RON DESANTIS
GOVERNOR

JASON WEIDA
SECRETARY

Report of Investigation

AHCA OIG # 21-06-014
January 16, 2024

Complainant:
Confidential

Subject of Complaint:
Unknown Division of Medicaid Employees
2727 Mahan Drive
Tallahassee, FL 32308

Office of the Inspector General

Table of Contents
Report of Investigation
AHCA OIG # 21-06-014

EXECUTIVE SUMMARY

On June 29, 2021, the Agency for Health Care Administration (AHCA or Agency), Office of Inspector General (OIG), received a complaint from a confidential source; hereinafter will be referred to as the Whistle-blower, who alleged the Halifax Hospital Medical Center Taxing District (Halifax), and the North Brevard County Hospital District, d/b/a Parrish Medical Center (PMC), conducted financial transactions in 2017 and 2019, in which millions of dollars were exchanged between these two entities, and in doing so, these entities "money laundered"[1] Medicaid Low-Income Pool[2] (LIP) funds.

The allegations were based on a November 6, 2017, and December 10, 2019, Interlocal Agreement.[3] The Whistle-blower alleged that Halifax in 2017, wire transferred $4,434,000 to PMC, PMC then transferred $4,234,000 to a Halifax account, and PMC kept $200,000 for providing care to Medicaid, underinsured, and uninsured individuals. In a similar arrangement, in 2019, Halifax transferred $1,627,500 to PMC, and PMC transferred $1,527,500 back to Halifax. PMC kept the $100,000 difference.

On June 29, 2021, the AHCA OIG's Investigations Unit (IU), indexed the complaint as AHCA OIG # 21-06-014, and on June 30, 2021, assigned the case to Investigator Roberto Anderson-Cordova to determine whether the complaint met the provisions outlined in §112.3187, Florida Statutes (F.S.), also known as the Whistle-blower's Act.

On September 17, 2021, the AHCA OIG determined our office had no jurisdiction to investigate the actions of the hospitals regarding the allegation of money laundering; therefore, the Whistle-blower was given the contact information for the United States Department of Justice (USDOJ). While conducting the Whistle-blower determination, the AHCA OIG did find correspondence between Halifax hospital and the Agency, which indicated a possible reallocation of LIP funding; therefore, a Whistle-blower investigation was opened specifically to determine if any actions were taken by AHCA employees that would result in violations of federal or state laws, rules, or regulations and Agency policies.

On March 9, 2023, the AHCA OIG referred this report of investigation to the Florida Department of Law Enforcement (FDLE) Office of Executive Investigations (OEI) for review. On March 22, 2023, the FDLE OEI concurred with the conclusion of this report and declined to pursue a criminal investigation.

The allegation that unknown Division of Medicaid employees redistributed LIP funding between hospital taxing districts in violation of Centers for Medicare and Medicaid Services (CMS)[4] guidelines is **Unsubstantiated**. Based solely on the available evidence the finding is as follows:

[1] Complainant alleged all the money referenced in the Interlocal Agreements was "money laundered" and PMC received a "kickback" of $200,000 and $100,000.
[2] On October 19, 2005, the Centers for Medicare and Medicaid Services (CMS), approved the 1115 Research and Demonstration Waiver Application for the State of Florida, relating to Medicaid reform. The Florida Legislature passed House Bill 3B on December 8, 2005, authorizing implementation of the waiver effective July 1, 2006. Medicaid LIP was established to ensure continued government support for the provision of health care services to Medicaid's underinsured and uninsured population.
[3] The Interlocal Agreements completed in 2017 and 2019 were both an attempt to avoid a potential overpayment for Demonstration Year (DY) 9, State Fiscal Year (SFY) 2014/2015.
[4] CMS is a federal agency within the United States Department of Health and Human Services (HHS) that administers the Medicare program and works in partnership with state governments to administer Medicaid.

- CMS established a process for Agencies to request amendments to the 1115 Demonstration Waiver in reference to the distribution of LIP funding. In 2012, AHCA approved a process which allowed for redistribution of LIP funding between hospital providers. Witnesses interviewed confirmed the Agency submitted this process to CMS and received CMS approval; however, it may have only been verbally approved according to the testimony obtained. Documentation (2012 email correspondence) indicated that members of CMS, as well as the Agency's Office of General Counsel (OGC), were included in these discussions. Neither provided documentary evidence of the approved process.

- Although AHCA staff received the 2017 and 2019 Interlocal Agreement documentation from Halifax requesting a redistribution of LIP funding, the AHCA OIG was unable to obtain any further documents from the Bureau of Medicaid Program Finance (MPF) reflecting a redistribution of LIP funding for Demonstration Year (DY)[5] 9[6] and the documentation provided by MPF for LIP payments made to Halifax and PMC for DY 9, State Fiscal Year (SFY) 2014/2015, indicated they both[7] were within their cost allocation limits and neither received an overpayment of LIP funding for DY 9.

Based on the documentary and testimonial evidence obtained and reviewed during the investigation, a procedure for redistribution of LIP funding was approved by CMS and incorporated in the 2017 Reimbursement and Funding Methodology Document (RFMD). It should be noted, this procedure applies to DY 12, SFY 2017/2018, moving forward and is not retroactive to DY 9 as part of the period contained in the allegation; therefore, it is recommended:

- MPF should reconcile LIP payments made to Halifax and PMC beginning DY 9, SFY 2014/2015 forward to ensure no Federal Financial Participation (FFP) was impacted because the Federal share percentage is different for each SFY. At the end of the reconciliation process, the Agency should ensure any impacted FFP is processed appropriately;

- Any request made for a redistribution of LIP funding be reviewed and documented by the AHCA OGC and the Deputy Secretary of MPF, and

- MPF management and staff receive training on the current RFMD procedure for redistribution of LIP funding, and on any revisions as they are adopted.

[5] Runs from July 1 to June 30 of a SFY.
[6] The specific DY 9 applies to 2014/2015.
[7] Halifax and PMC.

OFFICE OF THE INSPECTOR GENERAL
REPORT OF INVESTIGATION

I. INTRODUCTION

On June 29, 2021, the AHCA OIG received a complaint from a Whistle-blower. The Whistle-blower alleged that Halifax and PMC conducted financial transactions in 2017 and 2019, in which millions of dollars were exchanged between these two entities, and in doing so, these entities "money laundered" Medicaid LIP funds. The Whistle-blower included an October 31, 2017, memorandum from the PMC stating the primary purpose of the Interlocal Agreement was to obtain $200,000 in increased Medicaid LIP funds, and the benefit to Halifax was to relieve it of excess LIP funds it would owe by designating LIP payments to other public hospitals. The document further stated that this arrangement was to be submitted to AHCA to "transfer LIP funds in their records" **(Exhibit 1)**.

Based on a November 6, 2017, and December 10, 2019, Interlocal Agreement, the Whistle-blower alleged that Halifax in 2017, wire transferred $4,434,000 to PMC, PMC then transferred $4,234,000 to a Halifax account, and PMC kept $200,000 to provide care to Medicaid, underinsured, and uninsured individuals **(Exhibit 2)**. In a similar arrangement, the Whistle-blower alleged that in 2019, Halifax transferred $1,627,500 to PMC, and PMC transferred $1,527,500 back to Halifax. PMC kept the $100,000 difference **(Exhibit 3)**. The Whistle-blower alleged that neither AHCA nor the U.S. Department of Health and Human Services (HHS) approved the transactions described in the Interlocal Agreements.

On June 29, 2021, the AHCA OIG IU indexed the complaint as AHCA OIG # 21-06-014, and on June 30, 2021, assigned the case to Investigator Roberto Anderson-Cordova to determine whether the complaint met the provisions outlined in §112.3187, F.S., also known as the Whistle-blower's Act.

On September 17, 2021, the AHCA OIG determined our office had no jurisdiction to investigate the actions of the hospitals regarding the allegation of money laundering; therefore, the Whistle-blower was given the contact information for the USDOJ. While conducting the Whistle-blower determination, the AHCA OIG did find correspondence between Halifax hospital and the Agency, which indicated a possible reallocation of LIP funding; therefore, a Whistle-blower investigation was opened specifically to determine if any actions were taken by AHCA employees that would result in violations of federal or state laws, rules, or regulations and Agency policies.

On March 9, 2023, the AHCA OIG referred this report of investigation to the FDLE OEI for review. On March 22, 2023, the FDLE OEI concurred with the conclusion of this report and declined to pursue a criminal investigation.

Background

The federally authorized LIP program, approved on October 19, 2005, as a part of Florida's 1115 Waiver, is a primary funding source for Medicaid participating hospitals and a variety of non-hospital provider entities. The State agency operates the LIP waiver under Title XIX, section 1115, of the Social Security Act (the Act). Section 1115 of the Act gives CMS authority to approve experimental, pilot, or demonstration projects that it considers likely to assist in promoting the objectives of the Medicaid program. The purpose of these projects, which gives

states additional flexibility to design and improve their programs, is to demonstrate and evaluate state-specific policy approaches to better serve Medicaid populations.

LIP provides government support to providers for the costs of uncompensated charity care for low-income individuals who are uninsured and underinsured. Funding for the LIP program comes from Intergovernmental Transfers (IGTs) and federal matching funds. IGTs are transfers of funds to AHCA 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 to ensure maximum payments for the LIP program.

LIP program pays providers based on their charity care cost. Hospitals are ranked from high to low based on their percentage of charity care costs to commercial costs as well as statutory designations and ownership status. Providers are divided into tiers based on the level of charity care cost to commercial costs and are paid a prescribed percentage of their charity care cost. Hospital charity care costs are calculated using Florida Hospital Uniform Reporting System data.

Interlocal Agreements are conducted pursuant to Section 163.01, F.S., which permits "local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities."

The Interlocal Agreements were used for the redistribution of LIP funding between the hospital taxing districts. AHCA was made aware of the transactions, but was not a party to the agreements, and the Interlocal Agreements were only for documenting transactions.

II. INVESTIGATION

ALLEGATION: Unknown Division of Medicaid employees redistributed LIP funding between hospital taxing districts in violation of CMS guidelines. If the allegation is determined to be substantiated, the conduct described may potentially be in violation of Title XIX, Section 1115, of the Social Security Act, (d)(1), and Section 409.908(c), F.S., Rule 60L-36.005(1)(3)(f)(g), Florida Administrative Code, and AHCA Policy/Procedure Number: 96-HR-33 – 5.0 Procedures, Discipline 6.F.G.

Interview of the Whistle-blower

The Whistle-blower alleged that for the benefit of each institution, PMC and Halifax violated the rules and regulations that apply to LIP funds, and they knowingly conspired to violate the law to commit fraud on the Federal and State government, AHCA, and HHS, to obtain more LIP funds than they knew they were eligible to receive.[8]

The Whistle-blower stated the following based on the documents in their complaint and the Interlocal Agreements:

[8] Time on the Whistle-blower's recording 6:50.

> "It would appear that Halifax received more than they should have. We can't really be certain if Parrish received more than they should have received because the accounting records do not seem to add up, but we can state that for their effort, Parrish received what we would call or term a kickback of $100,000, on one occasion and $200,000, on another occasion. That they were advised by their legal counsel[9] that this was not an acceptable arrangement, and so they subsequently decided to obtain additional legal input and found a law firm by the name of Nelson Mullins that was willing to give them the green light to do this even though another law firm had told them that they should not do this."

The Whistle-blower advised the 2017 and 2019 transactions were the only ones the Whistle-blower was aware of and did not know why they were two years apart. The Whistle-blower did not allege that AHCA employees conspired or committed wrongdoing with ill intent.[10]

Interview of Tanisha Feehrer, former Senior Management Analyst Supervisor (SMAS)

Ms. Tanisha "TK" Feehrer stated that she is a former SMAS with MPF, Division of Medicaid. She worked for AHCA from November 2014 to August 2021. She started as a Financial Specialist, then Regulatory Analyst Supervisor (RAS), in MPF, and no longer works for AHCA.

Ms. Feehrer stated that she does not recall the November 6, 2017, Interlocal Agreement or the December 4, 2017, email to Kern Dowsett, Halifax Finance Department employee, where she stated, "The interlocal agreement was received by the Agency on November 14, 2017. Please let me know if I need to reach out to Parrish directly" **(Exhibit 4)**. Ms. Feehrer said that in late 2017 or early 2018, her supervisor was former RAS Lisa Smith[11] or former Bureau Chief of MPF Thomas Wallace.[12] Ms. Feehrer stressed that she would not have decided by herself to approve the 2017 transaction and would have asked Ms. Smith or Mr. Wallace. If either of them had a question, they would have gone to the General Counsel, Deputy Director, or possibly Sid Staton[13] or Anna Dubois[14] (retired) with CMS.

During the OIG interview, the 2017 Interlocal Agreement was described to Ms. Feehrer. Ms. Feehrer opined this Interlocal Agreement had something to do with LIP and a potential overpayment for the cost limit to LIP and the hospitals were trying to offset an overpayment by moving IGTs.[15] When asked why the hospitals would make this transaction, she stated, "To avoid having to repay an overpayment back to AHCA or back to AHCA/CMS, I guess, for low-income pool." She added that it appeared Halifax made the overpayment.

Ms. Feehrer opined that specifically pertaining to the transaction between Halifax and PMC, it appears they were trying to use the LIP Four program, also referred to as LIP Provider Access System (PAS),[16] which she said are interchangeable and considered to be the same. In this

[9] The Whistle-blower would not provide the name of the legal counsel when asked. Time on recording 9:15.
[10] Time on the Whistle-blower's recording 34:46.
[11] Ms. Smith served as the Chief of MPF from July 2018 through August 2021, and prior to this she was a RAS from March 2016 through July 2018. Her last day of employment with AHCA was August 21, 2021.
[12] Mr. Wallace was the Assistant Deputy Secretary for Finance and Data Analytics from January 2018 through May 2021. Mr. Wallace became the Deputy Secretary for Medicaid May 2021.
[13] Federal Auditor, HHS/CMS.
[14] Former Federal Auditor, HHS/CMS.
[15] Time on Ms. Feehrer's recording 5:50.
[16] Entities such as hospitals, clinics, or other provider types and entities designated by Florida Statutes to improve health services access in rural communities, which incur uncompensated medical care costs in providing medical services to the uninsured and underinsured, and which receive a LIP payment are known as Provider Access Systems (PAS). PAS funded from the LIP shall provide services to Medicaid recipients, the uninsured, and the underinsured. PAS shall be required to report data related to the number of individuals.

program, the IGT provided is guaranteed an 8.5% additional return on top of the IGT. Ms. Feehrer stated that if Halifax was overpaid by $200,000, rather than paying the money back to the State and Federal government, they could transfer the IGT funds, so another hospital could use the funding, and it would not be lost funding. It appears Halifax chose to work out an agreement with another hospital district and their taxing authority, to transfer the funding so the money could be placed on the other hospital's LIP allocation. Ms. Feehrer stated the LIP Four and LIP PAS were discontinued, possibly in 2016-2017.[17]

Ms. Feehrer explained that when the hospital went to reconcile two or three years later, they might have looked at all their costs, and realized that they did not have enough costs to support the payment received from AHCA. As an example, she stated that if AHCA gave a hospital $1,000,000, and there is only $800,000 in allowable costs, then that means the hospital would owe $200,000 to AHCA.

