

MEMORANDUM

Agenda Item No. 11(A)(2)

TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

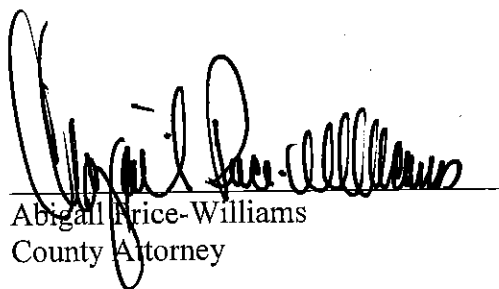
DATE: April 5, 2016

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Resolution directing the County
Mayor to prepare and submit a
report regarding funding for
indigent health care in Miami-
Dade County

Resolution No. R-287-16

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Daniella Levine Cava and Co-Sponsor Commissioner Barbara J. Jordan.



Abigail Price-Williams
County Attorney

APW/smm



MEMORANDUM

(Revised)

TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

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SUBJECT: Agenda Item No. 11(A)(2)

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
- Statement of social equity 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)(2)
4-5-16

RESOLUTION NO. R-287-16

RESOLUTION DIRECTING THE COUNTY MAYOR OR
MAYOR'S DESIGNEE TO PREPARE AND SUBMIT A
REPORT REGARDING FUNDING FOR INDIGENT HEALTH
CARE IN MIAMI-DADE COUNTY

WHEREAS, the Low Income Pool (LIP) is a pool of funds made up of both local and federal dollars to offset the cost of providing charity care; and

WHEREAS, in 2005, the Secretary of the U.S. Department of Health and Human Services (HHS) granted Florida permission to establish the LIP program, and the Florida Legislature created LIP as part of the Medicaid reform waiver; and

WHEREAS, the intended purpose of the waiver and the LIP program was to shift existing Medicaid patients into managed care organizations and provide financial support to Florida's safety-net hospitals during this transition; and

WHEREAS, local governments, including Miami-Dade County, provide funding for the non-federal share of LIP distributions as inter-governmental transfers (IGTs); and

WHEREAS, counties with the greatest sources of indigent care funding have contributed most of the IGTs and have received most of the LIP distributions; and

WHEREAS, for fiscal year 2014-2015, Miami-Dade County contributed approximately \$424 million in IGTs, and more than \$570 million was allotted to the primary safety-net hospital system in Miami-Dade, the Jackson Health System; and

WHEREAS, in fiscal year 2015-2016, Miami-Dade County will send about \$217 million in IGTs, and should receive about \$285 million in return after the federal match, which will be distributed among local hospitals, including about \$250 million to the Jackson Health System; and

WHEREAS, since its inception, LIP has been the major source of funding for uncompensated medical care costs for uninsured patients in Miami-Dade County and across Florida; and

WHEREAS, LIP will be significantly reduced in fiscal year 2016-17 both because the migration of Medicaid enrollees to managed care plans is complete and the size of the LIP cannot include funding for the costs of treating the number of Floridians who would be eligible for Medicaid under the Affordable Care Act; and

WHEREAS, as a result of the intent of the Centers for Medicare and Medicaid (CMS) to terminate the LIP program, CMS and the State of Florida have negotiated a reduction in LIP by over 50 percent for fiscal year 2015-2016, and by 75 percent for fiscal year 2016-2017, as well as other LIP payment restrictions; and

WHEREAS, for state fiscal year 2016-2017, House and Senate budget negotiators have reached tentative agreement on local LIP disbursements, and Miami-Dade County's share is likely to be significantly reduced; and

WHEREAS, the estimated total statewide economic impact of the anticipated reduction of LIP funds in fiscal year 2016-2017 is a \$4.85 billion loss over 5 years, with a substantial part of this impact being in Miami-Dade County; and

