MEMORANDUM

Agenda Item No. 14(A)(1)

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

DATE: June 26, 2025

FROM: Geri Bonzon-Keenan
County Attorney

SUBJECT: Resolution approving, adopting, and confirming an amended assessment rate for the mandatory payment roll pursuant to section 18-53 of the Code against certain real property to fund the non-federal share of supplemental payment programs to benefit existing and newly licensed hospital properties; delegating authority to the County Mayor to execute required agreements in connection with the Medicaid Hospital Directed Payment Program, Low Income Pool Program, and the Florida Cancer Hospital Program; and providing for the collection of such mandatory payments

Resolution No. R-626-25

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Senator René García.

Geri Bonzon-Keenan
County Attorney

GBK/gh

MEMORANDUM

(Revised)

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

DATE: June 26, 2025

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County Attorney

SUBJECT: Agenda Item No. 14(A)(1)

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 present ____, 2/3 membership ____, 3/5's ____, unanimous ____, majority plus one ____, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) ____, CDMP 2/3 vote requirement per 2-116.1(3) (h) or (4)(c) ____, CDMP 9 vote requirement per 2-116.1(4)(c) (2) ____) 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. 14(A)(1)
6-26-25

RESOLUTION NO. R-626-25

RESOLUTION APPROVING, ADOPTING, AND CONFIRMING AN AMENDED ASSESSMENT RATE FOR THE MANDATORY PAYMENT ROLL PURSUANT TO SECTION 18-53 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA, AGAINST CERTAIN REAL PROPERTY TO FUND THE NON-FEDERAL SHARE OF SUPPLEMENTAL PAYMENT PROGRAMS TO BENEFIT EXISTING AND NEWLY LICENSED HOSPITAL PROPERTIES; DELEGATING AUTHORITY TO THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE REQUIRED AGREEMENTS IN CONNECTION WITH THE MEDICAID HOSPITAL DIRECTED PAYMENT PROGRAM, LOW INCOME POOL PROGRAM, AND THE FLORIDA CANCER HOSPITAL PROGRAM; AND PROVIDING FOR THE COLLECTION OF SUCH MANDATORY PAYMENTS

WHEREAS, this Board adopted Ordinance 21-81, which created chapter 18, article IV of the Code of Miami-Dade County, Florida ("Code"), authorizing the imposition of mandatory payments to fund the non-federal share of the Medicaid Hospital Directed Payment Program (DPP) to benefit properties upon which private for-profit or not-for-profit licensed hospitals that provide inpatient hospital services in Miami-Dade County, Florida ("Institutional Health Care Providers") are situated; and

WHEREAS, this Board adopted Ordinance 24-62 and Resolutions R-628-24 and R-629-24 on July 2, 2024, authorizing the imposition of mandatory payments to fund the non-federal share of the Low Income Pool (LIP) program and the Florida Cancer Hospital Program (FCHP) to also benefit properties upon which the Institutional Health Care Providers are situated; and

WHEREAS, on September 4, 2024, the Board adopted Resolution R-735-24 approving, adopting, and confirming the mandatory payments; and

WHEREAS, pursuant to section 18-53 of the Code, over 75 percent of property owners as defined in section 18-50 of the Code ("Property Owners") and Institutional Health Care Providers filed a petition requesting a rate amendment and imposition of the mandatory payments ("Petition") against those properties on which the Institutional Health Care Providers are situated ("Properties"); and

WHEREAS, the supplemental payment programs proposed for funding from the mandatory payments are those which support DPP that results in a uniform rate increase in reimbursement for the provision of Medicaid services; those which support LIP that results in reimbursement for charity care costs; and those which support FCHP that results in a uniform rate increase in reimbursement for the provision of Medicaid services to cancer patients; and

WHEREAS, the Properties benefit from the imposition of such mandatory payments as described in Ordinances 21-81 and 24-62, Resolutions R-628-24 and R-629-24, and the Petition, which is hereby adopted and incorporated herein by reference; and

WHEREAS, in accordance with the provisions of chapter 18 of the Code, the County Mayor or County Mayor's designee caused an amended mandatory payment roll to be prepared and filed with the Clerk of the Board ("Clerk"), a copy of which is hereby adopted and incorporated herein; and

WHEREAS, the Property Owners have petitioned the Board to assess the mandatory payments levied against the Properties as described by the accompanying memorandum and attachments thereto; and

