



For more than 100 years, Lee Health has served as the safety net hospital system providing essential care for the Southwest Florida community. Today, Lee Health provides an array of specialized programs and services that extend well beyond the walls of our acute care hospitals. While our facilities serve primarily Lee County, our programs provide access to care throughout the Southwest Florida region. Lee Health's patient focused team includes nearly 14,000 employees, 4,500 volunteers and auxiliaries, and a clinical staff comprised of outstanding physicians, advanced providers, nurses, and numerous patient care professionals. These dedicated and caring professionals see nearly 2 million patient contacts each year. The system's six hospitals include a Level II Trauma Center at Lee Memorial Hospital and the Golisano Children's Hospital of Southwest Florida.

Lee Health is Florida's largest public health system to operate without local tax support. In the past two years, Modern Healthcare has ranked Lee Health as the third and fourth largest public hospital system in the nation, respectively. Lee Health is a proud community partner, contributing hundreds of millions of dollars annually in community benefit for services such as unreimbursed medical care, community education, and outreach. The system is dedicated to meeting the health care needs of our region. We are caring people, inspiring health.

## Hospital Medicaid Reimbursements

- Lee Health directly contributed \$158.1 million for Medicaid patients served in FY 2019.
- During the 2017 and 2018 Florida Legislative Sessions, base Medicaid rates were cut by a total of \$631 million.
- Fortunately, during the 2019 Session and for the first time in many years, the Legislature did not cut base Medicaid rates.
- Lee Health supports increasing base Medicaid funding and reinstating the 2% inflationary factor in Medicaid cost forecasts.
- Lee Health opposes attempts to eliminate Critical Care Funding, otherwise known as Medicaid high auto utilization rates. These funds help 28 Florida hospitals to provide complex Medicaid services for children.

## Health Care Coverage

- In 2017, more than 2.6 million Floridians lacked health coverage.
- Lee Health is committed to providing world-class care, regardless of a patient's ability to pay.
- Southwest Florida has one of the highest rates of uninsured patients in the entire state, as well as more than double the national average elderly population rate.
- Southwest Florida is heavily dependent on service-sector jobs resulting in many employees having limited health insurance or no coverage at all. 75 percent of Lee Health's patients receive health coverage through Medicare and Medicaid, which only reimburse a portion of the cost of care. The majority of Lee Health's costs for treating patients are not fully reimbursed. In addition, 9 percent of Lee Health's patients are uninsured or underinsured.

## Low Income Pool (LIP)

- The Low Income Pool is an important financial mechanism extended to healthcare providers that treat the most uninsured and under-insured patients.
- As a public health system, Lee Health benefits from the LIP special terms and conditions that create a tier specifically to fund public hospitals serving disproportionately higher volumes of Medicaid and uninsured patients.
- Lee Health favors continuing the LIP in the next Section 1115 Medicaid Demonstration Waiver, thereby supporting the state Medicaid budget with local and federal dollars through FY 2026.

## Lee Health Enabling Legislation

- Lee Memorial Health System (Lee Health) is a public health system created by special act of the Florida Legislature. It is classified as an independent special district under Florida law.
- Lee Health's first hospital was built in 1916 and the original enabling legislation creating our public charge was enacted in 1963. The enabling legislation was re-codified in 2000 along with all other special districts in Florida. Lee Health provides a number of services such as the Children's Hospital, Provider Service Network, and Trauma Center that serve the entire Southwest Florida region.
- The proposed changes to the health system enabling legislation will: (1) strike provisions related to an outdated lien law, (2) revise provisions related to investments, (3) clarify that the health system's programs operate within and beyond the boundaries of Lee County, and (4) provide technical and clarifying changes.



