



Staff Report

File #: 16-557A, **Version:** 1

Agenda Date: 5/24/2016

Subject:

Authority for the County Administrator to approve and execute agreements for the Medicaid Low Income Pool Program.

Recommended Action:

Delegate authority to the County Administrator to approve and execute Medicaid Low Income Pool Program (LIP) agreements between Pinellas County and the State of Florida, Agency for Health Care Administration (AHCA) and participating local hospitals for State Fiscal Year 2016-2017.

Strategic Plan:

Ensure Public Health, Safety, and Welfare

2.1 Provide planning, coordination, prevention, and protective services to ensure a safe and secure community

2.2 Be a facilitator, convener, and purchaser of services for those in need

Summary:

The State Legislature, through the General Appropriations Act of State Fiscal Year (SFY) 2016-2017, has designated funding for the purpose of providing assistance to hospitals that provide inpatient and outpatient health care services through the Medicaid Program. This funding, titled Medicaid Low Income Pool allows local governments to increase certain Medicaid hospital payments by providing the required State Medicaid Assistance Percentage (SMAP) through Intergovernmental Transfers (IGTs). The source of SMAP must be locally generated tax dollars. The maximum amount of funding available for Intergovernmental Transfer is \$10.1 million.

Human Services (HS) is seeking opportunities to engage in LIP agreements for the SFY 2016-2017 budget year. Available County funding within the current FY 2016 and anticipated FY 2017 has been identified within the indigent care program for up to \$10.1 million in IGTs to leverage as appropriate in the event participation is possible. HS anticipates a very short turnaround time for the County to participate in the LIP program if the opportunity arises. In order to be able to react quickly to the needs of the program, the Department is requesting the County Administrator be delegated the authority to execute the agreements.

Currently, HS continues to pursue discussions with local hospitals and the State to determine the extent to which opportunities may be available. At least two possible avenues are being explored:

- Disproportionate Share Hospital (DSH) - Intergovernmental Transfer that provides a Medicaid rate enhancement for participating hospitals.
- Base LIP - Intergovernmental Transfer that provides a payment to participating hospitals for services rendered to indigent patients through Medicaid programs such as Disproportionate Share Hospital (DSH) program, Medicaid outpatient services, and other LIP programs.

In addition to the possible letters of agreement with the AHCA, the County will codify the use of IGTs within the hospital service agreements with participating hospitals to outline the investment and will track outcomes. HS will seek to coordinate funding in support of indigent care in our community to maintain critical services while working towards expanded Emergency Room diversion efforts.

Moving forward, HS will solidify discussions with BayCare Health System and Bayfront Medical Center in order to prepare for the compressed agreement timeframes. HS will also explore opportunities with other interested local hospitals as available. Although many of the agreements will exceed the County Administrator delegated authority threshold, due to the compressed turnaround, staff is requesting the Board grant authority to the County Administrator for approval and execution. Approvals by the County Administrator will be included on the non-procurement receipt and file report. Sample agreement is attached for reference.

Background Information:

Pinellas County's investment in IGTs in FY2015 significantly enhanced local revenues for partnering hospitals. In FY2016, there were no local opportunities for Pinellas County to participate in IGTs. Currently, it is anticipated that there will be opportunities for Pinellas County to work with local hospitals on needed IGTs. In order to prepare, the delegation of authority will help to accommodate very short execution timeframes for these agreements.

Fiscal Impact:

Funding under this program is an investment that returns to the County. Additional hospital revenues are anticipated for local investments; however, estimates will depend on the level and opportunity to participate.

Staff Member Responsible:

Lourdes Benedict, Director, Human Services

Partners:

Program partners may include, but are not limited to: State of Florida, Agency for Healthcare Administration; BayCare Health System; Bayfront Health St. Petersburg; Florida Hospital North Pinellas; HCA of West Florida

Attachments:

N/A