

MEMORANDUM

Agenda Item No. 11(A)(11)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: July 16, 2013

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Resolution opposing any further cost shifts by the Florida Legislature to Miami-Dade County related to county Medicaid contributions and opposing any delay or elimination of the transition to a Medicaid enrollees formula; identifying this issue as a critical county priority for the 2014 and 2015

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Chairwoman Rebeca Sosa.



R. A. Cuevas, Jr.
County Attorney

RAC/lmp



MEMORANDUM
(Revised)

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and Members, Board of County Commissioners

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Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(11)
7-16-13

RESOLUTION NO. _____

RESOLUTION OPPOSING ANY FURTHER COST SHIFTS BY THE FLORIDA LEGISLATURE TO MIAMI-DADE COUNTY RELATED TO COUNTY MEDICAID CONTRIBUTIONS AND OPPOSING ANY DELAY OR ELIMINATION OF THE TRANSITION TO A MEDICAID ENROLLEES FORMULA; IDENTIFYING THIS ISSUE AS A CRITICAL COUNTY PRIORITY FOR THE 2014 AND 2015 SESSIONS; URGING THE FLORIDA ASSOCIATION OF COUNTIES TO IDENTIFY THIS ISSUE AS ONE OF ITS PRIORITIES FOR THE 2014 AND 2015 SESSIONS

WHEREAS, beginning in 1972, the Florida Legislature has required each county in Florida to make contributions for Medicaid services for that county's residents; and

WHEREAS, Florida is one of only a few states in the United States that requires counties to share in Medicaid costs, with most states covering the entire non-federal share of Medicaid; and

WHEREAS, prior to the 2013 session, Florida law required counties to reimburse the state for 35 percent of the cost of:

- Inpatient hospitalization for days 11 through 45, with the certain exceptions; and
- Nursing home facility care in excess of \$170 per month, limited to \$55 per resident per month, with certain exceptions; and

WHEREAS, in 2008, a new electronic billing system was implemented at the State of Florida Agency for Health Care Administration (AHCA) to administer County Medicaid Contributions, but this billing system proved to be flawed and inaccurate from the start; and

WHEREAS, many counties in the state, including Miami-Dade County, disputed a large number of Medicaid billings because they were duplicative or for people who were not residents of the particular county and in some cases were not even residents of the State of Florida; and

WHEREAS, an independent analysis in Orange County, for example, showed that Orange County taxpayers had been billed for an estimated \$3.5 million in duplicative billings, in one case, Orange County was billed 15 separate times for a single Medicaid recipient; and

WHEREAS, during the 2012 regular session, the Florida Legislature passed HB 5301, Chapter No. 2012-33, Laws of Florida, which codified AHCA's flawed County Medicaid Contributions system and required county taxpayers to make retroactive payments for Medicaid billings that had been disputed; and

WHEREAS, HB 5301 increased Medicaid costs to county taxpayers across the state, including Miami-Dade County taxpayers, adding \$14 million to Miami-Dade County's Medicaid contributions in the first year and \$7 million for each of the next four years; and

WHEREAS, during the 2013 regular session, the Florida Legislature moved to a new Medicaid hospital reimbursement system based on Diagnosis Related Groups (DRGs), similar to the reimbursement system used for Medicare; and

WHEREAS, moving to a system based on Diagnosis Related Groups required the Legislature to revisit the issue of County Medicaid Contributions in a new bill, SB 1520, Chapter No. 2013-048, Laws of Florida; and

WHEREAS, SB 1520 eliminated the accountability of reviewing individual Medicaid billings that previously had ensured that Miami-Dade County taxpayers only paid for Medicaid services incurred by Miami-Dade County residents, and moved counties to a formula-based system which in the first few years requires counties to pay Medicaid contributions based on each county's percentage of total statewide County Medicaid Contributions based on the flawed AHCA billing system; and

WHEREAS, this Board would like to acknowledge the efforts of Miami-Dade Delegation members who successfully worked to lessen the impact of SB 1520 on Miami-Dade County taxpayers; and

WHEREAS, nonetheless, SB 1520 further increases Medicaid costs to county taxpayers across the state, including Miami-Dade County taxpayers, substantially increasing Miami-Dade County's Medicaid contributions from \$47.4 million to \$57.5 million over the next eight years for a total increase of \$10.1 million over this time period; and

WHEREAS, this \$10.1 million increase is additional to the \$35 million increase over the next five years based on HB 5301 from the 2012 session; and

WHEREAS, SB 1520 currently requires Miami-Dade County to pay 18.85 percent of the total statewide County Medicaid Contributions of \$269.6 million in fiscal year 2013-14 and 18.85 percent of \$277 million in fiscal year 2014-15, regardless of the particular Medicaid services Miami-Dade County residents actually use; and

WHEREAS, starting in fiscal year 2015-16, SB 1520 begins a transition of County Medicaid Contributions from a formula based on the AHCA billing system to a formula based on Medicaid enrollees; and

WHEREAS, while both the formula based on Medicaid enrollees and the formula based on each county's percentage of total statewide County Medicaid Contributions have a substantial fiscal impact on Miami-Dade County, the impact to Miami-Dade County is less under the Medicaid enrollee formula than it is under the AHCA billing system formula; and

WHEREAS, as such, it is in Miami-Dade County's best interest to transition to the Medicaid enrollee formula as soon as possible under SB 1520 and not delay or eliminate this transition; and

WHEREAS, there may be an attempt in upcoming sessions to again revisit County Medicaid Contributions and delay or eliminate the transition to a formula based on Medicaid enrollees; and

WHEREAS, this Board would strongly oppose any further revisions to County Medicaid Contributions that would result in Miami-Dade County taxpayers paying a larger share of County Medicaid Contributions than Miami-Dade County already pays, including any delay or elimination of the transition to a formula based on Medicaid enrollees,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board:

Section 1. Opposes any further cost shifts by the Florida Legislature to Miami-Dade County related to County Medicaid Contributions and opposes any delay or elimination of the transition to a formula based on Medicaid enrollees.

Section 2. Identifies the issue set forth in section 1 above as a critical County priority for the 2014 and 2015 state legislative sessions.

Section 3. Urges the Florida Association of Counties to include this issue as one of its critical priorities for the 2014 and 2015 sessions.

Section 4. Directs the Clerk of this Board to send a certified copy of this resolution to the Governor, Senate President, House Speaker, the Chair and Members of the Miami-Dade State Legislative Delegation, President of the Florida Association of Counties/Leon County Commissioner Bryan Desloge, and the Executive Director of the Florida Association of Counties.

Section 5. Directs the County's state lobbyists to oppose any further cost shifts related to County Medicaid Contributions to Miami-Dade County by the Florida Legislature as

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set forth in section 1 above, and authorizes and directs the Office of Intergovernmental Affairs to include this item as a critical County priority in the 2014 and 2015 State Legislative Packages when they are presented to the Board.

The Prime Sponsor of the foregoing resolution is Chairwoman Rebeca Sosa. It was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairwoman
Lynda Bell, Vice Chair

Bruno A. Barreiro
Jose "Pepe" Diaz
Sally A. Heyman
Jean Monestime
Sen. Javier D. Souto
Juan C. Zapata

Esteban L. Bovo, Jr.
Audrey M. Edmonson
Barbara J. Jordan
Dennis C. Moss
Xavier L. Suarez

The Chairperson thereupon declared the resolution duly passed and adopted this 16th day of July, 2013. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Jess M. McCarty