Upon discussion, Ms. Feehrer agreed the Interlocal Agreement was for DY 9, as it says in the Interlocal Agreement, and that it would have applied to year 2014 or 2015. When asked why Halifax did not send the $200,000 difference, she stated, "I think they had to show that they returned the payment to them. I think that's what maybe they were going for because they return it to AHCA, there's no telling if the payment is actually going to get sent to Parrish. . . . They probably thought they were doing what they were supposed to do because they sent it to the State."

Ms. Feehrer stated that it was possible that AHCA asked CMS for approval but she did not know if that occurred for this transaction between Halifax and PMC. Ms. Feehrer opined that to her knowledge, CMS has not said anything against this type of transaction.

Ms. Feehrer stated that previously there were times when transactions similar to this were approved and mentioned a former AHCA employee named Phil Williams.[18] She stated, "I can't imagine there being an issue with it being approved and why that would be wrong. This is essentially how the subprogram was paid, it was paid through the governmental transfers, and it paid out the 8.5%. I don't know any reason why that would not be correct to do, and as far as I know CMS is aware that this occurs . . . I don't see what the issue would be, why there would be a complaint about this . . . we do retro-processing[19] all the time."[20]

When asked about the 2019 Interlocal Agreement, Ms. Feehrer stated that she does not know and has no information about that transaction. She said she did not work in that section of the office and was probably not consulted. She opined that this was something that had been done prior to the Interlocal Agreement, that these were not the only two examples, although she was not certain about the transactions described minus the $200,000 and $100,000 examples. She added that her best guess was that these transactions happened approximately seven times prior, usually between hospital systems. She was not speaking specifically to only Halifax and PMC.

Ms. Feehrer was not aware of any Federal or State laws that were violated by this potential approval. When asked if this violated any AHCA policy she stated, "No, . . . I don't think there is a policy. I think it is one of those things that's [a] case-by-case-basis."

[17] Deputy Secretary for Medicaid Thomas Wallace confirmed that LIP PAS and LIP Four were discontinued in 2016-2017.
[18] Former Assistant Deputy Secretary for Medicaid Finance. Time on Ms. Feehrer's recording 27:25.
[19] The recalculation of prior periods due to changes that could result in adjustments to entitlement or compensation.
[20] Time on Ms. Feehrer's recording 27:40.

Interview of Kristen Johnson, former Medical/Health Care Program Analyst (MHCPA)

Ms. Johnson is a former MHCPA at MPF. Ms. Johnson advised that she worked as an MHCPA from May 2019 through June 2020,[21] and that she reported to former RAS Kelly Parker, who reported to former Chief of MPF Lisa Smith. Ms. Johnson agreed that she (Ms. Johnson) approved the transaction described in the 2019 Interlocal Agreement as evidenced by her email of January 31, 2020,[22] where she stated to Kern Dowsett from the Finance Department at Halifax, "I appreciate your patients [sic] while we reviewed the documentation. After speaking with my upper management, we have determined that this transfer will be acceptable, however, you must provide the agency with all wire/payment transactions between the two entities." On February 10, 2020, Mr. Dowsett emailed the wire-transfer documentation to Ms. Johnson **(Exhibit 5)**.

Ms. Johnson stated that she was certain she spoke to her supervisor, Ms. Parker. Ms. Johnson advised that either both she and Ms. Parker spoke to Ms. Smith or Ms. Parker spoke to Ms. Smith, but Ms. Johnson could not remember specifically.[23] Ms. Johnson advised that it was either Ms. Parker or Ms. Smith who told her to proceed with approving the transaction.[24] Ms. Johnson commented that it was her understanding Ms. Smith consulted this issue with the Deputy Secretary for Medicaid (Mr. Wallace) and that Mr. Wallace "also looked into it," and said the transaction was allowable.[25] When Ms. Johnson was asked if she had first-hand knowledge that this communication between Ms. Smith and Mr. Wallace took place, she acknowledged that she was never involved in that conversation(s).[26]

Ms. Johnson explained the reasoning for providing the approval was they (AHCA MPF) had approved this type of transaction before, and it should have been "ok" to approve again.[27] She added that this type of transaction was not common, and that there was an agreement that she saw was signed by AHCA, Halifax, and PMC sometime possibly between 2013 and 2017, though she did not remember specifically the details.[28]

Ms. Johnson advised that to her knowledge, approving the transaction did not break any law or AHCA policy and she could not remember if AHCA's General Counsel was consulted.

Interview of Kelly Parker, former RAS

Attempts made to contact Ms. Parker were unsuccessful. People First records indicate that Ms. Parker worked as a Research and Statistics Consultant from June 4, 2019 through December 12, 2019, and as a RAS from December 13, 2019 through July 5, 2021. Her last day of employment with AHCA was July 6, 2021.

[21] People First records indicate that Ms. Johnson worked as a Medical/Health Care Program Analyst from May 24, 2019 through June 25, 2020. Her last day of employment with AHCA was June 26, 2020.
[22] Ms. Parker and Ms. Smith are copied in this email in Exhibit 5.
[23] Time on Ms. Johnson's recording 11:05.
[24] Time on Ms. Johnson's recording 12:40.
[25] Time on Ms. Johnson's recording 11:35.
[26] Time on Ms. Johnson's recording 12:26.
[27] Time on Ms. Johnson's recording 18:35.
[28] Time on Ms. Johnson's recording 12:59.

Interview of Lisa Smith, former Chief of MPF

Ms. Smith stated she served as the Chief of MPF from July 2018 through August 2021, and prior to this she was a RAS from March 2016 through July 2018. Her last day of employment with AHCA was August 21, 2021.

Ms. Smith stated that she does not recall receiving the 2017 Interlocal Agreement during that time. Ms. Smith advised that she would not have been involved through her work position in 2017 and does not know if it was approved.[29] She further advised that Ms. Feehrer might have been the supervisor at that time, and Mr. Wallace was Ms. Feehrer's supervisor.

Ms. Smith agreed the 2019 Interlocal Agreement transaction was approved by AHCA as described in Ms. Johnson's January 31, 2020 email. Ms. Smith stated that she remembers having some conversations with Ms. Johnson and Ms. Parker related to the 2019 Interlocal Agreement in general. Ms. Smith stated that she asked Ms. Johnson and Ms. Parker to search for historical documents to try to determine if it should be approved, what needed to be done after the approval, and directed them to speak to Ms. Feehrer as well to obtain her input into Interlocal Agreements and the history since Ms. Feehrer had previously worked in the Supplemental Payments Section.[30] Ms. Smith said that this was consistent with her (Ms. Smith) January 29, 2020 email, where she stated to Ms. Johnson and Ms. Parker, "I think we've done this in the past and CMS has allowed. Will you ask TK?"[31] **(Exhibit 6)**.

Ms. Smith stated she does not know what occurred after referring to Ms. Feehrer. She could not remember any additional conversations regarding this topic and could not locate any other communications that she had with Ms. Parker and Ms. Johnson.[32] Ms. Smith related that she does not remember giving approval, and also stated she does not remember either way whether she gave approval or not.[33] Ms. Smith stated that she does not know if Ms. Parker gave the approval to Ms. Johnson. Ms. Smith also stated, "I do not recall talking to Tom Wallace about it at all."[34] Ms. Smith advised that to her knowledge, AHCA's OGC was not consulted, and she does not recall if CMS was asked.

Ms. Smith explained that recently, upon conducting research, her office did find some documentation where this type of transaction had been previously approved by AHCA. She believed there was documentation from the AHCA OGC which provided some confirmation that this sort of arrangement was approvable.[35] Ms. Smith believed the document was a letter, memorandum, or opinion related to Interlocal Agreements. Ms. Smith stated:

> "Because of the documentation that we were able to find, in old files, the situation, you know, the general premise behind the Interlocal Agreements was allowable. This specific situation, if we should have approved it, and the amounts, and that sort of thing, what happened after it was approved, I don't know if that is allowable."[36]

[29] Time on Ms. Smith's recording 12:20.
[30] Time on Ms. Smith's recording 17:35.
[31] Refers to Ms. Feehrer.
[32] Time on Ms. Smith's recording 19:08.
[33] Time on Ms. Smith's recording 51:00.
[34] Time on Ms. Smith's recording 21:05.
[35] Time on Ms. Smith's recording 22:08.
[36] Time on Ms. Smith's recording 24:40.

Ms. Smith opined that Halifax and PMC's goal was to avoid a potential overpayment to AHCA, though she stressed that was an assumption. Ms. Smith added that she did not know why the hospitals were transferring the money in this manner. Ms. Smith did not know why the 2017 and 2019 Interlocal Agreements both refer to DY 9.

Ms. Smith stated that there might be other transactions like these approved by AHCA, but could not recall. She said that there might not be a specific policy by AHCA approving such transactions. She added that transferring money through Interlocal Agreements is rare, and she did not know if this transaction is allowable per the LIP Four program or why the transactions are two years apart. Ms. Smith said that she was not aware of any State law, Federal law, or AHCA policy that was violated by approving these transactions. She added that one of the main references her office used were the RFMD[37] and the CMS Special Terms and Conditions (STC)[38] documents.

Interview of Thomas Wallace, Deputy Secretary for Medicaid

Mr. Wallace stated that he has been the Deputy Secretary for Medicaid since May 2021. He advised he was the Assistant Deputy Secretary for Finance and Data Analytics from January 2018 through May 2021, and prior to this position he was the Bureau Chief of MPF from 2011 to 2018. Mr. Wallace commented that he has been working for AHCA for 22 years.

Mr. Wallace stated that he does not recall seeing the 2017 Interlocal Agreement around that time and does not believe he approved the transaction.[39] Mr. Wallace said that he does not recall if Ms. Feehrer asked him if the 2017 Interlocal Agreement should be approved.[40] Mr. Wallace advised that he does not remember if Ms. Smith asked him about the 2019 Interlocal Agreement,[41] and when asked if he approved either of these transactions, he stated, "I do not recall seeing this come through my office."[42]

Mr. Wallace explained the RFMD and the STC are the documents that establish how funding is distributed, and to his knowledge, these documents do not specifically address the type of transactions described in the 2017 and 2019 Interlocal Agreements.[43] However, Mr. Wallace believed that there was an agreement, possibly between 2011 and 2014, where Mr. Wallace's former supervisor, Assistant Deputy Secretary for Medicaid Finance Phil Williams, had an agreement with an attorney representing Broward Hospital named Phil Blank, which Mr. Wallace believed CMS approved, that were similar to the 2017 and 2019 Interlocal Agreements.

When Mr. Wallace was asked if these transactions were allowed under LIP Four or LIP PAS, Mr. Wallace first said, "Not to my knowledge," and then said they might be allowed. Mr. Wallace did not remember specifics about the LIP Four program at the time of the interview. He added, "They might have been approved, I mean, but the arrangement I was just explaining to you that

[37] AHCA submits the RFMD to CMS. The RFMD provides the definition of expenditures eligible for Federal matching funds and the entities eligible to receive reimbursement.
[38] The STC for the Florida Managed Medical Assistance Program section 1115(a) enables Florida to operate the program. CMS has granted waivers of requirements under section 1902(a) of the Social Security Act, and expenditure authorities authorizing federal matching of demonstration costs not otherwise matchable, which are separately enumerated. The parties to the STCs are AHCA and CMS. The STCs set forth in detail the nature, character, and extent of federal involvement in the demonstration and the state's obligations to CMS during the life of the demonstration. All previously approved STCs, waivers, and expenditure authorities are superseded by the STCs.
[39] Time on Mr. Wallace's recording 25:10.
[40] Time on Mr. Wallace's recording 27:50.
[41] Time on Mr. Wallace's recording 37:20.
[42] Time on Mr. Wallace's recording 39:00.
[43] Time on Mr. Wallace's recording 8:00 and 9:20.

was signed off by Phil Williams was at that time when we had LIP Four."[44] He added that LIP Four was in effect until 2015-2016.

Mr. Wallace was presented with a September 24, 2012, Interlocal Agreement between Halifax and the South Broward Hospital District d/b/a Memorial Health System (MHS), a February 13, 2013 Interlocal Agreement between Halifax and MHS, and a May 24, 2013 Interlocal Agreement between Miami-Dade County, which operates the Jackson Health System (Jackson) and North Brevard County Hospital District - PMC, which were found through a search of county Clerk of Courts (COC) websites **(Exhibit 7)**. When presented with these documents, Mr. Wallace advised the document between Halifax and South Broward Hospital from 2012,[45] was the document he was referencing. Mr. Wallace stated, "This is the agreement with Phil Blank, the attorney, and Phil Williams, signed a document related to this and I think that was what was sent to CMS."[46] Mr. Wallace opined that maybe AHCA staff was basing their decisions to approve the transactions from this precedent of 2012.

When asked why the entities involved were conducting these transactions in this matter, Mr. Wallace advised the entity that sent the money is reducing their limit down, so it appeared as if it was not overpaid. Mr. Wallace stated:

> "They are just doing that, so, they don't have, yeah, you avoid that overpayment, you reduce the payment . . . for the entity that's sending the money to that other entity. The entity that is sending the money is reducing their limit down, so it looks like they're not overpaid . . . So, they knew that they were going to be overpaid, so they reduced the overpayment by sending it to this other hospital. . . . The other hospital had that room before their cap, under their cap, so they would have shifted that over."[47]

> "There's low-income pool limits, and cost limits, and every year they have to submit a – it was self-reported back in these years, but right now we have Myers and Stauffer doing an audit on this, and so LIP cost limit is something we have to submit to CMS each year, and that will illustrate if the entity is overpaid, paid or not, or they had room in their LIP cost limit. There looks like they're probably trying to adjust some money out of here, so they are not showing as being overpaid, and not having to owe back money."[48]

When asked if there was a document from CMS approving this type of transaction, Mr. Wallace said he does not know if there was anything in writing from CMS that gave approval, that CMS possibly gave verbal approval, but was not certain since it had been a long time ago.[49] Mr. Wallace advised that he was not aware of anything else that would allow this type of transaction. He added that this type of transaction does not occur often and opined that in 2012, he did not believe Mr. Williams would have approved the transaction without CMS "being ok" with it.[50]

[44] Time on Mr. Wallace's recording 17:05.
[45] The September 24, 2012 Interlocal Agreement is a duplicate copy of the May 25, 2012 Interlocal Agreement as stated at the top of the document in Exhibit 7.
[46] Time on Mr. Wallace's recording 41:10.
[47] Time on Mr. Wallace's recording 42.30.
[48] Time on Mr. Wallace's recording 21:30.
[49] Time on Mr. Wallace's recording 14:08.
[50] Time on Mr. Wallace's recording 43:29.

On May 15, 2023, a second interview was conducted with Mr. Wallace who advised that he was unaware of any rule that the Interlocal Agreement transactions in question were not allowed to be approved by AHCA. He stated, "What I provided to you before is all the information I have."[51] He added that the pertinent STC's and RFMD's, to his knowledge, did not address this issue.

Interview of Kim Kellum, Senior Attorney, AHCA's OGC

Ms. Kellum is a Senior Attorney at AHCA's OGC. Ms. Kellum stated that she reviewed the documents including the approval by Mr. Williams in 2012, which had been recently provided to her by Mr. Wallace, but had no recollection of this Interlocal Agreement issue from 2012. Ms. Kellum opined that AHCA's approval of the 2012 Interlocal Agreement was probably decided after consultation with CMS based on the documents that Mr. Wallace provided; however, she advised she did not have independent recollection or any notes regarding a meeting with CMS.[52]

When asked whether she knew if CMS provided any written document allowing AHCA to approve the transaction described in the Interlocal Agreement, Ms. Kellum stated:

> "Just about with everything, CMS, generally doesn't, if they're just giving an opinion, most of the time you're not going to find anything in writing. And so, I'm pretty sure they probably didn't give us anything in writing. It probably was a phone conversation . . . and then Phil [Williams] approved it."[53]

Ms. Kellum does not recall if she was asked about the 2017 and 2019 Interlocal Agreements. She opined that if it was approved in 2012, the OGC probably would not have been asked in 2017 and 2019.

