

**LEGISLATIVE  
BUDGET  
COMMISSION**

**Ed Hooper, Chair**

**Lawrence McClure, Vice-Chair**

**MEETING PACKET**

**Tuesday, April 28, 2026**

**09:00 a.m.**

**110 Senate Office Building**

**(Please bring this packet to the committee meeting.  
Duplicate materials will not be available.)**



## LEGISLATIVE BUDGET COMMISSION AGENDA

Tuesday, April 28, 2026  
09:00 a.m.  
110 Senate Office Building



### Members

Senator Lori Berman  
Senator Jim Boyd  
Senator Jason Brodeur  
Senator Gayle Harrell  
Senator Ed Hooper  
Senator Kathleen Passidomo  
Senator Darryl Rouson

Representative Alexander Andrade  
Representative Demi Busatta  
Representative Lawrence McClure  
Representative Jason Shoaf  
Representative John Snyder  
Representative Allison Tant  
Representative Marie Woodson

### Page #

- I. Consideration of the following budget amendments:
  - A. Agency for Health Care Administration  
EOG #B2026-0831  
EOG #B2026-0875
- II. Other Business

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**Agency for Health Care Administration**

**EOG Number: B2026-0831**

***Problem Statement:***

The State Fiscal Year 2025-2026 General Appropriations Act and Chapter 2025-199, Laws of Florida, authorized the Agency for Health Care Administration (AHCA) to submit a budget amendment requesting budget authority to implement the Low Income Pool (LIP) program. The LIP program provides support for safety net providers for the costs of uncompensated charity care for low-income individuals who are uninsured. Uncompensated care includes charity care for the uninsured but does not include costs for insured individuals, bad debt, or Medicaid and Children’s Health Insurance Program shortfalls. Providers qualify for LIP funding if they are a Medicaid provider and meet all other participation requirements.

Hospitals are ranked from high to low based on their percentage of charity care costs to commercial costs, as well as by statutory designations and ownership status. Providers are divided into tiers and paid a prescribed percentage of their charity care costs based on their tier assignment. LIP payments are dependent on the availability of intergovernmental transfers (IGTs) to support the non-federal share of the payments.

On April 7, 2026, the AHCA received approval from the Centers for Medicare and Medicaid Services for the LIP reimbursement and funding methodology for Demonstration Year 20 (July 1, 2025, through June 30, 2026).

The AHCA does not have sufficient budget authority to distribute the Fiscal Year 2025-2026 LIP payments in the current fiscal year.

***Agency Request:***

The Agency for Health Care Administration requests to establish budget authority in the amount of \$927,349,906 in the Grants and Donations Trust Fund and \$1,240,368,435 in the Medical Care Trust Fund to support the Low Income Pool program in the current fiscal year.

***Governor's Recommendation:***

Recommend approval to establish budget authority in the amount of \$2,167,718,341 in the Low Income Pool appropriation category from the Grants and Donations Trust Fund and the Medical Care Trust Fund within the Medicaid Services to Individuals budget entity to distribute funds associated with the Fiscal Year 2025-2026 Low Income Pool program.

***Senate Committee:*** Appropriations Committee on Health and Human Services

***Senate Analyst:*** Cynthia Barr

***House Committee:*** Health Care Budget Subcommittee

***House Analyst:*** Sean Smith

Line Item No.	Budget Entity / Fund / Appropriation Category Title  LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
	<b>AGENCY FOR HEALTH CARE ADMINISTRATION</b>				
	Program: Health Care Services <u>Medicaid Services To Individuals</u>				
N/A	Special Categories Low Income Pool From Grants And Donations Trust Fund From Medical Care Trust Fund		927,349,906 1,240,368,435	927,349,906 1,240,368,435	

**Agency for Health Care Administration**

**EOG Number: B2026-0875**

***Problem Statement:***

The State Fiscal Year 2025-2026 General Appropriations Act and Chapter 2025-199, Laws of Florida, authorized the Agency for Health Care Administration (AHCA) to submit a budget amendment requesting budget authority to implement a directed payment program (DPP) for hospitals providing inpatient and outpatient services to Medicaid managed care enrollees. The hospital DPP provides direct payments to hospitals in an amount up to the Medicaid shortfall, or the difference between the cost of providing care to Medicaid-eligible patients and the payments received for those services.

