



2019 Legislative Priorities Lee Health

Lee Health

Lee Health is a public not-for-profit healthcare services organization committed to the health and well-being of every individual we serve. This institution has been a member of the Southwest Florida community for more than 100 years. Lee Health has roughly 2 million patient contacts per year. We are Southwest Florida's largest employer with nearly 14,000 full-time employees, as well as more than 2,500 volunteers. Every dollar we collect is reinvested back into our community to improve facilities, add services, and extend care to those who need it most. Lee Health offers this care without receiving any local tax support and is the largest such public health system in the nation not benefiting from a direct local tax. In 2018, Modern Healthcare ranked Lee Health as the third largest public health system in the nation. Our team is committed to meeting the challenges of an ever changing healthcare industry and will continue to provide the best care possible for our community. We are caring people, inspiring health.

Medicaid Funding

In FY 2017 and for the third fiscal year in a row, Lee Health directly contributed more than the federal government and nearly five times what the State funded for local Medicaid patients served. The total cost of Lee Health providing Medicaid services to the people of Southwest Florida in 2018 was \$243 million. The total is represented by 40 percent (\$96.6 million) funded by the federal government, 12 percent (\$29.4 million) funded by state government, and 48 percent (\$116.8 million) funded by Lee Health. Lee Health's share is funded through hospital taxes imposed by the state known as Public Medical Assistance Trust Fund (PMATF), local revenues sent by Lee Health to Tallahassee to draw down the federal match known as Intergovernmental Transfers (IGTs), and local funds utilized to cover the Medicaid shortfall.

Florida continually ranks around 48 out of 50 in overall Medicaid funding for children, pregnant women, low-income families, elderly, and the disabled. Additionally, IGTs benefit all qualifying hospitals regardless of whether local public funds are contributed on their behalf. Historically, federal guidelines have allowed mechanisms under managed care to recognize and fund those hospitals that are providing significant services at a loss for Medicaid patients. We support these guidelines and encourage the federal government to again authorize this practice.

We support fully funding hospital services reimbursed by Medicaid, including the Medically Needy and Aged/Disabled programs. Our shortfall in Medicaid reimbursement for FY 2017 was \$74.5 million, a 22 percent larger shortfall than 2016. During the 2017 Session, the Florida Legislature cut Medicaid funding to hospitals by \$521 million dollars. During the 2018 Session, base Medicaid funding for hospitals was reduced by an additional \$130 million. Lee Health supported efforts to maintain the Medicaid high utilization rate enhancers that support hospitals providing the highest amounts of Medicaid care to the most vulnerable patients. Dramatic reductions in rate reimbursements for all types of government and commercial insurance create a tremendous burden to health systems trying to provide care for uninsured or underinsured patients. Lee Health supports increasing base Medicaid funding, but not at the expense of facilities that are already delivering exceptional care to the highest volumes of Medicaid patients.

Low Income Pool and Hospital Disproportionate Share Funding

During the 2017 Session, the state of Florida and Centers for Medicare and Medicaid Services (CMS) agreed to increase LIP funding authorization to \$1.5 billion. As a public hospital, Lee Health benefits from new LIP special terms and conditions that create a tier specifically to fund public hospitals that see disproportionately higher volumes of Medicaid and uninsured patients. Through two years, the full \$1.5 billion annual authorization has not been realized due to special terms and conditions limiting the amount of local matching funds to draw down the full federal allowance.

In previous years, Disproportionate Share Hospital (DSH) payments had been redefined in Florida in order to help offset substantial losses in LIP. In the 2017 Session, DSH payments were cut substantially after additional LIP funds were secured. Medicaid DSH payments are statutorily required payments intended to offset hospitals' uncompensated care costs to improve access for Medicaid and uninsured patients as well as the financial stability of safety-net hospitals. States

have broad flexibility in determining which hospitals receive DSH payments and in determining how the payments are calculated. Historically Florida has been disadvantaged compared to other large states with our DSH allocation being around \$200 million compared to more than \$1 billion for states like Texas and California. *Lee Health encourages Health and Human Services (HHS) to use its authority for flexibility to redistribute DSH to appropriately reflect individual states' needs.* When Congress passed the ACA in 2010, statutory cuts were built into DSH payments assuming that more patients would be insured and less uncompensated care would be occurring. This has not been the case in Florida and safety-net hospitals have been forced to lobby for DSH cut delays. *Lee Health supports delaying or repealing DSH cuts and maintaining state flexibility in DSH payment distribution.*

