

MAY 2025

Pinellas County Hospital Assessment Overview

Ensuring Healthcare Funding for Our
Low-Income Residents



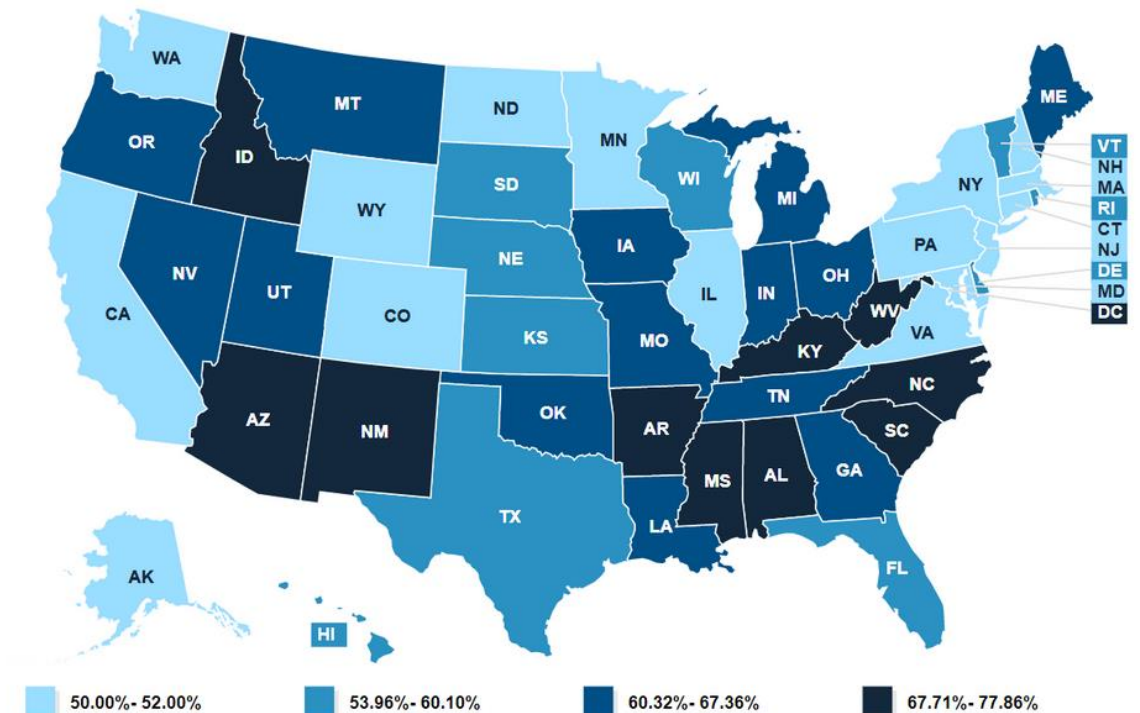
Building on Pinellas County's commitment to
healthcare excellence – thank you for your dedication.

Medicaid Overview

The Underfunding Problem

- Medicaid is jointly funded by the states and federal government.
- The state contributes, and the federal government provides matching funds.
- Historically, Florida's hospitals received only about 60 cents per dollar of cost in reimbursement for Medicaid services – low relative to other states. That is the underfunding fiasco in Florida.
- This problem is further compounded by very low levels of reimbursement for charity care services for Florida hospitals. Historically, charity care reimbursement has been as low as 1%.

Federal Medical Assistance Percentage (FMAP)