Participating hospitals must meet the following criteria:

1. Fall into one of the following three mutually exclusive provider classes: Private Hospitals, Public Hospitals (including state and non-state governmental hospitals), or Cancer Hospitals that meet the criteria in 42 U.S.C. § 1395ww(d)(1)(B)(v);
2. Operate in one of Florida's designated Statewide Medicaid Managed Care (SMMC) regions; and
3. Provide inpatient and outpatient hospital services to Florida Medicaid managed care enrollees.

State directed payments are required under 42 C.F.R. § 438.6(c)(2)(ii)(B), to ensure expenditures are directed equally, using the same terms of performance, for a class of providers delivering services under the contract. The uniform percentage increase is set by Medicaid region. Within each region, the payment arrangement directs payments equally to all hospitals within each class for services reimbursed by Medicaid managed care plans.

The hospital DPP funding is contingent on Local Provider Participation Funds (LPPFs) and intergovernmental transfers (IGTs) serving as the nonfederal share required to draw down federal matching funds. Private hospitals must partner with a governmental entity to participate in the hospital DPP, and in each region, private hospitals have secured at least one government partner to support the nonfederal share. The cancer hospitals (i.e. University of Miami and Moffitt) have elected not to participate in the program for this year due to their participation in the Florida Cancer Hospital Program.

On April 17, 2026, the AHCA received contingent approval from the Centers for Medicare and Medicaid Services (CMS) for the hospital DPP delivery system and payment model for the rate period October 1, 2024, through September 30, 2025. This contingent approval is conditioned on the AHCA submitting complete, signed attestations affirming that each participating hospital does not participate in any hold harmless arrangements. To the extent any such arrangements previously existed, they must be fully unwound. Final approval remains contingent upon

receipt of all required hospital attestations and federal CMS review and acceptance of those materials.

The AHCA does not have sufficient budget authority to distribute the Fiscal Year 2025-2026 hospital DPP payments in the current fiscal year.

**Agency Request:**

The Agency for Health Care Administration (AHCA) requests budget authority in the amount of \$3,473,664,927 in the Grants and Donations Trust Fund and \$4,510,843,628 in the Medical Care Trust Fund in the Prepaid Health Plans Hospital Directed Payment Program appropriation category within the Medicaid Services to Individuals budget entity, to be placed in unbudgeted reserve until final approval is received from the federal Centers for Medicare and Medicaid Services.

**Governor's Recommendation:**

Recommend approval to establish budget authority in the amount of \$7,984,508,555 in the Prepaid Health Plans Hospital Directed Payment Program (DPP) appropriation category from within the Medicaid Services to Individuals budget entity to distribute funds associated with the Rate Year 2024-2025 Hospital DPP.

**Senate Committee:** Appropriations Committee on Health and Human Services

**Senate Analyst:** Cynthia Barr

**House Committee:** Health Care Budget Subcommittee

**House Analyst:** Sean Smith

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY		RECOMMENDED BY GOVERNOR		APPROVED BY THE LEGISLATIVE BUDGET COMMISSION	
			Appropriation	Reserve	Appropriation	Reserve	Appropriation	Reserve
	<b>AGENCY FOR HEALTH CARE ADMINISTRATION</b>							
	Program: Health Care Services <u>Medicaid Services To Individuals</u>							
N/A	Special Categories Prepaid Health Plan - Hospital Directed Payment Program From Grants And Donations Trust Fund From Medical Care Trust Fund		3,473,664,927	3,473,664,927	3,473,664,927	3,473,664,927		
			4,510,843,628	4,510,843,628	4,510,843,628	4,510,843,628		