

**APRIL 2025**

# **City of Bradenton Hospital Assessment Overview**

Ensuring Healthcare Funding for Our  
Low-Income Residents



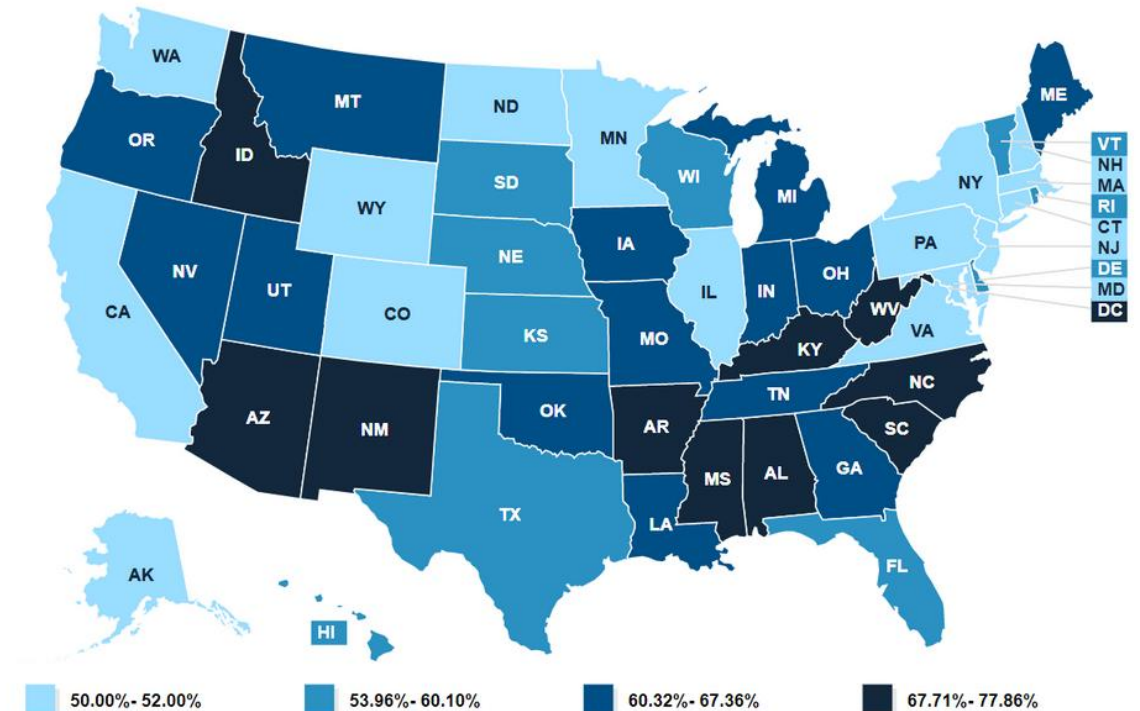
Building on City of Bradenton's commitment to  
healthcare excellence – thank you for your dedication.

# Medicaid Overview

## The Underfunding Problem

- Medicaid is jointly funded by the states and federal government.
- The state contributes, and the federal government provides matching funds.
- Historically, Florida's hospitals received only about 60 cents per dollar of cost in reimbursement for Medicaid services – low relative to other states. That is the underfunding fiasco in Florida.
- This problem is further compounded by very low levels of reimbursement for charity care services for Florida hospitals. Historically, charity care reimbursement has been as low as 1%.

Federal Medical Assistance Percentage (FMAP)



