



State Demonstrations Group

MAY 20 2016

Mr. Justin Senior
Deputy Secretary for Medicaid
State of Florida, Agency for Health Care Administration
2727 Mahan Drive, Mail Stop 8
Tallahassee, FL 32308

Dear Mr. Senior:

Thank you to you and your staff for your work on the Reimbursement and Funding Methodology document (RFMD) for Florida's Low-Income Pool (LIP), which is a component of the state's section 1115 demonstration, entitled "Florida Managed Medical Assistance Program." We are writing to approve the state's latest revisions of the RFMD for demonstration year (DY) 11, which was originally submitted to CMS on November 25, 2015. A copy of the approved RFMD is enclosed with this letter.

We understand that legislation concerning distribution of funding under LIP has passed and was signed by the Governor on March 17, 2016. As you continue your oversight of that portion of the demonstration, we advise that you keep in mind the following features of the state legislation that could result in violations of the demonstration's Special Terms and Conditions (STC) or federal regulations.

Paragraph 71(b)(i) of the demonstration's STCs requires that "[a]ll providers ... that meet LIP provider participation requirements and that furnished uncompensated charity care must receive some amount of payment." A funding arrangement for LIP that did not provide a payment to all qualifying providers, as is possible under the new laws, would not be consistent with this provision.

Please also be aware that STC 92(e) requires that "[u]nder all circumstances, health care providers must retain 100 percent of the reimbursement amounts claimed by the state as demonstration expenditures." Re-assignment of add-on rate adjustment amounts between hospitals in consideration for provision of IGT funds would violate this STC language. Such re-assignment also could constitute an impermissible provider-related donation, which will result in loss of federal financial participation for Florida, following this STC and 42 CFR § 433.67(b).

Finally, as indicated in the Waiver Authorities document sent to Florida on October 15, 2015, Florida has not asked for, nor has it received, any waiver of section 1902(a)(2) of the Social Security Act, which requires the state to "assure that the lack of adequate funds from local sources will not result in lowering the amount, duration, scope, or quality of care and services available under the plan."

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To ensure ongoing compliance with these, and all other, STCs under the demonstration, we request that the Agency for Health Care Administration develop a LIP monitoring plan so as to ensure these future STC violations are not realized.

If you have additional questions or concerns, please contact your assigned project officer, Mr. Adam Goldman. His contact information is as follows:


Adam Goldman
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Mail Stop: S2-01-16
Baltimore, MD 21244-1850
Telephone: (410) 786-2242
E-mail: Adam.Goldman@cms.hhs.gov

Official communications regarding program matters should also be sent simultaneously to Ms. Jackie Glaze, Associate Regional Administrator for our Atlanta Regional Office. Her contact information is as follows:

Jackie Glaze
Centers for Medicare & Medicaid Services
61 Forsyth Street, SW, Suite 4T20
Atlanta, Georgia 30303-8909
Telephone: 404-562-7417
E-mail: Jackie.glaze@cms.hhs.gov

We look forward to continuing to work together to ensure that the investment we have made supports true uncompensated care provided to the Medicaid, underinsured, and uninsured populations of Florida.

Sincerely,

A handwritten signature in black ink, appearing to read "Angela D. Garner", with a horizontal line extending to the right. The letters "FOR" are written in a smaller, blocky font to the right of the signature.

Angela D. Garner
Director
Division of System Reform Demonstrations

Enclosure

cc:

Jackie Glaze, ARA, Region IV, CMS Atlanta Regional Office