WHEREAS, the Board desires to accomplish the purposes outlined in the accompanying memorandum, which is incorporated herein by reference; and

WHEREAS, the benefits satisfy the requirements of Florida law and have been fairly and reasonably apportioned as provided in the amended mandatory payment roll; and

WHEREAS, in accordance with the provisions of Section 18-53 of the Code, notice of the public hearing on the amended mandatory payment roll was provided; and

WHEREAS, this Board held a public hearing on this date upon the amended mandatory payment roll submitted by the County Mayor or County Mayor's designee, and all interested persons were afforded the opportunity to present their objections, if any, with respect to such mandatory payment roll; and

WHEREAS, each Property Owner and Institutional Health Care Provider was notified that the amended rate and the mandatory payments will be collected by the County, and that, if the mandatory payments are not paid when due, the County shall enforce their collection in accordance with applicable law; and

WHEREAS, no Property Owner or Institutional Health Care Provider has objected to the amended rate,

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

Section 1. This Board incorporates, approves, and adopts the foregoing recitals as if fully set forth herein.

Section 2. The amended mandatory payment roll on file with the Clerk of the Board is approved, adopted, and confirmed pursuant to section 18-53(f) of the Code.

Section 3. Within 10 days from the effective date of this resolution, the Clerk is directed to deliver to the Finance Director a copy of the amended mandatory payment roll, and to cause a duly certified copy of this resolution, together with the amended mandatory payment roll,

to be filed and recorded in the Office of the Clerk of the Circuit Court of Miami-Dade County, Florida.

Section 4. All mandatory payments shall be payable in accordance with Sections 18-56 and 18-58 of the Code and shall be due upon receipt of the payment bills sent to each Property Owner and Institutional Health Care Provider and upon direction of staff. Unless paid when due, such mandatory payments shall be deemed delinquent, and payment thereof may be enforced by means of the procedures provided by the provisions of Section 18-58 of the Code.

Section 5. Institutional Health Care Providers are under no obligation to make payment until the Centers for Medicare & Medicaid Services (CMS) approves Florida's preprint for the hospital directed payment program for the period or periods starting October 1, 2024, and concluding September 30, 2025.

Section 6. Pursuant to Section 18-52 of the Code, the County Mayor or County Mayor's designee is authorized to execute any agreements, as required by the Florida Agency for Health Care Administration or the federal government in connection with the Medicaid Hospital Directed Payment Program, Low Income Pool program, and the Florida Cancer Hospital Program, following approval by the County Attorney's Office as to legal sufficiency.

The Prime Sponsor of the foregoing resolution is Senator René García. It was offered by Commissioner **Kionne L. McGhee**, who moved its adoption. The motion was seconded by Commissioner **Oliver G. Gilbert, III** and upon being put to a vote, the vote was as follows:

Anthony Rodriguez, Chairman	**aye**		
Kionne L. McGhee, Vice Chairman	**aye**		
Marleine Bastien	**aye**	Juan Carlos Bermudez	**aye**
Sen. René García	**absent**	Oliver G. Gilbert, III	**aye**
Roberto J. Gonzalez	**absent**	Keon Hardemon	**absent**
Danielle Cohen Higgins	**aye**	Eileen Higgins	**absent**
Natalie Milian Orbis	**aye**	Raquel A. Regalado	**aye**
Micky Steinberg	**aye**		

The Chairperson thereupon declared this resolution duly passed and adopted this 26th day of June, 2025. 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

JUAN FERNANDEZ-BARQUIN, CLERK

By: **Basia Pruna**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Jorge Martinez-Esteve
Christopher C. Kokoruda

Memorandum

MIAMI-DADE COUNTY

Date:

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

From: Daniella Levine Cava
Mayor

Subject: Resolution Setting the Fiscal Year 2024 -2025 rate for the Medicaid Hospital Directed Payment Program

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Summary

This item amends the Fiscal Year 2024-2025 Local Provider Participation Fund (LPPF) mandatory payment (assessment) rate to fund the nonfederal share of several Medicaid supplemental payment programs, including the Medicaid Hospital Directed Payment Program (DPP), the Low Income Pool (LIP) program, and the Florida Cancer Hospital Program (FCHP). The Board of County Commissioners (Board) created the LPPF and authorized the use of such funds for funding the nonfederal share of supplemental payment programs through Ordinance 21-81, adopted by the Board on September 1, 2021, as amended by Ordinance 24-62, adopted by the Board on July 2, 2024. Also, on July 2, the Board adopted two resolutions, R-628-24 and R-629-24, authorizing the use of LPPF moneys to fund the nonfederal share of FCHP and LIP, respectively.

