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SECRETARY

April 15, 2015

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

Dear Vikki:

Thank you for your letter of April 14, 2015 regarding the future of Florida's Low Income Pool (LIP). Your letter, for the first time, clearly links a continued LIP with Medicaid expansion. In NFIB v. Sebelius 132 S. Ct. 2566 (2012), the U.S. Supreme Court explicitly warned the federal government against attempting to coerce states into participating in Medicaid expansion – yet that appears to be exactly what the federal government is attempting here. Regardless, our Agency lacks the authority to expand the Medicaid program. As such, in our role we can only focus on LIP and its features going forward. As we agree upon a renewed LIP, we are also willing to grant the federal government flexibility, but cannot adopt the burden of oversight or additional financial participation in the expansion of Medicaid without a change in state law.

Over the past several months, our Agency has proposed multiple LIP models that address the concerns you raise in your letter. We will now promptly file a formal amendment to our 1115 waiver that will renew the LIP for two years, and that will address the concerns you have raised. It is worth noting that the LIP program is separate and apart from any decision to expand Medicaid. As even the Urban Institute acknowledges, almost \$1.6 billion in uncompensated care would exist post expansion. Florida children's hospitals would receive virtually no benefit from an expansion but stand to lose \$125 million without the renewal of the LIP program.

This year, 1.6 million Floridians purchased health plans in the federal exchange. Because of this, any Medicaid expansion in Florida would likely force hundreds of thousands of Floridians between 100% and 138% of the poverty line off of private coverage they have chosen and into a welfare and entitlement program. CMS should thoroughly review this new reality as it considers approaches to coverage expansions in Florida and around the country.

As you know, federal law requires the federal government to pay the full cost of those who currently fall in the so-called Medicaid "coverage gap" through calendar year 2016. The federal government is currently doing this for those between 100% and 138% of the poverty line. As we submit our renewed LIP model, please note that we are willing to give the federal government permission to cover all Floridians they identify as long as they 100% support their policies on the federal exchange. Under current law this permission cannot involve any additional state dollars from Florida. Also, the Floridians you choose to cover must have free reign to choose their health coverage on the exchange, just like those between 100% and 138% of the poverty line currently do, and the federal government must not restrict or interfere with their choices.



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We hope the federal government receives our LIP amendment cordially, and recognizes it for the opportunity it presents for every Floridian to have access to quality, affordable private health insurance through the free market. Our Agency has worked hard to establish a strong and productive relationship with CMS over the past five years. We will continue our efforts to foster a strong relationship in the future.

Thank you for your time and consideration.

Sincerely,



Justin M. Senior  
Deputy Secretary for Medicaid