



Draft Summary
Low Income Pool (LIP) Council
Thursday, January 5, 2012
10:00 a.m. - 4:00 p.m.

Members Present

Phil Williams, LIP Chairman
Hugh Greene
William Robinson

AHCA Staff and Presenters

Tom Wallace
Lecia Behenna
Bill Perry
Ryan Perry
Nicole Maldonado

Members Absent

Mark Knight
Dr. Mark McKenney
Dee Schaeffer
Lewis Seifert
Gary Uber

Members Attending by Phone

Fred Ashworth
John Benz
Dr. Karen Chapman
Michael Gingras
Steve Harr
Mike Hutchins
Kevin Kearns
Mike Marks
Steve Mason
Charlotte Mather
Dr. Edwin Pigman
Ray Reed
Dave Ross
Patrick Schlenker
Steve Short
Dr. Ron Wiewora

Welcome

The Low Income Pool (LIP) Council meeting was conducted at the Agency for Health Care Administration (Agency) in Tallahassee, Florida. Mr. Phil Williams, LIP Council Chairman and Assistant Deputy Secretary for Medicaid Finance, opened the meeting with a welcome and a brief roll call. December 13th Minutes were approved with no objections.

Updates

Mr. Williams provided a brief update on the 1115 Waiver renewal, stating the discussions continue with Federal CMS.

Discussion and Selection of Recommended Model

The LIP Council recommendation on the approved funding model for SFY 2012-13, Model 9C, was adopted unanimously by the Council at its January 5, 2012, meeting. This represents the first time in Council history that a recommended model has been adopted without objection.

The following table is a brief financial summary by component (in millions) of the Council's recommendations (Model 9C) for SFY 2012-13:

	Council Recommendations <u>SFY 2012-13</u>
Low Income Pool:	
• LIP Hospital	\$771.6
• Special LIP	\$113.4
• LIP Non-Hospital	\$115.3
Total LIP	\$1,000.3
Related Programs:	
• Disproportionate Share Hospital	\$260.0
• Exemptions and Liver	\$648.5
• Medicaid "Buy-Back" Program	\$130.5
Total LIP Related	\$1,039.0
Total LIP and Related Programs	<u>\$2,039.3</u>

The LIP Council reviewed several options and approaches for consideration of LIP funding at each LIP Council meeting. Models which utilized no additional state funds and maximized the use of local IGTs were considered.

Major Council recommendations include a comprehensive proposal which:

- Fully allocates the \$1 billion of the federally-approved LIP allocation authorized by the Florida Medicaid 1115 Waiver;
- Requests \$18.7 million in continued state GR funding;
- Partially funds, via a tiered approach, the Exemption Program (including global liver fee) using SFY 2011-12 policy guidelines at a level of \$648.5 million;
- Uses a 10 percent Medicaid, charity, and bad debt threshold for general distributions; an 8.5 percent allocation factor; and a \$2.4 million charity distribution pool for rural hospitals;
- Fully distributes available federally allotted DSH funding of \$260 million;
- Continues the currently authorized self-exemption policy for public hospitals which can provide qualified IGTs and continues the same self-exemption policy to allow for the buy-back of the cost margin between the current exempt rate and 100 percent of Medicaid allowable costs for public hospitals;
- Authorizes maximizing exemption and buy back authority for all qualifying hospital providers with access to qualified IGT matching funds;
- Allocates \$50 million to fulfill the new Tier One milestone requirement as specified in 1115 Waiver renewal Special Terms and Conditions (STC) 61. Of the \$50 million:
 - \$15 million of these funds are to be distributed to hospitals based on the hospital meeting specific Quality Measures collected by the Agency for Health Care Administration and Core Measures collected by CMS.

- The remaining \$35 million will be distributed via an open, competitive process to be administered by the Agency.

Adjournment

The meeting was adjourned at 12:15 p.m.