Health Care Coverage

In 2017, 2.5 million Floridians lacked health insurance according to the U.S. Census Bureau. This represents the 4th highest number of uninsured residents per state in the nation. On a percentage basis, 15.9 % of Florida's residents went without insurance in 2017 as compared to 15.4% in 2016. Both years represent totals well above the national average of 8.8%. The five-county region Lee Health serves in Southwest Florida has one of the highest rates of uninsured patients in the entire state of Florida. According to the most recent US Census data, three of the five counties we serve rank in the top 7% of all 67 counties for the highest percentage of uninsured patients. These are: (1) Glades County (25.7%), (2) Hendry County (24.9%), (5) Collier County (21.6%), while Lee County and Charlotte Counties have 17.2% and 15.6%, respectively.

At present, only one in five patients admitted to Lee Health a facility has commercial insurance, shifting to them and their employers the full burden of a "hidden tax." This "hidden tax" is the result of the unpaid costs of Medicaid, Medicare, and free care. This tax burden is increased each year the state does not leverage Florida tax dollars back to Florida by either extending health care coverage or working with the federal government to fund uncompensated care through Medicaid waivers. Beginning in January 2019, federal law will no longer require individuals to purchase health insurance or to face a tax penalty should they decide to be uninsured. The federal government has expanded offerings for limited coverage in the form of lower cost plans and small business insurance pooling opportunities. Time will tell how such actions will affect the number of uninsured both regionally and nationally. *Lee Health supports protecting patients with pre-existing conditions, extending health coverage to as many uninsured*

individuals as possible and properly reimbursing healthcare providers for treating uninsured and underinsured patients.

The Agency for Healthcare Administration (AHCA) should work to implement the recommendations included in the legislatively mandated report in SB 12 passed in 2016. The recommendation instructs AHCA to seek federal approval to extend Medicaid eligibility for more than 130,000 individuals suffering with Serious Mental Illness (SMI) and Substance Abuse Disorder (SUD). AHCA should seek authority in the Medicaid 1115 Waiver to cover these individuals with Medicaid and have the proper services administered across the continuum of care. *Lee Health supports extending Medicaid coverage to SMI and SUD patients in order to address this seriously underserved population.*

Behavioral Health Crises: Pediatric Behavioral and Substance Abuse and a Regional Approach

As a safety net hospital, Lee Health has seen the daily impact of a poorly organized and under-funded approach to mental and behavioral health. As a result, we have committed to change this reality by working to improve Pediatric care and Substance Abuse care both in Lee County and across the Southwest Florida region. Led by the Lee Health Center for Population Health, a regional alignment effort has been initiated whereby clinical and community leadership have collaborated to permanently change the trajectory of care for our community. Foundational to the approach is to align all community stakeholders and resources into an organized approach focusing on evidence-informed treatment and patient education. In this integrated model of care, efforts are underway to introduce digital Cognitive Behavioral Health and Tele-Psychiatry to engage patients before a crisis happens, thereby breaking the cycle of “Rescue, Recovery, and Readmit”.

Lee Health supports the use of federal, state, and local resources to address the substance abuse (principally opioids, methyl amphetamines and cocaine) epidemic effecting the nation and SWFL. Every day, we see the stress substance abuse patients’ places upon our system through increased utilization of our emergency departments, trauma center, and Neonatal Intensive Care Unit (NICU) at Golisano Children’s Hospital of SWFL. Most auto-accident patients seen in our Trauma Center reflect a robust correlation between severity of injury and degree of substance-induced impairment. Babies born with opioid withdrawal are treated in our NICU demonstrating a real need to implement a more robust continuum of care after discharge from emergency departments. The need for stabilization, education, cognitive behavioral health treatment from licensed professionals, peer

counseling, and medication assisted treatment are all essential to effectively addressing this crisis. The integrated substance abuse approach aligns hospital based, best practices, community based medication assisted therapies, supporting cognitive behavioral health, and peer to peer clinical interventions. Lee Health has implemented a number of hospital interventions to treat substance use disorder patients. These interventions include, but are not limited to, an order set in EPIC for treatment of patients with substance use disorders, a pharmacy protocol to start Medication Assisted Therapy (MAT) in the acute care setting, and, as part of our treatment protocol, a behavior contract supporting patients to more fully commit to substance abuse services. To this end, Lee Health is also partnering with PAR clinic and Saluscare to coordinate medication assisted therapy. Lee Health will sponsor three regional conferences on Opiate Use Disorder over the next few months to both improve community education and reduce bias towards these patients.