Ms. Kellum advised that IGTs and LIP issues are very complicated and would require extensive research to provide a legal opinion and may require consultation with the Federal government.

On May 2, 2023, a second interview was conducted with Ms. Kellum. Ms. Kellum advised the OGC would not give an opinion while AHCA is in litigation.

Interview of Phil Williams, former Assistant Secretary for Medicaid

Mr. Williams served as the Chief of Medicaid Program Analysis from May 15, 2006 through July 10, 2008, and the Assistant Deputy Secretary for Medicaid from July 11, 2008 through February 19, 2013.

On October 18, 2022, Mr. Williams was contacted by telephone and interviewed regarding the May 29, 2012 email approving the Interlocal Agreement between Halifax and Memorial Health System **(Exhibit 8)**. Mr. Williams stated he did not remember well, but commented that around 2012, the Federal government was giving AHCA additional scrutiny. He said that AHCA could not distribute any money until the Federal government approved the RFMD. He implied that if the Federal government approved the RFMD then that would include the Interlocal Agreements and IGTs.

[51] Time on Mr. Wallace's recording 2:20.
[52] Time on Ms. Kellum's recording 6:30.
[53] Time on Ms. Kellum's recording 12:43.

On October 26, 2022, Mr. Williams provided a follow-up email which stated:

> "Since speaking to you last week, I have spent some time thinking through this topic. I have no recollection of the issue and feel that I have nothing to offer to you. I am not sure what a meeting would accomplish.
>
> My guess, and it is just a guess, is the email was a means to memorialize a decision the Agency had made when a circumstance was presented to the Agency. That is why General Counsel staff would have been cc'd on the email."

Interview of Lecia Behenna, former RAS

Ms. Behenna was a Senior Human Services Program Specialist from April 10, 2006 through September 6, 2007, and a RAS from September 7, 2007 through December 31, 2015.

Ms. Behenna stated that she was one of the writers of the RFMD. She stated that she does not remember if CMS was consulted regarding the 2012 Interlocal Agreement approved by Mr. Williams. She explained that based on a May 9, 2012 11:25 a.m. email, she did have contact with CMS referencing setting up a call, and she believes there was some type of discussion, but does not remember the call. Ms. Behenna stated, "I do believe that CMS would have approved it just because we were nervous to not act strictly in line at the time. We didn't want to do anything that jeopardized the federal funds coming down for the Medicaid program." When asked which funds of the Medicaid program, she clarified that she meant specifically the Supplemental Payments, LIP, and Disproportionate Share. Ms. Behenna stated that she did not remember if CMS provided anything in writing approving the 2012 Interlocal Agreement. Ms. Behenna stated that she believed that Halifax did this because Halifax was overpaid, and after receiving permission, Halifax redistributed the money to another hospital.

Interview of Kent Bailey, Director of Corporate Treasury (DCT), Halifax[54]

Mr. Bailey stated that he has been the DCT since January 2022. He has worked for Halifax for the last 13 years. Mr. Bailey advised that in the 2017 Interlocal Agreement, the amount of $4,340,00 was derived from the $4,000,000 amount listed on page 1, and that by changing the IGT it had the effect of changing the LIP payment. There was a Preliminary Cost Limit prepared that indicated that a reduction in LIP payments had to be done to avoid being in excess of the cost limit for DY 9. Mr. Bailey advised that these actions were recommended by consultant Scott Davis[55] in the Cost Limit Report so it would reduce the LIP payments. When asked why the $200,000 difference ($4,340,000/$4,140,000) in the amount transferred in the 2017 Interlocal Agreement, Mr. Bailey advised that "the amount was retained by PMC for its administrative costs for its time and attention to this agreement." Mr. Bailey said that PMC's costs included their (PMC) review of the agreement, and their analysis of the cost limit circumstances. Mr. Bewley, outside counsel representing Halifax, added that the PMC administrative costs also included accounting fees.

Mr. Bailey stated that in the 2019 Interlocal Agreement, the transactions of $1,627,500 and $1,527,500, with a $100,000 difference, were also derived from the Preliminary Cost Limit Report, and the $100,000 was for PMC administrative costs.

[54] Kelly Kwiatek, Chief Legal Officer, Halifax Health, and Brian Bewley, Outside Legal Counsel, ReedSmith LLP, were present during the interview.
[55] Mr. Bewley advised through follow-up email conversation that Mr. Davis is an employee with South Broward Hospital District, but was also working as a consultant with other hospital districts.

Mr. Bailey commented that Halifax and PMC have a working relationship and chose to work together on this Interlocal Agreement. He stated that Halifax did not receive more money than allowed. When asked, if Halifax tried to avoid an overpayment situation of LIP funding with AHCA, Mr. Bailey said that they were "mitigating" the Preliminary Cost Limit for DY 9. He said he would not describe it as "avoiding."

Mr. Bewley advised that in 2011/2012, Halifax, PMC, and other hospital districts in Florida were working with AHCA, consultants, and legal counsel to address funding under the LIP program. Individuals who were working on behalf of Halifax and other hospital districts included Mr. Davis and Mr. Blank. Mr. Bewley advised that Halifax and PMC, along with other hospital districts, worked with national law firms on these interlocal agreements. Mr. Bewley further explained that any LIP payments must be below uncompensated care costs. LIP funds were designated by AHCA. So, to the extent a hospital district had payments pursuant to the LIP program that exceeded uncompensated care costs, the interlocal agreements were used by the hospital districts, with approval and formal authorization by AHCA, to redesignate some portion of LIP payments to ensure no hospital district received LIP payments in excess of its respective uncompensated care costs.

Mr. Bewley claimed that in 2011 or 2012, AHCA, along with Mr. Davis and Mr. Blank, began evaluating how to handle this issue, including having discussions with CMS in Baltimore. What ultimately was decided is that the districts would use the Florida Interlocal Cooperation Act (Section 163.01), to transfer money among and between the hospital districts so that AHCA could then formalize a redesignation of the LIP funding to these same hospital districts ensuring that LIP payments fell below uncompensated care costs at the respective district that received the LIP funds.

Mr. Bewley added that the Interlocal Agreements were posted in the COC because of the transfer of money of government funds so the transactions could be memorialized. When asked how many of these Interlocal Agreements in this format Halifax has done where they consulted AHCA in the last 10 years, Halifax's Chief Legal Officer, Kelly Kwiatek, advised that she was aware of three, and Mr. Bailey said that he was not aware of any more than three.

Documentation Review

An OIG review of the November 6, 2017 and December 10, 2019 Interlocal Agreements indicate that the transfer of funds were both for DY 9[56] as stated on **Exhibits 2 and 3**.

In addition to the 2017 and 2019 Interlocal agreements, the AHCA OIG conducted searches in COC websites, mainly the Brevard County COC, which yielded the following Interlocal Agreements attached as **Exhibit 7**, which are in a similar format to the 2017 and 2019 Interlocal Agreements:

- September 24, 2012 Interlocal Agreement between Halifax and the South Broward Hospital District d/b/a MHS (duplicate copy of the May 25, 2012, Interlocal Agreement).
- February 13, 2013 Interlocal Agreement between Halifax and MHS.

[56] The Interlocal Agreements used for the redistribution of LIP funding is solely between the two hospital taxing districts for documenting the transfer of funds.

- May 24, 2013 Interlocal Agreement between Miami-Dade County, which operates Jackson and the North Brevard County Hospital District - PMC.

The AHCA OIG reviewed documents provided by Mr. Wallace regarding a 2012 request from Halifax for redistribution of LIP funding. An email from Mr. Williams to Mr. Blank that stated, "The Agency for Health Care Administration hereby acknowledges receipt of the Interlocal Agreement dated May 25, 2012, between Halifax and the Memorial Health System. This email serves as confirmation of the Agency's approval of the funding designation pursuant to the terms of the Interlocal Agreement. Thank you for your efforts in addressing this issue." The document provided by Mr. Wallace included a cover letter from Eric M. Peburn, Chief Financial Officer at Halifax, to Mr. Williams, and the May 25, 2012 Interlocal Agreement **(Exhibit 8)**. An email by CMS approving the transaction was not found. Examples of some of the documents (emails) provided which referenced CMS and contact with CMS staff members are attached as **Exhibit 9**.

The AHCA OIG conducted an extensive search of email correspondence of MPF staff that were involved in the transactions in question for the 2017 and 2019 Interlocal Agreements. The most pertinent emails found are attached as previously referenced **Exhibits 4, 5, and 6**. A December 19, 2019 email from Mr. Dowsett with Halifax to Ms. Johnson states, "I recently sent to your attention a copy of the attached Interlocal Agreement between Halifax Hospital Medical Center and Parrish Medical Center that designates a portion of Halifax's Inter Governmental Transfer (IGT) to Parrish Medical Center for SFY 2014-2015." Ms. Johnson replied on December 19, 2019, and copied Ms. Smith and Ms. Parker **(Exhibit 10)**.

Email records were not available beyond the seven-year retention period.

On September 10, 2021, the AHCA OIG contacted the HHS OIG, who referred the AHCA OIG to review an Audit completed by their Agency on August 2019 (Audit Report # A-04-17-04058). Specifically, the last paragraph of page 30, and first two paragraphs of page 31 **(Exhibit 11)**, which questions the same process of redistribution of LIP funding and identifies a potential impact on FFP. The paragraphs state the following:

> "After providing its comments on the draft report, the State agency provided us with the agreements detailing the Hospital's redistribution of $60 million of its SFY 2011 LIP funds to other hospitals. The agreements appear to require the Hospital to first send $60 million to the receiving hospitals and then for the receiving hospitals to return $57 million to the Hospital, resulting in a net loss to the Hospital of only $3 million. Both the Hospital and the receiving hospitals used wire transfers to transfer the $60 million and the $57 million on the same day. Despite the stated intent of these transactions to reallocate $60 million of the Hospital's SFY 2011 LIP payments to other hospitals, the substance of the transactions appears to show the Hospital reallocated only $3 million in LIP funds. Despite our request for clarification, the State agency did not provide any further explanation or documentation to support a reduction of $60 million in LIP payments to the Hospital. Accordingly, we have reduced the Hospital's LIP payments used in the SFY 2011 cost-limit calculation by only $3 million ($1,972,650 Federal share)."
>
> "For our audit, we used the LIP payment amounts by year the State agency provided to us. The State agency confirmed the LIP payment amounts before our issuing the draft report and later again confirmed the payments to be correct after we received the Hospital's comments on our draft report. Now the State agency

> has corrected the SFY assignment of the LIP payments, we have revised the LIP payments by SFY to reflect the changes that the State agency communicated in its comments. This revision resulted in no change to the overall LIP payments or the total computable overpayment. However, because the Federal share percentage is different for each SFY, the reclassification of LIP payments between SFYs resulted in an increase in the Federal share of the overpayment of $587,776."

The HHS OIG further advised that it is their policy to neither confirm or deny whether an investigation is being conducted and provided no further assistance.[57]

An AHCA OIG review of the RFMD's dated June 11, 2018, for DY 12, Section VI. Redistribution indicates a policy change which states:

> "If the participating provider's LIP payments exceeds its allowable uninsured charity costs, as described above, then that provider shall return the LIP overpayment to the State and the State will do a prior period adjustment on CMS-64 Line 10B returning the overpayment to CMS in the quarter the State receives the provider overpayment. After the provider has refunded the overpayment, the State will have the option to redistribute all, or a portion, of the overpayment to other participating LIP providers within the provider group, that have not exceeded their own cost limit. All redistributions must meet the requirements described in STC 64b (see Appendix B). These redistributions are made at the State's discretion and must be approved by CMS prior to submitting to providers. The redistribution will be applied against the original demonstration year LIP distribution and the State must report the redistributions as a prior period adjustment on CMS-64, Line 8. The redistributions shall be effective for DY12 going forward and will not apply retroactively to a prior demonstration year's LIP distributions" **(Exhibit 12)**.

A review of the documents provided by MPF indicate Halifax and PMC were within the cost allocation limits for DY 9 **(Exhibit 13)**. No additional documentation was provided by MPF indicating any change in LIP payments or adjustments to either entity in SFY 2014/2015 or that would indicate that either entity received more LIP funding than allowed.

III. CONCLUSION

The allegation that unknown Division of Medicaid employees redistributed LIP funding between hospital taxing districts in violation of CMS guidelines is **Unsubstantiated**. Based solely on the available evidence the finding is as follows:

- CMS established a process for Agencies to request amendments to the 1115 Demonstration Waiver in reference to the distribution of LIP funding. In 2012, AHCA approved a process which allowed for redistribution of LIP funding between hospital providers. Witnesses interviewed confirmed the Agency submitted this process to CMS and received CMS approval; however, it may have only been verbally approved according to the testimony obtained. Documentation (2012 email correspondence)

[57] It should be noted FL Audit A-04-17-04058 (Jackson Memorial 2019) was settled on September 28, 2023, between AHCA and CMS in which AHCA contested the findings and amount of FFP that CMS stated was owed.

indicated that members of CMS, as well as the Agency's OGC, were included in these discussions. Neither provided documentary evidence of the approved process.

- Although AHCA staff received the 2017 and 2019 Interlocal Agreement documentation from Halifax requesting a redistribution of LIP funding, the AHCA OIG was unable to obtain any further documents from MPF reflecting a redistribution of LIP funding for DY 9 and the documentation provided by MPF for LIP payments made to Halifax and PMC for DY 9, SFY 2014/2015 indicated they both were within their cost allocation limits and neither received an overpayment of LIP funding for DY 9.

IV. RECOMMENDATION

Based on the documentary and testimonial evidence obtained and reviewed during the investigation, a procedure for redistribution of LIP funding was approved by CMS and incorporated in the 2017 RFMD. It should be noted, this procedure applies to DY 12, SFY 2017/2018, moving forward and is not retroactive to DY 9 as part of the period contained in the allegation; therefore, it is recommended:

- MPF should reconcile LIP payments made to Halifax and PMC beginning DY 9, SFY 2014/2015 forward to ensure no FFP was impacted because the Federal share percentage is different for each SFY. At the end of the reconciliation process, the Agency should ensure any impacted FFP is processed appropriately;

- Any request made for a redistribution of LIP funding be reviewed and documented by the AHCA OGC and the Deputy Secretary of MPF; and

- MPF management and staff receive training on the current RFMD procedure for redistribution of LIP funding, and on any revisions as they are adopted.

V. AUTHORITY

Authority to conduct this investigation resides in Section 20.055, F.S., which creates in each state agency the Office of the Inspector General, charged with responsibility for promoting accountability, integrity, and efficiency in government. The Inspector General is authorized to initiate, conduct, supervise, and coordinate investigations that detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses in state government.

Office of the Inspector General Investigations are conducted in compliance with the Quality Standards for Investigations found within the Principles and Standards for Offices of Inspector General.