**Lee Health is a model public health system that is transparent and accountable**

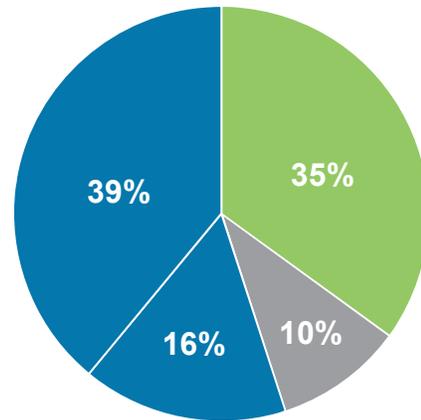
- Lee Health is a nationally recognized public health system that operates with full transparency and accountability. Lee Health’s board meetings are publicized in accordance with the state’s open government Sunshine Law, and agendas and materials are posted online for ease of access. Standard hospital charges are posted to the Lee Health website in accordance with the law.
- Lee Health’s ten-member Board of Directors is publicly elected by Lee County voters, and meets regularly to set strategic goals and objectives for the system and to monitor the performance of the administration.

**Lee Health provides extensive financial support for Florida’s Medicaid program**

- While Medicaid is a federal-state program that helps to pay for health care for the poor, Lee Health itself provides a significant portion of Medicaid funding in Southwest Florida.
- Here’s how that works:
  - In 2019, Lee Health provided Medicaid services worth \$287.7 million to the people of Southwest Florida.
  - Approximately 35 percent of that amount (\$100.7 million) was funded by the federal government.
  - The state government funded roughly 10 percent (\$28.9 million).
  - Lee Health funded the remaining 55 percent (\$158.1 million) through Intergovernmental Transfers and assessments paid to the state, as well as additional funding from Lee Health’s operational budget.
  - Intergovernmental Transfers (IGTs) are local revenues the system derives from its operations and transfers to the state of Florida. These IGTs include Public Medical Assistance Trust Fund (PMATF) taxes that Lee Health pays the state (a tax that hospitals pay on their inpatient and outpatient revenues), and local revenues the system derives from its operations.

**Lee Health directly contributed more than the federal government and five times what the state funded for local Medicaid patients served**

**Lee Health’s 2019 Medicaid Program Funding**



**Lee Health funds \$158.1 million of its \$287.7 million Medicaid program.**

- Federal government share **\$100.7 million (35%)**
- Lee Health share **\$158.1 million (55%)**  
**\$112.3 million (39%)**  
 Unreimbursed care provided and funded by Lee Health  
**\$ 45.8 million (16%)**  
 IGT and PMATF Payments to the state of Florida
- State government share **\$28.9 million (10%)**





### ***Behavioral Health Crisis: Regional Approach to Addressing Pediatric Behavioral Health and Substance Abuse***

Lee Health is committed to improving Pediatric and Substance Abuse care both in Lee County and across the Southwest Florida region. For example, Lee Health's Center for Population Health helped initiate a regional alignment effort whereby clinical and community leadership collaborate to permanently change the trajectory of care for our community. Lee Health supports the use of federal, state, and local resources to address the substance abuse epidemic (principally opioids, methyl amphetamines and cocaine) impacting the nation and Southwest Florida. 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.

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 significant efforts to address this problem. These include hiring additional psychologists, psychiatrists, child advocates, and other mental health professionals, along with 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. In 2019, Lee Health will launch the first-of-its-kind Pediatric Digital Cognitive Behavioral Health diagnostic and treatment protocols via TelePsych consultation. 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.

### ***Increase Florida Hospital Disproportionate Share (DSH) funding***

In previous years, Disproportionate Share Hospital (DSH) payments had been redefined in Florida 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 \$225 million compared to the U.S. average per state of \$860 million. 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 occur. 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 ACA DSH cuts and increasing Florida DSH allotments to a peer state average of \$1.077 billion or national average of \$860 million.