An estimated 46,000 children in Southwest Florida will be affected by a mental or behavioral health disorder by the time they reach their teenage years. Early intervention is a key component of meeting the needs in this region and, despite limited resources; the Golisano Children's Hospital of Southwest Florida is making efforts to address this problem. These include hiring additional psychologists, child advocates and other mental health professionals, providing Mental Health First Aid training for local pediatricians, emergency service providers, and others who work directly with children to detect warning signs of mental health problems. Additional efforts include offering services in a newly renovated outpatient center, providing free Partners in Parenting the Exceptional Child course (to aid parents of children with special needs and health challenges) tailored to enhancing effective communication skills. In 2019, Lee Health will launch the first-of-its-kind Pediatric Digital Cognitive Behavioral Health diagnostic and treatment protocols undergirded by TelePsych consultation. Such treatments will be focused on anxiety, depression and trauma and, as such, will dramatically increase the reach of our clinicians to engage patients in their own home. *Lee Health supports efforts to allow the Low Income Pool (LIP) to provide a vehicle for drawing down additional federal funds to address substance abuse and mental health.*

Trauma Regulation

The Lee County Trauma Services District was created by a special act of the Florida Legislature, 2003-357, and is the only trauma service district in the State of Florida governed by a publicly elected board of directors, amplified by a Regional

Advisory Committee comprised of individuals representing the 5 county trauma service areas. The Regional Trauma Center at Lee Memorial Hospital, a State designated Level II Trauma Center entering its 25th year of service and having cared for over 41,000 injured patients, has served as a safety net to all citizens of Lee, Collier, Charlotte, Hendry and Glades Counties.

Lee Health supported efforts during the 2018 legislative session that resulted in the reduction of the number of Trauma Service Areas (TSA), apportioned the number of allowable trauma centers in each of the 18 statewide TSA's, provided criteria for approval of new trauma centers, and re-established the Florida Trauma System Advisory Council. These efforts were accomplished through HB 1165 and many of the changes in that legislation were part of Lee Health's legislative priorities for the past several years as they related to trauma. Lee Health will continue to offer exceptional care in our Regional Trauma Center and look for future opportunities to improve our trauma program through additional offerings and expansions as need is demonstrated for those services. Today we maintain a high functioning, well-structured collaborative regional trauma system, with excellent outcomes under the current Florida statutes that were mindfully implemented by the Florida Legislature. *Lee Health supports increased autonomy for the Florida Trauma System Advisory Council and a robust discussion regarding the best forms of aggregate data collection.*

GME - Statewide Medicaid Residency Program

Lee Health is a qualified site for Graduate Medical Education (GME) through the FSU College of Medicine Family Medicine Residency Program and *supports continued funding for the GME medical residency program as well as the physician supplemental payment program.* The GME Statewide Medicaid Residency Program consists of a state-wide pool of money used to provide funding to qualified participating hospitals involved in GME. Additionally, the GME Startup Bonus Program provides a portion of \$100 million dollars to qualifying hospitals with newly approved residency positions in the statewide supply-and-demand deficit specialties. Supplemental payments are also available for physician educators within these programs. Our current residency program graduates eight new family physicians each year. These newly trained physicians will meet a critical need as a national physician shortage persists. Since its inception, the program has graduated eighteen physicians, 10 of whom took jobs in Lee County, a total of 12 (66.7%) in Southwest Florida, and a total of 14 in the state of Florida. Lee Health is developing plans to expand Graduate Medical Education programs by adding additional medical residency specialties in collaboration with partner universities in order to meet the critical medical workforce needs of the region.

Telemedicine/Telehealth

Lee Health supports the use of new technologies including telemedicine for improved patient care. Lee Health utilizes telemedicine in a multitude of care delivery scenarios. We implement telemedicine consultations in our children's hospital, home health, mental health through Lee Community Healthcare, and in our emergency departments. The use of this innovative technology allows more patients to receive better outcomes. The Florida Legislature created the Florida Telehealth Advisory Council in 2016. The Council produced recommendations intended to increase the use and accessibility of services provided via telehealth in the state of Florida. *Lee Health supports telemedicine legislation that requires certified clinical care being properly reimbursed.*