# Medicaid Underfunding

City of Bradenton



**47.7%**

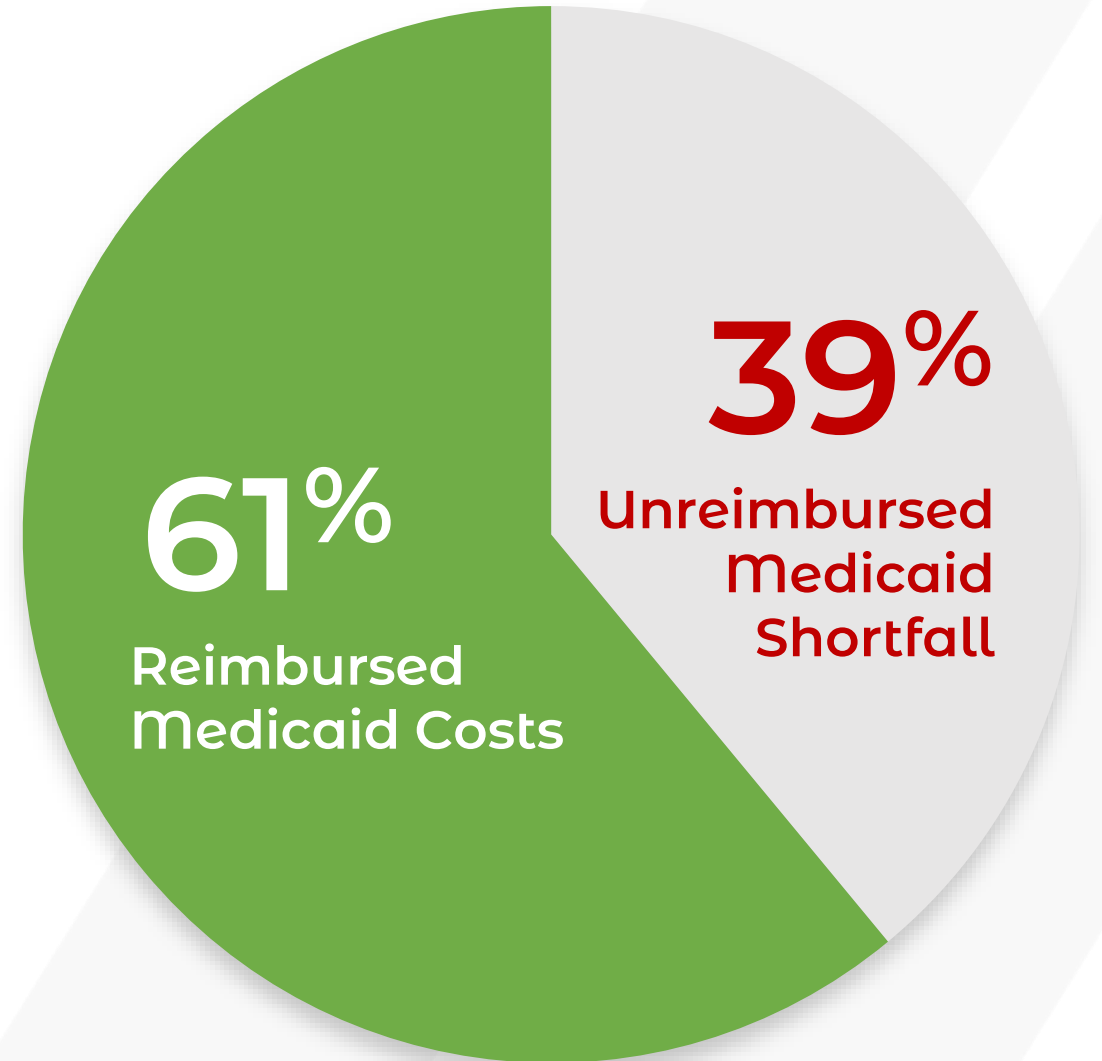
Of births in Manatee County are financed by Medicaid

- Medicaid provides vital health coverage to **1 in 7** Floridians—nearly **3.17 million** people—including low-income children, families, older adults, and individuals with disabilities.
- In the City of Bradenton, more than **15,500** residents are enrolled in Medicaid, representing approximately **15.5%** of the city's population.
- Approximately **2.7 million** Floridians are uninsured and rely solely on charitable care.

# Medicaid And Charity Care In Florida

Coverage vs. Shortfall

- Statewide, hospitals provide over **\$3.4 Billion** in unreimbursed Medicaid costs each year.
- Statewide, hospitals provide over **\$2.8 Billion** in unreimbursed Charity Care each year.
- Florida's Governor and the Legislature stepped in with a solution to close this funding gap.