Roberto Anderson-Cordova, CIGI
Senior Investigator — 1/16/2024
Date

Brian P. Langston, CIG, CIGA, CIGI
Inspector General — 1/16/2024
Date

VI. GOVERNING DIRECTIVES AND DEFINITIONS

I. Title XIX, Section 1115, of the Social Security Act

SEC. 1115[40]. [42 U.S.C. 1315] (a) In the case of any experimental, pilot, or demonstration project which, in the judgment of the Secretary, is likely to assist in promoting the objectives of title I, X, XIV, XVI, or XIX, or part A or D of title IV, in a State or States—

(d)(1) An application or renewal of any experimental, pilot, or demonstration project undertaken under subsection (a) to promote the objectives of title XIX or XXI in a State that would result in an impact on eligibility, enrollment, benefits, cost-sharing, or financing with respect to a State program under title XIX or XXI (in this subsection referred to as a "demonstration project") shall be considered by the Secretary in accordance with the regulations required to be promulgated under paragraph (2).

II. Florida Statutes (F.S.)

409.908 Reimbursement of Medicaid providers.
Subject to specific appropriations, the agency shall reimburse Medicaid providers, in accordance with state and federal law, according to metholodogies set forth in the rules of the agency and in policy manuals and handbooks incorporated by reference therein.

(c) The agency may receive intergovernmental transfers of funds from governmental entities, including, but not limited to, the Department of Health, local governments, and other local political subdivisions, for the advancement of the Medicaid program and for enhancing or supplementing provider reimbursement under this part and part IV. The agency shall seek and maintain a low-income pool in a manner authorized by federal waiver and implemented under spending authority granted in the General Appropriations Act. The low-income pool must be used to support enhanced access to services by offsetting shortfalls in Medicaid reimbursement or paying for otherwise uncompensated care, and the agency shall seek waiver authority to encourage the donation of intergovernmental transfers and to utilize intergovernmental transfers as the state's share of Medicaid funding within the low-income pool.

III. Florida Administrative Code (F.A.C.)

60L-36.005 Disciplinary Standards.—
(1) This rule sets forth the minimal standards of conduct that apply to all employees in the State Personnel System, violation of which may result in dismissal.
(3) Employees outside the permanent career service may be dismissed at will. Permanent career service employees may be suspended or dismissed only for cause, which shall include, but not be limited to, the following. Examples under the categories listed below are not exhaustive.
(f) Conduct unbecoming a public employee. Employees shall conduct themselves, on and off the job, in a manner that will not bring discredit or embarrassment to the state.
(g) Misconduct. Employees shall refrain from conduct which, though not illegal or inappropriate for a state employee generally, is inappropriate for a person in the employee's particular position. For example, cowardice may be dishonorable in people generally, but it may be entirely unacceptable in law enforcement officers. By way of further example, people are generally free to relate with others, but it may be entirely unacceptable for certain employees to enter into certain relations with others, such as correctional officers with inmates.

IV. AHCA Polices and Procedures

Policy/Procedure Number: 96-HR-33 – 5.0 Procedures, Discipline

6. Types of Offenses Warranting Disciplinary Action
Employees without permanent status in the Career Service may be dismissed at will. Permanent Career Service employees may be suspended or dismissed only for 'cause', which shall include, but not be limited to, the following (examples under the categories listed below are not exhaustive);
F. Conduct Unbecoming a Public Employee. Employees shall conduct themselves, on and off the job, in a manner that will not bring discredit or embarrassment to the state or to the Agency.
G. Misconduct. Employees shall refrain from conduct which, though not illegal or inappropriate for a state employee generally, is inappropriate for a person in the employee's particular position. For example, cowardice may be dishonorable in people generally, but it may be entirely unacceptable in law enforcement officers. By way of further example, people are generally free to relate with others, but it may be entirely unacceptable for certain employees to enter into certain relations with others, such as correctional officers with inmates.

V. Definitions

Evidentiary Standard.—
The evidentiary standard used by the OIG in determining whether the facts and claims asserted in the complaint were proven or disproven is based upon the preponderance of the evidence.

Preponderance of the evidence.—
Preponderance of the evidence is contrasted with "beyond a reasonable doubt," which is the more severe test of evidence required to convict in a criminal trial, and "clear and convincing evidence," a standard describing proof of a matter established to be substantially more likely than not to be true.

Substantiated.—
Investigative finding indicating the condition that existed for the investigators disclosed sufficient relevant and material evidence to conclusively prove the allegations, based upon the preponderance of the evidence.

Unsubstantiated.—
Investigative finding indicating the condition that existed for the investigators disclosed a lack of relevant and material evidence to conclusively prove or disprove the allegations.

Unfounded.—
Investigative finding indicating the condition that existed for the investigators disclosed allegations that are demonstrably false, and involve no reliable evidence or proper basis, which supports the allegations being made.

Exonerated.—
Investigative finding indicating the condition that existed for the investigators disclosed allegations that are defined as a conclusion of fact indicating that evidence has been established that the alleged actions by the agency or employee were consistent with governing directives.

VII. EXHIBITS

Exhibit 1	PMC Memorandum, October 31, 2017.
Exhibit 2	Interlocal Agreement, November 6, 2017.
Exhibit 3	Interlocal Agreement, December 10, 2019.
Exhibit 4	Email correspondence by Tanisha Feehrer, December 4, 2017.
Exhibit 5	Email correspondence by Kristen Johnson, January 31, 2020.
Exhibit 6	Email correspondence by Lisa Smith, January 29, 2020.
Exhibit 7	Interlocal Agreements, September 24, 2012 (duplicate of the May 25, 2012, Interlocal Agreement), February 13, 2013, and May 24, 2013.
Exhibit 8	Email correspondence by Phil Williams approving the May 25, 2012 Interlocal Agreement.
Exhibit 9	Email correspondence provided by Mr. Wallace related to the May 25, 2012 Interlocal Agreement.
Exhibit 10	Email correspondence by Ms. Johnson and Mr. Dowsett, December 19, 2019.
Exhibit 11	HHS OIG report # A-04-17-04058, pages 30 and 31.
Exhibit 12	RFMD DY 12 VI. Redistribtuion Policy.
Exhibit 13	SFY 2014/2015 DY 9 Cost Allocation Limit Spreadsheet.

VIII. DISTRIBUTION:

Melinda M. Miguel	Chief Inspector General, Executive Office of the Governor

Office of the Inspector General
Report of Investigation
21-06-014

Exhibit 1

PARRISH
MEDICAL CENTER

MEMORANDUM

To: Budget & Finance Committee

From: Michael Sitowitz
Controller

Subject: **Interlocal Agreement with Halifax**

Date: October 31, 2017

Working with Michael Bittman, attorney with Board and Cassel and Halifax Hospital Medical Center Taxing District (Halifax) management anticipates entering into an Inter-local agreement with Halifax. The interlocal agreement is attached for your reference.

The primary purpose of the interlocal agreement is to obtain $200,000 in increased Medicaid funding under the Low-Income Pool (LIP) program. The benefit to Halifax is to relieve it of excess LIP funds it would owe by designating LIP payments to other public hospitals. The arrangement will be submitted to the Florida Agency for Health Care Administration (AHCA) to transfer LIP funds in their records.

Under the interlocal agreement, PMC will receive a wire transfer from Halifax in the amount of $4,434,000. PMC will then transfer $4,234,000 to an account identified by Halifax. PMC will retain the difference of $200,000 for providing care to Medicaid, underinsured and uninsured individuals.

The interlocal agreement provides that Halifax will indemnify PMC for any loss associated with the transaction. The risk of loss for this agreement is very low.

Motion: Recommend to the Board of Directors to approve the attached Interlocal Agreement with Halifax Hospital Medical Center Taxing District.

Should you have any questions or concerns, please feel free to contact me at 268-6164 or e-mail me at michael.sitowitz@parrishmed.com.

Office of the Inspector General
Report of Investigation
19-06-004

Exhibit 2

5

BROAD & CASSEL
390 N ORANGE AVE
STE 1400
ORLANDO FL 32801

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT, pursuant to Section 163.01, Florida Statutes, is made and entered into this 14 day of November 2017, by and between the Halifax Hospital Medical Center Taxing District (Halifax), and North Brevard County Hospital District, d/b/a Parrish Medical Center (PMC).

Background

On October 19, 2005, the Centers for Medicare and Medicaid Services (CMS) approved the 1115 Research and Demonstration Waiver Application for the State of Florida. On December 8, 2005 the Florida Legislature enacted House Bill 3B, authorizing implementation of the Waiver effective July 1, 2006. The Waiver Special Terms and Conditions establishes the Low Income Pool (LIP) to ensure continued government support for the provision of health care services to Medicaid, underinsured and uninsured populations. The LIP consists of a capped annual allotment of $1 billion total computable for each year of the 5 year demonstration period. The Waiver was subsequently renewed through June 30, 2014 with LIP capped at $1 billion for each of those three years, with additional extensions through June 30, 2022 allowing various LIP amounts.

Funds in the LIP may be used for health care expenditures (medical care costs or premiums) that would be within the definition of medical assistance in Section 1905(a) of the Social Security Act These health care expenditures may be incurred by the State, by hospitals, clinics, or by other providers for uncompensated medical care costs of medical services for the uninsured, Medicaid shortfall (after all other Title XIX payments are made), may include premium payments for provider access systems (PAS) and insurance products for such services provided to otherwise uninsured individuals, as agreed upon by the State and CMS.

Local governments, including hospital taxing districts such as Halifax and PMC, provide funding for the non-federal share of the $1 billion LIP distributions. No state funds are included in the appropriations.

This Interlocal Agreement is entered into by Halifax and PMC, public agencies as defined in section 163.01(3)(b), Florida Statutes, in pursuance of the provisions of the Waiver, and pursuant to section 163.01, Florida Statutes.

Agreement

In consideration of the matters contained in this Agreement, and other good and valuable consideration acknowledged by the parties, the parties agree as follows:

1. Halifax will designate $4,000,000 00 of its intergovernmental transfers (IGTs) previously paid to the Agency for Health Care Administration (AHCA) for the period covering Waiver Demonstration Year 9 as intended for PMC.

2. It is intended that the above action by Halifax (the "designation") will result in a reduction in LIP DY 9 payments to Halifax of $4,340,000.00, and an increase in LIP DY 9 payments to PMC of $4,340,000.00. The designation will be accomplished by a letter or other communication acceptable to AHCA.

3. Immediately upon confirmation that the designation is acceptable to AHCA, Halifax will transfer $4,340,000.00 to an account identified by PMC. Immediately upon receipt of the funds transferred by Halifax, PMC will transfer $4,140,000.00 to an account identified by Halifax.

4. Halifax covenants and agrees that to the extent permitted by law, it shall indemnify, defend and hold harmless PMC and its officers, directors, employees and agents from and against any and all losses, obligations, costs, liabilities, damages, actions, suits, causes of action, claims, demands, settlements, judgments or other expenses, including, but not limited to, reasonable attorneys' fees and expenses, which are asserted against, imposed upon, or incurred or suffered by, such indemnified party and which arise out of or result from this Agreement.

5. Each party shall bear its own costs and attorney's fees.

6. This Agreement shall inure to the benefit of and be binding on each party's successors, assigns, heirs, administrators, representatives and trustees.

7. The signatories to this Agreement, acting in a representative capacity, represent that they are duly authorized to enter into this Agreement on behalf of the respective parties.

8. This Agreement shall be construed in accordance with the provisions of the laws of Florida. Venue for any action arising from this Agreement shall be in Brevard County, Florida.

9. This Agreement is intended by the parties as a final expression of their agreement with respect to the matters specified therein, is intended as the exclusive statement of the terms of this Agreement, and supersedes and replaces any prior agreements between the parties, whether written or oral. No modification or waiver of any provision shall be valid unless a written amendment to the Agreement is properly executed by the parties.

10. The parties agree to execute such documents as may be necessary to carry out the intent and provisions of this Agreement.

11. By signing this Agreement, each party acknowledges receipt of the other party's Arrangements Policies and Procedures, including the Code of Conduct, Physician Referral and Anti-Kickback and Stark Law policies and procedures ("Policies and Procedures"). Each party hereby certifies that they have been provided the Policies

and Procedures. In the event any employee or agent of either party becomes a Covered Person as defined by the Halifax Health Corporate Integrity Agreement, the parties agree such persons will complete the required training. Furthermore, each party agrees not to violate the Anti-Kickback Statute and the Stark Law with respect to the performance of this Agreement.

12. Halifax acknowledges that once this Agreement is fully executed, PMC will file this Agreement with clerks of the circuit courts in Brevard and Volusia Counties pursuant to section 163.01(11), Florida Statutes

HALIFAX HOSPITAL MEDICAL CENTER TAXING DISTRICT

By: _____ Date: 11/2/17

Print or Type Name: Eric M. Peburn
Title: Chief Financial Officer

STATE OF FLORIDA)
) ss
COUNTY OF VOLUSIA)

The foregoing instrument was acknowledged before me this 2nd day of NOVEMBER, 2017 by Eric M. Peburn as Chief Financial Officer for Halifax Hospital Medical Center Taxing District.

_____
(Signature of the Notary Public

DEBORAH JEAN SABOTKA
MY COMMISSION # FF959371
EXPIRES February 10, 2020

_____
(Print, ~~Type or Stamp Commissioned~~ Name of Notary)

Personally Known ✓ OR Produced Identification _____
Type of Identification Produced _____

NORTH BREVARD COUNTY HOSPITAL DISTRICT
D/B/A PARRISH MEDICAL CENTER

By: _____ Date: 11/6/17
Print or Type Name: George Mikitarian
Title: President/Chief Executive Officer

By: _____ Date: 11/6/17
Print or Type Name. Michael Sitowitcz
Title: Interim Chief Financial Officer

STATE OF FLORIDA)
) ss
COUNTY OF BREVARD)

The foregoing instrument was acknowledged before me this 6 day of November 2017 by George Mikitarian as Chief Executive Officer for North Brevard County Hospital District, d/b/a Parrish Medical Center.

TRACY HUDGENS
Notary Public - State of Florida
My Comm Expires Jul 12, 2018
Commission # FF 104572

_____
(Signature of the Notary Public)

Tracy Hudgens
(Print, Type of Stamp Commissioned Name of Notary)

Personally Known ✓ OR Produced Identification _____
Type of Identification Produced _____

Office of the Inspector General
Report of Investigation
19-06-004

Exhibit 3

CFN 2019279697, OR BK 8623 Page 320, Recorded 12/26/2019 at 03:30 PM Scott Ellis, Clerk of Courts, Brevard County

Nelson Mullins Broad & Cassel
390 North Orange Ave Ste 1400
Orlando, FL 32801

5

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT, pursuant to Section 163.01, Florida Statutes, is made and entered into this 10th day of December, 2019, by and between the Halifax Hospital Medical Center Taxing District (Halifax), and the North Brevard County Hospital District, d/b/a Parrish Medical Center (PMC).

Background

On October 19, 2005, the Centers for Medicare and Medicaid Services (CMS) approved the 1115 Research and Demonstration Waiver Application for the State of Florida. On December 8, 2005 the Florida Legislature enacted House Bill 3B, authorizing implementation of the Waiver effective July 1, 2006 with subsequent renewals through June 30, 2022. The Waiver Special Terms and Conditions (Waiver) established the Low Income Pool (LIP) to ensure continued government support for the provision of health care services to Medicaid, underinsured and uninsured populations. During the State fiscal year ended June 30, 2015 (Demonstration Year 9) ("DY 9"), the LIP consisted of a capped annual allotment of $1 billion. CMS increased the LIP cap to $1.5 billion per year for the State fiscal year ending June 30, 2017 (Demonstration Year 11) through the State fiscal year ending June 30, 2022 (Demonstration Year 16).

