FLORIDA LEGAL SERVICES, INC. SPACE COAST HEALTH FOUNDATION Brevard County Legal Aid

JANUARY 14, 2015

FEDERAL FUNDING FOR COVERAGE OF UNINSURED IS CRITICAL TO OFFSET BREVARD COUNTY AND SAFETY-NET HEALTH PROVIDER LOSSES

I. INTRODUCTION

Two Medicaid funding streams created to help ensure the economic stability of safety-net providers are being significantly reduced. First, Florida's non-profit and charity medical facilities that serve low-income uninsured face a loss of over $2 billion in annual revenue when the state's Low-Income Pool Program (LIP) is scheduled to end June 30, 2015.[1] The $240 million of annual funding for the state's Medicaid Disproportionate Hospital Program (DSH), while not as substantial, is also being reduced. As a result of these cuts, Brevard County will likely lose more than $15 million per year.

These losses threaten both the safety-net's viability and the health of low-income uninsured county residents that rely on safety-net facilities. These threats, however, could be averted if the Florida Legislature accepts funding allocated under the Patient Protection and Affordable Care Act (ACA) for covering an expanded Medicaid population. More specifically, if the Florida Legislature accepts federal funding to cover uninsured adults,[2] Brevard County would receive more than $114 million. The funding for covering these newly insured Brevard residents would significantly offset the county's projected loss of LIP and DSH.

This paper will first provide a background on LIP and DSH[3] as well as the "coverage gap" created by not accepting federal expansion funding. It will then look at the projected economic losses both statewide and in Brevard County as a result of DSH and LIP cuts. **Notably, these cuts are scheduled to occur regardless of whether or not the Legislature accepts federal funding to expand coverage for low-income Floridians.** Finally, the paper

will describe the substantial economic gains that would more than offset these losses if the Legislature accepts expansion funding.

II. BACKGROUND

A. *Low-income Pool Program (LIP)*

Beginning June 2015, Florida's safety-net hospitals face a tremendous loss of revenue when approximately $2.1 billion[4] in LIP funding is eliminated, pursuant to the Centers for Medicare and Medicaid Services announcement.[5] LIP was originally established as part of Florida's Medicaid Reform 1115 Demonstration Waiver (The Waiver).[6] It is a jointly funded state/federal program intended to "ensure continued government support for the provision of health care services to Medicaid, underinsured, and uninsured populations."[7] The current LIP dollars come from the following sources: state general revenue ($9.1 million); local taxes and other agencies ($867.6 million); federal funds ($1.2 billion).[8] Since the program's inception in 2005, it has distributed between $1-2 billion annually to support safety-net providers throughout the state.[9]

Throughout the several year negotiation over the Waiver's extension,[10] state officials sought both an extension and an expansion of LIP to $4.5 billion.[11] The press reported "optimism" about both a continued and expanded LIP program.[12] However, in July 2014 the Centers for Medicare and Medicaid Services (CMS) announced it would grant a three year extension of the state's 1115 waiver request with the **explicit exception of LIP**.[13]

B. *Disproportionate Share Hospital Program* (*DSH*)

Congress established the Medicaid Disproportionate Share Hospital Program (DSH) in the early 1980s.[14] The purpose of DSH was to provide additional financial support to hospitals

that serve a "disproportionate share" of the poor.[15] Since DSH was established, hospitals that serve a high rate of Medicaid or uninsured patients have received this funding. In 2014, Florida will receive almost $240 million in DSH funding.[16]

The ACA significantly reduced DSH because the Act's provisions for Medicaid expansion would considerably reduce the number of uninsured individuals.[17] Covering low-income uninsured adults through this expansion funding would thus reduce the amount of uncompensated care and the need to maintain the safety-net at the same level.[18] However, while the Supreme Court's decision that states were not required to expand Medicaid[19] effectively undermined this *quid pro quo*, the DSH reductions were left intact. While this situation is of no consequence in states that have expanded their Medicaid program pursuant to the ACA, it poses adverse fiscal implications in states like Florida, which have not. Therefore, because the DSH reduction is not being offset with expansion funding as contemplated by the ACA, Florida's safety-net is facing the loss of DSH revenue, commencing in 2017 and increasing over the next 7 years.[20]

