



United States Senate

WASHINGTON, DC 20510-0905

BILL NELSON
FLORIDA

April 18, 2014

The Honorable Don Gaetz
President
The Florida Senate
212 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399

Dear Senator Gaetz:

I appreciate your continued interest and correspondence on this issue, including our recent conversation in Tallahassee. Last year, I wrote to Secretary Sebelius asking her to approach any discussions with you or others in the state with a mind towards finding a Florida solution. I believe that in all previous correspondence, both Secretary Sebelius and Administrator Tavenner indicated their willingness to be flexible as long as it conformed to the fundamental principles of expansion. Expansion *must be statewide* and it *must not impose unreasonable costs* on this vulnerable population. These principles have been steadfast.

I am aware of the good work done by the Florida Senate on the issue of expansion last session. To your point on alternate financing methods, CMS has already shown flexibility to states looking to use premium assistance to cover the expansion population and charge nominal premiums to those beneficiaries over the poverty line. However, they have not allowed states to *require* premiums of beneficiaries under 100 percent of poverty, which is \$11,670 in 2014 for an individual. They have also been clear in letters that the entirety of the expansion population, up to 138 percent of poverty, must be covered.

Although the bill passed last year by the Florida House did not use the \$51 billion in Floridian taxpayer dollars meant for expansion, it would have required beneficiaries under the poverty line to pay a significant premium and would not have covered the full expansion population. Your letter of June 28, 2013 to Secretary Sebelius asked for her to forgo both legal and administration policy and support both these provisions. There was not an unwillingness on the part of the Secretary to be flexible but a need to adhere to the letter of the law. And while the Florida Senate bill may have been negotiable, it was the unwillingness of the Florida House—not the Federal government—to compromise which was ultimately responsible for a final bill falling short of the Governor's desk.

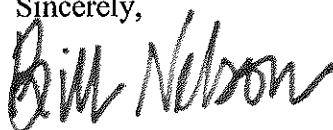
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As for the use of intergovernmental transfers, or IGTs, to finance expansion, the head of CMS is fully aware of her agency's concerns with Florida's use of this funding stream. Yet, she wrote a day before the approval of the waiver, that they would be more than willing to consider it in the case of expansion (letter attached). While CMS may wish that Florida would move away from this financing mechanism for the program as a whole, they are clearly open to using this mechanism if there is a chance for coverage of 1.2 million Floridians.

I look forward to working with you in an effort to find a solution to these issues.

Sincerely,

A handwritten signature in black ink that reads "Bill Nelson". The signature is written in a cursive, slightly slanted style.

Enclosure: Letter from CMS



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Administrator
Washington, DC 20201

APR 10 2014

The Honorable Bill Nelson
United States Senate
Washington, DC 20510

Dear Senator Nelson:

Thank you for your letter regarding the formation of a locally-based and derived plan for the expansion of Medicaid in Florida and for your strong support for the Medicaid expansion in your state. As you note in your letter, we have worked closely with states from across the nation to support homegrown Medicaid expansions that work for individual states. Whether through the substantial flexibility available to states under Medicaid law and regulations or through a section 1115 demonstration project, we are ready and willing to work directly with Florida on a Florida-designed approach.

To the extent that a state would like to pursue a financing arrangement such as the one you describe in your letter, we are certainly interested in working directly with the state and stakeholders to consider how such a proposal would be designed and implemented. The Medicaid program supports a variety of statutorily permitted financing arrangements and we are open to exploring any permissible approach that would support a statewide Medicaid expansion.

Thank you for your continued efforts in support of Medicaid expansion in Florida. I look forward to continuing to work with you and the state as it considers how best to move forward in a way that works for Floridians.

Sincerely,

A handwritten signature in cursive script that reads "Marilyn Tavener".

Marilyn Tavener