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**PROPOSED SENATE BUDGET CUTS ELIMINATE HEALTHCARE COVERAGE
FOR TENS OF THOUSANDS OF CITIZENS; COST FLORIDA'S COMMUNITIES
\$416 MILLION**

TALLAHASSEE, Fla., April 7, 2004 – State lawmakers are planning Medicaid budget cuts that would eliminate healthcare coverage for tens of thousands of Florida's neediest citizens – the catastrophically ill and low-income pregnant women – and cost Florida's communities \$416 million, the Florida Hospital Association (FHA) said today.

Lawmakers want to cut Medicaid in three areas that would jeopardize care for Florida's most vulnerable and deserving citizens, and further strain the state's already frayed healthcare safety net. The three key areas targeted for cuts include:

- Eliminating the Medically Needy program, which covers 35,000 catastrophically ill citizens – cancer and dialysis patients, organ transplant recipients, and AIDS victims. Many of these patients have exhausted their incomes and insurance coverage due to their illnesses, and face medical bills as high as \$3,000 per month.
- Ending coverage for 7,000 poor, pregnant women and their children by lowering the Medicaid eligibility level from 185 percent to 150 percent of the Federal Poverty Guidelines.
- Capping Medicaid reimbursements to hospitals at a level below the actual cost of providing care.

"On behalf of our state's most vulnerable citizens, we are asking the Legislature not to go forward with these cuts," said Tony Carvalho, Senior Vice President of the 230-member Florida Hospital Association. "These cuts will jeopardize thousands of people in need. It is wrong to attempt to balance the budget on the backs of our sickest citizens. As a state, we can do better."

The total negative economic impact to Florida's 67 counties as a result of the cuts is \$416 million on an annualized basis, according to a county-by-county analysis conducted by FHA. This includes the elimination of Medicaid reimbursements to hospitals and doctors, along with the loss of ancillary Medicaid spending on items such as medical equipment and transportation services.

Among the counties that would feel the greatest financial burden due to the Medicaid cuts is: Dade, which would lose \$98 million; Orange, \$37.5 million; Broward, \$35.4 million; Hillsborough, \$35.3 million; Palm Beach, \$28.7 million; and Pinellas, \$22.1 million.(more)

The proposed cuts would eliminate \$329 million annually for critical patient care provided by hospitals. Hit especially hard would be trauma centers, the state's teaching hospitals, and facilities that specialize in care to children and our rural communities.

Among hospitals, the biggest impact would be on Jackson Memorial Hospital in Miami, at \$40.9 million. Other hospitals that would see a dramatic rise in their uncompensated care would include Florida Hospital/Adventist Health System in Orlando, \$16.6 million; Tampa General Hospital, \$12.1 million; Orlando Regional Medical Center, \$11.4 million; Broward General Medical Center, \$8.2 million; Shands Jacksonville Medical Center, \$7.1 million; and Miami Children's Hospital, \$5.6 million.

The Legislature's proposed Medicaid cuts are in actuality a cost shift to local communities, since these patients depend on government assistance to survive, FHA officials said.

Not only do these proposed cuts create a great deal of anxiety among our state's most vulnerable citizens, they are counterproductive to our state's goal of maximizing federal funds, FHA said. Because Medicaid is a state-federal program, Florida will forfeit \$245 million dollars in federal reimbursements if the Senate budget recommendations are adopted. Although local communities will feel the brunt of the entire reduction, the state will only be able to use a portion of the "so called" savings in their budget.

Furthermore, the Legislature's proposed budget cuts also swell the ranks of the uninsured in a year in which lawmakers have spent a great deal of time and energy looking for ways to reduce the number of uninsured. Florida currently ranks fourth in the nation in the number of uninsured, with one-in-five citizens lacking coverage. Ironically, one of the consequences of this new cost shift will be an increase in upward pressure on health insurance premiums.

"Florida's hospitals already provide \$1.5 billion in uncompensated care annually to the uninsured. Our hospitals are doing more than their fair share to help citizens who lack coverage," Carvalho added. "These cuts will hurt our sickest patients and cause the number of uninsured to grow. Our hospitals cannot handle this burden alone, and we're asking lawmakers to please rethink the wisdom of these cuts."

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Editor's note: A county-by-county and a hospital-by-hospital analysis of the impact of the Legislature's proposed Medicaid cuts are attached.

Impact Analysis

<http://www.fha.org/protected/EstimatedImpactbyHospital.xls>

<http://www.fha.org/protected/EstimatedImpactbyCounty.xls>