C. Florida's Coverage Gap

The ACA, as passed by Congress and signed into law by President Obama, established two paths to affordable coverage for the uninsured. First, subsidies for purchasing insurance in the marketplace were provided to people between 100% and 400% of the federal poverty level (FPL). Second, Medicaid was expanded to cover those up to 138% of the FPL (in 2014, the FPL is $16,106 annually for an individual and $21,707 annually for a household of two).[21] In Florida, there are approximately 1.1 million individuals eligible for Medicaid Expansion.[22] However, as noted, the Supreme Court made the adult Medicaid expansion provision a state

option. Because the Florida Legislature has, to date, declined federal funding to cover low-income adults, an estimated 764,000 Floridians, fall into a "coverage gap." [23] In other words, individuals whose income is below 100% FPL ($11,670 for an individual and $15,730 for a household of two) make *too little* money to qualify for assistance in buying insurance in the Marketplace and do not qualify under Florida's current restrictive Medicaid eligibility rules for adults.[24]

III. DISCUSSION

While LIP (and to a lesser extent DSH) funding losses pose potentially dire economic consequences for certain counties in particular, the loss of local safety-net funding could be more than offset if the Florida Legislature accepted federal funds for expansion. Funding for the expansion population[25] will likely be remitted as per member per month (PMPM) payments to managed care organizations (MCOs).[26] An assumption can also be made that 80-85% of the PMPM funding will then be paid to local health care providers for medical services rendered to county residents.[27]

A. Brevard County Background

Out of a total population of approximately 550,000 individuals,[28] Brevard County has nearly 90,000 (or 16%) uninsured adults. [29] Of those, approximately 24,000 individuals[30] are eligible for Medicaid Expansion and approximately 17,500 are in the coverage gap.[31] Brevard County experienced a dramatic increase in the number of uninsured residents after the 2011 shutdown of NASA's Space Center, when more than 7,400 people lost their jobs, and for the first time, many county residents were unemployed and uninsured.[32]

Parrish Medical Center, which serves as the primary safety-net hospital in Brevard, will receive more than $10 million in DSH and LIP funding in 2014, nearly all the DSH and LIP funding Brevard hospitals receive.[33] The other Brevard County hospital which receives funding is Holmes Regional Medical Center, which received approximately $300,000 in LIP in 2014-15.[34] *See* Appendix I.

Additionally, because LIP funding can also be directed towards primary health centers, the Brevard Health Alliance, a network of Federally Qualified Health Centers (FQHCs), currently receives nearly $3.5 million in LIP funding, and the Department of Health in Brevard County currently receives more than $1.2 million in LIP funding.[35] *See* Appendix II. If LIP is eliminated, as scheduled under the current terms of the waiver, these vital community services may no longer be available through the Department of Health and FQHCs.

B. Brevard County Loss of Funding

As noted above, more than $2 billion is currently allocated to support safety-net programs throughout the state. Florida's total DSH payments in 2014-15 will be almost $240 million and total LIP payments will be more than $2.1 billion.[36]

For Brevard County, DSH payments in 2014-15 will be nearly $1.5 million.[37] The total amount of LIP payments in Brevard in 2014-15 will be almost $14 million.[38] This amounts to more than $15 million in health care funding currently designated to Brevard County safety-net providers. Again, under the current terms of the Waiver, the LIP program is scheduled to end on June 30, 2015.[39] Notwithstanding current Inter-Governmental Transfers (IGTs) or potential provisions for increasing safety-net rates pursuant to the forthcoming 2015 Medicaid provider

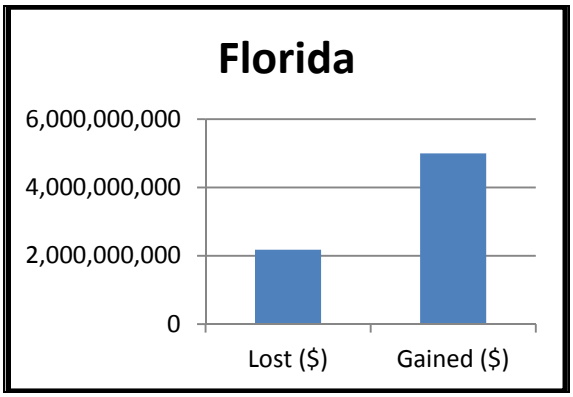
payment rate report,[40] the currently scheduled changes to the DSH and LIP programs represent a tremendous loss of federal funding to the county. [41]

