



June 17, 2021

Chairman Joseph E. Flescher
Board of County Commissioners
Indian River County
1801 27th Street
Vero Beach, FL 32960

Dear Chairman Flescher:

The undersigned, representing hospitals serving Florida's Medicaid managed care beneficiaries in Indian River County, write to express our support for the Indian River County Local Provider Participation Fund (LPPF). Creation of this fund will help Indian River County providers meet the ever-increasing need for health care without imposing new costs on individual taxpayers and without utilizing \$1 of state general revenue.

Under the LPPF model, hospitals in Indian River County, which is located in Agency for Health Care Administration Region 9, will pay funds into the LPPF through a non-ad valorem special assessment established by the Board of County Commissioners. The assessment will not be passed along to patients of the hospitals. The funds collected from the hospitals will be transferred to the state and support the state's share of Medicaid funding. The state's share is matched with federal dollars.

Because the revenue generated through the LPPF will fund the non-federal share of what will result in a supplemental increase in Medicaid managed care reimbursement, the LPPF will allow local hospitals access to additional funding without burdening local or state taxpayers. The increase in reimbursement, implemented through a hospital directed payment program (recently approved by the Centers for Medicare & Medicaid Services), will provide Florida's hospitals with supplemental funding they desperately need as they serve Floridians and continue to respond to the COVID-19 public health crisis.

Even before the public health crisis, most hospitals were reimbursed only a fraction of the costs that they incurred in caring for Medicaid patients. The LPPF model unlocks vital supplemental payments that otherwise may be unavailable to these hospitals.

Please do not hesitate to contact the signatories below to discuss the LPPF. We appreciate your support of health care providers in the county, and we hope that you will join the Region's hospitals in advocating for the worthy cause of LPPF implementation.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Knell", written in a cursive style.

Daniel Knell
President / Florida Market President
Sebastian River Medical Center