Medicaid Underfunding

Pinellas County

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37.3%

Of births in Pinellas County are financed by Medicaid

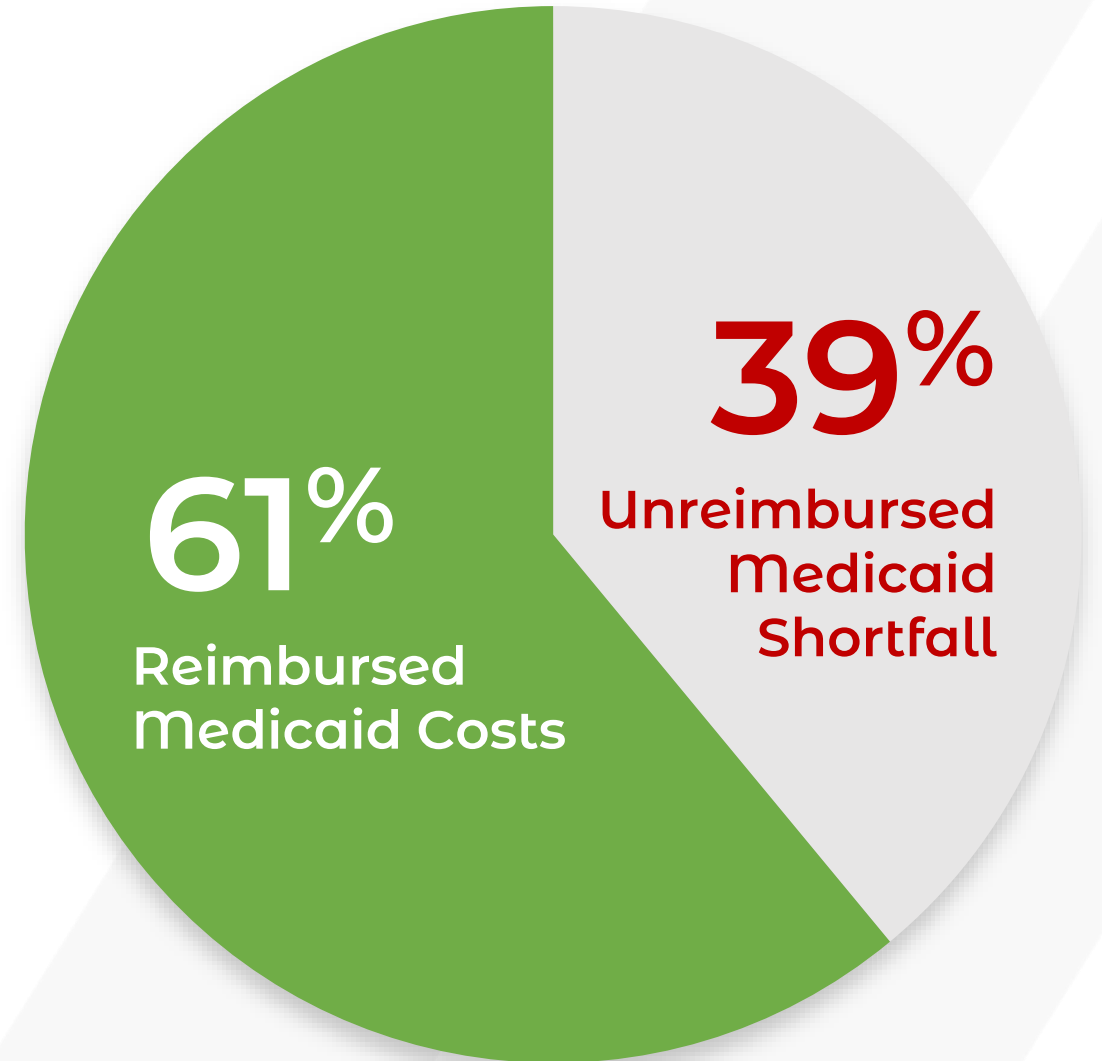
- Medicaid provides vital health coverage to **1 in 7** Floridians—nearly **3.17 million** people—including low-income children, families, older adults, and individuals with disabilities.
- In the Pinellas County, more than **135,000** residents are enrolled in Medicaid, representing approximately **14%** of the county's population.
- Approximately **2.7 million** Floridians are uninsured and rely solely on charitable care.

Medicaid And Charity Care In Florida

Coverage vs. Shortfall

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- Statewide, without the Directed Payment Program (DPP), hospitals provide over **\$3.4 Billion** in unreimbursed Medicaid costs each year.
- Statewide, hospitals provide over **\$2.8 Billion** in unreimbursed Charity Care each year.
- Florida's Governor and the Legislature stepped in with a solution to close this funding gap.



Directed Payment Program (DPP) and Low Income Pool Program (LIP)

- DPP is a Medicaid Program that provides funding for hospitals that provide inpatient and outpatient services to Medicaid managed care enrollees.
- LIP is a Medicaid program that provides critical funding to health care providers, particularly hospitals, to ensure continued government support for healthcare services to uninsured populations.



Unlocking An Opportunity

Background of the DPP and LIP Program

- On October 19, 2005, the Centers for Medicare and Medicaid Services (CMS), approved the 1115 Research and Demonstration Waiver Application for the State of Florida.
- The Florida Legislature passed the law for the LIP program, providing continued government support for health care services to the uninsured population.
- In 2021, CMS approved Florida's LIP program through June 30, 2030. This approval allowed Florida to offset the \$2.8 billion in charity care costs incurred annually.
- Starting 2021, the Florida Legislature's Budget Proviso has directed the Agency for Health Care Administration (AHCA) to seek federal approval for the DPP program. This approval allowed Florida to offset a significant amount of Medicaid shortfall annually.
- By adopting Ordinance 24-16, Pinellas County Commission approved the setting up of the Pinellas County's "Local Provider Participation Fund (LPPF)" for the DPP and LIP Programs.

