

## **LOW INCOME POOL INTERGOVERNMENTAL TRANSFERS**

The Low Income Pool (LIP) provides government support to 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 uncompensated care for insured individuals, bad debt, or Medicaid and Children's Health Insurance Program (CHIP) shortfall. For the period July 1, 2017 – June 30, 2018, the allotment for LIP is \$1,508,385,773. Eligible providers are categorized in up to three groups: hospitals, Medical School Physician Practices, and Federally Qualified Health Centers (FQHCs)/Rural Health Centers (RHCs). Hospitals may be divided into five tiers based on a combination of ownership status, statutory teaching hospital designation, children's hospital designation, and uncompensated care ratio\*.

Funding for the LIP program comes from intergovernmental transfers (IGTs) and federal matching funds. IGTs are transfers of funds to the Agency for Health Care Administration (the Agency) from non-Medicaid governmental entities such as counties, hospital taxing districts, municipalities, and providers operated by state or local governments. IGT funds are then used to draw down federal matching funds and payments are made to eligible providers. Since many health care facilities benefit from IGT funds used for federal match, IGT providers are encouraged to contribute funds in order to ensure maximum payments from the LIP program.

Health care providers are encouraged to contact potential IGT providers in their area to secure IGT funding. If an eligible IGT provider is interested in participating in the LIP program, they can contact the Agency to request a Letter of Agreement (LOA). The LOA serves as the contract between the IGT provider and the Agency and authorizes the transfer IGT funds to the Agency on behalf of the designated health care provider. The Agency will invoice IGT providers to send payment once the LOA has been signed. All LOAs must be signed by October 1, 2017 and IGTs in their entirety are due to the Agency by October 31, 2017. Payments to the participating health care providers will be distributed after the IGTs are received.

If you have questions or would like to request an LOA, you may contact Ms. T. K. Feehrer at [LIPProvidersReports@ahca.myflorida.com](mailto:LIPProvidersReports@ahca.myflorida.com) or at (850) 412-4131.

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\*Uncompensated care ratio is the amount of a provider's uncompensated uninsured charity care costs expressed as a percentage of its privately insured patient care costs.