# Directed Payment Program (DPP) and Low Income Pool Program (LIP)

- DPP is a Medicaid Program that provides funding for hospitals that provide inpatient and outpatient services to Medicaid managed care enrollees.
- LIP is a Medicaid program that provides critical funding to health care providers, particularly hospitals, to ensure continued government support for healthcare services to uninsured populations.



# Unlocking An Opportunity

## Background of the DPP and LIP Program

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- On October 19, 2005, the Centers for Medicare and Medicaid Services (CMS), approved the 1115 Research and Demonstration Waiver Application for the State of Florida.
- The Florida Legislature passed the law for the LIP program, providing continued government support for health care services to the uninsured population.
- In 2021, CMS approved Florida's LIP program through June 30, 2030. This approval allowed Florida to offset the \$2.8 billion in charity care costs incurred annually.
- Starting 2021, the Florida Legislature's Budget Proviso has directed the Agency for Health Care Administration (AHCA) to seek federal approval for the DPP program. This approval allowed Florida to offset a significant amount of Medicaid shortfall annually.
- By adopting Ordinance 4045, City of Bradenton's City Council approved the setting up of the City of Bradenton's "Local Provider Participation Fund (LPPF)" for the DPP and LIP Programs.

# Florida's LPPF Program Growth

PGY1-PGY4

- In 2021, 15 local governments around the state established local provider participation funds.
- All 15 counties collected money from the nonpublic hospitals.
- Every vote was successful. Every dollar was paid.
- In 2022, another 6 local governments established local provider participation funds.
- Again, every vote was successful. Every dollar was paid.
- In 2023, the same 21 jurisdictions adopted rates and levied the hospital special assessment.
- In 2024, the number of jurisdictions rose to 26, including City of Bradenton, and again every vote was a success, and all payments are underway and on schedule.
- In 2025, the number of jurisdictions rose to 27!



As of 2025, There were **27** Local Special Assessments.

# Locally Funding The Hospital DPP and LIP Programs



**Paid By  
Hospitals**



**Not Paid By Residents  
or Businesses**

- The source of the non-federal share included local government special assessments, levied against properties on which non-public hospitals operate.
- No City of Bradenton resident will ever pay a dollar to fund these programs.
- The programs are funded **entirely by hospitals**, not by residents or businesses.



# City of Bradenton's Compliance With Federal Requirements

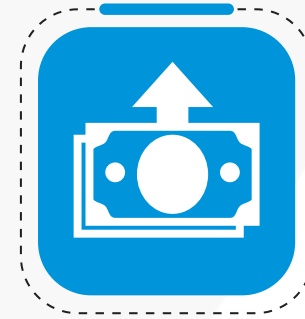
## Program Review



- City of Bradenton's LPPF is a non-ad valorem special assessment account – it allows the City's non-public hospitals to access federal dollars.
- City of Bradenton's assessments qualifies as a “provider tax” under federal law that is eligible for federal match because it is:
  - 01 **Broad-Based**
  - 02 **Uniform**
  - 03 **Does not include any hold-harmless agreement**
- Statewide, no more than 6 percent net patient revenues may be used for such programs and Florida remains fully compliant.

# Payment Mechanism

Flow of DPP and LIP Funds



## Step 1

Nonpublic hospitals pay assessment to be deposited in a Local Provider Participation Fund (LPPF) account.

## Step 2

City sends funds from LPPF to AHCA to support non-federal share of DPP and LIP.

## Step 3

AHCA sends federal and non-federal funds to the providers.



