

# Scott Scraps 'LIP' Injunction Bid

**BY JIM SAUNDERS OF THE NEWS SERVICE OF FLORIDA**

Pointing to a budget agreement reached by lawmakers, Gov. Rick Scott's attorneys late Tuesday withdrew a request for a preliminary injunction in a legal battle with the Obama administration about health-care funding, according to a notice filed in federal court in Pensacola.

The notice, however, said Scott is not withdrawing the overall lawsuit, which contends that the federal government has tried to unconstitutionally link expanding Florida's Medicaid program with the continuation of the Low Income Pool, or LIP, program.

During the course of the lawsuit, federal officials said Florida would receive about \$1 billion for the LIP program during the fiscal year that starts July 1, without the money depending on Medicaid expansion. Lawmakers have included that money in a budget that is expected to pass Friday.

In the notice, Scott's attorneys wrote that the lawsuit would continue because the state and federal governments have not agreed on a broader resolution of the LIP issue. LIP money primarily goes to hospitals to help cover the costs of uninsured patients.

"The budget agreement assumes LIP funding will continue and appropriates sufficient state funds to compensate the many Florida health-care providers caring for the uninsured and underinsured in the coming months," the notice said.

"That budget agreement thus mitigates the threat of imminent harm to the state, its health-care providers, and their patients. However, the passage of the budget mitigates only the threat of imminent harm. Even though the state Legislature has crafted a budget assuming LIP funding will continue --- an assumption necessary to avoid a government shutdown in Florida --- the parties have not yet arrived at a LIP agreement in principle."

The notice added that the state is "not prepared to withdraw the underlying lawsuit unless and until the defendants render an actual decision about future LIP funding without the unconstitutionally coercive consideration of the state's constitutionally protected decision not to expand Medicaid."

Chief U.S. District Judge M. Casey Rodgers on Wednesday issued an order canceling a hearing that had been scheduled for Friday on the preliminary injunction.

Federal officials have disputed the state's arguments that they are trying to use LIP funding as leverage to force Florida to expand Medicaid to hundreds of thousands of uninsured

residents. In one document, Obama administration attorneys pointed to the decision last month by officials at the federal Centers for Medicare & Medicaid Services to approve \$1 billion in LIP funding for the upcoming fiscal year.

"CMS' letter to Florida of May 21, 2015 further confirms defendants' continued openness to consider approval of a LIP program in Florida with reasonable reforms, regardless of Medicaid expansion," federal attorneys wrote in the document.

Arguments about Medicaid expansion and the future of the LIP program dominated the spring legislative session and played a large role in lawmakers failing to pass a budget before the session ended. The Senate pushed a plan that would have used federal Medicaid money to expand private insurance coverage, but the House and Scott flatly rejected the idea.

Lawmakers went into special session June 1 to negotiate a budget, and House and Senate leaders finished talks late Monday. While the state will receive LIP money for the upcoming fiscal year, it will be a reduced amount from this year's nearly \$2.2 billion. That has forced the Legislature to set aside state general revenue to help offset the reduction.