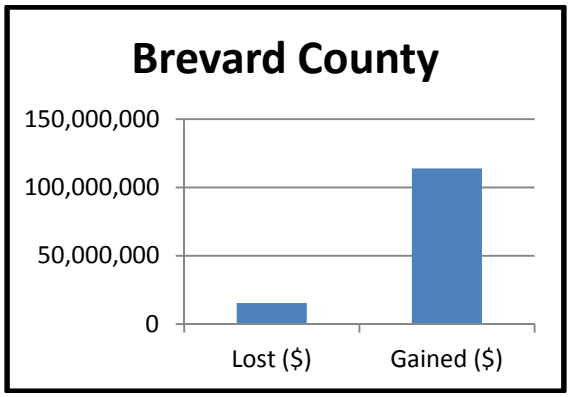
C. Acceptance of Federal Funding for the Uninsured Will Offset Losses

The impending loss of DSH and LIP funding will be more than offset if the Florida Legislature accepts federal funding to expand coverage for uninsured low-income adults. In 2013, the Social Services Estimating Conference (SSEC) predicted that the expansion of Medicaid would provide coverage to over 600,000 people in 2014-15, over 900,000 in 2016-17, and over 1,000,000 people by 2022-23. [42] The SSEC also estimated that coverage of the expansion population over that time period would result in a net influx of over $51 billion in federal funding to cover the cost of health care for the newly enrolled.[43] This data was derived by estimating the per member per month (PMPM) cost of health care coverage for a childless adult times the number of newly eligible adults in the Medicaid expansion population expected to enroll.[44]

The same methodology can be applied to estimate the potential net gain in revenue to Brevard County for coverage of uninsured adults in the gap. Specifically, multiplying a conservative estimate of the number of county residents in the coverage gap (17,572)[45] times the annual cost of paying for their coverage ($543[46] x 12) amounts to more than $114 million. As noted, this is a conservative estimate (it only includes those in the "coverage gap," i.e. below 100% FPL and does not include the additional nearly 7,000 residents between 100 and 138% FPL who would also be covered under expansion funding),[47] and it covers significantly more than the county's potential loss of $15.5 million per year in DSH and LIP funding.

The charts below compare the loss of DSH and LIP funding with the potential funding gained through coverage expansion in Florida and Brevard County.[48]





D. *Accepting Federal Funding for the Uninsured Will Decrease Hospital Uncompensated Care and Strengthen Hospital Financial Viability*

A recent report from the Urban Institute compared earning reports from several hospital chains with facilities in both expansion and non-expansion states.[49] Even at this early date, facilities in expansion states showed an increase in earnings as uncompensated care decreased and Medicaid revenue increased.[50] While the over $114 million in health care coverage costs for the county's coverage gap population will be dispersed among a variety of providers, a significant portion of that expansion funding can be expected to go towards hospital reimbursements.[51] The projected increase in hospital reimbursement in Florida with expansion funding is estimated at $2.1 billion in 2016.[52] Given that Brevard represents 2.3% of the state's Medicaid recipients and applying a comparable percentage to the state-wide hospital reimbursement, county hospitals would receive an additional $48 million to pay for care provided to newly covered county residents.[53]

IV. CONCLUSION

With the scheduled cuts to DSH and LIP, Brevard County will lose more than $15 million in funding currently used to help cover the cost of the county's uninsured. The loss of that funding will be offset more than seven-fold if Florida devises a plan that would draw down federal funding for covering uninsured county residents.