WHEREAS, there are other additional funding sources for indigent health care utilized by the County, such as the Medicaid Disproportionate Share Hospital Program (DSH) that are also scheduled for significant reductions beginning in 2017; and

WHEREAS, at the same time that CMS plans to reduce Florida's LIP program, the Affordable Care Act authorizes states to expand Medicaid funding for low-income adult patients; and

WHEREAS, the scheduled reduction of LIP funding in Florida could be more than offset by the acceptance of expanded Medicaid funding for uninsured low-income adults under the Affordable Care Act; and

WHEREAS, the Florida Legislature has nevertheless indicated that it will not presently consider accepting expanded Medicaid funding under the Affordable Care Act; and

WHEREAS, the fate of indigent health care funding sources, such as LIP and DSH, will have significant financial impact on Miami-Dade County; and

WHEREAS, it is evident that the future of indigent health care funding is extremely uncertain; and

WHEREAS, it is the intent of this Board to review the County's efforts to provide indigent health care for individuals and to maximize the available sources of funding to provide such care; and

WHEREAS, in light of the foregoing, this Board desires to have the County Mayor or Mayor's designee prepare and submit a comprehensive report regarding funding for indigent health care in Miami-Dade County that includes, but is not limited to, consideration of issues relating to: (1) the amount of funding the County presently spends on indigent health care; (2) the various sources of funds presently used for indigent health care services, such as LIP, DSH and other governmental or charity programs; (3) the likelihood that indigent health care funding sources will continue into the future; (4) whether the County's indigent health care services can remain the same or will need to be reduced; (5) whether the County can retain and reallocate IGT funds previously submitted to the State of Florida in the name of a designated local health care provider; and (6) recommendations to maximize the County's funding of indigent care,

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

Section 1. Directs the County Mayor or Mayor's designee to prepare and submit a comprehensive report regarding funding for indigent health care in Miami-Dade County that includes, but is not limited to, consideration of issues relating to: (1) the amount of funding the County presently spends on indigent health care; (2) the various sources of funds presently used for indigent health care services, such as LIP, DSH and other governmental or charity programs; (3) the likelihood that indigent health care funding sources will continue into the future; (4) whether the County's indigent health care services can remain the same or will need to be reduced; (5) whether the County can retain and reallocate IGT funds previously used for LIP or DSH for other health care needs; and (6) recommendations to maximize the County's funding of indigent care.

Section 2. Directs the County Mayor or Mayor's designee to provide the report, including findings, results and recommendations to this Board within 60 days of the effective date of this resolution and place the completed report on an agenda of the Board pursuant to Ordinance 14-65.

The Prime Sponsor of the foregoing resolution is Commissioner Daniella Levine Cava and the Co-Sponsor is Commissioner Barbara J. Jordan. It was offered by

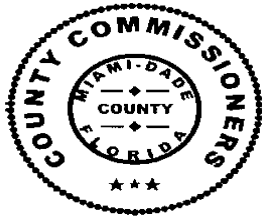
Commissioner **Rebeca Sosa**, who moved its adoption. The motion was seconded by

Commissioner **Xavier L. Suarez** and upon being put to a vote, the vote was as follows:

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Jean Monestime, Chairman	aye		
Esteban L. Bovo, Jr., Vice Chairman	aye		
Bruno A. Barreiro	absent	Daniella Levine Cava	aye
Jose "Pepe" Diaz	aye	Audrey M. Edmonson	aye
Sally A. Heyman	aye	Barbara J. Jordan	aye
Dennis C. Moss	absent	Rebeca Sosa	aye
Sen. Javier D. Souto	absent	Xavier L. Suarez	aye
Juan C. Zapata	absent		

The Chairperson thereupon declared the resolution duly passed and adopted this 5th day of April, 2016. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.



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

HARVEY RUVIN, CLERK

By: **Christopher Agrippa**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

A handwritten signature in black ink, appearing to be "C. Kokoruda", written over a horizontal line.

Christopher C. Kokoruda