



CHARLIE CRIST
GOVERNOR

Better Health Care for all Floridians

THOMAS W. ARNOLD
SECRETARY

June 29, 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 (STC) #105.2(b)

Dear Mr. Pahl,

On January 29, 2010, the Agency for Health Care Administration (Agency) received approval from the Centers for Medicare and Medicaid Services (CMS) for 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 third deliverable of the revised STC is the submission of the required report outlined in 2(b) below, due June 30, 2010. We are pleased to submit this letter in compliance with STC #105.2(b).

Original STC 105

At the beginning of demonstration year 5, \$700 million will be available. An additional \$300 million will be available at the time the demonstration is operating on a statewide basis for a total of \$1 billion.

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.
 - (b) An update with SFY 2010-11 projections for LIP dollars allocated (as described in 2 a) to participating providers by June 30, 2010. This update will include descriptions of increases to allocations and changes to current allocations.

Agency Update

The report titled “**Amended Special Term and Condition 105.2a State Fiscal Year 2009-10 Low Income Pool funding of Funding Alternative Delivery Systems**” submitted May 31, 2010, stated that data from the providers will be collected on an annual basis. The Agency will report on SFY 2010-11 activities by May 31, 2011. This annual reporting process will be an item addressed by the LIP Council throughout the remainder of 2010 to address any areas of concern or areas for improvement of the templates.

The SFY 2010-11 General Appropriations Act was signed into law by the Governor on May 28, 2010. The Agency is currently working to prepare Letters of Agreement with counties and taxing districts to secure the non-federal portion of LIP funding for demonstration year 5. As the SFY begins July 1, 2010, the State will contract through Letters of Agreement (LOAs) for the non-federal share. Due to the fact that most counties and taxing districts operate on the federal year as opposed to the state year, a majority of LOAs will not be executed until October 2011. As a result, most LIP providers will not receive LIP funding prior to the end of October 2011. Funding information from the providers is not available for detailed reporting until the LOAs have been executed.

In compliance with STC #105.2(b), the Agency has attached the high level LIP distribution overview for SFY 2010-11, as authorized in the General Appropriation Act (GAA). Once the Agency receives updated reports from providers for the coming year, the final report will be prepared and submitted to CMS on May 31, 2011.

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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 awarded 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 cursive script that reads "S. Michele Hudson". The signature is written in black ink and is positioned above the printed name and title.

S. Michele Hudson
Bureau Chief, Medicaid Program Analysis

cc: Anna DuBois, CMS Florida Analyst

Low Income Pool Distribution Overview

	SFY 2009-10	SFY 2010-11		
	SB 2600	Council Recommendations	GAA SA 191	Enhanced FMAP (back of the bill)
Primary Care	9,518,238	10,054,727	9,927,653	10,054,727
Trauma	9,683,541	9,683,541	9,561,158	9,449,574
Rural	6,315,614	6,315,614	6,235,796	6,163,021
Allocation Distribution	846,378,125	839,273,636	821,140,327	735,112,121
Specialty Pediatrics	1,582,952	1,582,952	1,562,943	1,544,706
Safety Net	75,454,515	77,022,515	74,504,060	136,086,671
FQHCs	18,276,256	22,276,256	18,276,256	18,276,256
County Initiatives	9,550,939	10,550,939	9,550,939	9,550,939
Hospital Primary Care	3,000,000	3,000,000	3,000,000	3,000,000
Premium Assistance - Miami Dade	250,000	250,000	250,000	250,000
Premium Assistance _HDPB	15,867,014	15,867,014	15,867,014	15,867,014
Poison Control	3,172,806	3,172,805	3,172,805	3,172,805
ER diversion	1,200,000	1,200,000	1,200,000	1,200,000
Waiver change	123,577,163			
Primary Care residency slots			1,000,000	1,000,000
Primary Care Services			25,001,040	38,947,353
Safety Net II (high Medicaid and Charity)				10,574,807
Total LIP	1,123,827,163	1,000,249,999	1,000,249,991	1,000,249,994