

April 21, 2015

Clarification of Urban Institute Estimates Of Uncompensated Care in Florida

In 2012, we estimated that the total amount of uncompensated care provided on behalf of the uninsured in Florida would fall from \$4.9 billion to \$1.6 billion a year under the ACA with Medicaid expansion, a decrease of nearly 70 percent.¹ Recently, the \$1.6 billion has been quoted in letters from Justin M. Senior and six members of Florida's Congressional delegation to CMS regarding the future of Florida's Low Income Pool (LIP).² While the Urban Institute does not have a position on the state's waiver request for LIP, we are concerned that our estimate may have been misinterpreted as a measure of the need for LIP to continue funding uncompensated care under Medicaid expansion.

The \$1.6 billion estimate should not be used as an estimate of the amount that LIP would spend or need to spend on hospital care for the uninsured under Medicaid expansion. First, the estimate includes health care from all providers, not just hospitals. Second, it includes all funding sources for uncompensated care. Other programs besides the LIP waiver would continue to finance hospital uncompensated care in Florida. These include, but are not limited to, Disproportionate Share Hospital (DSH) funding under Medicare and Medicaid, Veterans Administration hospitals, and local government indigent care funding.³

Thus, the amount of uncompensated care funded through the LIP waiver would be a fraction of the \$1.6 billion in total uncompensated care. We have not published an estimate of what that fraction would be because that would require much more detailed data than we currently have access to.

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¹ Frederic Blavin, Matthew Buettgens, and Jeremy Roth. 2012. "State Progress Toward Health Reform Implementation: Slower Moving States Have Much to Gain." Washington, DC. The Urban Institute. <http://www.urban.org/sites/default/files/alfresco/publication-pdfs/412485-State-Progress-Toward-Health-Reform-Implementation-Slower-Moving-States-Have-Much-to-Gain.PDF>

² Justin M. Senior, Florida Deputy Secretary for Medicaid. Letter to Victoria Wachino, Acting Director of CMS. April 15, 2015. Ted S. Yoho, Gus Bilirakis, Richard Nugent, Marco Rubio, Ileana Ros-Lehtinen, Curt Clawson. Letter to Andy Slavitt, Acting Administrator of CMS. April 15, 2015.

³ Although DSH funding will remain significant, the ACA has reduced DSH allotments below previously anticipated levels. Teresa A. Coughlin, John Holahan, Kyle J. Caswell, Megan McGrath. 2014. "Uncompensated Care for the Uninsured in 2013." Washington, DC. The Urban Institute. <http://www.urban.org/research/publication/uncompensated-care-uninsured-2013>