



May 18, 2015

Teaching Hospitals

Broward Health

Jackson Health System

Mount Sinai
Medical Center

Orlando Health

UF Health Shands Hospital

UF Health Jacksonville

Tampa General Hospital

Public Hospitals

Halifax Health

Lee Memorial
Health System

Memorial Healthcare System

Sarasota Memorial
Health Care System

Children's Hospitals

All Children's Hospital

Nicklaus Children's Hospital

Regional Perinatal Intensive
Care Center

Sacred Heart Health System

Anthony Carvalho

President

Office of Governor Rick Scott
State of Florida
The Capitol
400 S. Monroe Street
Tallahassee, FL 32399-0001

Dear Governor Scott:

It is with pleasure that I write in response to your May 13 letter requesting hospital profile data. I agree, "Florida families deserve access to the healthcare services they need". I also strongly support uniform hospital data reporting and look forward to working with the *Commission on Healthcare and Hospital Financing*.

Thank you for your support of Florida's Low Income Pool (LIP) program and efforts to renew the LIP waiver. The supplemental funding that LIP adds to Florida's Medicaid hospital reimbursement rates is critical to safety net hospitals providing care to large volumes of Medicaid patients. We stand in support of the Florida LIP redesign model submitted to US Department of Health & Human Services.

I am responding to your request on behalf of the Safety Net Hospital Alliance of Florida (SNHAF). The SNHAF is comprised of 14 members that are Florida's top teaching, public, children's, and regional perinatal intensive care center hospitals. Our members shoulder a disproportionate share of Florida's hospital care responsibilities, while providing the most highly specialized medical care and innovation. SNHAF members account for only 10% of the state's hospitals, yet provide 100% of all pediatric level one trauma care, over 88% of all level one trauma care, 72% of graduate medical education programs, 41% of all charity care, 40% of all Medicaid days, and 25% of all hospital admissions.

I look forward to working with the Commission and completing the hospital profile data collection exercise. To ensure that the hospital profile data offers comparative values, I recommend the following:

First, much of the requested data is readily available pursuant Florida hospital data reporting laws and rules. Instead of receiving this comprehensive data from each hospital's own data sources, the Commission should compile much of the data from existing government sources. Data extraction from a few government websites will provide uniformity of most of the profile components.

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These Florida Agency for Health Care Administration website links and units include: Florida Hospital Uniform Reporting System (FHURS); Florida Health Finder; AHCA Data Center; AHCA Revenue Maximization Reports; and Financial Analysis (FA) Unit to name a few. Attached is your hospital profile data request form with a legend of these sources notated for your convenience.

Second, there are some data elements collected in FHURS that are inadequate. These insufficiencies will directly jeopardize your Commission's analysis of hospital operating margins and deliberations on revenue sharing scenarios.

The FHURS fails to collect data on costs unique to mission-driven hospital systems that support Florida's communities by operating clinics serving low-income residents in underserved areas. Many of these hospital systems meet their community's needs by also providing home health care and skilled nursing care, to name a few. These cost centers outside of the traditional hospital setting are fundamental for hospital system-wide operating margin analyses and are missing from the FHURS.

Additionally, healthcare delivery has evolved considerably since the FHURS was originally constructed. There are many ancillary services that were historically performed in physician offices that today are performed in the hospital setting. For example, physician specialty services such as oncology chemotherapy and cardiology diagnostic testing. These physician specialty services are cost intensive, yet also are not recorded in the FHURS cost data.

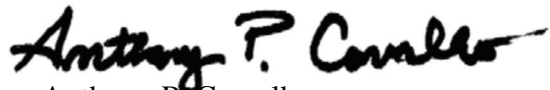
Failure to define and collect these expenditures will result in hospital operating margin comparisons that are insufficient. For these reasons, and in order for the Commission to reach the desired goals as set forth in your Executive Order, the Commission should request a tailored hospital operating margin template be designed, with input from the hospital industry, prior to embarking on a comparative analysis of profit sharing scenarios.

Third, there are data elements requested in your form that simply require clarification. The Commission should provide a common set of terms and definitions to ensure the hospital profile data submitted offers consistent comparative values. For example the term 'case mix' could be: the Medicare MS-DRG casemix; the Medicaid AP-DRG casemix; or the AHCA FHURS interpreted casemix.

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On behalf of the hundreds of thousands of pediatric and adult patients, medical residents, and employees of SNHAF hospitals, we look forward to working with you and the Commission.

Regards,

A handwritten signature in black ink that reads "Anthony P. Carvalho". The signature is written in a cursive, flowing style.

Anthony P. Carvalho
President