Funds in the LIP may be used for health care expenditures (medical care costs or premiums) that would be within the definition of medical assistance in Section 1905(a) of the Social Security Act. These health care expenditures may be incurred by the State, hospitals, clinics, or other providers for uncompensated medical care costs of medical services for the uninsured, Medicaid shortfall (after all other Title XIX payments are made), may include premium payments for provider access systems and insurance products for such services provided to otherwise uninsured individuals, as agreed upon by the State and CMS.

Local governments, including hospital taxing districts such as Halifax and PMC, provide funding for the non-federal share of the $1.5 billion LIP distributions. No state funds are included in the appropriations.

This Interlocal Agreement is entered into by Halifax and PMC, public agencies as defined in section 163.01(3)(b), Florida Statutes, in pursuance of the provisions of the Waiver, and pursuant to section 163.01, Florida Statutes.

Agreement

In consideration of the matters contained in this Agreement, and other good and valuable consideration acknowledged by the parties, the parties agree as follows:

1. Halifax will designate $1,500,000.00 of its intergovernmental transfers (IGTs) previously paid to the Agency for Health Care Administration (AHCA) for the period covering Waiver DY 9 as intended for PMC.

2. It is intended that the above action by Halifax (the "designation") will result in a reduction in LIP DY 9 payments to Halifax of $1,627,500.00, and an increase in LIP DY 9 payments to PMC of $1,627,500.00. The designation will be accomplished by a letter or other communication acceptable to AHCA.

3. Immediately upon confirmation that the designation is acceptable to AHCA, Halifax will transfer $1,627,500.00 to an account identified by PMC. Immediately upon receipt of the funds transferred by Halifax, PMC will transfer $1,527,500.00 to an account identified by Halifax.

4. Halifax covenants and agrees that to the extent permitted by law, it shall indemnify, defend and hold harmless PMC and its officers, directors, employees and agents from and against any and all losses, obligations, costs, liabilities, damages, actions, suits, causes of action, claims, demands, settlements, judgments or other expenses, including, but not limited to, reasonable attorneys' fees and expenses, which are asserted against, imposed upon, or incurred or suffered by, such indemnified party and which arise out of or result from this Agreement.

5. Each party shall bear its own costs and attorneys' fees.

6. This Agreement shall inure to the benefit of and be binding on each party's successors, assigns, heirs, administrators, representatives and trustees

7. The signatories to this Agreement, acting in a representative capacity, represent that they are duly authorized to enter into this Agreement on behalf of the respective parties.

8. This Agreement shall be construed in accordance with the provisions of the laws of Florida. Venue for any action arising from this Agreement shall be in Brevard County, Florida.

9. This Agreement is intended by the parties as a final expression of their agreement with respect to the matters specified therein, is intended as the exclusive statement of the terms of this Agreement, and supersedes and replaces any prior agreements between the parties, whether written or oral No modification or waiver of any provision shall be valid unless a written amendment to the Agreement is properly executed by the parties.

10. The parties agree to execute such documents as may be necessary to carry out the intent and provisions of this Agreement.

11. By signing this Agreement, each party acknowledges receipt of the other party's Arrangements Policies and Procedures, including the Code of Conduct, Physician Referral and Anti-Kickback and Stark Law policies and procedures ("Policies and Procedures"). Each party hereby certifies that they have been provided the Policies

and Procedures. In the event any employee or agent of either party becomes a Covered Person as defined by the Halifax Health Corporate Integrity Agreement, the parties agree such persons will complete the required training. Furthermore, each party agrees not to violate the Anti-Kickback Statute and the Stark Law with respect to the performance of this Agreement.

12. Halifax acknowledges that once this Agreement is fully executed, PMC will file this Agreement with clerks of the circuit courts in Brevard and Volusia Counties pursuant to section 163.01(11), Florida Statutes.

[The remainder of this page intentionally left blank]

HALIFAX HOSPITAL MEDICAL CENTER TAXING DISTRICT

By: _____ Date: 12/6/19

Print or Type Name: Eric M. Peburn
Title: Chief Financial Officer

STATE OF FLORIDA)
) ss
COUNTY OF VOLUSIA)

The foregoing instrument was acknowledged before me this 6th day of DECEMBER, 2019 by Eric M. Peburn as Chief Financial Officer for Halifax Hospital Medical center Taxing District.

_____
(Signature of the Notary Public

Notary Public State of Florida
Deborah Jean Sabotka
My Commission GG 922790
Expires 02/10/2024

DEBORAH JEAN SABOTKA
(Print, Type of Stamp Commissioned Name of Notary)

Personally Known ✓ OR Produced Identification _____
Type of Identification Produced _____

NORTH BREVARD COUNTY HOSPITAL DISTRICT
D/B/A PARRISH MEDICAL CENTER

By: _____ Date: 12/10/19
Print or Type Name: George Mikitarian
Title: President/Chief Executive Officer

STATE OF FLORIDA)
) ss
COUNTY OF BREVARD)

The foregoing instrument was acknowledged before me this 10 day of December, 2019 by George Mikitarian as Chief Executive Officer for the North Brevard County Hospital District, d/b/a Parrish Medical Center.

STEPHANIE PARHAM
Notary Public - State of Florida
Commission # GG 206767
My Comm Expires Apr 12, 2022
Bonded through National Notary Assn.

_____
(Signature of the Notary Public

Stephanie Parham
(Print, Type of Stamp Commissioned Name of Notary)

Personally Known ✓ OR Produced Identification _____
Type of Identification Produced _____

Office of the Inspector General
Report of Investigation
19-06-004

Exhibit 4

Feehrer, Tanisha

From:	Feehrer, Tanisha
Sent:	Monday, December 4, 2017 8:50 AM
To:	""Dowsett"","" Kern; Kern.Dowsett@halifax.org
Subject:	RE: Interlocal Agreement

Good morning Kern,

The interlocal agreement was received by the Agency on November 14, 2017. Please let me know if I need to reach out to Parrish directly.

Thanks,
T. K.

From: Dowsett, Kern [mailto:Kern.Dowsett@halifax.org]
Sent: Friday, December 1, 2017 3:29 PM
To: Feehrer, Tanisha <Tanisha.Feehrer@ahca.myflorida.com>
Subject: FW: Interlocal Agreement

Hi T.K.:

I spoke with you last week to ensure you had received our interlocal agreement with Parrish.

You stated that you would send an email as verification that it was received.

As you can see Parrish is requesting confirmation.

Would you mind confirming that it was received?

I can send an additional copy if needed.

Thank you,

Kern Dowsett
Halifax Health
386-425-4567

From: Bailey, Kent
Sent: Friday, December 01, 2017 9:55 AM
To: Dowsett, Kern
Subject: FW: Interlocal Agreement

See below…..what do we have?

From: Sitowitz, Michael [mailto:Michael.Sitowitz@parrishmed.com]
Sent: Friday, December 01, 2017 9:25 AM
To: Bailey, Kent
Subject: [External Sender] Interlocal Agreement

Kent, hope your doing well.

Have you filed the Interlocal Agreement with the Agency for Health Care Adminstration? Can you provide us with documentation of the filing?

thanks

Michael Sitowitz
Controller
Parrish Medical Center
951 N. Washington Ave
Titusville, FL 32796
321-268-6333 x8503

Office of the Inspector General
Report of Investigation
19-06-004

Exhibit 5

Dowsett, Kern

From:	Dowsett, Kern
Sent:	Monday, February 10, 2020 9:29 AM
To:	"""Johnson"","" Kristen'; Kristen.Johnson@ahca.myflorida.com
Subject:	RE: SFY 19-20 LIP IGTS
Attachments:	Outgoing Wire_HHMC to Parrish Medical Center_01312020.pdf

Kristen:

Attached is the requested documentation to show both ends of the wire transfer.

Thanks,

Kern

HALIFAX HEALTH

Kern Dowsett
Reimbursement
Finance

P:386-425-4567
Kern.Dowsett@halifax.org | halifaxhealth.org
303 N. Clyde Morris Blvd., Daytona Beach, FL 32114

Exceptional Service · Every Encounter · Every Day · Everyone

Kern, per your request, below is confirmation of the wire sent to Halifax Health.

Kent Bailey

Kent Bailey
Vice President, Finance
Parrish Healthcare
North Brevard County Hospital District, dba Parrish Medical Center North Brevard Medical Support, Inc., dba Parrish Medical Group Community Health Network of Central Florida dba Parrish Health Network

Titusville, Florida
Healing Experiences for Everyone All the Time

-----Original Message-----
From: Do_Not_Reply@regions.com [mailto:Do_Not_Reply@regions.com]
Sent: Friday, January 31, 2020 4:58 PM
To: PMC Treasury
Subject: [EXTERNAL Sender] OUTGOING FUNDS TRANSFER DEBIT INFORMATION TRN [redacted] [secure]

This message came from an external source. Please do not click links or open attachments if unexpected or unusual.

Begin Original Message:

****** Please Do Not Reply To This E-mail ******

OUTGOING FUNDS TRANSFER DEBIT INFORMATION

In accordance with wire transfer instructions
we have debited your account at Regions Bank.
If you have any questions, you may contact your local branch or 1-800-REGIONS

The Regions Wire Transfer agreement has been amended, effective 09/15/2011.
Refer to regions.com/wireupdate or contact your Relationship Manager for
details.

Debit Amount: 1,527,500.00 Currency: USD

Transaction Reference Number: [redacted] Value Date: 20/01/31

FED IMAD Reference: [redacted]

Account Number: ******[redacted]
Account Name: NORTH BREVARD COUNTY
HOSPITAL DISTRICT
951 N WASHINGTON AVE
TITUSVILLE FL 32796

Exchange Rate: 0.
Amount: 1,527,500.00 Currency: USD

Debit Party Information: D/******[redacted]
NORTH BREVARD COUNTY
HOSPITAL DISTRICT
951 N WASHINGTON AVE
TITUSVILLE FL 32796

Sending Bank Information: /

Originating Bank Information: /

Originating Party Information: /

Credit Party Information: [redacted]
JPMORGAN CHASE BANK
1 CHASE MANHATTAN PLAZA
NEW YORK CITY, NY 10081

Intermediary Bank 1 Information: /

Intermediary Bank 2 Information: /

Beneficiary Bank Information: /

Beneficiary Party Information: /******[redacted]
HALIFAX HOSPITAL MEDICAL CENTER
MAIN OPERATING

From: Johnson, Kristen [mailto:Kristen.Johnson@ahca.myflorida.com]
Sent: Friday, January 31, 2020 8:35 AM
To: Dowsett, Kern <Kern.Dowsett@halifax.org>
Cc: Smith, Lisa <Lisa.Smith@ahca.myflorida.com>; Parker, Kelly <Kelly.Parker@ahca.myflorida.com>
Subject: [External Sender] RE: SFY 19-20 LIP IGTS

This message came from an external source. Please do not click links or open attachments if unexpected or unusual.

Begin Original Message:

Good morning Kern,

I appreciate your patients while we reviewed the documentation. After speaking with my upper management, we have determined that this transfer will be acceptable, however, you must provide the agency with all wire/payment transactions between the two entities.

If you have any further questions please feel free to contact myself or Kelly Parker.

Have a great weekend!

Kristen Johnson - MEDICAL/HEALTH CARE PROG ANALYST

AHCA Building 3, Rm. 1331 - BUREAU OF MEDICAID PROGRAM FINANCE
+1 850-412-4274 (Office) - Kristen.Johnson@ahca.myflorida.com

From: Dowsett, Kern <Kern.Dowsett@halifax.org>
Sent: Wednesday, January 29, 2020 10:59 AM
To: Johnson, Kristen <Kristen.Johnson@ahca.myflorida.com>
Subject: RE: SFY 19-20 LIP IGTS

Hi Kristen:

Any update on our Interlocal agreement with Parrish sent to you for acceptance last month?

We would like to finalize the agreement but are waiting on acceptance from AHCA.

Thanks,

Kern

HALIFAX HEALTH

Kern Dowsett
Reimbursement
Finance

P:386-425-4567
Kern.Dowsett@halifax.org | halifaxhealth.org
303 N. Clyde Morris Blvd., Daytona Beach, FL 32114

Exceptional Service · Every Encounter · Every Day · Everyone

From: Johnson, Kristen [mailto:Kristen.Johnson@ahca.myflorida.com]
Sent: Wednesday, January 29, 2020 10:15 AM
To: Administration <administration@halifax.org>; Dowsett, Kern <Kern.Dowsett@halifax.org>; Peburn, Eric <Eric.Peburn@halifax.org>; Graham, Alicia <Alicia.Graham@halifax.org>
Cc: Genevieve Carroll <Genevieve@snhaf.net>
Subject: [External Sender] SFY 19-20 LIP IGTS

This message came from an external source. Please do not click links or open attachments if unexpected or unusual.

Begin Original Message:

Good morning,

We have received the transfer for IGTs today, 1/29/2020.

Thank you!

Kristen Johnson - MEDICAL/HEALTH CARE PROG ANALYST

Building 3, Rm. 1331 - BUREAU OF MEDICAID PROGRAM
FINANCE
2727 MAHAN DR., TALLAHASSEE, FL. 32308
+1 850-412-4274 (Office) - (Fax)
Kristen.Johnson@ahca.myflorida.com

HALIFAX
HOSPITAL MED

Status
Completed

J.P.Morgan

Transaction Information

Account Number/Name
[redacted] ACH/Wires Account

Branch Location/Bank Name/Bank ID
JPMorgan Chase Bank, N.A. (MI)/JPMORGAN CHASE BANK, N.A. [redacted]

Method
Wire

Payment Amount
USD 1,627,500.00

Value Date
01/31/2020

Bank to Bank Transfer
No

Beneficiary Bank Country
UNITED STATES - US

Routing/Reference Information

Beneficiary

Account Number
[redacted]
PARRISH MEDICAL CENTER
UNITED STATES - US

Beneficiary Bank

United States FED ABA
[redacted]
REGIONS BANK
SUITE 550 - INTERNATIONAL ACCTG
P O BOX 10247
BIRMINGHAM,AL,35202-
UNITED STATES - US

Supplementary No ID

Last Validation: 12/18/2019 03:37 PM

Bank To Bank

Charges
Remitter

Priority
No

Date Created
12/18/2019 03:37 PM EST

Transaction ID
[redacted]

Bank Reference
[redacted]

Settlement Reference
FED Ref: [redacted]

Office of the Inspector General
Report of Investigation
19-06-004

Exhibit 6

Smith, Lisa

From:	Smith, Lisa
Sent:	Wednesday, January 29, 2020 11:47 AM
To:	""Johnson"","" Kristen; " "Parker"","" Kelly; Kelly.Parker@ahca.myflorida.com; Kristen.Johnson@ahca.myflorida.com
Subject:	RE: SFY 19-20 LIP IGTS

I think we've done this in the past and CMS has allowed. Will you ask TK?

From: Johnson, Kristen <Kristen.Johnson@ahca.myflorida.com>
Sent: Wednesday, January 29, 2020 11:44 AM
To: Smith, Lisa <Lisa.Smith@ahca.myflorida.com>; Parker, Kelly <Kelly.Parker@ahca.myflorida.com>
Subject: FW: SFY 19-20 LIP IGTS

Any word on the below request?

Thanks!

Kristen Johnson - MEDICAL/HEALTH CARE PROG ANALYST

AHCA Building 3, Rm. 1331 - BUREAU OF MEDICAID PROGRAM FINANCE
+1 850-412-4274 (Office) - Kristen.Johnson@ahca.myflorida.com

From: Dowsett, Kern <Kern.Dowsett@halifax.org>
Sent: Wednesday, January 29, 2020 10:59 AM
To: Johnson, Kristen <Kristen.Johnson@ahca.myflorida.com>
Subject: RE: SFY 19-20 LIP IGTS

Hi Kristen:

Any update on our Interlocal agreement with Parrish sent to you for acceptance last month?

