



Jackson Funding

Repeal “Tiering” Provision of Florida Medicaid Law

In 2011 the Legislature made changes to the distribution of Medicaid funds to hospitals as part of a larger reform bill. A new “tiering” formula, scheduled to take effect this July, would redistribute local public health and federal matching funds away from hospital systems (such as Jackson and UM) that earn it and using it to pay for Medicaid patient care at other hospitals throughout the state.

Hospitals that serve large numbers of uninsured and Medicaid patients and counties that put their own tax dollars toward Medicaid are disproportionately affected by tiering. Local dollars Miami-Dade County taxpayers put into Jackson are matched by federal funds.

Jackson stands to lose \$142 million if the tiering statute is not repealed. If the County decides not to put in matching funds only to lose them to other counties, the eventual hit could be even more.

In general, any funding changes should preserve, if not increase, Jackson’s funding through DRG (Diagnosis-related groups), LIP (Low Income Pool), DISH (Disproportionate Share Funding) and GME (Graduate Medical Funding) reimbursement mechanisms.

Medicaid Expansion Saves Lives and Safety Net Hospitals

Medicaid expansion would contribute an estimated **\$35 million a year to Jackson** coffers and \$315 million over nine years. This is to defray some of the cost for care JHS provides that is currently uncompensated (5000 annual inpatient admissions and thousands more outpatient visits).

Medicaid expansion would mean health coverage for Floridians under age 65 who earn at or below 138 percent of the federal poverty level. For an individual, that’s an income of up to \$15,400; and for a family of three, it’s up to \$26,300 a year. **It would also prevent the up to six deaths per day of Florida residents due to lack of coverage** (up to 2,221 people a year, according to the health policy journal *Health Affairs*)

We applaud the efforts of Sen. Rene Garcia and Rep. Amanda Murphy in filing a bill that would draw down federal funds to allow Florida residents in the healthcare coverage gap to buy health insurance. **Not only would such a plan bring billions of federal dollars into Florida to cover a million people; it would also create thousands of jobs and stimulate our economy.**

Further, accepting the money would smooth relations with the federal government on a host of related healthcare issues, such as Low Income Pool funding that is currently under threat due to Florida’s refusal to expand Medicaid. Losing or even significantly delaying LIP funding would have a devastating effect on Jackson and other hospitals.