients are on Medicare, Medicaid or are uninsured, which challenges us to provide high quality clinical care and meet our community mission, within the constraints of annual operating margins between one and two percent.

The enhanced Medicaid reimbursement that was extended to sole community hospitals plays a critical role in Flagler Hospital's ability to serve our patients and also support much-needed services to our community, including nearly 60,000 emergency care visits a year, as the only emergency center in our county. The loss of this funding would have a devastating effect on families in our community. Below are just a few of many key programs that Flagler Hospital could not continue:

**Neonatal Intensive Care:** Flagler Hospital's NICU is staffed by board certified neonatologists and twenty-five registered nurses, who are specially trained to provide life-saving care for our tiniest patients, 24 hours a day seven days a week. The seven bed unit treats infants 32 weeks and greater, improving outcomes and keeping babies with their families. Even with our enhanced reimbursement, Flagler Hospital must currently subsidize our NICU services with approximately \$800,000 per year. Without funding, the NICU will have to close, eliminating jobs and ceasing these critical services. Babies will have to be transported 40 miles away and many of their mothers and families will be unable to go that distance, which will negatively affect outcomes for infants and put a great deal of distress on families.

**Substance Abuse:**

St. Johns County's Community Health Needs Assessment identified substance abuse as one of the top health concerns in our community. Recognizing this tremendous need, Flagler Hospital has provided much-needed financial support for the Epic Recovery Center in the amount of \$650,000. Even if the recovery center's state funding continues, EPIC must rely on matching funds like ours to keep its doors open. Flagler Hospital will no longer be able to afford such support should we lose our Medicaid enhancement.

**Wildflower Clinic:** The Wildflower clinic is a free clinic serving indigent and underserved patients in Western St. Augustine. Flagler Hospital provides free lab and radiology tests to all Wildflower Clinic patients, totaling approximately \$800,000 in the past two years. This vital service helps support the health of our community's most needy residents and will no longer be available, leaving community members with no access to important health testing and diagnosis.

**Azalea Health FQHC:** Over the course of the past two years, Flagler Hospital has supported operations of the Azalea Health FQHC, which provides primary care to patients in need on a sliding scale, with subsidies of \$600,000. We are also working to fully subsidize patients who cannot afford even a small co-pay to ensure they get the follow-up care they need, to help avoid complications, chronic conditions, unemployment and ultimately homelessness. These subsidies cannot continue if Flagler Hospital's enhancement is discontinued.

Flagler Hospital has cared for the residents of St. Augustine and surrounding communities since 1889. We ask you to please support continuing the Sole Community Hospital Medicaid reimbursement enhancement, which allows us to deliver the highest-quality care to our local residents and provide much-needed community services.

Sincerely,



Joe Gordy, FACHE  
President & CEO