For more information please contact:

Charlotte Joseph Cassel
Equal Justice Works Fellow
Sponsored by the Florida Bar Foundation
& Greenberg Traurig
Florida Legal Services, Inc.
3000 Biscayne Blvd. Suite 102
Miami, FL 33137
charlotte@floridalegal.org
786-618-9050

Miriam Harmatz
Senior Health Law Attorney
Florida Legal Services, Inc.
3000 Biscayne Blvd. Suite 102
Miami, FL 33137
miriam@floridalegal.org
786-618-9046

Johnette Gindling
Executive Director
Space Coast Health Foundation
Suntree Office Complex, Suite 301
6905 N. Wickham Rd.
Melbourne, FL 32940
Johnette.Gindling@schfbrevard.org
321-241-6601

Robert L. Johnson, Jr.
Executive Director
Brevard County Legal Aid
1038 Harvin Way, Suite 100
Rockledge, FL 32955
brevardlegalaid@yahoo.com
321-631-2500

Appendix I

LIP and DSH Payments to Brevard Hospitals, FY2014-15

All Amounts in USD	LIP 2014-15	DSH 2014-15
Provider Name	Total LIP	Total DSH
CAPE CANAVERAL HOSPITAL	**0**	**0**
HEALTHSOUTH SEA PINES REHABILITATION	**0**	**0**
HOLMES REGIONAL MEDICAL CENTER	**293,697**	**0**
PARRISH MEDICAL CENTER	**8,852,481**	**1,446,418**
SEBASTIAN RIVER MEDICAL CENTER	**0**	**0**
WUESTHOFF MEDICAL CENTER - ROCKLEDGE	**0**	**0**
WUESTHOFF MEDICAL CENTER - MELBOURNE	**0**	**0**
Totals for Brevard County	**9,146,178**	**1,446,418**

SOURCE: FL. S. & FL. H.R., MEDICAID HOSPITAL FUNDING PROGRAMS, FISCAL YEAR 2014-2015, FINAL CONFERENCE REPORT FOR HOUSE BILL 5001, at 21-24 (Apr. 29, 2014), http://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?FileName=Medicaid%20Hospital%20Funding%20Programs%20-%204-29-2014.pdf&DocumentType=Conf&BillNumber=5001&Session=2014.

Appendix II

LIP and DSH Payments to Brevard County Health Departments and Federally Qualified Health Centers, FY2014-15

IGT Provider	Provider's Name	Provider Type	Anticipated LIP Funds ($)
Brevard County	Brevard CHD	County Health Department	362,676
Brevard County	Brevard CHD	County Health Department	575,377
Brevard County	Brevard CHD	County Health Department	59,142
Brevard County	Brevard CHD	County Health Department	220,495
North Brevard Hospital District	Brevard Health Alliance	FQHC	286,926
North Brevard Hospital District	Brevard Health Alliance	FQHC	920,163
North Brevard Hospital District	Brevard Health Alliance	FQHC	351,300
North Brevard Hospital District	Brevard Health Alliance	FQHC	1,224,993
North Brevard Hospital District	Brevard Health Alliance	FQHC	286,431
North Brevard Hospital District	Brevard Health Alliance	FQHC	289,800
		Total:	**$4,577,303**

SOURCE: E-mail from Lecia Behenna, Florida Agency for Health Care Administration (Nov. 2014, 04:21 EST) (on file with author).

Appendix III

Total IGT Payments to Brevard Hospitals, FY2014-15

All Amounts in USD	IGT 2014-15
Provider Name	Total IGT
Parrish Medical Center	**4,172,557**

SOURCE: FL. S. & FL. H.R., MEDICAID HOSPITAL FUNDING PROGRAMS, FISCAL YEAR 2014-2015, FINAL CONFERENCE REPORT FOR HOUSE BILL 5001, at 36 (Apr. 29, 2014), http://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?FileName=Medicaid%20Hospital%20Funding%20Programs%20-%204-29-2014.pdf&DocumentType=Conf&BillNumber=5001&Session=2014.

[1] The authors are unaware of any change to LIP's currently scheduled end date of June 30, 2015, but do note that hospital representatives and other stakeholders have been reportedly urging the federal government to extend the LIP program beyond June. *See,* Daniel Chang, *Florida hospitals could lose billions without Medicaid expansion, group warns*, Miami Herald, Nov. 11, 2014, http://www.miamiherald.com/news/local/community/miami-dade/article3727590.html. When asked to comment on the recently released report on Miami-Dade County, a spokesperson for Jackson Memorial Hospital, JMH, a large LIP recipient, stated that the hospital is "supporting a revised LIP program." *Id*.

