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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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2 Justin M. Senior, Florida Deputy Secretary for Medicaid. Letter to Victoria Wachino, Acting Director 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