



RICK SCOTT
GOVERNOR

August 3, 2015

Secretary Elizabeth Dudek
Agency for Health Care Administration
2727 Mahan Drive
Tallahassee, FL 32308

Dear Secretary Dudek:

Thank you for your work to ensure hospitals and insurance plans entered into contractual agreements for Medicaid rates that are fully compliant with state law. Any hospital or insurance plan that did not submit their compliance information to you by your August 1st deadline necessitates immediate further action to ensure taxpayers are not being over-charged due to contracts above and beyond the legal Medicaid rate limit of 120 percent (pursuant to FL Statute 409.975 (6)). Let's never forget that all Medicaid payments are paid for by the taxpayers of our state.

In order to protect Florida taxpayers from having to pay hospitals and insurance companies for rates higher than allowed by state law, please instruct your agency to begin taking the following steps:

- Dispatch the Office of Medicaid Program Integrity to audit all hospital and insurance company contracts that have not been certified as complying with state law as of August 1, 2015.
- Inform non-responsive hospitals and insurance plans that contractual arrangements violating the 120 percent limitation in state law will be subject to an immediate corrective action plan. This plan will include the modification or termination of contracts found to be outside the law. This notification should include the serious warning that the termination of a contract with an insurance plan could make a hospital ineligible for Low Income Pool (LIP) funding or participation in the state's Medicaid Managed Care program.
- Make a public presentation at the August 12th meeting of the Healthcare and Hospital Commission to inform the public of every hospital and insurance plan that has failed to present information certifying their compliance with the legal Medicaid rate limit of 120 percent.

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The purpose of the Statewide Medicaid Managed care program is to provide high quality care to Medicaid recipients while efficiently using taxpayer funds. It is my expectation that all businesses that enter into agreements in our state follow the law, and if they fail to do so, they must be held accountable.

Thank you again for your agency's continued commitment to protecting taxpayer funds and ensuring hospitals and insurance plans are following the law.

Sincerely,

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

Rick Scott
Governor