

# STATE OF FLORIDA

## OFFICE OF THE GOVERNOR

### EXECUTIVE ORDER NUMBER 15-99

(Creation of Commission on Healthcare and Hospital Funding)

**WHEREAS**, Florida families deserve access to the healthcare services they need at a price they can afford from providers with a proven track record of positive outcomes and a reputation for treating patients and their families with respect; and

**WHEREAS**, public support for healthcare services in Florida should be designed and continuously redesigned to the benefit of Florida families and taxpayers; and

**WHEREAS**, at a cost of \$23.6 billion to Florida families through state and federal taxes to cover 3.7 million individuals, Medicaid is the largest program and makes up nearly one-third of the Florida state budget in the current state fiscal year; and

**WHEREAS**, over the past couple of years, Florida has successfully completed statewide implementation of the two most significant, patient-centered reforms in the history of its Medicaid program—Statewide Medicaid Managed Care and Diagnosis Related Group payment for hospital inpatient services—generating expanded benefits for recipients and greater incentives for providers to control costs, and marking important initial steps toward strategies that pay incentives for better quality outcomes for patients; and

**WHEREAS**, In the four years prior to the implementation of significant reforms in 2013, the cost of Medicaid in Florida had been growing at a pace of nearly three-and-a-half times the growth rate of the state's general revenue, crowding out our State's ability to invest in K-12 education, higher education, and other priorities; and

**WHEREAS**, healthcare spending amounted to 19.5 percent of the total personal income of Florida residents in 2012 compared to 17.2 percent of personal income for all U.S. residents; and

**WHEREAS**, at a total cost of more than \$87 billion, spending on hospital and physician services accounted for more than half of all healthcare spending in the State of Florida in 2012; and

**WHEREAS**, the overall profitability of general acute care hospitals in Florida was nearly \$3 billion, or 7.9 percent, in 2012 compared to 4.9 percent in 2006; and

**WHEREAS**, the overall profitability of for-profit general acute care hospitals in Florida was 7.9 percent in 2012 compared to 2.1 percent in 2006; and

**WHEREAS**, the overall profitability of not-for-profit general acute care hospitals in Florida was 8.4 percent in 2012 compared to 5.4 percent in 2006; and

**WHEREAS**, the overall profitability of local government-owned general acute care hospitals in Florida was 5.6 percent in 2012 compared to 8.8 percent in 2006; and

**WHEREAS**, restricting competition and limiting the marketplace for healthcare services while increasing the demand for healthcare services harms the affordability, access, and quality of services for Florida families; and

**WHEREAS**, to spend taxpayer dollars wisely and maximize the affordability, access, and quality of healthcare for Florida families, it remains the intent of this administration to continue developing cost-effective, patient-centered approaches for making healthcare services more responsive to the needs of Florida families and to lessen the regulations of government; and

**WHEREAS**, as a result of the foregoing, it is appropriate and necessary to review Florida hospital, insurance, and healthcare providers and how any taxpayer money and government policies contribute to the quality, profits (including executive compensation packages), and losses of these institutions, and their impact on the affordability, access, and quality of healthcare services for Florida families,

**NOW, THEREFORE, I, RICK SCOTT**, Governor of the State of Florida, by the powers vested in me by the Constitution and laws of the State of Florida, do hereby issue the following Executive Order, effective immediately:

**Section 1.**

The Commission on Healthcare and Hospital Funding (“Commission”) is hereby created to investigate and advise on the role of taxpayer funding for hospitals, insurers, and healthcare providers, and the affordability, access, and quality of healthcare services they provide to Florida families as a return on taxpayer investment. The Commission will:

- A. Investigate the extent to which taxpayer funding for healthcare services is patient-centered.
- B. Investigate the extent to which taxpayer funding is causing healthcare costs to rise or fall for Florida families.
- C. Investigate the extent to which taxpayer funding is contributing to health outcomes for Florida families.
- D. Investigate the extent to which taxpayer funding impacts access to and quality of care for Florida families.
- E. Investigate the extent to which patients on Medicaid experience better or worse health outcomes compared to other patients.
- F. Investigate the extent to which certificate of need laws impact the affordability, access, and quality of healthcare services for Florida families.
- G. Investigate the extent to which taxpayer-funded hospitals pay for lobbyists, campaign contributions, and advertising.
- H. Investigate the extent to which taxpayer funding impacts Florida families’ satisfaction with their healthcare services.
- I. Gather all such data as is necessary to investigate the objectives outlined above and post on a publicly available website the data and investigative methodologies used.

**Section 2.**

The Governor shall appoint a Chair of the Commission and remaining Commission members. The Chair and other members shall serve at the pleasure of the Governor. The Governor may suspend or remove any member of the Commission without cause. The Governor may fill any vacancy that may arise.

**Section 3.**

The Commission shall record all data gathered for their investigation in categorical fashion in an online public forum. The Commission shall meet as needed and upon the call of the Chair.

**Section 4.**

The Governor shall designate an Executive Director of the Commission. The Agency for Health Care Administration shall provide staff and administrative support to the Commission as needed. All agencies within the authority of the Executive Office of the Governor are directed, and all other agencies and educational institutions are requested, to render full assistance and cooperation to the Commission to further the purposes of this Executive Order.

**Section 5.**

Meetings of the Commission shall be noticed and open to the public, and shall be conducted in accordance with Chapter 286, Florida Statutes. Florida's public records law, Chapter 119, Florida Statutes, shall apply.



IN TESTIMONY WHEREOF, I have hereunto set my hand and have caused the Great Seal of the State of Florida to be affixed at Tallahassee, this 5th day of May, 2015.

RICK SCOTT, GOVERNOR

ATTEST:

SECRETARY OF STATE

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TALLAHASSEE, FLORIDA

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