Subject: Senate Appropriations Committee Passes FHIX, Adopts Strict Sunset Date to Protect Florida Taxpayers

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Senate Appropriations Committee Passes FHIX, Adopts Strict Sunset Date to Protect Florida Taxpayers

Tallahassee, FL–The Florida Senate Committee on Appropriations, chaired by Senator Tom Lee (R-Brandon), today passed Senate Bill 2-A, Health Insurance Affordability Exchange, creating the Florida Health Insurance Affordability Exchange Program (FHIX), which offers premium assistance to help low income working Floridians purchase private health care coverage.

The committee adopted an amendment by Senate Republican Leader Bill Galvano (R-Bradenton) to further protect Florida taxpayers through a strict sunset provision that will allow the state to thoroughly evaluate health outcomes and fiscal impacts before deciding whether or not to continue the program past July 1, 2018.

"To address the serious concerns we all share regarding the future reliability of federal funding, we added a strict sunset provision to the already long list of strong conservative guardrails that protect Florida taxpayers and control the state costs and overall growth of Florida's Medicaid program," said Leader Galvano.

"By adding a mandatory sunset of the FHIX program on July 1, 2018, Florida will have the opportunity to review and assess outcomes, fiscal impacts and access to care before deciding whether or not we continue the FHIX program," said Senator President Andy Gardiner (R-Orlando).

As amended today, Senate Bill 2-A includes the following triggers for expiration of the FHIX program:

Trigger #1: The federal match contribution for the newly eligible under the Affordable Care Act (ACA) falls below 90 percent.

If the federal government match ever falls below 90 percent, the program will expire.

Trigger #2: The federal match contribution falls below the increased Federal Medical Assistance Percentage (FMAP) for medical assistance for newly eligible mandatory individuals as specified in the ACA.

Under the ACA, the federal government must provide funding at specified thresholds until calendar year 2020 when the FMAP is reduced to 90 percent. After CY 2020, the funding may not fall below 90percent.

If the FMAP falls below the following thresholds, the program will expire:

CY 2017 – 95% CY 2018 – 94% CY 2019 – 93% CY 2020+ – 90%

Example: If the federal government provides funding at 93% in CY 2017, the program would expire. They <u>must</u> meet the 95% FMAP.

Participants must sign a contract that acknowledges that FHIX is not an entitlement, state and federal funding may end at any time, failure to pay cost sharing may result in a transition to inactive status, and noncompliance with other requirements may also result in a transition to inactive status.

Trigger #3: The federal government significantly changes the waiver to create the FHIX program.

FHIX reaffirms state sovereignty by <u>requiring state approval</u> of any significant federal changes to our plan.

Trigger #4: Sunset on July 1, 2018.

The FHIX program shall expire on July 1, 2018, unless reviewed and reenacted by the Legislature. The amendment establishes the Health Outcomes Review Commission (HORC). The HORC will assess outcomes, fiscal impacts and access to care. The HORC must review the FHIX program and provide a final report by January 1, 2018.

For more information on the FHIX program, please visit the Florida Senate online.

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