Florida's LPPF Program Growth

PGY1-PGY4

- In 2021, 15 local governments around the state established local provider participation funds.
- All 15 counties collected money from the nonpublic hospitals.
- Every vote was successful. Every dollar was paid.
- In 2022, another 6 local governments established local provider participation funds.
- Again, every vote was successful. Every dollar was paid.
- In 2023, the same 21 jurisdictions adopted rates and levied the hospital special assessment.
- In 2024, the number of jurisdictions rose to 26, including Pinellas County, and again every vote was a success, and all payments are underway and on schedule.
- In 2025, the number of jurisdictions rose to 27!



Locally Funding The Hospital DPP and LIP Programs



**Paid By
Hospitals**



**Not Paid By Residents
or Businesses**

- The source of the non-federal share included local government special assessments, levied against properties on which non-public hospitals operate.
- No Pinellas County resident will ever pay a dollar to fund these programs.
- The programs are funded **entirely by hospitals**, not by residents or businesses.



Pinellas County's Compliance With Federal Requirements

Program Review

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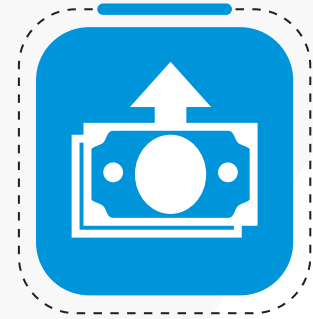


- Pinellas County's LPPF is a non-ad valorem special assessment account – it allows the County's non-public hospitals to access federal dollars.
- Pinellas County's assessment qualifies as a “provider tax” under federal law that is eligible for federal match because it is:
 - 01 **Broad-Based**
 - 02 **Uniform**
 - 03 **Does not include any hold-harmless agreement**
- Statewide, no more than 6 percent net patient revenues may be used for such programs and Florida remains fully compliant.

Payment Mechanism

Flow of DPP and LIP Funds

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Step 1

Nonpublic hospitals pay assessment to be deposited in a Local Provider Participation Fund (LPPF) account.

Step 2

County sends funds from LPPF to AHCA to support non-federal share of DPP and LIP.

Step 3

AHCA sends federal and non-federal funds to the providers.



