



RICK SCOTT
GOVERNOR

May 15, 2015

Mr. Russell Armistead
Chief Executive Officer
UF Health Jacksonville
655 West 8th Street
Jacksonville, Florida 32209

Dear Mr. Armistead:

The Obama Administration has elected to stop funding the Low Income Pool (LIP) program which provides \$2.2 billion annually to help low income Floridians. On May 5, 2015, I issued an executive order creating a Commission on Healthcare and Hospital Funding to gather information on taxpayer funded healthcare entities in Florida. Florida families deserve access to 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. As you know, the information we are gathering is even more important to have now that we are preparing for a special session to pass a budget funding only critical services to keep government operating past June 30th.

The Commission is seeking information from the hospital industry (which experienced recent record high profits of \$3.7 billion), insurance companies and healthcare providers who receive taxpayer funds.

UF Health Jacksonville appears to be more reliant on supplemental payments through the LIP program than any other hospital in Florida. I am requesting the following answers to help the Commission on Healthcare and Hospital Funding get a better understanding of how UF Health Jacksonville became extraordinarily reliant on federal LIP funds and what can be done to improve the financial viability of UF Health Jacksonville.

- How do UF Health Jacksonville's recent expenses related to patient care compare to the previous 10 years?
- How do the recent overall number of admissions and payer mix of admissions compare to the 10 previous years?

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- Are there opportunities for UF Health Jacksonville to coordinate services with other hospitals geographically such as Baptist Medical Center which recently showed \$181 million in profits?
- What challenges does UF Health Jacksonville have that are different than Jackson Memorial Hospital which recently showed \$97.5 million in profits?
- Are there any unpaid financial obligations between UF Health Jacksonville and UF Shands Gainesville?
- Can UF Health Jacksonville show a relationship between patient care expenses and the number and severity of admissions? How does this information compare with other health systems in the Jacksonville area?
- There are hospitals around the state that see similar amounts of Medicaid patients as UF Health Jacksonville, yet they are less dependent on federal LIP funds. Why is UF Health Jacksonville in a different financial situation from similar organizations?
- For 2014, UF Health Jacksonville had a score of 9.025 (with 10 being the worst possible) for hospital acquired infections and injuries according to Medicare's incentive payment program – the worst of any hospital in the state. What is the total amount in funds that could be saved by UF Health Jacksonville in 2015 by improving patient safety and avoiding the penalty assessed by Medicare?
- After its Medicare readmission penalty dropped from 0.22% in 2013 to 0.06% in 2014, UF Health Jacksonville saw the penalty increase to 0.48% in 2015. What is the total amount of funds that could be saved by UF Health Jacksonville in 2016 by improving quality and coordination of care and reducing or avoiding this penalty assessed by Medicare?
- In the past 10 years, how much has UF Health Jacksonville spent on facility upgrades or new buildings?
- Has UF Health Jacksonville assessed whether there is potential to increase admissions among individuals covered by Medicare and private insurance by improving quality outcome measures such as those described above?
- What is UF Health Jacksonville doing to attract more patients that use private insurance?

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- Are UF Health Jacksonville's executive compensation packages tied in any way to patient satisfaction, quality of care, or the financial success of the hospital?
- What is the total amount in payments UF Health Jacksonville receives in exchange for loaning or rotating physician resident trainees to other health systems? Is there any room to increase these rotations and payments?
- What is the total amount of local tax revenue dedicated to indigent healthcare services in the Jacksonville area? How does this compare to other local municipalities across the state?

In order to best inform the work of the Commission in the days ahead, please provide answers to these questions to flhospitalcommission@ahca.myflorida.com by May 22nd.

Thank you again for your assistance in this important matter. Florida families deserve access to the healthcare services they need at a price they can afford and we look forward to reviewing the information you provide.

Sincerely,



Rick Scott
Governor