[2] *See, e.g.,* A HEALTHY FLORIDA WORKS, *available at* http://ahealthyfloridaworks.com/our-plan/ (last visited Dec. 16, 2014) (An example of a recent proposal, put forth by a bipartisan coalition of business leaders, chambers of commerce, statewide business organizations, and concerned individuals, of a way to bring down the federal funding).

[3] Both programs are jointly funded with federal and state dollars. The federal match, or "FMAP", for Florida is 58%. In other words, 58 cents of each dollar spent for these programs comes from the federal government, and 42 cents from the state. *See* THE HENRY J. KAISER FAMILY FOUNDATION, FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP) FOR MEDICAID AND MULTIPLIER, *available at* http://kff.org/medicaid/state-indicator/federal-matching-rate-and-multiplier/ (last visited Sept. 17, 2014).

[4] FL. S. & FL. H.R., MEDICAID HOSPITAL FUNDING PROGRAMS, FISCAL YEAR 2014-2015, FINAL CONFERENCE REPORT FOR HOUSE BILL 5001, at 21-24 (Apr. 29, 2014), http://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?FileName=Medicaid%20Hospital%20Funding%20Programs%20-%204-29-2014.pdf&DocumentType=Conf&BillNumber=5001&Session=2014 [hereinafter *Hospital Funding Data*].

[5] Letter from Cindy Mann, Director, Centers for Medicare and Medicaid Servs., to Justin Senior, Deputy Secretary for Medicaid, Fl. Agency for Health Care Administration (July 31, 2014) [hereinafter *CMS Letter*], *available at* http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/fl/fl-medicaid-reform-ca.pdf ("The approved 2014 extension of the

demonstration continues the improvements authorized in the June 2013 amendment and extends all portions of this demonstration for three years, **except for the Low-income Pool (LIP) which will be extended through June 30, 2015.**") (emphasis added).

[6] FL. S. COMM. HEALTH REGULATIONS, INTERIM REPORT 2010-120 SUPPLEMENTAL MEDICAID PAYMENTS, at 2 (2010) [hereinafter *Senate Report*].

[7] *Id.*

[8] Justin M. Senior, Deputy Sec'y for Medicaid, Agency for Health Care Admin., S. Appropriations Subcomm. on Health and Human Servs.: Update on Statewide Medicaid Managed Care and Low Income Pool Program (Jan. 7, 2015) (on file with authors).

[9] *See, e.g.*, *Hospital Funding Data*, *supra* note 4, at 21-24; *See also* THE HENRY J. KAISER FAMILY FOUNDATION, THE FLORIDA HEALTH CARE LANDSCAPE (Nov. 2013), *available at* http://kff.org/health-reform/fact-sheet/the-florida-health-care-landscape/; *see also* Joan Alker, *Florida Legislature Adjourns with Unfinished Medicaid Business: Federal Hospital Funding to Run Out in 2015 Putting the Pressure on for Next Year*, A CHILDREN'S HEALTH POL'Y. BLOG (May 5, 2014), http://ccf.georgetown.edu/all/florida-legislature-adjourns-with-unfinished-medicaid-business-federal-hospital-funding-to-run-out-in-2015-putting-the-pressure-on-for-next-year/.

[10] Joan Alker & Jack Hoadley, MEDICAID MANAGED CARE IN FLORIDA: FEDERAL WAIVER APPROVAL AND IMPLEMENTATION (Oct. 2013), *available at* http://ccf.georgetown.edu/wp-content/uploads/2013/10/Florida-Medicaid-Brief_Fall2013.pdf.

[11] *See e.g.*, Letter from Rick Scott, Fl. Gov., to Kathleen Sebelius, Secretary, U.S. Dept. Health and Human Servs., 36-37, 62 (Nov. 26, 2013), *available at* https://www.supercoder.com/webroot/upload/general_pages_docs/document/fl-medicaid-reform-pa.pdf; *see also* Florida Agency for Health Care Administration, *Key Messages Regarding Low Income Pool Request to the Federal Government*, *available at* http://castor.house.gov/uploadedfiles/ahca.pdf.

[12] *See e.g.*, Tia Mitchell, *After saying no to feds on Medicaid expansion, Florida may ask for more money*, MIAMI HERALD, Oct. 17, 2013, http://www.miamiherald.com/2013/10/17/3695586/after-saying-no-to-feds-on-medicaid.html.

