

By Senator Pruitt

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Senate Memorial No. ____

A memorial to the Congress of the United States, urging Congress to change the existing formula for distribution of Medicaid funds.

WHEREAS, Florida is the fourth most populous state, with 16.4 million residents, and

WHEREAS, more than 2 million Floridians live in poverty and approximately 2.8 million Floridians have no health insurance whatsoever, and

WHEREAS, it is a moral incumbency that every Floridian have access to quality, affordable health care, and

WHEREAS, impoverished Floridians have more difficulty securing quality, affordable health care, especially if they are uninsured, and

WHEREAS, Florida participates in the Federal Government's Medicaid program to support those impoverished citizens and ensure their access to health care, and

WHEREAS, when Medicaid was created in 1965, one of its purposes was to reduce the differences among the states regarding their respective abilities to fund medical services for the impoverished, and

WHEREAS, federal funds for Medicaid are distributed to the states based on a funding formula that uses per capita income (PCI) as a key indicator of a state's ability to support its impoverished population, and

WHEREAS, numerous reports from the United States General Accounting Office dating back to the early 1980s demonstrate that PCI is a poor indicator of a state's funding ability, and

1 WHEREAS, the use of PCI assumes that states with lower
2 PCIs have higher rates of poverty, which is a false assumption
3 based on data from the United States Census of 2000, and

4 WHEREAS, the funding formula does not account for
5 states' respective populations in poverty, the wealth
6 distribution of larger states, or the costs to serve Medicaid
7 populations in respective states, and

8 WHEREAS, the use of PCI in the funding formula fails to
9 accurately reflect the needs of the more populous states, and

10 WHEREAS, the use of a state's total taxable resources
11 (TTR) in the formula, as recommended by the General Accounting
12 Office, would result in Florida receiving hundreds of millions
13 of dollars more of federal funds in distribution, which
14 amounts to its fair share, and

15 WHEREAS, according to the 2002 financial data of the
16 Agency for Health Care Administration, uncompensated care in
17 Florida's hospitals is growing at the rate of 12 to 13 percent
18 per year, Medicaid caseloads grew almost 7 percent in the last
19 fiscal year, and the costs of the Medicaid program continue to
20 grow at an alarming rate, and

21 WHEREAS, because of the poor reimbursement rates
22 offered to Florida's physicians due to the disparity created
23 by the funding formula, many doctors have limited their
24 provision of services for Medicaid patients and some have
25 stopped treating Medicaid patients altogether, and

26 WHEREAS, this decline in the number of physicians who
27 will treat Medicaid patients threatens the quality and
28 availability of health care to impoverished Floridians, NOW,
29 THEREFORE,

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31 Be It Resolved by the Legislature of the State of Florida:

1 That the Congress of the United States is requested to
2 pass legislation to change the existing formula for the
3 distribution of Medicaid funds from a formula based on per
4 capita income to one based on total taxable resources and the
5 poverty rate, thereby providing a more equitable distribution
6 of Medicaid funds to the states and bringing the Medicaid
7 program closer to compliance with its stated legislative goal.

8 BE IT FURTHER RESOLVED that copies of this memorial be
9 dispatched to the President of the United States, to the
10 President of the United States Senate, to the Speaker of the
11 United States House of Representatives, and to each member of
12 the Florida delegation to the United States Congress.

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