Pinellas County

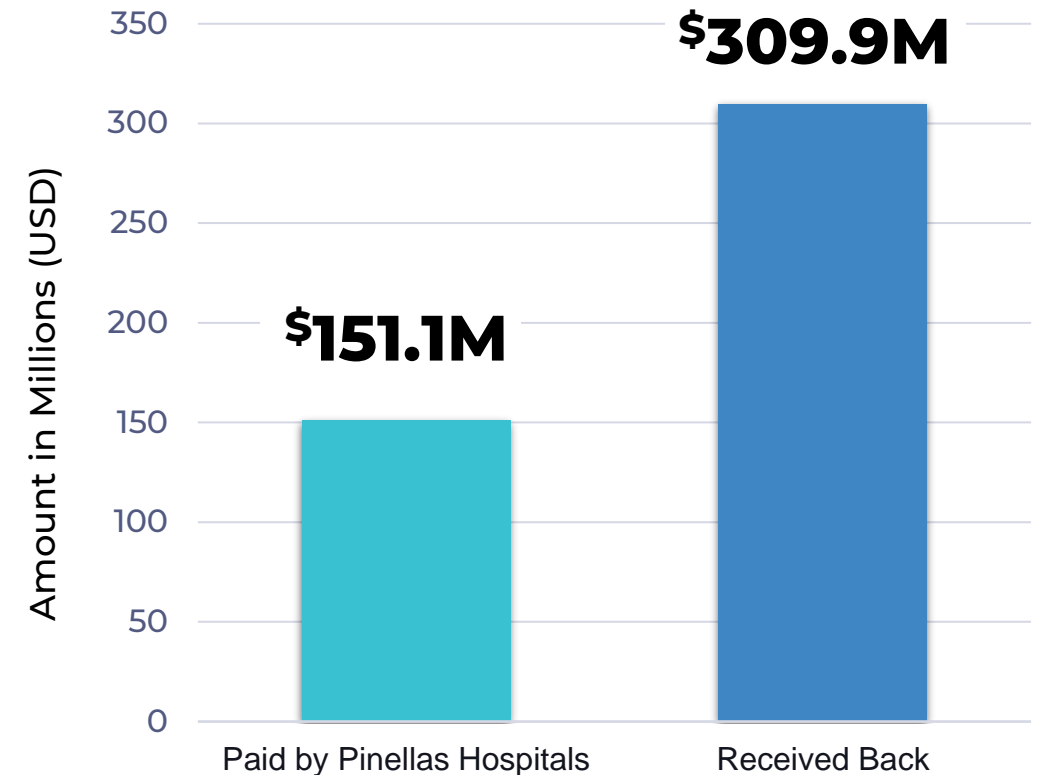
Flow of Funds for DPP and LIP



Pinellas County Hospitals will
be receiving the added
Medicaid reimbursements in
May of 2025.

DPP and LIP Program Outcomes for Pinellas County

- Creation of the LPPF by Pinellas County ensures hospitals in the county can access much needed funding for uninsured and charity care.
- In 2024, Pinellas County's Mandatory Payment for the LIP and DPP programs was **\$151.1 million**. Whereas, the County's Gross Reimbursement for LIP and DPP was over **\$309.9 million**.



Benefit to Pinellas County Hospitals

- Due to the county's involvement in the DPP and LIP programs, Pinellas County hospitals received a standardized percentage increase in reimbursement for providing charitable care.
- County hospitals have enhanced emergency behavioral health services, increased operating room capacity, and updated technology for interventional radiology services.
- Addressing mental health and emotional well-being in children through early intervention and support services.
- BayCare Health Clinics have provided over 27,070 office visits to 9,184 patients.
- JHACH is improving maternal and infant health outcomes by enhancing prenatal care awareness, expanding education, and strengthening support for mothers and fathers through its new Maternal & Child Health program in Pinellas County.
- HCA has invested \$30 Million in new equipment and renovations, installed new MRI and CT with enhanced cardiac capabilities, offer minimally invasive valve surgeries, and has opened MDNow Urgent Care Clinic (St. Petersburg, May 2025).



Benefit to Pinellas County Hospitals

- Establishment of Pinellas County Schools Pediatric Care Partnership.
- \$1.4 million in financial assistance provided by JHACH to uninsured and underinsured patients.
- Adventhealth included new and additional medical technology (imaging, surgical equipment, Cath lab equipment for cardiac care closer to home) for quality-of-care improvements.
- More than \$47 million paid to local community vendors and contractors in and around Pinellas County.
- BayCare's FEAST Food Pantry provided meals to 19,785 children and 12 different pantries distributed 444,595 lbs. of food in the community.
- HCA has provided over \$60 Million in charity care, \$183 Million in salaries and benefits, and have paid over \$10 million in taxes.
- HCA has partnered with Pinellas County Human Services for the "Pinellas Matters" (substance and opiate use treatment) and has contributed to Helene recovery efforts.



State Budget Authority

- For 2025, at the state level, Florida's legislature once again is presented with a budget containing proviso language that:
 - The Governor's recommended budget authorizes AHCA to expend funds from the Grants and Donations Trust Fund and the Medical Care Trust Fund to implement the DPP and LIP components for Florida.



Next Steps

Sustaining this Opportunity for Pinellas County



One Simple Annual Step

Each year, pass a resolution setting the assessment rate – this single step triggers the next year of DPP and LIP funding for the entire County.

Next Steps

Timeline



Timeline For Passage Resolution



The target date for Pinellas County's assessment resolution vote is:

June 17, 2025



The AHCA Letter of Agreement deadline is:

OCTOBER 1, 2025

- The annual nature of the resolution gives the County the opportunity to ensure the program receives federal and state approval, and all hospitals receive notice and an opportunity to object.
- Only Hospitals receive a bill – no direct impact on taxpayer.
- Costs can never be passed onto patients.
- Administrative expenses are built in.



Protecting Pinellas County Residents

- Pinellas County's DPP and LIP initiatives ensure hospitals within the County can:
 - Provide quality care to the needy and vulnerable
 - Attract top talent
 - Act as good corporate citizens, employers, and partners with the County to ensure the health, safety, and wellbeing of the population.

Result: A healthier, more secure Pinellas County – achieved through Pinellas County's leadership and staff's collaborative efforts. These guardrails protect the County and the public – the DPP and LIP programs do not increase anyone's taxes or bills, it's a win-win.



Questions?

