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February 28, 2014

The Honorable Don Gaetz
President
Florida Senate
212 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399

The Honorable Will Weatherford
Speaker
Florida House of Representatives
420 The Capitol
402 South Monroe Street
Tallahassee, FL 32399

RE: Florida Medicaid Expansion Update and new Florida request for Low Income Pool
Medicaid Funds from U.S. Health and Human Services (HHS)

Dear President Gaetz and Speaker Weatherford:

Thank you for the opportunity to provide an update on the importance of the expansion of health services under Medicaid in Florida. I strongly recommend that you move forward on a bipartisan proposal for Medicaid expansion during the upcoming Florida Legislative session. It would be fiscally irresponsible not to draw down the \$50 billion due back to Florida and leave almost one million Floridians without an option for medical care.

First, these are Florida tax dollars that need to be returned and put to work for our state. The funds are similar to transportation, housing and education dollars that are brought back to Florida to benefit our citizens every year. If you do not act, over \$1.2 billion will be lost during the State's 2013-2014 fiscal year and billions more will be left on the table in future years. Estimates using the data from the Florida Social Services Estimating Conference show the amount of money Florida is losing each day to be *\$7 Million per day since January 1* as a result of blocking Medicaid expansion. That number will increase each year.

Second, Florida businesses and hospitals will suffer an extraordinary hit to their bottom lines unless you put our Medicaid tax dollars to work. You will leave hospitals across Florida no choice but to pass along the costs of charity care to businesses and individuals that have insurance. This hurts everyone and leaves our local hospitals in the lurch. A coordinated effort would instead employ the Medicaid dollars to move patients into community primary care clinics and doctors' offices. (In fact, HHS just announced that they would fine Florida for a new policy

that attempts to cap ER hospital visits because the Florida policy is in contravention with federal law.) I urge you not to unnecessarily burden our businesses and local hospitals, which are the economic center of many communities.

Third, not only will businesses and hospitals suffer without expansion, but the State's desire to draw down monies under the Low Income Pool (LIP) pool per the Medicaid waiver is imperiled by the State's intransigence. As you are aware, the State of Florida recently requested \$4.5 Billion from the U.S. Department of Health and Human Services for Medicaid funds paid to providers from Florida's LIP. This is ironic to say the least. It is ironic because the LIP was established to ensure continued government support for the provision of health care services to Medicaid, underinsured and uninsured populations. So on one hand, the State is blocking Medicaid funds, but on the other, the State has its hand out for billions of dollars of Medicaid funds. I anticipate that HHS will be very skeptical of this approach.

You may recall that I worked diligently with Florida's congressional delegation in 2011 to achieve an approval by HHS of the Florida Medicaid Section 1115 Research and Demonstration Waiver. We celebrated the \$3 billion for Medicaid funds coming to Florida that would help hospitals and providers provide health care to our neighbors. Now, Florida's request for an extension and increase in Medicaid LIP funds will undergo great scrutiny and skepticism due to the incongruity of Florida's Medicaid policy. Meanwhile, HHS has been enormously flexible with Florida and the Legislature per the new Medicaid privatization plan. Florida received a Medicaid waiver last year from HHS to change Medicaid into a managed care program. Nevertheless, Florida has put itself in a difficult position to seek more Medicaid dollars and additional flexibility due to its unwillingness to simply bring its own tax dollars back to the state to help our citizens.

Finally, we not only have a fiscal, but a moral obligation to ensure our neighbors have access to health services. As you know, Florida has the second highest uninsured rates in the entire country at just under 25 percent. If Florida expands Medicaid, 68 percent of uninsured Floridians would have a path to coverage. What do you say to the woman or man or parent who falls into that coverage gap? They do not have the option to pay only \$50 for an individual plan like Florida Legislators currently do.

Expanding Medicaid is critical to ensure Florida families have access to quality health care and Florida businesses are not unfairly penalized. We must keep Florida taxpayer dollars here where they can best serve the health needs of our neighbors and ensure the continued growth of our local economies. As the leaders of the Florida Legislature, I urge you to not miss this opportunity for our great State. Thank you.

Sincerely,



Kathy Castor
U.S. Representative
Florida – District 14