



RICK SCOTT  
GOVERNOR

*Better Health Care for all Floridians*

ELIZABETH DUDEK  
SECRETARY

October 31, 2012

## Notice of Rate Setting

This Notice of Rate Setting rescinds all prior hospital rate notifications issued by the Florida Agency for Health Care Administration (Agency) during the 2012-13 fiscal year to hospitals on the attached list that received an increased rate based on Intergovernmental Transfers from local governments through the hospital exemptions and buyback programs.

A total of \$367,344,086 was provided by the Florida Legislature in the 2012-13 General Appropriations Act to fund hospital exemptions and to buy back hospital rate reductions through the use of Intergovernmental Transfers (IGTs).

The Agency received Letters of Agreement from local governments on behalf of Florida Medicaid hospital providers totaling \$392,728,178, which exceeds the level of spending authority provided to the Agency in the fiscal year 2012-13 General Appropriations Act. Effective immediately, the Agency hereby sets Medicaid hospital rates for fiscal year 2012-13 in accordance with the appropriated levels to fund exemptions and rate buy backs. This rate adjustment equates to a 5.1% reduction for IGTs used for buy backs and further equates to a 8.9% reduction for IGTs used to fund exemptions.

Detailed rate sheets consistent with this rate adjustment will be sent under separate cover. Attached hereto, and incorporated herein, is a statement of the Agency's allocation of the referenced reductions by facility.

The Agency is committed to following the law and will remain within the limits of its budget authority. We look forward to implementing the new hospital payment method, passed by the Legislature last year, in cooperation with the hospitals so we can work together toward a simpler process that allows for better predictability.

The contact at the Agency for information related to this issue is Tom Wallace; he can be reached via email at, [Thomas.Wallace@ahca.myflorida.com](mailto:Thomas.Wallace@ahca.myflorida.com) or by phone at 850-412-4101.

Sincerely,

Elizabeth Dudek  
Secretary

