

From: Jensen, Richard (CMS/CMCS)
Sent: Tuesday, December 13, 2011 12:43 PM
To: Senior, Justin
Cc: Macdonald, Linda; Pahl, Mark W. (CMS/CMCS); Boben, Paul J. (CMS/CMCS)
Subject: Clarification of Tier 1 Milestone

Justin,

On recent calls we discussed the annual \$50 million requirement under the Tier One milestone. The following language is included in the Tier One STC:

Development and implementation of a State initiative that requires Florida to allocate \$50 million in total LIP funding in DY 7 and DY 8 to establish new, or enhance existing, innovative programs that meaningfully enhance the quality of care and the health of low income populations.

CMS interprets this requirement as follows:

The 2011/2012 LIP allocation between hospital and non-hospital providers is roughly \$900/\$100 million. The intent of the Tier One milestone is to move the split (by \$50 million) to roughly \$850/\$150 million in DY 7 and then repeat the split in DY 8. We recognize that some of the \$50 million could be allocated into the hospital provider pot, however the monies would have to be clearly identified and segregated for the purpose of program development as identified in the STC language. We wanted to clarify that the intent was not to grow the split to \$800/\$200 million in DY 8.

The purpose of this email exchange is to confirm with and have agreement by the State with the meaning of the language "\$50 million in total LIP funding in DY 7 and DY 8".

I hope this clarifies the STC. Let us know if you have any further questions.

Thanks

Richard

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