We would like to finalize the agreement but are waiting on acceptance from AHCA.

Thanks,

Kern

Kern Dowsett
Reimbursement

HALIFAX HEALTH

Finance

P:386-425-4567
Kern.Dowsett@halifax.org | halifaxhealth.org
303 N. Clyde Morris Blvd., Daytona Beach, FL 32114

Exceptional Service · Every Encounter · Every Day · Everyone

From: Johnson, Kristen [mailto:Kristen.Johnson@ahca.myflorida.com]
Sent: Wednesday, January 29, 2020 10:15 AM
To: Administration <administration@halifax.org>; Dowsett, Kern <Kern.Dowsett@halifax.org>; Peburn, Eric <Eric.Peburn@halifax.org>; Graham, Alicia <Alicia.Graham@halifax.org>
Cc: Genevieve Carroll <Genevieve@snhaf.net>
Subject: [External Sender] SFY 19-20 LIP IGTS

This message came from an external source. Please do not click links or open attachments if unexpected or unusual.

Begin Original Message:

Good morning,

We have received the transfer for IGTs today, 1/29/2020.

Thank you!

Kristen Johnson - MEDICAL/HEALTH CARE PROG ANALYST

Building 3, Rm. 1331 - BUREAU OF MEDICAID PROGRAM FINANCE
2727 MAHAN DR., TALLAHASSEE, FL. 32308
+1 850-412-4274 (Office) - (Fax)
Kristen.Johnson@ahca.myflorida.com

Office of the Inspector General
Report of Investigation
19-06-004

Exhibit 7

THIS IS A DUPLICATE SIGNED ORIGINAL OF THE ORIGINAL AGREEMENT ENTERED INTO BETWEEN THE PARTIES ON MAY 25, 2012

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT, pursuant to Section 163.01, Florida Statutes, is made and entered into this 24th day of September, 2012, by and between Halifax Hospital Medical Center Taxing District (Halifax), and the South Broward Hospital District d/b/a Memorial Health System (MHS).

Background

On October 19, 2005, the Centers for Medicare and Medicaid Services (CMS) approved the 1115 Research and Demonstration Waiver Application for the State of Florida. On December 8, 2005 the Florida Legislature enacted House Bill 3B, authorizing implementation of the Waiver effective July 1, 2006. The Waiver Special Terms and Conditions establishes the Low Income Pool (LIP) to ensure continued government support for the provision of health care services to Medicaid, underinsured and uninsured populations. The LIP consists of a capped annual allotment of $1 billion total computable for each year of the 5 year demonstration period.

Funds in the LIP may be used for health care expenditures (medical care costs or premiums) that would be within the definition of medical assistance in Section 1905(a) of the Social Security Act. These health care expenditures may be incurred by the State, by hospitals, clinics, or by other providers for uncompensated medical care costs of medical services for the uninsured, Medicaid shortfall (after all other Title XIX payments are made), may include premium payments for provider access systems (PAS) and insurance products for such services provided to otherwise uninsured individuals, as agreed upon by the State and CMS.

Local governments, including hospital taxing districts as Halifax and MHS, provide funding for the non-federal share of the $1 billion LIP distributions. No state funds are included in the appropriations.

This Interlocal Agreement is entered into by Halifax and MHS, public agencies as defined in section 163.01(3)(b), Florida Statutes, in pursuance of the provisions of the Waiver, and pursuant to section 163.01, Florida Statutes.

Agreement

In consideration of the matters contained in this Agreement, and other good and valuable consideration acknowledged by the parties, the parties agree as follows:

1. Halifax will designate $5,218,230.00 of its intergovernmental transfers (IGTs) previously paid to the Agency for Health Care Administration (AHCA) for the period covering Waiver Demonstration Year 4 as intended for Memorial Hospital Pembroke (MHP), a hospital owned and operated by MHS and $5,218,229.00 of its IGTs previously paid to AHCA for the period covering Waiver Demonstration Year 4 as

SH 475

intended for Memorial Hospital Miramar (MHM), a hospital owned and operated by MHS.

2. It is intended that the above action by Halifax (the "designation") will result in a reduction in LIP DY 4 payments to Halifax of $12,001,928.00, and an increase in LIP DY 4 payments to MHP of $6,000,964.00 and to MHM of $6,000,964.00. The designation will be accomplished by a letter or other communication acceptable to AHCA.

3. Immediately upon confirmation that the designation is acceptable to AHCA, Halifax will transfer $12,001,928.00 to an account identified by MHS. Immediately upon receipt of the funds transferred by Halifax, MHS will transfer $11,801,928.00 to an account identified by Halifax.

4. Halifax covenants and agrees that to the extent permitted by law, it shall indemnify, defend and hold harmless MHS and its officers, directors, employees and agents from and against any and all losses, obligations, costs, liabilities, damages, actions, suits, causes of action, claims, demands, settlements, judgments or other expenses, including, but not limited to, reasonable attorneys' fees and expenses, which are asserted against, imposed upon, or incurred or suffered by, such indemnified party and which arise out of or result from this Agreement.

5. Each party shall bear its own costs and attorney's fees.

6. This Agreement shall inure to the benefit of and be binding on each party's successors, assigns, heirs, administrators, representatives and trustees.

7. The signatories to this Agreement, acting in a representative capacity, represent that they are duly authorized to enter into this Agreement on behalf of the respective parties.

8. This Agreement shall be construed in accordance with the provisions of the laws of Florida. Venue for any action arising from this Agreement shall be in Leon County, Florida.

9. This Agreement is intended by the parties as a final expression of their agreement with respect to the matters specified therein, is intended as the exclusive statement of the terms of this Agreement, and supersedes and replaces any prior agreements between the parties, whether written or oral. No modification or waiver of any provision shall be valid unless a written amendment to the Agreement is properly executed by the parties.

10. The parties agree to execute such documents as may be necessary to carry out the intent and provisions of this Agreement.

THIS IS A DUPLICATE SIGNED ORIGINAL OF THE ORIGINAL AGREEMENT ENTERED INTO BETWEEN THE PARTIES ON MAY 25, 2012

Book: 6767
Page: 4066

HALIFAX HOSPITAL MEDICAL CENTER TAXING DISTRICT

By: _____ Date: 9/20/12

Print or Type Name: Eric M. Peburn
Title: Chief Financial Officer

STATE OF Florida)
) ss
COUNTY OF Volusia)

The foregoing instrument was acknowledged before me this 20 day of September, 2012 by Eric Preburn as Chief Financial Officer for Halifax Hospital Medical Center Taxing District.

_____
(Signature of the Notary Public

JANE D. MORGAN
Commission DD 800436
Expires September 26, 2012

_____
(Print, Type of Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____
Type of Identification Produced _____

SH 475

DOL -00722

THIS IS A DUPLICATE SIGNED ORIGINAL OF THE ORIGINAL AGREEMENT ENTERED INTO BETWEEN THE PARTIES ON MAY 25, 2012

SOUTH BROWARD HOSPITAL DISTRICT
D/B/A MEMORIAL HEALTH SYSTEM

By: Frank Sacco Date: 9/24/12
Print or Type Name: Frank Sacco
Title: Chief Executive Officer

STATE OF Florida)
) ss
COUNTY OF Broward)

The foregoing instrument was acknowledged before me this 24 day of September, 2012 by Frank Sacco as Chief Executive Officer for South Broward Hospital District, d/b/a Memorial Health System.

SHARON R. MECCA
MY COMMISSION # DD 997292
EXPIRES: October 1, 2014
Bonded Thru Notary Public Underwriters

Sharon R. Mecca
(Signature of the Notary Public

Sharon R. Mecca
(Print, Type of Stamp Commissioned Name of Notary)

Personally Known ✓ OR Produced Identification _____
Type of Identification Produced _____

COPIES FURNISHED TO:

APPROVED AS TO FORM
Stuart Hopen, Deputy General Counsel
South Broward Hospital District

SH 475

DOL -00723

03/25/2013 03:44 PM
Instrument# 2013-057744 # 1
Book: 6835
Page: 2432

Return Document to:
Gail E. Hendrickson
Halifax Health Medical Center
PO Box 2840
Daytona Beach, FL 32120-2840

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT, pursuant to Section 163.01, Florida Statutes, is made and entered into this 13 day of February, 2013, by and between Halifax Hospital Medical Center Taxing District (Halifax), and the South Broward Hospital District, d/b/a Memorial Health System (MHS).

Background

On October 19, 2005, the Centers for Medicare and Medicaid Services (CMS) approved the 1115 Research and Demonstration Waiver Application for the State of Florida. On December 8, 2005 the Florida Legislature enacted House Bill 3B, authorizing implementation of the Waiver effective July 1, 2006. The Waiver Special Terms and Conditions establishes the Low Income Pool (LIP) to ensure continued government support for the provision of health care services to Medicaid, underinsured and uninsured populations. The LIP consists of a capped annual allotment of $1 billion total computable for each year of the 5 year demonstration period.

Funds in the LIP may be used for health care expenditures (medical care costs or premiums) that would be within the definition of medical assistance in Section 1905(a) of the Social Security Act. These health care expenditures may be incurred by the State, by hospitals, clinics, or by other providers for uncompensated medical care costs of medical services for the uninsured, Medicaid shortfall (after all other Title XIX payments are made), may include premium payments for provider access systems (PAS) and insurance products for such services provided to otherwise uninsured individuals, as agreed upon by the State and CMS.

Local governments, including hospital taxing districts as Halifax and MHS, provide funding for the non-federal share of the $1 billion LIP distributions. No state funds are included in the appropriations.

This Interlocal Agreement is entered into by Halifax and MHS, public agencies as defined in section 163.01(3)(b), Florida Statutes, in pursuance of the provisions of the Waiver, and pursuant to section 163.01, Florida Statutes.

Agreement

In consideration of the matters contained in this Agreement, and other good and valuable consideration acknowledged by the parties, the parties agree as follows:

1. Halifax will designate $4,000,000.00 of its intergovernmental transfers (IGTs) previously paid to the Agency for Health Care Administration (AHCA) for the period covering Waiver Demonstration Year 5 as intended for Memorial Hospital Pembroke (MHP), a hospital owned and operated by MHS and $4,000,000.00 of its IGTs previously paid to AHCA for the period covering Waiver Demonstration Year 5 as

intended for Memorial Hospital Miramar (MHM), a hospital owned and operated by MHS.

2. It is intended that the above action by Halifax (the "designation") will result in a reduction in LIP DY 5 payments to Halifax of $9,168,000.00, and an increase in LIP DY 5 payments to MHP of $4,584,000.00 and to MHM of $4,584,000.00. The designation will be accomplished by a letter or other communication acceptable to AHCA.

3. Immediately upon confirmation that the designation is acceptable to AHCA, Halifax will transfer $9,168,000.00 to an account identified by MHS. Immediately upon receipt of the funds transferred by Halifax, MHS will transfer $8,968,000 to an account identified by Halifax.

4. Halifax covenants and agrees that to the extent permitted by law, it shall indemnify, defend and hold harmless MHS and its officers, directors, employees and agents from and against any and all losses, obligations, costs, liabilities, damages, actions, suits, causes of action, claims, demands, settlements, judgments or other expenses, including, but not limited to, reasonable attorneys' fees and expenses, which are asserted against, imposed upon, or incurred or suffered by, such indemnified party and which arise out of or result from this Agreement.

5. Each party shall bear its own costs and attorney's fees.

6. This Agreement shall inure to the benefit of and be binding on each party's successors, assigns, heirs, administrators, representatives and trustees.

7. The signatories to this Agreement, acting in a representative capacity, represent that they are duly authorized to enter into this Agreement on behalf of the respective parties.

8. This Agreement shall be construed in accordance with the provisions of the laws of Florida. Venue for any action arising from this Agreement shall be in Leon County, Florida.

9. This Agreement is intended by the parties as a final expression of their agreement with respect to the matters specified therein, is intended as the exclusive statement of the terms of this Agreement, and supersedes and replaces any prior agreements between the parties, whether written or oral. No modification or waiver of any provision shall be valid unless a written amendment to the Agreement is properly executed by the parties.

10. The parties agree to execute such documents as may be necessary to carry out the intent and provisions of this Agreement.

HALIFAX HOSPITAL MEDICAL CENTER TAXING DISTRICT

By: _____ Date: 2-13-2013
Print or Type Name: Eric Peburn
Title: Chief Financial Officer

STATE OF FLORIDA)
) ss
COUNTY OF VOLUSIA)

The foregoing instrument was acknowledged before me this 13th day of February, 2013 by Eric Peburn as Chief Financial Officer for Halifax Hospital Medical Center Taxing District.

Kay Spero
(Signature of the Notary Public

KAY SPERO
Commission # EE 145910
Expires November 13, 2015
Bonded Thru Troy Fain Insurance 800-385-7019

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known ✓ OR Produced Identification _____
Type of Identification Produced _____

1959

Instrument# 2013-057744 #.4
Book: 6835
Page: 2435
Diane M. Matousek
Volusia County, Clerk of Court

SOUTH BROWARD HOSPITAL DISTRICT
D/B/A MEMORIAL HEALTH SYSTEM

By: _____ Date: 2/13/13
Print or Type Name: Frank Sacco
Title: Chief Executive Officer

STATE OF FLORIDA)
) ss
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this 13 day of February, 2013 by Frank Sacco as Chief Executive Officer for South Broward Hospital District, d/b/a Memorial Health System.

SHARON R. MECCA
MY COMMISSION # DD 997292
EXPIRES: October 1, 2014
Bonded Thru Notary Public Underwriters

Sharon R. Mecca
(Signature of the Notary Public

Sharon R. Mecca
(Print, Type of Stamp Commissioned Name of Notary)

Personally Known ✓ OR Produced Identification _____
Type of Identification Produced _____

1959

4

BROAD & CASSEL
390 N ORANGE AVE
STE 1400
ORLANDO FL 32801

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT, pursuant to Section 163.01, Florida Statutes, is made and entered into this 24th day of May, 2013, by and between the Public Health Trust of Miami-Dade County, an agency and instrumentality of Miami-Dade County which operates the Jackson Health System (Jackson), and North Brevard County Hospital District - Parrish Medical Center (PMC).

Background

On October 19, 2005, the Centers for Medicare and Medicaid Services (CMS) approved the 1115 Research and Demonstration Waiver Application for the State of Florida. On December 8, 2005 the Florida Legislature enacted House Bill 3B, authorizing implementation of the Waiver effective July 1, 2006. The Waiver Special Terms and Conditions establishes the Low Income Pool (LIP) to ensure continued government support for the provision of health care services to Medicaid, underinsured and uninsured populations. The LIP consists of a capped annual allotment of $1 billion total computable for each year of the 5 year demonstration period.

Funds in the LIP may be used for health care expenditures (medical care costs or premiums) that would be within the definition of medical assistance in Section 1905(a) of the Social Security Act. These health care expenditures may be incurred by the State, by hospitals, clinics, or by other providers for uncompensated medical care costs of medical services for the uninsured, Medicaid shortfall (after all other Title XIX payments are made), may include premium payments for provider access systems (PAS) and insurance products for such services provided to otherwise uninsured individuals, as agreed upon by the State and CMS.

