

THE FLORIDA SENATE
SENATOR ANDY GARDINER
President

April 27, 2015

Vikki Wachino, Acting Director
Centers for Medicare and Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850

Dear Acting Director Wachino:

The attached letter was submitted as part of the public comment process on Florida's application to amend its MMA waiver (Project Number 11-W-00206/4). As you know, the uncertainty regarding any possible extension and modification of the Low Income Pool is a significant factor in the Legislature's current budget negotiations.

We understand no firm decisions will be made until after a thorough review the application submitted by the Agency for Health Care Administration (AHCA). However, if you are able to elaborate on your initial guidance now that a formal application has been submitted, that information may help us more accurately assess the fiscal and economic landscape for the state's budget.

Thank you for considering this request for more information.

Sincerely,



Andy Gardiner
President

Cc: Justin Senior, Deputy Secretary for Medicaid, Florida Agency for Health Care Administration

Enclosures



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April 27, 2015

Justin Senior, Deputy Secretary for Medicaid
Agency for Health Care Administration
2727 Mahan Drive
Mail Stop #8
Tallahassee, FL 32308

RE: 1115 MMA Amendment Request to Extend LIP through June 30, 2017

Dear Mr. Senior:

On behalf of the Florida Senate, I offer the following comments as input to your request to amend Florida's Managed Medical Assistance (MMA) 1115 Research and Demonstration Waiver (Project Number 11-W-00206/4). We support extension of LIP, but we are concerned that the request may need to be modified in order to secure full federal approval.

In a letter to you from Acting Director Vikki Wachino dated April 14, 2015, four specific guidelines were outlined:

1. Coverage rather than uncompensated care pools is the best way to secure affordable access to health care for low income individuals and uncompensated care pool funding should not pay for costs that would be covered in a Medicaid expansion.
2. Medicaid payments should support services provided to Medicaid beneficiaries and low-income uninsured individuals.
3. Payment rates should be sufficient to promote provider participation and access, and should support plans in managing and coordinating care.
4. A transition period may ease the process of reducing the LIP.

We believe your proposal meets guidelines #2 and #3, but is not responsive to #1 and #4.

April 27, 2015

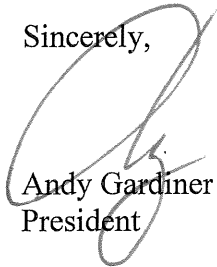
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Specifically, we are concerned that with no suggestion of expanded coverage, such as the one recommended by the Florida Senate, the state may not be successful in gaining authority to spend \$2.2 billion in LIP payments. Without additional coverage, your LIP model may not be construed as a first step in a transition plan. This assessment is summarized in the attached table.

As you know, the Legislature is responsible for constructing a balanced budget that meets Floridians' need for education, public safety, environmental protection, and other important governmental functions, as well as health care. Failure to use available federal resources for expanding coverage will create negative fiscal and economic consequences for the state that are simply unnecessary.

We ask you to modify your amendment request by attaching a proposal for expanding coverage that can be implemented with Legislative approval.

Sincerely,



Andy Gardiner
President

Cc: The Honorable Rick Scott, Governor
The Honorable Steve Crisafulli, Speaker
Liz Dudek, Secretary, AHCA

Enclosure

Principle	Senate Proposal With Expansion	AHCA Proposal Without Expansion
<p>1. Coverage rather than uncompensated care pools</p>	<p><u>Senate's Coverage Proposal</u></p> <ul style="list-style-type: none"> • The first phase enrolls people in the reformed managed care plans (MMA plans) authorized under Florida's 1115 waiver. • The next phase is a transition to a Florida-based marketplace that allows consumers to purchase coverage using their risk-adjusted premium assistance. The coverage choices are broad, but both MMA plans and other ACA-compliant plans will be offered along with other health-related products and services. <ul style="list-style-type: none"> ○ Enrollees must meet specific work and cost-sharing requirements; ○ Enrollees' risk-adjusted premium is a defined contribution and can be saved in an individual account for cost sharing obligations or other future health-related expenses. • The final phase of the expansion anticipates integration of the Florida Health Insurance Affordability Exchange (FHIX) with the Florida Healthy Kids program. • Continued implementation is contingent on specific thresholds of federal participation and approval of key policy parameters. 	<p>No coverage proposal.</p>
<p>2. Medicaid payments should support services provided to Medicaid beneficiaries and low-income uninsured individuals</p>	<ul style="list-style-type: none"> • LIP payments are directed to hospitals that serve more Medicaid and charity patients. • The number of hospitals receiving pool payments is increased. • The direct correlation between intergovernmental transfers (IGTs) and payments is reduced. • Policy criteria are used to select and pay providers who deliver specialized, but financially risky services such as trauma centers, specialized perinatal care, primary care, and emergency department diversion programs. 	<p>Same</p>
<p>3. Payment rates should be sufficient.</p>	<ul style="list-style-type: none"> • Hospital rates are increased by \$202.9 million 	<p>Same</p>
<p>4. A transition period may ease the process of reducing the LIP.</p>	<ul style="list-style-type: none"> • First year LIP funding = \$2.1 billion • Reductions possible in future years 	<ul style="list-style-type: none"> • One pool distribution model through 2017. • No expansion, • No transition.