# City of Bradenton

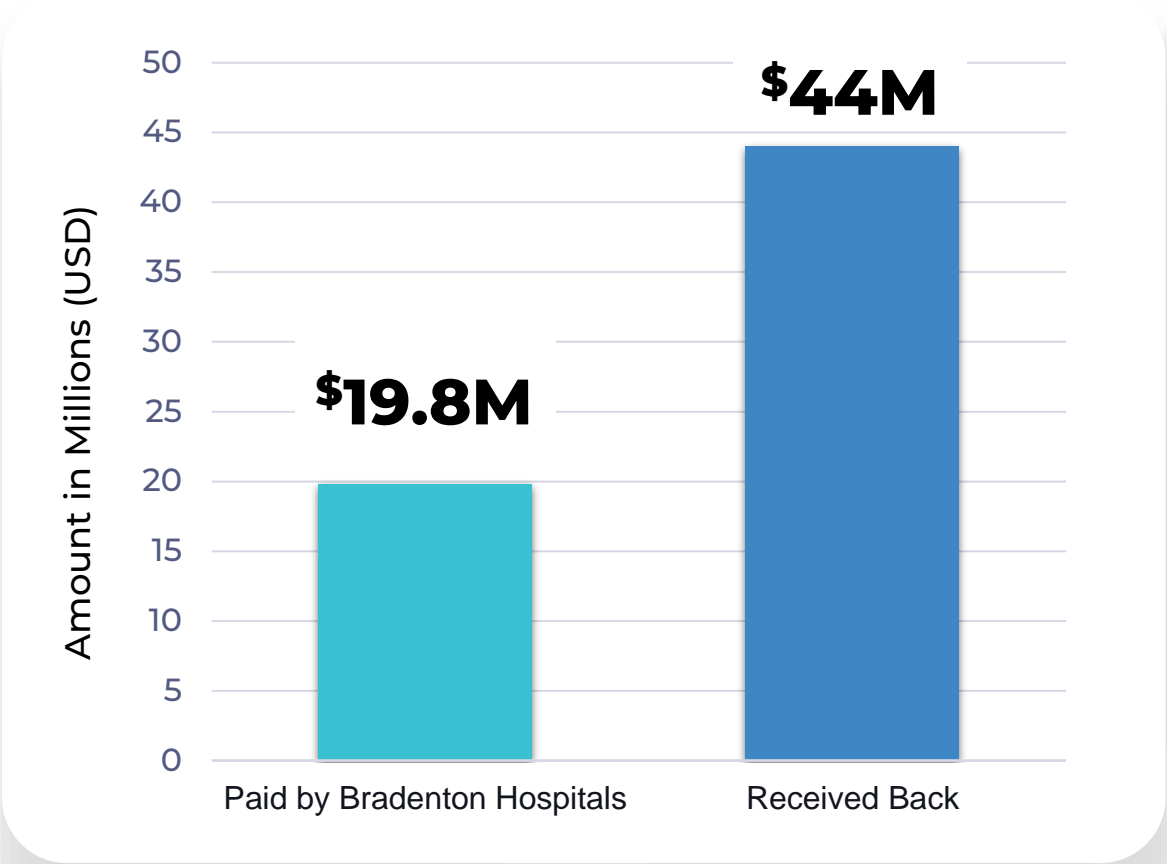
Flow of Funds for DPP and LIP Year 1



City of Bradenton Hospitals will be receiving the added Medicaid reimbursements for Year 1 in **May of 2025.**

# DPP and LIP Program Outcomes for the City of Bradenton

- Creation of the LPPF by City of Bradenton ensures hospitals in the City can access much needed funding for uninsured and charity care.
- In 2024, City of Bradenton’s Mandatory Payment for the LIP and DPP programs was **\$19.8 million**. Whereas, the City’s Gross Reimbursement for LIP and DPP was over **\$44 million**.



# Benefit to City of Bradenton Hospitals

Due to the city's involvement in the DPP and LIP programs, City of Bradenton hospitals received a standardized percentage increase in reimbursement for providing Medicaid and charitable care.

- Access to care through HCA's free-standing EDs – Palmetto & S Bradenton; Blake Hospital - Safety net for Trauma and Burn patients; MD Now Urgent Care centers. Advances in market for Parkinsons, mitral regurgitation, advanced EP ablative technologies.
- City's health care providers, including the Manatee Memorial Hospital have expanded access to care including:
  - Attracting new talent and increased hiring across the board.
  - Care for over 14,000 uncompensated ER visits.
  - Two Free Standing Emergency Departments in the city with plans for a third.



# Benefit to City of Bradenton Hospitals

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- From an economic benefit perspective, for example, the Manatee Memorial hospital alone employs 2,023 staff with an annual payroll of \$168 Million, hosts quarterly job fairs in the community, has made several infrastructural improvements using local city vendors.
- Many community sponsorships including: American Heart Association – Heart Walk; American Cancer Association – Breast Cancer Awareness/Walk; Realize Bradenton – Bradenton Public Market; High School programs; Meals on Wheels; State College of Florida Schools of Nursing; LECOM Medical School; and Manatee Technical College; Partnership with Publix for ‘Meds to Beds’ at discharge.



