

June 1, 2015

Victoria Wachino  
Director  
Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, MD 21244-1850

Dear Ms. Wachino:

The Florida Hospital Association (FHA), on behalf of our over 200 member hospitals and health systems, appreciates the opportunity to provide comments to the Centers for Medicare and Medicaid Services (CMS) regarding Florida's 1115 Managed Medical Assistance Waiver – Low Income Pool (LIP) amendment (Project Number 11-W-002064).

In its May 26, 2015 waiver request and LIP model submission to CMS, the Agency for Health Care Administration (AHCA) seeks to raise the state match from public hospitals and dramatically redistribute Medicaid payments. FHA has strong concerns regarding the new AHCA proposal's impact on patient access and its ability to effectively raise funds for the state share of the Medicaid program.

If implemented, the model would result in a dramatic redistribution of Medicaid payments between, and among, hospitals. For example, Jackson Memorial, UF Health, Broward Health and Tampa General would see payment reductions the first year of \$84,738,042, \$71,159,197, \$30,803,690 and \$31,240,908, respectively.

The model threatens the viability of some hospitals disproportionately serving low-income patients. UF Shands, Jacksonville, would lose \$36,599,564 under the new AHCA model, thereby threatening its ability to survive. Guaranteeing the sustainability of individual hospitals may not be the purpose of Medicaid payments. However, it is not in the interest of patient access to ensure a hospital's demise by abruptly changing the distribution of funding so dramatically and without regard to such consequences.

The new AHCA proposal creates an immediate and practical concern. Most of the negative impact it produces will fall on the very hospitals through which AHCA hopes to raise the State's Medicaid match via intergovernmental transfers (IGTs). This puts the viability of this proposal at great risk and makes its sustainability over time highly unlikely.

Preliminary reaction to AHCA's new proposal from key local county governments highlights these concerns. Shortly after it was made public, county leaders in Miami-Dade and Broward said they would not support the proposal. If these counties do not support the proposal, the IGTs will not be forthcoming, and therefore, it could not be implemented.

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Florida's hospitals will work with CMS, AHCA and other stakeholders to find a viable approach that is equitable and sustainable to replace to the current Low Income Pool. We are deeply concerned that this newly proposed AHCA model is not viable, equitable or sustainable. It threatens access to care for our most vulnerable Floridians and the financial viability of hospitals that have committed to serving them.

Thank you in advance for your consideration of our serious trepidations about the AHCA proposal, and we hope you agree that it will be detrimental for Florida's Medicaid beneficiaries.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Rueben". The signature is written in a cursive, flowing style.

Bruce J. Rueben  
President