Memorandum

Date: July 21, 2026

To: Honorable Chairman Anthony Rodriguez
and Members, Board of County Commissioners

Supplement
Agenda Item No. 4(B)

From: Daniella Levine Cava
Mayor

Subject: Ordinance Amending Article IV of Chapter 18 Relating to the Hospital Mandatory Payments

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Recommendation
It is recommended that the Board of County Commissioners (Board) approve an amendment to Article IV of Chapter 18 of the Code of Miami-Dade County (Code) relating to the Hospital Mandatory Payments. This ordinance will update the petition requirements and streamline the annual process for petition submission, review, and notice relating to mandatory payments, which are imposed to fund the non-federal share of Medicaid Supplemental Payment Programs within the County.

Scope
The Hospital Mandatory Payments are countywide, but affect only private, for-profit or not-for-profit hospitals (and their respective properties), which are not subject to an approved waiver from the Centers for Medicare and Medicaid Services (CMS) pursuant to 42 CFR § 433.68. The affected hospital properties are located throughout multiple County Commission Districts, which are represented by several County Commissioners.

Fiscal Impact/Funding Source
This amendment to the Code will result in no economic impact to the County's budget and no increase or decrease in County staffing. The funds collected via the mandatory payment will reimburse all costs incurred by the County for the administration of the mandatory payment.

Social Equity Statement
The proposed ordinance seeks to impose mandatory payments against certain hospitals within the County to fund the non-federal share of Medicaid Supplemental Payment Programs. The implementation of this ordinance could provide a social benefit to the residents of the County; however, its exact impact cannot be determined at this time.

Track Record/Monitor
The mandatory payments will be managed by the Internal Compliance Department and monitored by Ms. Ofelia E. Tamayo, Director.

Delegation of Authority
This ordinance authorizes the County Mayor or County Mayor's designee to execute any agreements required by the Florida Agency for Health Care Administration (AHCA) or the federal government to implement the Intergovernmental Transfers (IGTs) or other components of the program, subject to approval by the County Attorney's Office as to form and legal sufficiency.

Background
Medicaid is a joint federal-state health insurance program that provides medical coverage to a low-income population consisting of children, pregnant women, people over 65, and individuals with

disabilities. *See* 42 U.S.C. § 1396, et seq. Although the program is administered by the states, Medicaid is jointly funded by states and the federal government through federal matching of state funds. *See* 42 U.S.C. § 1396b. State general revenue comprises a large share of the funds receiving a federal match.

Other forms of revenue collection, however, also qualify for matching. For example, local governments can collect funds and use IGTs to send those funds to the state for federal matching. *See* Social Security Act § 1902(a)(2); 42 CFR § 433.51. IGTs have the advantage of increasing the magnitude of federal spending without a commensurate increase in state general revenue spending. So long as the collection of funds and these IGTs comply with federal rules, they are eligible for the federal match. *See* Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991, PL 102–234, December 12, 1991, 105 Stat. 1793; Social Security Act § 1903(w).

Medicaid payments funded by federal matching serve a vital public purpose. Hospitals that provide Medicaid services or other forms of indigent care often fail to receive full compensation for those services. It has been estimated that Medicaid reimbursement equates to approximately 66 percent of total procedure costs, leaving hospitals with 34 percent of costs unreimbursed. This gap, known as the "Medicaid shortfall," results in billions of dollars in uncompensated Medicaid costs incurred by Florida hospitals each year. In Miami-Dade County, the problem is dire. Hospitals in Miami-Dade County annually provide hundreds of millions of dollars in unreimbursed Medicaid services to persons who qualify for Medicaid. Addressing the shortfall is a critical need.

In 2021, to help address this shortfall, this Board adopted Ordinance No. 21-81 enacting Article IV of Chapter 18 of the Code, which authorized the levy and imposition of the mandatory payments, and this Board thereafter amended such Article pursuant to Ordinance Nos. 21-115 and 24-62. This ordinance amends the Article to recognize waivers granted by CMS of certain broad-based and uniformity requirements, expands the definition of "Medicaid Supplemental Payment Program" to include additional supplemental and quality incentive payment programs authorized by CMS, and to address unreimbursed charity care costs and quality improvement initiatives, consistent with evolving federal Medicaid supplemental payment requirements.

In addition, this ordinance amends the Article to streamline the annual petition, review, and notice procedures, including by authorizing electronic signatures and electronic delivery of documents, revising the documentation required to be submitted with a mandatory payment petition, relocating certain notice requirements to the public notice provided in connection with confirmation of the mandatory payment roll, and eliminating the provision by which a single objecting property owner or hospital could render the entire mandatory payment program ineffective. The ordinance also revises the documentation required to accompany each annual petition, including updated information regarding hospitals that have received CMS waivers and previously submitted federal and state attestations relating to compliance with the federal hold harmless requirements. The ordinance further revises the mandatory payment billing requirements to provide that payment constitutes each Institutional Health Care Provider's agreement that it does not participate in any prohibited hold harmless arrangement, consistent with applicable federal law. The ordinance also authorizes the County Mayor or County Mayor's designee to enter into payment plans for collection of the Mandatory Payments. The ordinance additionally authorizes the Board, by resolution, to suspend or terminate the Mandatory Payments. Finally, the ordinance makes related technical and conforming amendments, including updates to the definition of Institutional Health Care Provider, clarification of the effect of CMS waivers, incorporation of future amendments to referenced legal authorities, and other changes necessary to implement the revised annual mandatory payment process.

As provided in the County Mayor's Memorandum accompanying Ordinances No. 21-81, the mandatory payments continue to involve a County service that confers a specific, direct benefit to the payors of the mandatory payments, and this benefit also extends to the value of the hospital properties themselves.

Carladenise Edwards
Chief Administrative Officer