

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Ordinance 2021-506

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: July 27, 2021

Committee(s) of Reference: F

Date of Analysis: July 29, 2021

Type of Action: Authorizing execution of indigent care funding agreements with Shands Jacksonville Medical Center and Florida Agency for Health Care Administration

Bill Summary: The bill authorizes the execution of the annual letter of agreement among the City, Shands Jacksonville Medical Center, and the Florida Agency for Health Care Administration for payment of the City's indigent care contribution of \$35,000,000 to Shands Jacksonville and for the use of all of those funds to leverage the State's Intergovernmental Transfer (IGT) and the federal government's "disproportionate share" Medicaid funds to increase the amount of funding available for indigent care purposes.

Background Information: Shands Jacksonville and several of the other largest indigent care provider hospitals in the state participate in the "disproportionate share" program through which the hospitals turn a portion of their local indigent care funds over to the state to be used as matching funds to draw down enhanced Medicaid reimbursement for indigent care, thus substantially increasing the amount of care that can be provided as a result of the local appropriation. The Mayor's proposed budget for FY21-22 contains an allocation of \$35,000,000 to Shands Jacksonville for indigent care purposes. This year represents the second increase in the City's appropriations to Shands Jacksonville for indigent care after 6 years of static funding:
FY12/13 - \$23,775,594; FY13/14 - \$26,275,594; FY14/15 - \$26,275,594; FY15/16 - \$26,275,594; FY16/17 - \$26,275,594; FY17/18 - \$26,275,594; FY18/19 - \$26,275,594; FY19/20 - \$26,275,594; FY20/21 - \$30,275,594; FY21-22 - \$35,000,000

Policy Impact Area: Indigent care funding

Fiscal Impact: According to UF Health Jacksonville, the \$26.27 million City contribution leveraged state funding through the Low Income Pool and Disproportionate Share programs of \$55,385,094 in FY17-18, \$58,417,277 in FY18-19 and \$74,718,920 in FY19-20, which is not comparable to previous years' figures because of increased federal funding for COVID-19-related Medicare matching. The FY21-22 figure is anticipated to be similarly affected because of COVID-related costs and reimbursement rates.

Analyst: Clements