Recommendation

It is recommended that the Board approve a resolution pursuant to Article IV, Chapter 18 of the Code of Miami-Dade County (Code), relating to DPP, LIP, and FCHP. This resolution amends the rate for a mandatory payment to be at $37,895 per available inpatient bed and 7.72% of net outpatient revenue. The purpose of the assessment is to generate funds that will be matched by federal funds for the County's private hospitals.

Scope

This proposed resolution and mandatory payment has county-wide impact, and it applies to private for-profit or not-for-profit hospitals. The affected hospital properties are located throughout multiple County Commission Districts, which are represented by several County Commissioners.

Fiscal Impact/Funding Source

Setting the rate of this mandatory payment will result in no economic impact to the County budget and no increase or decrease in County staffing. The funds collected via the mandatory payment will reimburse the County's estimated administrative costs for managing the mandatory payment for Fiscal Year 2024-2025 of $51,864.67.

Social Equity Statement

The resolution, which is supported by the affected hospitals, will allow generation of federal matching dollars for programs authorized by the state a result that benefits the affected hospital properties by improving income potential and by providing funds available for investment in capital improvements. If the proposed resolution is approved, hospital property owners affected by the mandatory payments will make payments appropriately apportioned according to the special benefit they receive from the resultant service, regardless of their demographics. The total estimated amount of the mandatory payments to be

levied will not exceed the benefits received from the service provided. Pursuant to the applicable federal regulations, this service can only be provided by the County, and only if all hospitals participate by paying mandatory payment at a uniform rate. Pursuant to the applicable federal regulations, the County provides no hold harmless guarantee.

Track Record/Monitor
The mandatory payments will be managed by the Internal Compliance Department and monitored by Ms. Cristina Mekin, Director of Credit and Collections Division.

Delegation of Authority
Pursuant to Section 18-52 of the County Code, the County Mayor or County Mayor's designee is authorized to execute any agreements required by the Florida Agency for Health Care Administration (AHCA) or the federal government in connection with the Medicaid Hospital DPP, the LIP program, and the FCHP, following approval by the County Attorney's Office as to legal sufficiency.

Background
Hospitals that provide Medicaid services or other forms of indigent care often fail to receive full compensation for those services. The proposed resolution generates nonfederal share dollars that qualify for federal match and help narrow reimbursement gaps for such services.

Directed Payment Program & Florida Cancer Hospital Program

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.

Historically, Medicaid reimbursement in Florida equated to approximately 66 percent of total procedure costs, leaving hospitals with 34 percent of costs unreimbursed. This gap, known as the "Medicaid shortfall," resulted in $3.4 billion in uncompensated Medicaid costs incurred by Florida hospitals each year.

To address the Medicaid shortfall, the State of Florida (State) received approval from the Centers for Medicare and Medicaid Services (CMS) to implement the statewide Medicaid managed care DPP. The DPP funds additional Medicaid reimbursement rates for hospitals through the managed care organizations (MCOs) for medical care and services provided to Medicaid managed care beneficiaries. DPP provides a uniform percentage increase to the base health plan payments made to eligible hospitals for inpatient and outpatient services provided to Medicaid managed care enrollees.

Although the DPP seeks to reduce the Medicaid shortfall for Florida hospitals, the program still falls short of reimbursing hospitals for the full costs incurred for treating Medicaid patients. This is primarily due to the fact that hospital reimbursement is offset by the dollars hospitals pay in assessments to access the federal match through the DPP. For 2025, the State is seeking to increase DPP reimbursement by calculating the DPP pool size at about 80 percent of the Average Commercial Rates (ACR). This ACR pool would allow hospitals to be reimbursed about 80 percent of what the average commercial payor reimburses in Florida. After accounting for the money hospitals pay in assessments, hospitals should soon be able to achieve a net reimbursement equal to or above their costs incurred for treating Medicaid patients. This proposal is pending federal approval.

