



RICK SCOTT
GOVERNOR

ELIZABETH DUDEK
SECRETARY

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Contact: AHCA Communications Office

AHCACommunications@ahca.myflorida.com, 850-412-3623

Governor Scott's *It's Your Money Tax Cut Budget* Increases Medicaid Payment Predictability and Provides Continued Support for Successful Graduate Medical Education Program

Tallahassee, Fla. – Among the highlights of Governor Rick Scott's proposed *It's Your Money Tax Cut Budget* for the Agency for Health Care Administration are projects that will further the state's efforts to bring more Medicaid payment predictability. In addition, Governor Scott also proposed \$80 million for continuation funding for the successful Statewide Residency Program.

"Governor Scott continues to demonstrate his support for systems that lead to increased efficiency and transparency. This money for the prospective payment studies will enable us to improve our systems for the businesses we work with and the people we serve," said Secretary Liz Dudek. "Governor Scott also renewed his commitment to Florida's next generation of physicians by recommitting funds to graduate medical education again this year."

The *It's Your Money Tax Cut Budget* includes \$80 million in continuation funding for the Statewide Residency Program, which supports graduate medical education (GME) training positions, thus increasing the likelihood physicians-in-training will practice medicine in Florida after completion of their education. The program was designed to improve access and quality of care for Florida patients, expand graduate medical education on an equitable basis, and increase the supply of highly trained physicians statewide.

The Hospital Outpatient and Nursing Home Prospective Payment Systems Studies provide \$2 million to the Agency to study how best to develop the prospective payment systems and the transition plans for these two payment types from the current cost-based systems. The name of the systems for hospital outpatient services and nursing homes are ambulatory patient groups (APGs) and resource utilization groups (RUGs), respectively. These patient-centered reimbursement systems reward delivery of high-value, quality-driven health care services in an efficient manner to the benefit of Medicaid recipients and Florida taxpayers. This funding is similar to 2013 funding for the transition to diagnosis related groups (DRGs) for hospital inpatient services, which has been very successful.

Support for the Statewide Residency Program

David Christian, Vice President of Government Relations for the Florida Chamber of Commerce, said, "As Florida looks to become the third largest state in the country, providing greater access to quality healthcare is essential to making Florida more competitive. The Florida Chamber applauds Governor Scott for investing in Florida's expanded graduate medical residency program and for ensuring our state's growing population has the quality healthcare needed to meet increasing demands."



Gregory James, DO, MPH, FACOFP dist., President of the Florida Osteopathic Medical Association (FOMA), said, “I commend Governor Scott for his commitment to continuation funding of \$80 million for graduate medical education. The FOMA believes that Governor Scott’s intent to provide more primary care physicians in the state will help address the physician workforce shortages. We continue to support Governor Scott in his initiative to provide the citizens of Florida with the physicians needed to continue to deliver quality health care.”

John P. Fogarty, M.D., Dean, Florida State University College of Medicine, said, “At the Florida State University College of Medicine our focus is on creating more of the physicians Florida needs most. To do that, we need to be able to keep more of our graduates in Florida for residency training, which greatly increases the likelihood they will end up practicing here. We need to give credit to Governor Scott and lawmakers for taking the first step toward making this goal a reality.”

Jack J. Michel, M.D., President of Larkin Community Hospital, said, “The additional funding recommended by our Governor will go a long way in ensuring that Florida Teaching Hospitals will have the resources required to operate quality programs to train the new generation of physicians. Our hospital will continue to allocate these funds for the direct funding and expansion of our residency programs and hiring new faculty to support the residents.”

Support for the Hospital Outpatient and Nursing Home Prospective Payment Systems Studies

Dominic M. Calabro, President and CEO of Florida TaxWatch, and the chairman of Governor Scott's Commission on Review of Taxpayer Funded Hospital Districts in 2011, said, “Governor Scott should be commended for continuing to seek transparency, lowered costs, and improved value in health care for Florida’s taxpayers. The Prospective Payment System Studies, that follows the 2013 implementation of a TaxWatch recommendation on diagnosis-related groups (DRGs) for hospital inpatient charges, will facilitate equitable, predictable costs for outpatient and nursing home care. Moving away from cost-based reimbursement is another strong step toward managing Medicaid costs and developing long-term sustainable health care solutions for all Floridians.”

Tom Feeney, President and CEO of Associated Industries of Florida, said, “Running all the different facets of the Medicaid program with as much efficiency, predictability and transparency as possible is no easy task and I appreciate Governor Scott supporting efforts that will do just that by transitioning to payment systems that are good for Florida’s health care providers and patients.”

Jonathan M. Ellen, M.D., All Children's Hospital President and Physician in Chief, said, “All Children’s Hospital had an excellent experience working with the Agency for Health Care Administration during the transition to DRG's last year and we look forward to engaging in the same level of dialogue about how to make the transition to APGs for outpatient services. We welcome the opportunity to work with AHCA on this important initiative. Access for children to the highest quality of care in the right place ensures continuity of care and is paramount to this study. All Children’s ten Outpatient Care locations throughout the Tampa Bay region and beyond facilitate this continuity by allowing children to receive expert pediatric care closer to their homes.”

Bruce Rueben, Florida Hospital Association President, said, “The Florida Hospital Association looks forward to partnering with the governor and his team in a cooperative and transparent process to develop a patient-centered reimbursement system.”

To view the complete list of Governor Scott’s *It’s Your Money Tax Cut Budget* recommendations, visit www.FLItsYourMoney.com.

The Agency for Health Care Administration is committed to better health care for all Floridians. The Agency administers Florida's Medicaid program, licenses and regulates more than 45,000 health care facilities and 37 health maintenance organizations, and publishes health care data and statistics at www.FloridaHealthFinder.gov.

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