[13] *CMS Letter*, *supra* note 5.

[14] Corey Davis, NATIONAL HEALTH LAW PROGRAM, Q&A DISPROPORTIONATE SHARE HOSPITAL PAYMENTS AND THE MEDICAID EXPANSION 2 (July 2012) [hereinafter *NHeLP DSH*], *available at* http://www.healthlaw.org/component/jsfsubmit/showAttachment?tmpl=raw&id=00Pd0000006EJLlEAO.

[15] *Senate Report*, *supra* note 6.

[16] As with LIP, the $240 million is a combination of state and federal dollars. *Hospital Funding Data*, *supra* note 4, at 21-24; *see also supra* note 3.

[17] Robin Rudowitz, THE HENRY J. KAISER FAMILY FOUNDATION, HOW DO MEDICAID DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS CHANGE UNDER THE ACA? (Nov. 2013) [hereinafter *Kaiser DSH Issue Brief*], *available at* http://kff.org/medicaid/issue-brief/how-do-medicaid-disproportionate-share-hospital-dsh-payments-change-under-the-aca/.

[18] *Id.*

[19] *Nat'l Fed'n of Indep. Bus. v. Sebelius*, 132 S. Ct. 2566 (2012).

[20] Protecting Access to Medicare Act, H.R. 4302, 113th Cong. § 221 (2014) (extending the implementation of DSH reductions from 2014 to 2017); s*ee also, Kaiser DSH Issue Brief*, *supra* note 17, at 2-3. The federal government delayed implementation of the DSH reductions until 2017 and will follow

the DSH Health Reform Methodology specified in the final rule. This methodology takes 5 factors into account in determining DSH cuts across states: (1) Is the state a Low-DSH or a Non-Low DSH State?; (2) How will the reductions be allocated for the Low-DSH and Non-Low DSH States?; (3) How will the pool amounts be allocated across the states?; (4) What is a state's total reduction?; and (5) What other factors are considered?

[21] These are 2014 FPL guidelines and will be effective until 2015 guidelines are released later in the year.

[22] Stan Dorn, et. al., Robert Wood Johnson Foundation & Urban Institute, WHAT IS THE RESULT OF STATES NOT EXPANDING MEDICAID, Table 2 at 4 (Aug. 2014) [hereinafter *Dorn Report*], *available at* http://www.urban.org/UploadedPDF/413192-What-is-the-Result-of-States-Not-Expanding-Medicaid.pdf.

[23] THE HENRY J. KAISER FAMILY FOUNDATION, THE COVERAGE GAP: UNINSURED POOR ADULTS IN STATED THAT DO NOT EXPAND MEDICAID (Apr. 2, 2014), *available at* http://kff.org/health-reform/issue-brief/the-coverage-gap-uninsured-poor-adults-in-states-that-do-not-expand-medicaid/ **("The ACA envisioned people below 138% of poverty receiving Medicaid and thus does not provide premium tax credits for the lowest income. As a result, individuals below poverty are not eligible for Marketplace tax credits, even if Medicaid coverage is not available to them. Individuals with incomes above 100% of poverty in states that do not expand may be eligible to purchase subsidized coverage through the Marketplaces.")** (emphasis added).

[24] Centers for Medicare and Medicaid Services, STATE MEDICAID AND CHIP INCOME ELIGIBILITY STANDARDS (July 1, 2014), *available at* http://medicaid.gov/AffordableCareAct/Medicaid-Moving-Forward-2014/Downloads/Medicaid-and-CHIP-Eligibility-Levels-Table.pdf. To be eligible for Florida's current Medicaid program, adults must be both very poor and either have minor children or be disabled. Florida's income limit for parents is approximately 35% FPL. A single parent with one child can only earn an income of $453 per month or less ($5,436 annually) to be eligible for Florida Medicaid, and a single disabled adult can only make $721 a month or less ($8,652 annually). Nondisabled adults without minor children are currently ineligible for Medicaid in Florida, regardless of how poor they might be.