In addition to the DPP, Florida received approval for FCHP – which is similar to the DPP in that it permits Florida to implement a hospital payment program through the State's contracted MCOs to reimburse hospitals for medical care and services provided to Medicaid managed care beneficiaries. FCHP provides a uniform percentage increase to the base health plan payments made to cancer hospitals for inpatient and outpatient services provided to Medicaid managed care enrollees at cancer hospitals. As with the DPP, Florida's legislature authorizes implementation of FCHP each year in the General Appropriations Act (GAA).

Low Income Pool

Florida's hospitals annually devote significant resources to other critical endeavors as well. Each year, Florida hospitals devote over $3 billion in services for indigent, uninsured Floridians. These "charity care" cases do not qualify for Medicaid, but the patients cannot pay hospitals for the costs of care. Many hospitals obtain reimbursement equating to only 1% of the costs of such care.

Florida has obtained approval from the federal government to operate the LIP program, which is designed to address this area of need. Florida's LIP program, authorized in the annual GAA and further explained in § 409.908, Fla. Stat., helps offset the cost of performing charity care services.

CMS issued an informational bulletin in February 2023 regarding health care-related taxes and hold harmless arrangements involving the redistribution of Medicaid payments, which is currently the subject of separate federal lawsuits initiated by the states of Florida and Texas, respectively. In April 2024, CMS issued a subsequent informational bulletin describing enforcement discretion until calendar year 2028 for certain existing health care-related tax programs with hold harmless arrangements involving the redistribution of Medicaid payments.

Hospital Assessment

The proposed resolution intends to impose on eligible hospitals a mandatory payments—a form of provider tax permissible under 42 CFR § 433.55 ("A health care-related tax is a licensing fee, assessment, or other mandatory payment …")—to be used for the non-federal share of the DPP, FCHP, and LIP program. From the federal perspective, such payments qualify for federal match as a provider tax, assessment, or fee because they are mandatory, broad based, free of a hold harmless guarantee, and uniformly imposed on private hospitals in the jurisdiction. 42 CFR § 433.68.

As required by Section 18-53 of the County Code, the County received a petition requesting a rate amendment for the assessment to be levied on all participating private hospitals, both for-profit and not-for profit, for participating in the Fiscal Year 2024-2025 Medicaid Hospital DPP, LIP, and FCHP. The petition contained: (1) the boundaries or other description sufficient to identify the properties; (2) a brief description of the service requested to be provided; (3) a legal opinion, that is acceptable to the County Attorney's Office, from a duly licensed Florida attorney stating that the imposition of a mandatory payment is lawful; (4) a copy of the indemnification executed by a minimum of 51 percent of the institutional health care providers; and (5) an executed release, in a form acceptable to the County Attorney's Office, wherein the property owners and institutional health care providers state, among other things, that it forever releases the County and its officers, employees, and agents from any and all liability relating to the imposition of the mandatory payment. Pursuant to Section 18-60 of the County Code, if at any time the mandatory payments are no longer broad-based, the Board's authority to collect mandatory payments under this article shall be ineffective. If at any time one or more of the property owners or institutional health care providers objects

to the mandatory payment, the Board's authority to collect mandatory payments under the applicable section shall expire.

The proposed resolution amends the Fiscal Year 2024-2025 rate to be $37,895 per available inpatient bed and 7.72% of net outpatient revenue. The estimated amount of funds to be collected is $685 million. The amended rate is calculated based on the estimated nonfederal share need for the Medicaid Hospital DPP, LIP, and FCHP for non-public hospitals in the County. Additionally, the rate will provide for the reimbursement to the County of $51,864.67 in administrative costs related to administering the payments within the LPPF. Please note that the unit of measurement applied to inpatient hospital services of available beds and the unit of measurement applied to outpatient hospital services of net patient revenue are both derived from 2023 Medicare Cost Report data.

The mandatory payments involve a local government service that confers a specific, direct benefit to the payors, and this benefit also extends to the hospital properties themselves. The mandatory payment is also fairly and reasonably apportioned upon the eligible properties. The County services to be provided will consist of collecting the mandatory payments eligible for federal matching and remitting such funds through IGTs, which will unlock supplemental payment program funds. The resultant subsidy benefits Miami-Dade County hospital properties through enhanced Medicaid payments for Medicaid services and indigent care. Such funds may be used for many purposes, such as capital projects and hospital services. Contingent upon Board approval of this proposed resolution, the services will be accomplished pursuant to agreements between the County and AHCA. County staff will administer the billing process.

Carladenise Edwards
Chief Administrative Officer