

Sub-project 4: Low-Income Pool Analysis

Among the numerous elements of Medicaid Reform was the establishment of the Low-Income Pool (LIP) Program. Starting July 1, 2006, the State of Florida began distributing a capped annual allotment of \$1 billion (the “pool”), with the funding coming primarily from intergovernmental transfers from local governments matched by federal funds.

The stated objective of the Low-Income Pool Program is “to ensure continued government support for the provision of health care services to Medicaid, underinsured and uninsured populations” (CMS Special Terms & Conditions). The Low-Income Pool thus provides additional funding for providers having large numbers of patients who are low-income and/or with little or no insurance coverage.

Research Question

The overall objective of the LIP evaluation is to examine the link between LIP-related payments and the provision of services to Medicaid, underinsured, and uninsured populations. Thus the fundamental LIP research question is: Did the amount of services provided to Medicaid, underinsured, and uninsured patients per dollar of payment change after introduction of the LIP?

Data Collection Activities

To accomplish this objective, the LIP evaluation will consist of a series of studies. All evaluation studies will use data on LIP-related payments as provided by AHCA, but two different data sets will be used to assess the amount of services provided.

The first set of studies will use data from the Florida Hospital Uniform Reporting System (FHURS), which collects financial and utilization statistics each year from hospitals in Florida. The key advantage of the FHURS data is that they are available for virtually all hospitals in Florida. The second set of studies will use data collected as part of the LIP Milestone Reporting Requirements for CMS. These data cover all providers receiving LIP funding and include information about the type of services, as well as the amount of services.

Two evaluation studies for the pre-Reform period will be available in Fall 2007: “Evaluation of LIP-Related Payments in 2003–04 Using FHURS Data” and “Evaluation of LIP-Related Payments in 2004–05 Using FHURS Data.” Two more evaluation studies will be available in Spring 2008: “Evaluation of LIP-Related Payments in 2005–06 Using Milestone Data” and “Evaluation of LIP-Related Payments in 2006–07 Using Milestone Data.”