[25] The federal government will pay 100% of the cost of funding the expansion population through 2016, and no less than 90% of the costs thereafter. January Angeles & Matt Broaddus, Center on Budget and Policy Priorities, FEDERAL GOVERNMENT WILL PICK UP NEARLY ALL COSTS OF HEALTH REFORM'S MEDICAID EXPANSION (Mar. 28, 2013), *available at* http://www.cbpp.org/cms/?fa=view&id=3161.

[26] THE HENRY J. KAISER FAMILY FOUNDATION, QUICK TAKE: KEY CONSIDERATIONS IN EVALUATING THE ACA MEDICAID EXPANSION FOR STATES (Apr. 18, 2013), *available at* http://kff.org/medicaid/fact-sheet/key-considerations-in-evaluating-the-aca-medicaid-expansion-for-states-2/.

[27] CENTERS FOR MEDICARE AND MEDICAID SERVICES, MEDICAL LOSS RATIO, *available at* http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/Medical-Loss-Ratio.html (Pursuant to the ACA insurance companies must comply with a medical loss ratio (MLR) standard. This standard, which requires insurance companies to spend 80-85% of premium dollars on the provision of medical care as opposed to administrative costs, underlies the assumption that 80-85% of funding allocated to MCOs will be paid to local health care providers); *see also* Joan Alker, *Florida's Medicaid Managed Care Waiver Receives Final Approval: Some Strong Consumer Protections Included, Oversight Will Be Critical*, A CHILDREN'S HEALTH POL'Y. BLOG (June 14, 2013), http://ccf.georgetown.edu/all/floridas-medicaid-managed-care-waiver-receives-final-approval-some-strong-consumer-protections-included-oversight-will-be-critical/.

[28] U.S. CENSUS BUREAU, STATE & COUNTY QUICKFACTS, BREVARD COUNTY, FLORIDA , *available at* http://quickfacts.census.gov/qfd/states/12/12009.html.

[29] Alan W. Hodges & Mohammad Rahmani, FLORIDA HOSPITAL ASSOCIATION, ECONOMIC IMPACTS OF EXTENDING HEALTH CARE COVERAGE IN FLORIDA, SPONSORED PROJECT REPORT TO THE FLORIDA HOSPITAL ASSOCIATION, at 12 (Mar. 28, 2013) [hereinafter *FHA Economic Impact Report*], *available at* https://www.statereforum.org/system/files/economicimpactsofextendinghealthcarecoverageinflorida-march2013-final_copy.pdf.

[30] According to the Robert Wood Johnson Foundation and the Urban Institute, there are approximately 1,060,000 Floridians eligible for Medicaid expansion. *See Dorn Report*, *supra* note 22, at 5. According to the Florida Agency for Health Care Administration (AHCA), Medicaid recipients in Brevard account for 2.3% of Medicaid recipients in the state of Florida. FLORIDA AGENCY FOR HEALTH CARE ADMINISTRATION, CURRENT COMPREHENSIVE MEDICAID MANAGED CARE ENROLLMENT REPORTS: SEPTEMBER 2014, at table 5 [hereinafter *AHCA Medicaid Enrollment by County*], *available at* http://ahca.myflorida.com/mchq/managed_health_care/MHMO/docs/MC_ENROLL/RF_NR_SMMC/ENR_Sep2014.xls. Assuming that the percent of people eligible for Medicaid expansion, per county, is roughly equivalent to the percent currently on Medicaid, per county, the number of people eligible in Brevard County is derived by multiplying the number eligible statewide, 1,060,000, by 2.3%, totaling approximately 24,380.

[31] According to the Florida Agency for Health Care Administration (AHCA), Medicaid recipients in Brevard account for 2.3% of Medicaid recipients in the state of Florida. *AHCA Medicaid Enrollment by County*, *supra* note 30, at table 5. Assuming that the percent of people in the coverage gap, per county, is roughly equivalent to the percent currently on Medicaid, per county, the number of people in the coverage gap in Miami-Dade County is derived by multiplying the number in the gap statewide, 764,000, by 2.3%, totaling approximately 17,572. *See FHA Economic Impact Report*, *supra* note 29.

[32] Mike Schneider, *Former space workers struggle a year after last shuttle*, USA Today, July 15, 2012, http://usatoday30.usatoday.com/money/economy/employment/story/2012-07-15/space-workers-jobs/56234378/1.