### ***Trauma Regulation***

The Lee County Trauma Services District was created by a special act of the Florida Legislature, 2003-357. The Trauma District is governed by a publicly elected board of directors (the same directors as serve on the Lee Health board), with the support of a Regional Advisory Committee comprised of individuals representing the five-county trauma service area. The Regional Trauma Center at Lee Memorial Hospital, a State-designated Level II Trauma Center, celebrated its 25th year of service in 2019 and has cared for over 43,000 injured patients in its history, serving as a safety net to visitors and residents of Lee, Collier, Charlotte, Hendry and Glades Counties.

In the 2018 legislative session, Lee Health supported the re-establishment of the Florida Trauma System Advisory Council (FTSAC). Since the FTSAC's resurrection, Lee Health has supported its efforts with active participation such as leading review committees and working with the Safety Net Hospital Coalition in updating trauma center standards to promote optimal trauma patient care. Lee Health continues to offer exceptional care in our Regional Trauma Center and looks for future opportunities to improve our trauma program. We will remain vigilant to evolving issues as change takes place within the state and continue to promote interests in the best care of our community and its high functioning trauma system.

### ***Fund and support Graduate Medical Education (GME) including new and expanded residency programs***

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. Additionally, the GME Startup Bonus Program provides a portion of \$100 million to qualifying hospitals with newly approved residency positions in the statewide demand deficit specialties. 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 24 physicians, 11 of whom took jobs in Lee County, a total of 13 (54%) in Southwest Florida, and a total of 18 (75%) in the State of Florida. Lee Health is planning to open a second GME program in internal medicine at Cape Coral Hospital. Like our successful family medicine program, Florida State University's College of Medicine will serve as the institutional sponsor. The program is slated to begin in 2021 or 2022.



## ***Support Regional and Statewide Efforts to Address Potential Public Health Issues Related to Water Quality***

Lee Health has worked with Southwest Florida community leaders to understand how algae blooms might impact an individual's health and how to best diagnose and treat exposed patients. The Lee Health Board of Directors held meetings over the last year to hear concerns from experts and community members and to identify Lee Health's role during blooms. We continue to provide data to the community and Florida Department of Health which collaborates with the Centers for Disease Control to help their efforts in studying the effects of harmful algae blooms (HAB). Lee Health has posted information on our website since 2018 to inform and direct members of the community in relation to red tide and algae bloom impacts.

Lee Health provides reminders and continuing education for clinicians to diagnose impacts of algae bloom exposure. The surveillance of algae-associated cases of human illnesses provides information on the number of cases occurring each year, where illnesses are occurring in our area, and the symptoms associated with the exposure. The data can help better define the effect of algae blooms on humans, animals, and the environment. Lee Health supports research initiatives such as those being conducted at the Florida Gulf Coast University Water School and will provide assistance with providing data. Federal, state, and local government agencies have been directed to appropriate specific dollars to study and mitigate all impacts of harmful algae blooms.

## ***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 implemented 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. During hurricane season in 2019, Lee Health offered free telehealth visits for patients who needed to reach a medical provider. Telehealth can serve as an important tool for answering medical questions before, during, and after natural disasters. The Florida Legislature passed telehealth legislation during the 2019 Session that encourages insurers to reimburse telehealth visits in return for a tax credit. Lee Health supports these efforts and future telemedicine legislation that requires certified clinical care to be properly reimbursed and further encourages utilization.

## ***Provider Service Network (PSN)***

Vivida Health Plan is the only local provider-sponsored community-based health plan administering Florida Medicaid benefits in Charlotte, Collier, DeSoto, Glades, Hendry, Lee, and Sarasota Counties. Under the umbrella of Lee Health, Vivida connects members to local health care providers and community partners to promote a healthier future for Southwest Florida. Lee Health supports equal treatment for Provider Service Networks and Health Management Organizations under Florida Law. The auto-assignment of Medicaid enrollees to certain Medicaid plans and the statutory cap of plans per region are two issues that must be equitably addressed. Lee Health supports preserving the essential role of Provider Service Networks in Florida statute.

***This document represents the foundational 2020 Lee Health legislative priorities. Lee Health reserves the right to advocate for or against any priorities not explicitly covered by this information.***



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