

Florida's Medicaid Program

Background

In Florida, nearly four million people rely on the Medicaid program for access to health care services. Pregnant women, elderly and disabled Floridians are all served by the fourth largest Medicaid program in the nation. And, low-income children are the largest group of people served, comprising 60 percent of the program's enrollees. Therefore, ensuring access to health care services in all communities is critical. Florida's hospitals are committed to support innovative Medicaid policy and payment models that improve access, increase efficiency in care delivery and advance high-value care, which improves patient outcomes and health.

Promote innovative Medicaid policy and payment models that improve access, efficiency and advance high-value care.

Issue

With its recent proposed Medicaid Fiscal Accountability Rule (MFAR), the federal government is contemplating significant changes to how states finance their Medicaid program, specifically new limitations for providers and local governments financing the state's share of program costs. The rule would significantly change how providers and local governments could finance base rates and supplemental payments; Disproportionate Share Hospital (DSH) payments; health care-related taxes and provider-related donations. Florida's Medicaid program relies heavily on the use of intergovernmental transfers (IGTs) to make up the Legislature's significant reductions to hospital Medicaid payments over the last several years. In fact, hospitals, in partnership with their local governments, provide over \$881 million in IGTs to fund the state share of Florida's Low Income Pool, Medicaid and Graduate Medical Education programs. The MFAR rule, as proposed, would put all IGTs – \$881 million total – at risk due to uncertain authority to continue utilizing local contributions to fund Florida's state share obligation.

Solution

Given the uncertainty at the federal level, it is critical that the Legislature provide stability and protect vital state funding for the Medicaid program, ensuring the continuation of essential health care services for low-income children, pregnant women, the elderly and disabled people. Florida should continue to focus efforts on reducing costs by advancing "value-based principles of patient-centered outcomes and quality care." Florida's hospitals strongly support initiatives to:

- ✓ Improve health outcomes through pay-for-performance and value-based incentive programs that align with federally recognized models for hospitals serving patients with Medicaid coverage.
- ✓ Reduce health care costs by identifying and decreasing potentially preventable episodes such as nonemergent use of the emergency department and preventing avoidable readmissions.
- ✓ Increase access and integration of critical patient care information and data across all health care settings to improve care coordination.
- ✓ Identify new funding opportunities at the federal level to innovate and improve Florida's Medicaid program.