[33] *Hospital Funding Data*, *supra* note 4, at 21-24.

[34] *Id.*; *see also* Appendix I.

[35] E-mail from Lecia Behenna, Florida Agency for Health Care Administration (Nov. 2014, 04:21 EST) (on file with author).

[36] *Id.*

[37] *Hospital Funding Data*, *supra* note 4, at 21-24; *see also* Appendix I.

[38] *Id.*, *see also* Appendix II.

[39] *CMS Letter*, *supra* note 5, at 1.

[40] This paper focuses on the scheduled loss of LIP and DSH reductions pursuant to the ACA. It does not include discussion of the county's Intergovernmental Transfers (IGTs) which amount to $4,172,557, and which is solely attributable to Parrish hospital (*Compare* Tab 3, Tab 5, *See, e.g.*, *Hospital Funding Data*, *supra* note 4, at 21-24 & 33-38). *See* Appendix I & III. Nor does the paper discuss rate enhancements or other supplemental funding as that data is uncertain at this time. Notably, hospital rates may change following issuance and review of the independent "Report on Medicaid provider payment", required by CMS and currently scheduled for draft release on January 15, 2015, (*See, CMS Letter*, *supra* note 5, with enclosed "Special Terms and Conditions (STC) # 69 available at http://www.medicaid.gov/Medicaid-CHIP-Program Information/ByTopics/Waivers/1115/downloads/fl/fl-medicaid-reform-ca.pdf). It is also unknown if or when the tiering scheme designed to "enhance Medicaid payments to all hospitals,"

originally passed in 2011 (Fla. Stat. § 409.55(4)), and which has had implementation delayed for the last several years, will go forward.

[41] In the July 2014 letter from CMS to AHCA, CMS required AHCA to "commission a report from an independent entity on Medicaid provider payments in the state. *CMS Letter*, *supra* note 5, at 1. The report will review the adequacy of payment levels, and the adequacy, equity, accountability and sustainability of the state's funding mechanisms for these payments. The report shall recommend reforms to the Florida Medicaid financing system that can allow the state, beginning in state fiscal year 2015-2016, to move toward Medicaid managed care and fee-for-service payments that ensure access for Medicaid beneficiaries to providers throughout the state through such payments rather than through over reliance on supplemental payments."

[42] SOCIAL SERVICES ESTIMATING CONFERENCE, ESTIMATES RELATING TO FEDERAL AFFORDABLE CARE ACT: TITLE XIX (MEDICAID) & TITLE XXI (CHIP) PROGRAMS, at 15 (Mar. 7, 2013), http://edr.state.fl.us/Content/conferences/medicaid/FederalAffordableHealthCareActEstimates.pdf [hereinafter *SSEC*].

[43] The authors recognize that at this point in time, this estimate is marginally outdated, and an updated estimate, accounting for the years without expansion, is not yet available. *Id* at 16; *see also* THE HENRY J. KAISER FAMILY FOUNDATION, THE FLORIDA HEALTHCARE LANDSCAPE (Nov. 2013), *available at* http://kaiserfamilyfoundation.files.wordpress.com/2013/11/8511-the-florida-health-care-landscape1.pdf.

[44] *SSEC*, *supra* note 42, at 14 -16. Note that the PMPM of $543 was based on SFY 2013. For the purpose of this report, it has not been adjusted for inflation nor does it reflect the regional PMPM provided to Brevard County as compared to the state average rate.

[45] *See*, *supra note* 31 (explaining calculation used to obtain 17,572).

[46] *SSEC*, *supra* note 42, at 14.

[47] This estimate only reflects funding for coverage of those in the Gap (below 100% FPL) and does not include funding for the entire Medicaid Expansion eligible population (100-138%) because those above 100% FPL may have been able to obtain coverage through the federally funded marketplace; *see also*, *supra* note 43.

[48]*See Hospital Funding Data*, *supra* note 4, at 21-24 (for Losses); *See also, SSEC*, *supra* note 42, at 15-16 (for Gains).

[49] *See Dorn Report*, *supra* note 22.

[50] *Id.* at 2.

[51] *Id*.

[52] *Id*. at 4.

[53] *Id*. at 4, table 2.