Local governments, including county public health trusts such as Jackson and/or public hospitals such as PMC, provide funding for the non-federal share of the $1 billion LIP distributions. No state funds are included in the appropriations.

This Interlocal Agreement is entered into by Jackson and PMC, public agencies as defined in section 163.01(3) (b), Florida Statutes, in pursuance of the provisions of the Waiver, and pursuant to section 163.01, Florida Statutes.

Agreement

In consideration of the matters contained in this Agreement, and other good and valuable consideration acknowledged by the parties, the parties agree as follows:

1. Jackson will designate $6,097,561.00 of its intergovernmental transfers (IGTs) previously paid to the Agency for Health Care Administration (AHCA)for the period covering Waiver Demonstration Year 5as intended for PMC.

2. It is intended that the above action by Jackson (the "designation") will result in a reduction in LIPDY 5 payments to Jackson of $7,000,000.00, and an increase in LIP DY 5 payments to PMC of $7,000,000.00. The designation will be accomplished by a letter or other communication acceptable to AHCA.

3. Immediately upon confirmation that the designation is acceptable to AHCA, Jackson will transfer $7,000,000.00 to an account identified by PMC. Immediately upon receipt of the funds transferred by Jackson, PMC will transfer $6,790,000.00 to an account identified by Jackson.

4. Jackson covenants and agrees that to the extent permitted by law, it shall indemnify, defend and hold harmless PMC and its officers, directors, employees and agents from and against any and all losses, obligations, costs, liabilities, damages, actions, suits, causes of action, claims, demands, settlements, judgments or other expenses, including, but not limited to, reasonable attorneys' fees and expenses, which are asserted against, imposed upon, or incurred or suffered by, such indemnified party and which arise out of or result from this Agreement. In the event that CMS or AHCA audit should find that the inclusion of these payments causes PMC to be over its cost limit and a refund is due to the State or CMS, Jackson will reimburse PMC for the amount PMC is over the limit within 30 days of PMC's payment to AHCA or CMS.

5. Each party shall bear its own costs and attorney's fees.

6. This Agreement shall inure to the benefit of and be binding on each party's successors, assigns, heirs, administrators, representatives and trustees.

7. The signatories to this Agreement, acting in a representative capacity, represent that they are duly authorized to enter into this Agreement on behalf of the respective parties.

8. This Agreement shall be construed in accordance with the provisions of the laws of Florida. Venue for any action arising from this Agreement shall be in Leon County, Florida.

9. This Agreement is intended by the parties as a final expression of their agreement with respect to the matters specified therein, is intended as the exclusive statement of the terms of this Agreement, and supersedes and replaces any prior agreements between the parties, whether written or oral. No modification or waiver of any provision shall be valid unless a written amendment to the Agreement is properly executed by the parties.

10. The parties agree to execute such documents as may be necessary to carry out the intent and provisions of this Agreement.

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY

By: _____ Date: May 29, 2013
Print or Type Name: Carlos A. Migoya
Title: Chief Executive Officer

STATE OF FLORIDA)
) ss
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this 29th day of May 2013 by Carlos A. Migoya as Chief Executive Officer for the Public Health Trust of Miami-Dade County.

LILLIAN HORSLEY HANCE
MY COMMISSION # DD 913358
EXPIRES: November 3, 2013
Bonded Thru Notary Public Underwriters

_____
(Signature of the Notary Public

Lillian Horsley Hance
(Print, Type of Stamp Commissioned Name of Notary)

Personally Known ✓ OR Produced Identification _____
Type of Identification Produced _____

NORTHBREVARDCOUNTYHOSPITALDISTRICTDBAPARRISHMEDICALCENTER

By: _____ Date: 5-24-13
Print or Type Name: George Mikitarian
Title: President/CEO

By: _____ Date: 5-24-13
Print or Type Name: Timothy K. Skeldon
Title: Sr. Vice President-Finance/CFO

STATE OF FLORIDA)
) ss
COUNTY OF BREVARD)

The foregoing instrument was acknowledged before me this 24th day of May, 2013 by George Mikitarian as Chief Executive Officer for North Brevard County Hospital District dba Parrish Medical Center.

LISA FINLEY
MY COMMISSION # DD 987832
EXPIRES: May 8, 2014
Bonded Thru Notary Public Underwriters

Lisa Finley
(Signature of the Notary Public

Lisa Finley
(Print, Type of Stamp Commissioned Name of Notary)

Personally Known ✓ OR Produced Identification _____
Type of Identification Produced _____

DOL -00731

Office of the Inspector General
Report of Investigation
19-06-004

Exhibit 8

Wallace, Thomas J.

From: Williams, Phil
Sent: Tuesday, May 29, 2012 2:45 PM
To: Phil Blank
Cc: Nam, David; Kellum, Kim
Subject: Interlocal agreement

Mr. Blank:

The Agency for Health Care Administration hereby acknowledges receipt of the interlocal agreement dated May 25, 2012, between Halifax and the Memorial Health System. This email serves as confirmation of the Agency's approval of the funding designation pursuant to the terms of the interlocal agreement. Thank you for your efforts in addressing this issue.

Phil

Phil E. Williams
Assistant Deputy Secretary for Medicaid Finance
Medicaid Program
Agency for Health Care Administration
Phone 850-412-4008

PLEASE MAKE A NOTE OF MY NEW PHONE NUMBER

HALIFAX HEALTH

May 25, 2012

Phil Williams
Assistant Deputy Secretary
Medicaid Finance Medicaid Program
Agency for Health Care Administration
2727 Mahan Drive, Bldg. 3
Tallahassee, FL 32308-5403

RE: Halifax and MHS Interlocal Agreement

Dear Mr. Williams:

The purpose of this letter is to inform the Agency that Halifax designates $5,218,230.00 of its intergovernmental transfers (IGTs) previously paid to the Agency for Health Care Administration (AHCA)for the period covering Waiver Demonstration Year 4 as intended for Memorial Hospital Pembroke (MHP), a hospital owned and operated by MHS and $5,218,229.00 of its IGTs previously paid to AHCA for the period covering Waiver Demonstration Year 4 as intended for Memorial Hospital Miramar (MHM), a hospital owned and operated by Memorial Health System.

We would appreciate confirmation from the Agency that this designation is acceptable.

Sincerely,

Eric M. Peburn
Chief Financial Officer

PO Box 9718
Daytona Beach, FL 32120
T: 386.322.4771

halifaxhealth.org

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT, pursuant to Section 163.01, Florida Statutes, is made and entered into this 25 day of May, 2012, by and between Halifax Hospital Medical Center Taxing District (Halifax), and the South Broward Hospital District, d/b/a Memorial Health System (MHS).

Background

On October 19, 2005, the Centers for Medicare and Medicaid Services (CMS) approved the 1115 Research and Demonstration Waiver Application for the State of Florida. On December 8, 2005 the Florida Legislature enacted House Bill 3B, authorizing implementation of the Waiver effective July 1, 2006. The Waiver Special Terms and Conditions establishes the Low Income Pool (LIP) to ensure continued government support for the provision of health care services to Medicaid, underinsured and uninsured populations. The LIP consists of a capped annual allotment of $1 billion total computable for each year of the 5 year demonstration period.

Funds in the LIP may be used for health care expenditures (medical care costs or premiums) that would be within the definition of medical assistance in Section 1905(a) of the Social Security Act. These health care expenditures may be incurred by the State, by hospitals, clinics, or by other providers for uncompensated medical care costs of medical services for the uninsured, Medicaid shortfall (after all other Title XIX payments are made), may include premium payments for provider access systems (PAS) and insurance products for such services provided to otherwise uninsured individuals, as agreed upon by the State and CMS.

Local governments, including hospital taxing districts as Halifax and MHS, provide funding for the non-federal share of the $1 billion LIP distributions. No state funds are included in the appropriations.

This Interlocal Agreement is entered into by Halifax and MHS, public agencies as defined in section 163.01(3)(b), Florida Statutes, in pursuance of the provisions of the Waiver, and pursuant to section 163.01, Florida Statutes.

Agreement

In consideration of the matters contained in this Agreement, and other good and valuable consideration acknowledged by the parties, the parties agree as follows:

1. Halifax will designate $5,218,230.00 of its intergovernmental transfers (IGTs) previously paid to the Agency for Health Care Administration (AHCA)for the period covering Waiver Demonstration Year 4 as intended for Memorial Hospital Pembroke (MHP), a hospital owned and operated by MHS and $5,218,229.00 of its IGTs previously paid to AHCA for the period covering Waiver Demonstration Year 4 as

SH-475

intended for Memorial Hospital Miramar (MHM), a hospital owned and operated by MHS.

2. It is intended that the above action by Halifax (the "designation") will result in a reduction in LIPDY 4 payments to Halifax of $12,001,928.00, and an increase in LIP DY 4 payments to MHP of $6,000,964.00 and to MHM of $6,000,964.00. The designation will be accomplished by a letter or other communication acceptable to AHCA.

3. Immediately upon confirmation that the designation is acceptable to AHCA, Halifax will transfer $12,001,928.00 to an account identified by MHS. Immediately upon receipt of the funds transferred by Halifax, MHS will transfer $11,801,928.00 to an account identified by Halifax.

4. Halifax covenants and agrees that to the extent permitted by law, it shall indemnify, defend and hold harmless MHS and its officers, directors, employees and agents from and against any and all losses, obligations, costs, liabilities, damages, actions, suits, causes of action, claims, demands, settlements, judgments or other expenses, including, but not limited to, reasonable attorneys' fees and expenses, which are asserted against, imposed upon, or incurred or suffered by, such indemnified party and which arise out of or result from this Agreement.

5. Each party shall bear its own costs and attorney's fees.

6. This Agreement shall inure to the benefit of and be binding on each party's successors, assigns, heirs, administrators, representatives and trustees.

7. The signatories to this Agreement, acting in a representative capacity, represent that they are duly authorized to enter into this Agreement on behalf of the respective parties.

8. This Agreement shall be construed in accordance with the provisions of the laws of Florida. Venue for any action arising from this Agreement shall be in Leon County, Florida.

9. This Agreement is intended by the parties as a final expression of their agreement with respect to the matters specified therein, is intended as the exclusive statement of the terms of this Agreement, and supersedes and replaces any prior agreements between the parties, whether written or oral. No modification or waiver of any provision shall be valid unless a written amendment to the Agreement is properly executed by the parties.

10. The parties agree to execute such documents as may be necessary to carry out the intent and provisions of this Agreement.

HALIFAX HOSPITAL MEDICAL CENTER TAXING DISTRICT

By: _____ Date: 5/25/12

Print or Type Name: Eric Preburn

Title: Chief Financial Officer

STATE OF FLORIDA)
) ss
COUNTY OF VOLUSIA)

The foregoing instrument was acknowledged before me this 25 day of May, 2012 by Eric Preburn as Chief Financial Officer for Halifax Hospital Medical Center Taxing District.

JANE D. MORGAN
Commission DD 800436
Expires September 26, 2012
Bonded Thru Troy Fain Insurance 800-385-7019

Jane D Morgan
(Signature of the Notary Public

Jane D. Morgan
(Print, Type of Stamp Commissioned Name of Notary)

Personally Known * OR Produced Identification _____

Type of Identification Produced _____

SH-475

SOUTH BROWARD HOSPITAL DISTRICT
D/B/A MEMORIAL HEALTH SYSTEM

By: _____ Date: 5/25/12
Print or Type Name: Frank Sacco
Title: Chief Executive Officer

STATE OF Florida)
) ss
COUNTY OF Broward)

The foregoing instrument was acknowledged before me this 25th day of May, 2012 by Frank Sacco as Chief Executive Officer for South Broward Hospital District, d/b/a Memorial Health System.

_____
(Signature of the Notary Public)

ELIZABETH T. HIRAGA
MY COMMISSION # EE 002503
EXPIRES: October 18, 2014
Bonded Thru Notary Public Underwriters

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known ✓ OR Produced Identification _____
Type of Identification Produced _____

COPIES FURNISHED TO:

SH-475

Office of the Inspector General
Report of Investigation
19-06-004

Exhibit 9

Wallace, Thomas J.

From: Phil Blank <Phil@blanklaw.com>
Sent: Wednesday, May 09, 2012 9:53 AM
To: Williams, Phil; phi.williams@ahca.myflorida.com; Kim O'neal
Cc: Kim O'neal; Wallace, Thomas J.; Behenna, Lecia; Gray, Brittany
Subject: RE: HALIFAX

Phil: I just saw your email; here is what I suggest you send CMS:

Paragraph 53 of the Waiver approval for the Demonstration Approval Period December 16, 2011 to June 30, 2014 (No. 11-W-00206/4) recognizes that, at the time the Waiver was approved the reconciliations for DY 4 and 5 were not available. DY 4 covers the period July 1, 2009 to June 30, 2010, which is the period in which the overpayment to Halifax occurred.

The Waiver provides that if the final reconciliation results for DY 4 will be reflected in the Reimbursement and Funding Methodology document for DY 7. DY 7 covers the period July 1, 2012 to June 30, 2013. The paragraph also provides that, if the final reconciliations for DY 4 result in a finding that payments were made in excess of cost, the Reimbursement and Funding Methodology must be further modified to ensure that payments in DY 7 will not result in payments in excess of allowable cost, particularly methodologies that provide payments to providers that have received payments during any prior demonstration year in excess of allowable costs as defined in paragraph 54 and the Reimbursement and Funding Methodology. Any required modifications to the DY 7 annual Reimbursement and Funding Methodology document must be approved by CMS before FFP will be made available for DY 7 LIP payments." So the more I read the Waiver the more I am convinced that the language is clear and controls here, and that there is in fact no recoupment necessary now, because the Waiver recognizes and establishes what happens if there is an overpayment during the period of time we are dealing with.

I believe the process is the following: (1) AHCA contact CMS and inform them that it has conducted its review per the Waiver, (2) that there may be an overpayment, and it will be corrected according to Paragraph 53 in DY 7. That will allow for a proper resolution of this matter consistent with what I believe is the clear language of the Waiver.

Thanks

F. Philip Blank
Blank & Meenan, PA
204 South Monroe Street
Tallahassee, FL 32301
850.681.6710

-----Original Message-----
From: Williams, Phil [mailto:Phil.Williams@ahca.myflorida.com]
Sent: Wednesday, May 09, 2012 8:14 AM
To: Phil Blank; phi.williams@ahca.myflorida.com; Kim O'neal
Cc: Kim O'neal; Wallace, Thomas J.; Behenna, Lecia; Gray, Brittany
Subject: RE: HALIFAX

Hello, Phil. CMS has asked us to send them a summary in writing prior to a call with Agency staff, prior to a call with CMS, Agency staff, and hospital folks. Would you be OK with us sharing with them your write up, or would you prefer that we not share that level of detail? Thanks. Phil

Phil E. Williams
Assistant Deputy Secretary for Medicaid Finance Medicaid Program Agency for Health Care Administration Phone 850-412-4008

PLEASE MAKE A NOTE OF MY NEW PHONE NUMBER

-----Original Message-----
From: Phil Blank [mailto:Phil@blanklaw.com]
Sent: Tuesday, May 08, 2012 10:33 AM
To: Williams, Phil; phi.williams@ahca.myflorida.com; Kim O'neal
Cc: Kim O'neal
Subject: HALIFAX

Phil: I am trying to follow up on the status of the matter involving Halifax; I am supposed to speak to the folks down there; has there been any new development after my email to you and Kim last week? Thanks.
Phil

Wallace, Thomas J.

