



CHARLIE CRIST
GOVERNOR

Better Health Care for all Floridians

THOMAS W. ARNOLD
SECRETARY

May 31, 2010

Mr. Mark Pahl, Project Office
Centers for Medicare and Medicaid Services
Center for Medicaid and State Operations
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, Maryland 21244-1850

Re: Florida's Medicaid Reform Section 1115 Demonstration: Special Term and Condition #105

Dear Mr. Pahl,

On January 29, 2010 the Agency for Health Care Administration received approval from Centers for Medicare and Medicaid Services (CMS) of the State's request to amend #105 of the Special Terms and Conditions for the Florida Medicaid Reform section 1115 Demonstration (project No. 11-W-0000-5/4). The approval was effective February 1, 2010 and the second deliverable of the revised STC is the submission of required report outlined in 2(a) below is due May 31th, 2010. We are pleased to submit the report for your consideration.

Amended STC 105

At the beginning of demonstration year 5, \$700 million will be available. At the beginning of demonstration year 5, an additional \$150 million will be available at the completion of milestones due on or before demonstration year 4 ending June 30, 2010. An additional \$150 million will be available at the completion of milestones due on or before October 31, 2010.

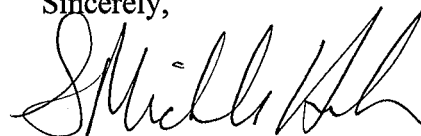
- 2) The Florida Agency for Health Care Administration will provide:
 - (a) A report of the LIP dollars currently allocated (by the State and/or health system) to participating providers that are within the operating budgets for State fiscal year 2009 – 2010 (SFY) to fund alternative delivery systems that provide ambulatory and preventive care services in non-inpatient settings by May 31, 2010. The report will provide a baseline assessment of current administrative capabilities and develop a reporting process to prospectively track the use of LIP funds allocated to hospital entities and subsequently used to fund uncompensated care in ambulatory and preventative care settings.



In compliance with the amended STC#105 2 (a), the Agency has enclosed the following report that meet the requirement stated above. The report titled "Amended Special Term and Condition 105.2a State Fiscal Year 2009-10 Low Income Pool funding of Funding Alternative Delivery Systems" provides details of the baseline assessment as well as information pertaining to future reporting. The report contains two attachments. The first "Attachment 1" providing CMS with the standard letter and template provided to participating hospitals for the purpose of reporting. The second, "Attachment 2" provides the details of the hospital reports as used in the final report.

We appreciate your support and efforts in working with our staff on Florida's Medicaid Reform section 1115 Demonstration Wavier and look forward to a timely review and approval as this will facilitate our ability to meet subsequent deadlines in STC #105. Should you have any questions, please contact me at (850) 412-4075. We look forward to continuing to work with you.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Michele Hudson". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

S. Michele Hudson

Bureau Chief, Medicaid Program Analysis

cc: Anna DuBois, CMS Florida Analyst