



RICK SCOTT
GOVERNOR

March 4, 2015

The Honorable Barack Obama
President of the United States of America
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. President:

In early February, Eliot Fishman, a director within the Medicaid division of the Centers for Medicare and Medicaid Services (CMS), stated at a conference in Florida that Florida's Low Income Pool (LIP) program will not continue in its present form. This federal matching program provides federal funds that Florida hospitals have depended on to pay for the state's most vulnerable residents. Termination of the federal matching participation would severely hamper future efforts to improve health care services for low income individuals who rely on a certain predictability of funding.

In just the last four years, my administration has worked with CMS to successfully put in place Statewide Managed Care and Diagnosis Related Group based payment for hospital services in Medicaid. These patient-centered reforms are the most significant in the history of Florida's Medicaid program and, as noted by CMS, are key structural elements to build on in continuing to move toward delivery based models that ensure access to cost-effective quality care for recipients.

My "Keep Florida Working" Budget builds on these structural elements, with the first ever statewide initiative in Medicaid, to pay directly for quality outcomes. Like the major reforms it is built on, this new, patient-centered initiative will further reward the delivery of high-value, quality-driven health care services in an efficient manner, to the benefit of both Medicaid recipients and state and federal taxpayers.

In our current discussions with CMS, Florida is not proposing to continue the LIP Waiver in its present form, but to maximize the value of our tax dollars to further the same goals for the Medicaid program that we have shared with CMS over the last four years. This request is not associated with Medicaid expansion in any way and your administration has already made it clear that whether or not a state expands Medicaid does not impact the continuation of similar programs within that state.

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California, for example, has expanded Medicaid and their supplement funding continues at more than \$5 billion a year. Texas, by contrast, has not expanded Medicaid and their supplemental funding continues at nearly \$7.5 billion a year. As was noted in the independent evaluation of Florida's Medicaid program that the federal government required for this year, "When considering the total population that Medicaid funding will cover, California and Texas are both receiving substantially more supplemental funding than Florida."

Should your administration decline to accept a new LIP model and therefore terminate this program, I will not support using any state funds to backfill this federal program. Florida taxpayers fund our federal government and deserve to get a return on their investment. Moreover, we have worked hard to turn Florida's economy around and cannot afford to fund programs started by the federal government.

As with previous negotiations, we are optimistic that you will not terminate LIP and we will be able to reach an agreement on how best to structure this program in a way that protects both our state's most vulnerable residents as well as state and federal taxpayers.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rick Scott", with a large, stylized flourish at the beginning.

Rick Scott
Governor