

Hospital LIP/DSH Letter of Agreement

THIS LETTER OF AGREEMENT (LOA) made and entered into in duplicate on the 9th day of March 2017, by and between Pinellas County (the “**County**”) on behalf of St. Anthony’s Hospital, and the State of Florida, **Agency for Health Care Administration** (the “**Agency**”), and is entered into for good and valuable consideration the receipt and sufficiency of which is acknowledged.

DEFINITIONS

“Charity care” or “uncompensated charity care” means that portion of hospital charges reported to the Agency for which there is no compensation, other than restricted or unrestricted revenues provided to a hospital by local governments or tax districts regardless of the method of payment, for care provided to a patient whose family income for the twelve (12) months preceding the determination is less than or equal to two-hundred (200) percent of the federal poverty level, unless the amount of hospital charges due from the patient exceeds twenty-five (25) percent of the annual family income. However, in no case shall the hospital charges for a patient whose family income exceeds four times the federal poverty level for a family of four be considered charity.

“Disproportionate Share Hospital (DSH)” means a hospital that has a Medicaid inpatient utilization rate of not less than one percent.

“Fund” means a sum of money or other liquid assets paid to the Agency in order to provide for the LIP or DSH program.

“Intergovernmental Transfers (IGTs)” means transfers of funds from a non-Medicaid governmental entity (e.g., counties, municipalities, hospital taxing districts, providers operated by state or local government) to the Medicaid agency.

“Low Income Pool (LIP)” means providing government support for safety-net providers for the costs of uncompensated charity care for low-income individuals that are uninsured. Uncompensated care includes charity care for the uninsured but does not include uncompensated care for insured individuals, “bad debt,” or Medicaid and CHIP shortfall. The definition also excludes the estimated impact on uncompensated care that would result from Medicaid expansion, or that has resulted from Marketplace coverage, under the Affordable Care Act.

“Medicaid” means the medical assistance program authorized by Title XIX of the Social Security Act, 42 U.S.C. §§ 1396 et seq., and regulations thereunder, as administered in Florida by the Agency.

“Payment” means performance of a duty, promise, or obligation by the transfer of funds, check or electronic transfer, to the Agency in order to provide for the LIP or DSH program.

A. GENERAL PROVISIONS

1. Per House Bill 5001, the General Appropriations Act of State Fiscal Year 2016-2017, passed by the 2016 Florida Legislature, the County and the Agency agree that the County will remit IGT funds to the Agency in an amount not to exceed the total of **\$2,233,192.00**.
 - a. The County and the Agency have agreed that these IGT funds will only be used to increase the provision of health services for the charity care of the County and the State of Florida at large.
 - b. The increased provision of charity care health services will be accomplished through the following Medicaid programs:
 - i. The Disproportionate Share Hospital (DSH) program.
 - ii. Medicaid Low Income Pool (LIP) payments to rural hospitals, trauma centers, specialty pediatric hospitals, primary care services and other Medicaid participating safety-net hospitals based on charity care.
2. The County will pay IGT funds to the Agency in an amount not to exceed the total of **\$2,233,192.00**. The County will transfer payments to the Agency in the following manner:
 - a. The first two quarterly payments of up to one half of the total amount for the months of July through December are due upon notification by the Agency.
 - b. Each successive payment of up to one fourth of the total amount is due as follows: March 2017 and May 2017.
 - c. The Agency will bill the County when each quarterly payment is due.
3. Attached are the DSH or LIP schedules reflecting the anticipated annual distributions for State Fiscal Year 2016-2017.
4. The County and the Agency agree that the Agency will maintain necessary records and supporting documentation applicable to charity care health services covered by this LOA.
 - a. Audits and Records
 - i. The County agrees to maintain books, records, and documents (including electronic storage media) pertinent to performance under this LOA in accordance with generally accepted accounting procedures and practices, which sufficiently and properly reflect all revenues and expenditures of funds provided.

- ii. The County agrees to assure that these records shall be subject at all reasonable times to inspection, review, or audit by state personnel and other personnel duly authorized by the Agency, as well as by federal personnel.
- iii. The County agrees to comply with public record laws as outlined in section 119.0701, Florida Statutes.

b. Retention of Records

- i. The County agrees to retain all financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to performance under this LOA for a period of six (6) years after termination of this LOA, or if an audit has been initiated and audit findings have not been resolved at the end of six (6) years, the records shall be retained until resolution of the audit findings.
- ii. Persons duly authorized by the Agency and federal auditors shall have full access to and the right to examine any of said records and documents.
- iii. The rights of access in this section must not be limited to the required retention period but shall last as long as the records are retained.

c. Monitoring

- i. The County agrees to permit persons duly authorized by the Agency to inspect any records, papers, and documents of the County which are relevant to this LOA.

d. Assignment and Subcontracts

- i. The County agrees to neither assign the responsibility of this LOA to another party nor subcontract for any of the work contemplated under this LOA without prior written approval of the Agency. No such approval by the Agency of any assignment or subcontract shall be deemed in any event or in any manner to provide for the incurrence of any obligation of the Agency in addition to the total dollar amount agreed upon in this LOA. All such assignments or subcontracts shall be subject to the conditions of this LOA and to any conditions of approval that the Agency shall deem necessary.

5. The County and the Agency agree that any modifications to this LOA shall be in the same form, namely the exchange of signed copies of a revised LOA.

6. The County confirms that there are no pre-arranged agreements (contractual or otherwise) between the respective counties, taxing districts, and/or the providers to re-direct any portion of these aforementioned charity care supplemental payments in order to satisfy non-Medicaid, non-uninsured, and non-underinsured activities.
7. The County agrees the following provision shall be included in any agreements between the County and local providers where IGT funding is provided pursuant to this LOA. "Funding provided in this Agreement shall be prioritized so that designated IGT funding shall first be used to fund the Medicaid program (including LIP or DSH) and used secondarily for other purposes."
8. This LOA covers the period of July 1, 2016 through June 30, 2017 and shall be terminated June 30, 2017.
9. This LOA may only be amended upon written agreement signed by both parties.
10. This LOA may be executed in multiple counterparts, each of which shall constitute an original, and each of which shall be fully binding on any party signing at least one counterpart.

LIP/DSH Local Intergovernmental Transfers (IGTs)	
Program / Amount	State Fiscal Year 2016-2017
LIP Program	\$2,233,192.00
DSH Program	
Total Funding	\$2,233,192.00

WITNESSETH:

IN WITNESS WHEREOF, the parties have caused this page Letter of Agreement to be executed by their undersigned officials as duly authorized.

PINELLAS COUNTY

SIGNED BY: Mark S. Woodard
NAME: Mark S. Woodard
TITLE: County Administrator
DATE: March 30, 2017

STATE OF FLORIDA, AGENCY FOR HEALTH CARE ADMINISTRATION

SIGNED BY: Justin M. Senior
NAME: Justin M. Senior
TITLE: Secretary
DATE: 3/31/17

APPROVED AS TO FORM

By: [Signature]
 Office of the County Attorney