Low Income Pool SFY 2017-2018

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Public Meeting
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Goals of Today’s Meeting

• Share what is currently known about the draft SFY 17-18 LIP program design
• Provide a roadmap to final LIP model design
• Seek input on LIP model design

NOTE: The 1115 Waiver extension, including LIP parameters, has not yet been approved by Federal CMS. All information provided in this presentation is therefore subject to change.
Overview

1. History of the LIP program
2. SFY 2017-2018 LIP program
3. SFY 2017-2018 LIP Legislation
4. Vision on the road map (next steps)

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Low Income Pool: History

• Began in 2006 as part of Medicaid Reform demonstration
• Original purpose: provide supplemental funding to hospitals, clinics, and other entities to improve access to health care services in rural communities and ensure continued government support for the provision of health care services to the uninsured and underinsured.
• Current purpose: provide government support for safety net providers for the costs of uncompensated care for low income individuals who are uninsured.

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# Historical Low Income Pool Funding

<table>
<thead>
<tr>
<th>State Fiscal Year (SFY) / Demonstration Year (DY)</th>
<th>Total LIP Funding Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SFY 2006-2007 (DY 1)</td>
<td>$ 1 billion</td>
</tr>
<tr>
<td>SFY 2007-2008 (DY 2)</td>
<td>$ 1 billion</td>
</tr>
<tr>
<td>SFY 2008-2009 (DY 3)</td>
<td>$ 1 billion</td>
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<tr>
<td>SFY 2009-2010 (DY 4)</td>
<td>$ 1 billion</td>
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<tr>
<td>SFY 2010-2011 (DY 5)</td>
<td>$ 1 billion</td>
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<tr>
<td>SFY 2011-2012 (DY 6)</td>
<td>$ 1 billion</td>
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<tr>
<td>SFY 2012-2013 (DY 7)</td>
<td>$ 1 billion</td>
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<tr>
<td>SFY 2013-2014 (DY 8)</td>
<td>$ 1 billion</td>
</tr>
<tr>
<td>SFY 2014-2015 (DY 9)</td>
<td>$ 2.17 billion</td>
</tr>
<tr>
<td>SFY 2015-2016 (DY 10)</td>
<td>$ 1 billion</td>
</tr>
<tr>
<td>SFY 2016-2017 (DY 11)</td>
<td>$ 608 million</td>
</tr>
</tbody>
</table>

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- The Agency is negotiating with federal CMS the extension of the 1115 waiver, including provisions relating to the Low Income Pool (LIP).
- The Agency has received agreement in principle for a LIP of approximately $1.5 billion.
- The LIP will provide support for the costs of uncompensated charity care for individuals with incomes up to 200% FPL.
- It will not include uncompensated care for insured individuals, bad debt, or Medicaid or CHIP “shortfall.”

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Additional Flexibilities

• Allows expenditure of LIP funds for hospitals, FQHCs/RHCs, and Medical School Physician practices.
• Allows additional categorization into up to five tiers which can be based on:
  – ownership or licensure type, including public ownership
  – teaching hospital
  – freestanding children’s hospital
  – and/or by uncompensated care ratio.
• Up to $50 million may be apportioned to FQHCs/RHCs.
• Up to 20% of the annual LIP allotment is for creation of an Uncompensated Care Diversion Sub-Pool.

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Participation Requirements

• Same for hospitals and Medical School Physician practices as in SFY 2016-17.

• FQHCs/RHCs:
  – must contract with each health plan in their region
  – must agree that the supplemental wrap around payment will be included in the capitation rates and paid to the FQHC/RHC by the MCO
  – must be enrolled in Medicaid

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Uncompensated Care Diversion Sub-Pool

- This is Tier 1 and must be funded first.
- Sub-pool funds will be used to cover cost of health care services through Medicaid to following groups with incomes above current eligibility levels but below 100% of the federal poverty level:
  - 19-20 year olds
  - Aged, Blind and Disabled
  - Parents/ caretakers
- These groups may be phased in over time based on available funding.

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**LIP Uncompensated Care Sub-Pool**

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Florida Legislative Direction

• The 2017 General Appropriations Act (GAA) gives the Agency full spending authority for the projected 2017-18 LIP Allotment ($1.5 billion).
• The funds are placed into reserve pending submission of a budget amendment to the House of Representatives and Senate requesting release of the funds.
  – Will include a 2017-2018 Low Income Pool distribution model which will show the funding distribution by entity and the entities contributing intergovernmental transfers (IGTs).
  – Will include the Reimbursement and Funding Methodology Document.
• Per GAA: “If the chair and vice chair of the Legislative Budget Commission or the President of the Senate and the Speaker of the House of Representatives object in writing to a proposed amendment within 14 days after notification, the Governor shall void the action.”

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Vision of Road Map (Next Steps)

- Hospitals should meet with their local governmental entities to explore additional sources of IGTS
- Draft timeline (subject to change):
  - Stakeholder LIP models due to the Agency by June 30
  - Agency will hold a second public meeting by July 25
  - Agency submits budget amendment by August 11
    - Legislature has 14 days to approve/disapprove LIP model
  - August 2017: Agency will send out Letters of Agreement (LOAs)
  - Per 2017 SB 2514 by October 1: An executed LOA must be submitted to the Agency
  - Per 2017 SB 2514 by October 31: IGT funds are due to the Agency

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Public Comment:
Public Comments

• You may provide comments:
  – in writing at the meeting
  – by e-mail to LIPProvidersReports@ahca.myflorida.com or
  – in writing through the US Mail to the address listed below.

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