



# **Low Income Pool**

# **Additional Local Match Proposal**

# Low Income Pool Funding Shortfall

- To maintain funding at 2007-08 level, \$90 million in additional funding is needed
- Based on the state's budget, it is unlikely to come from non-recurring general revenues
- As a result, to fund LIP at 2007-08 levels, additional local match dollars are needed
- The Health Care District of Palm Beach County has the opportunity to provide an additional \$30 million in local match

# Replacement Hospital – Lake Okeechobee Region

- Statutory Rural Hospital built in 1939; expanded in 1965 is the safety net hospital for the region
- Hurricanes Francis, Jeanne, and Wilma further compromised the already aged facility
- Health Care District made a decision to replace the existing hospital with a \$73 million facility to serve the entire SE Lake Okeechobee region
- District has pledged \$50 million to the project
- A \$23 million shortfall remains

# An Important Safety Net Hospital

- 50,000 residents in the geographically isolated service area
- One-third of the population below poverty; Two-thirds below 200% of poverty
- 30 percent of the population uninsured
- 50 percent of the hospital's patients are on Medicaid
- 13 percent of the hospital's patients are Self-Pay/Uninsured
- Without the hospital patients would go without care or be forced to travel east to hospitals along the coast

# The Plan for the Replacement Hospital



- 70 beds
  - Oversized ER
  - Centrally located in the region
  - Access to Aeromedical transport
  - Hurricane and flood resistance
- The mission of the hospital is to provide high quality medical care to the community that experiences a high prevalence of chronic disease, a disproportionately low income population, and a medically needy population.

# Special Terms and Conditions #96

## Low Income Pool Permissible Expenditures 10 percent Sub Cap

- Allows for up to 10 percent (\$100 million) of the capped annual allotment of the LIP funds to be used for hospital expenditures other than payments to providers for the provision of health care services to an uninsured or underinsured individual.
- Payments from this sub-cap may be used for improvement or continuation of specialty health care services that benefit the uninsured or underinsured, such as capacity building and infrastructure, including rural hospital services

# Additional Local Match Proposal

- Health Care District of Palm Beach County could provide an additional \$30 million in local match for 2008-09
- The funds are for the construction of a replacement hospital which are consistent with the provisions of STC #96 for the “improvement or continuation of specialty health services...such as capacity building and infrastructure”

# Match Proposal

- The \$30 million local match will generate a \$37,264,574 federal match
- Total funds available will be \$67,264,574
- If the hospital construction project received a payment of \$37,264,574 to support the safety net infrastructure, \$30,000,000 would be available to support other LIP payments / healthcare services
- Additional local match funds are consistent with the intent of LIP as this hospital is a rural hospital serving a disproportionate amount of Medicaid, Uninsured, and Underinsured patients
- Non-recurring project