# State Budget Authority

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- For 2025, at the state level, Florida's legislature once again is presented with a budget containing proviso language that:
  - The Governor's recommended budget authorizes AHCA to expend funds from the Grants and Donations Trust Fund and the Medical Care Trust Fund to implement the DPP and LIP components for Florida.



# Next Steps

Sustaining this Opportunity for City of Bradenton

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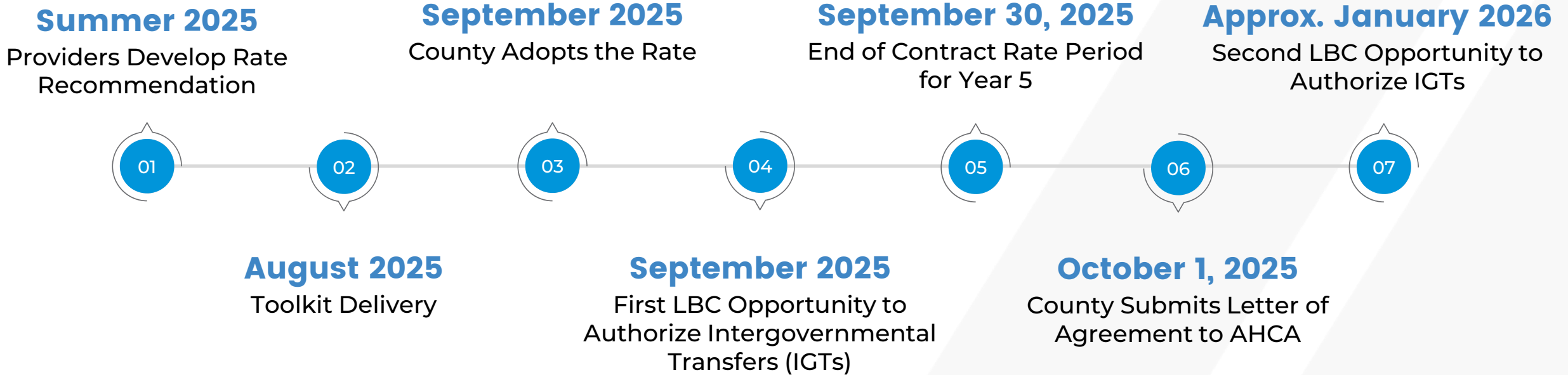


## One Simple Annual Step

Each year, pass a resolution setting the assessment rate – this single step triggers the next year of DPP and LIP funding for the entire City.

# Next Steps

## Timeline



# Timeline For Passage Resolution

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The target date for the City of Bradenton's assessment resolution vote is:

**SEPTEMBER 17, 2025 (TENTATIVE)**

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The AHCA Letter of Agreement deadline is:

**OCTOBER 1, 2025**

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## What Happens to Rollover Funds?

- The recommended assessment rate is an estimation – and not an exact science.
- They are accounted for and adjusted to the next year.
- Good news - if there are rolled over funds in the LPPF, they will lower the assessment rate for the next year!

# LPPF Guardrails

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- The annual nature of the resolution gives the City the opportunity to ensure the program receives federal and state approval, and all hospitals receive notice and an opportunity to object.
- Only Hospitals receive a bill – no direct impact on taxpayer.
- Costs can never be passed onto patients.
- Administrative expenses are built in.



# Protecting Bradenton City Residents

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- City of Bradenton's DPP and LIP initiatives ensure hospitals within the City can:
  - Provide quality care to the needy and vulnerable
  - Attract top talent
  - Act as good corporate citizens, employers, and partners with the City to ensure the health, safety, and wellbeing of the population.

**Result:** A healthier, more secure Bradenton – achieved through the City of Bradenton's leadership and staff's collaborative efforts. These guardrails protect the City and the public – the DPP and LIP programs do not increase anyone's taxes or bills, it's a win-win.



**Questions?**