From: Behenna, Lecia
Sent: Wednesday, May 09, 2012 11:25 AM
To: Cieslicki, Mary E. (CMS/CMCS); Pahl, Mark W. (CMS/CMCS) (mark.pahl@cms.hhs.gov)
Cc: Williams, Phil; Wallace, Thomas J.; Maldonado, Nicole; Macdonald, Linda
Subject: Response from Halifax Health

Good Morning Mary,

As you requested, the attorney representing Halifax Health provided the following summary for Halifax regarding their SFY 2009-10 LIP Cost Limit. Nicole and I will work with Beverly and Halifax Health to set up a conference call that includes CMS, the State and the provider.

"Paragraph 53 of the Waiver approval for the Demonstration Approval Period December 16, 2011 to June 30, 2014 (No. 11-W-00206/4) recognizes that, at the time the Waiver was approved the reconciliations for DY 4 and 5 were not available. DY 4 covers the period July 1, 2009 to June 30, 2010, which is the period in which the overpayment to Halifax occurred.

The Waiver provides that "if the final reconciliation results for DY 4 will be reflected in the Reimbursement and Funding Methodology document for DY 7. DY 7 covers the period July 1, 2012 to June 30, 2013. The paragraph also provides that, if the final reconciliations for DY 4 result in a finding that payments were made in excess of cost, the Reimbursement and Funding Methodology must be further modified to ensure that payments in DY 7 will not result in payments in excess of allowable cost, particularly methodologies that provide payments to providers that have received payments during any prior demonstration year in excess of allowable costs as defined in paragraph 54 and the Reimbursement and Funding Methodology. Any required modifications to the DY 7 annual Reimbursement and Funding Methodology document must be approved by CMS before FFP will be made available for DY 7 LIP payments." So the more I read the Waiver the more I am convinced that the language is clear and controls here, and that there is in fact no recoupment necessary now, because the Waiver recognizes and establishes what happens if there is an overpayment during the period of time we are dealing with.

I believe the process is the following: (1) AHCA contact CMS and inform them that it has conducted its review per the Waiver, (2) that there may be an overpayment, and it will be corrected according to Paragraph 53 in DY 7. That will allow for a proper resolution of this matter consistent with what I believe is the clear language of the Waiver."

Thank you,
Lecia

Lecia Behenna
AHCA Medicaid Program Finance
2727 Mahan Drive, Mail Stop 23
Tallahassee, FL 32308
(850)412-4130 office
Lecia.Behenna@ahca.myflorida.com

Wallace, Thomas J.

From: Kellum, Kim
Sent: Friday, May 18, 2012 6:50 PM
To: Williams, Phil; Behenna, Lecia; Wallace, Thomas J.
Subject: FW: HALIFAX AND AHCA

FYI. Please see below.

-----Original Message-----
From: Phil Blank [mailto:Phil@blanklaw.com]
Sent: Friday, May 18, 2012 5:33 PM
To: Kellum, Kim; Nam, David
Cc: Kim O'neal
Subject: HALIFAX AND AHCA

Kim; David: Assuming that CMS comes back with a favorable opinion regarding the Halifax situation, Scott Davis and I have been working on a proposed solution that does not require AHCA to be a party to any agreement. Scott and I think this approach works because IGT payments are not made by individual hospitals; they are provided by local governmental entities like the South Broward Hospital District and Halifax Special Tax District. Each district has authority to determine and designate what hospitals will receive what portion of the LIP amounts to be provided based on the level of uncompensated and indigent care provided. Here is the outline:

1. Halifax and MHS will enter into an interlocal governmental agreement pursuant to s. 163.01, FS. This type of agreement is specifically permitted by the Florida Interlocal Cooperation Act of 1969 because both entities are public agencies as defined in s. 163.01((3)(b), (4). The act allows public agencies to jointly exercise any privilege or authority that each may exercise separately by entering into a contract for such purpose. S. 163.01(4); (5).

2. Under the Agreement, Halifax will designate $5,218,230 of its intergovernmental transfers (IGTs) previously paid to AHCA as intended for Memorial Hospital Pembroke (MHP), and $5,218,229 of its previously paid IGTs as intended for Memorial Hospital Miramar (MHM). This designation will result in a reduction in LIP 4 payments to Halifax of $12,001,928, and an increase in LIP 4 payments to MHP of $6,000,964 and to MHM of $6,000,964. This designation would be provided to AHCA in a letter.

3. Halifax would issue a check to the District for $12,001,928 and the District would issue a check to Halifax in the amount of $12,001,928 LESS $200,000, (total $11,801,928) which represents the amount the District would have received if it had provided the original IGT funds to AHCA (the 15% of return on investment).

4. AHCA will not be a party to the agreement; it only needs to recognize the agreement between Halifax and the District as satisfying the redirection of the LIP 4 payments from Halifax to Memorial Pembroke and Memorial Miramar.

Thanks

Phil

F. Philip Blank
Blank & Meenan, PA
204 South Monroe Street
Tallahassee, FL 32301

Office of the Inspector General
Report of Investigation
19-06-004

Exhibit 10

Johnson, Kristen

From:	Johnson, Kristen
Sent:	Friday, January 3, 2020 4:02 PM
To:	""Dowsett"","" Kern; Kern.Dowsett@halifax.org
Cc:	'Bailey, Kent'; Postell, Tracee; Kowatch, Charlena
Subject:	RE: Halifax - Interlocal Agreement

Good afternoon,

We are discussing the agreement internally and will let you know if we have any questions.

Thank you!

Kristen Johnson - MEDICAL/HEALTH CARE PROG ANALYST

AHCA Building 3, Rm. 1331 - BUREAU OF MEDICAID PROGRAM FINANCE
+1 850-412-4274 (Office) - Kristen.Johnson@ahca.myflorida.com

From: Dowsett, Kern <Kern.Dowsett@halifax.org>
Sent: Friday, January 3, 2020 4:00 PM
To: Johnson, Kristen <Kristen.Johnson@ahca.myflorida.com>
Cc: 'Bailey, Kent' <Kent.Bailey@parrishmed.com>; Postell, Tracee <Tracee.Postell@halifax.org>; Kowatch, Charlena <Charlena.Kowatch@halifax.org>
Subject: RE: Halifax - Interlocal Agreement

Hi Kristen:

I wanted to follow up on the above to ensure AHCA had no further questions or concerns on the Interlocal agreement sent previously between Halifax and Parrish.

Thank you,

Kern

Kern Dowsett
Reimbursement
Finance

P:386-425-4567

Kern.Dowsett@halifax.org | halifaxhealth.org
303 N. Clyde Morris Blvd., Daytona Beach, FL 32114

HALIFAX HEALTH

Exceptional Service · Every Encounter · Every Day · Everyone

From: Johnson, Kristen [mailto:Kristen.Johnson@ahca.myflorida.com]
Sent: Thursday, December 19, 2019 3:11 PM
To: Dowsett, Kern
Cc: 'Bailey, Kent'; Postell, Tracee; Smith, Lisa; Parker, Kelly
Subject: [External Sender] RE: Halifax - Interlocal Agreement

This message came from an external source. Please do not click links or open attachments if unexpected or unusual.

Begin Original Message:

Good afternoon,

We have received the letter and we will review the information.

Have a great afternoon!

Kristen Johnson - MEDICAL/HEALTH CARE PROG ANALYST

AHCA Building 3, Rm. 1331 - BUREAU OF MEDICAID PROGRAM FINANCE
+1 850-412-4274 (Office) - Kristen.Johnson@ahca.myflorida.com

---

From: Dowsett, Kern <Kern.Dowsett@halifax.org>
Sent: Thursday, December 19, 2019 1:47 PM
To: Johnson, Kristen <Kristen.Johnson@ahca.myflorida.com>
Cc: 'Bailey, Kent' <Kent.Bailey@parrishmed.com>; Postell, Tracee <Tracee.Postell@halifax.org>
Subject: Halifax - Interlocal Agreement

Hi Kristen:

I recently sent to your attention a copy of the attached Interlocal Agreement between Halifax Hospital Medical Center and Parrish Medical Center that designates a portion of Halifax's Inter Governmental Transfer (IGT) to Parrish Medical Center for SFY 2014- 2015.

I wanted to confirm that AHCA is in receipt of the agreement and it has been deemed acceptable.

Please contact me if you have any questions. It would be appreciated if everyone listed is copied on your response as I will be out of the office for a few days.

Thank you and Happy Holidays.

Kern Dowsett

HALIFAX HEALTH

Kern Dowsett
Reimbursement
Finance

P:386-425-4567
Kern.Dowsett@halifax.org | halifaxhealth.org
303 N. Clyde Morris Blvd., Daytona Beach, FL 32114

Exceptional Service · Every Encounter · Every Day · Everyone

Office of the Inspector General
Report of Investigation
19-06-004

Exhibit 11

Office of Inspector General Response

As previously stated, based on the cited RFMD requirements and the unambiguous language in the cost-limit calculation template, we disagree with the State agency's argument that the third-party payments for dual-eligible patients should not be offset against costs.

We audited the LIP cost-limit calculations based on what had actually occurred. Even though the DSH examination reports for SFYs 2012 through 2014 show 100-percent overpayment, the State agency has not refunded those DSH payments. During our audit fieldwork, the State agency confirmed the amount of DSH payments for the audit period (including the $221 million for SFYs 2012 through 2014) and did not contend that the payments should be reduced by $221 million. The STCs and the RFMD instruct the State agency to include DSH payments in the offsetting payments section of the cost-limit calculation (STC-a, and STC-b, items 94 and 77, respectively, and RFMD-a, section IV(A)(5), RFMDs b and c, section IV(A)(7)). Therefore, we do not agree that we should reduce the DSH payments by $221 million.

After refunding the LIP overpayments as recommended in our report, the State agency may work with CMS to reduce the Hospital's LIP payments included in its final DSH examination to reflect the amount of the LIP overpayment refund and prevent the Hospital from refunding the overpayments twice. Alternatively, the State agency may work with CMS to refund the identified DSH overpayments (i.e., the $221 million for SFYs 2012 through 2014) before finalizing the DSH audit and then reduce the LIP overpayment to reflect the amount of the DSH overpayment refund. Regardless of the order in which the State agency handles the refunds, we properly reported that the State agency overpaid the Hospital, including the $221 million in DSH payments for SFYs 2012 through 2014.

Regarding the State agency's preliminary analysis of rate settlements that it said projected $83 million in recoupments, we properly did not reduce payments as this is only a projected amount and the State agency had not actually recouped funds in the audit period. If the State agency makes recoupment based on rate settlements, it should reflect the amount recouped as a reduction of payments in the year in which the recoupment is made. The LIP cost-limit calculation template instructions for the payments section of the calculations say to "Include retrospective rate adjustments received during the year . . . ." Any future recoupments relating to years in our audit period would be considered retrospective adjustments, because they would be done after the SFYs to which they are applicable. Thus, it is appropriate to reflect the amount ultimately recouped as a reduction of payments for the year in which the State agency recoups the money.

After providing its comments on the draft report, the State agency provided us with the agreements detailing the Hospital's reallocation of $60 million of its SFY 2011 LIP funds to other hospitals. The agreements appear to require the Hospital to first send $60 million to the receiving hospitals and then for the receiving hospitals to return $57 million to the Hospital, resulting in a net loss to the Hospital of only $3 million. Both the Hospital and the receiving

hospitals used wire transfers to transfer the $60 million and the $57 million on the same day. Despite the stated intent of these transactions to reallocate $60 million of the Hospital's SFY 2011 LIP payments to other hospitals, the substance of the transactions appears to show that the Hospital reallocated only $3 million in LIP funds. Despite our request for clarification, the State agency did not provide any further explanation or documentation to support a reduction of $60 million in LIP payments to the Hospital. Accordingly, we have reduced the Hospital's LIP payments used in the SFY 2011 cost-limit calculation by only $3 million ($1,972,650 Federal share).

For our audit, we used the LIP payment amounts by year that the State agency provided to us. The State agency confirmed the LIP payment amounts before our issuing the draft report and later again confirmed the payments to be correct after we received the Hospital's comments on our draft report. Now that the State agency has corrected the SFY assignment of the LIP payments, we have revised the LIP payments by SFY to reflect the changes that the State agency communicated in its comments. This revision resulted in no change to the overall LIP payments or the total computable overpayment. However, because the Federal share percentage is different for each SFY, the reclassification of LIP payments between SFYs resulted in an increase in the Federal share of the overpayment of $587,776.

THE HOSPITAL CLAIMED COSTS FOR PATIENTS FOR WHOM FEDERAL FUNDING WAS NOT ALLOWABLE

State Agency Comments

The State agency contended that the DSH payments related to undocumented aliens for SFYs 2010 and 2011 should be removed from the calculation. (It had also previously said that all DSH payments for SFYs 2012 through 2014 should be removed.)

Office of Inspector General Response

Federal law prohibits payments for non-emergency care provided to undocumented aliens, and the STCs further stipulate that LIP funds cannot be used for costs associated with the provision of healthcare to undocumented aliens. The Hospital included unallowable costs for undocumented aliens in its LIP cost-limit calculation. To correct the Hospital's error, we removed costs as well as the individual claims payments for non-emergency care related to undocumented aliens. DSH payments are not patient-specific; they are lump-sum payments to hospitals to help offset hospitals' uncompensated care costs incurred in providing services to Medicaid and uninsured individuals. The STCs and the RFMD (STC-a, and STC-b, items 94 and 77, respectively and RFMD-a, section IV(A)(5), RFMDs b and c, section IV(A)(7)) require that hospitals offset all DSH payments against allowable LIP costs. It would be inappropriate for us to reduce the amount of DSH payments included in the LIP cost-limit calculations.

Office of the Inspector General
Report of Investigation
19-06-004

Exhibit 12

- Must be consistent with policies, regulations, and procedures that apply uniformly to both federal awards and other activities of the governmental unit;

- Must, except as otherwise provided for, be determined in accordance with generally accepted accounting principles;

- Must not be included as a cost or used to meet cost sharing or matching requirements of any other federal award;

- Must be a net of all applicable credits; and

- Must be adequately documented.

The LIP Cost Limits will be calculated using the data described in Appendix C for hospitals, Appendix D for medical school physician practices, Appendix E for federally qualified health centers (FQHC), and Appendix F for Rural Health Centers (RHC). The LIP Cost Limit calculation is the total allowable expenditures less any reimbursement from the uninsured charity care recipients. For each hospital, reimbursement should also include a percentage of the net of its Medicaid Disproportionate Share Hospital (DSH) payment that exceeds the total Medicaid uncompensated care (Medicaid shortfall) reported on the DSH Audit for the corresponding state fiscal year.

Prior to making a LIP distribution, the LIP Cost Limit for each individual provider will be reviewed. The LIP distribution will be subtracted from the LIP Cost Limit. As long as there is a positive remaining balance of the LIP Cost Limit, there exists an uninsured charity care shortfall. Should the resulting calculation show that the anticipated LIP distribution will exceed the LIP Cost Limit, the provider's distribution will be reduced accordingly. The Agency assures that no provider will receive a LIP distribution in excess of the uninsured charity care shortfall. LIP provider payments for uncompensated care as charity care are limited to the uncompensated portion of providers' allowable costs and, in the aggregate, the authorized LIP amount for the demonstration year.

VI. Redistribution

As reflected in the LIP participation requirements in STC 68 (see Appendix B), the State and participating providers who plan to participate in LIP for DY12 will provide assurance that LIP claims include only costs associated with uncompensated care that is furnished through a charity care program operated by the provider and that adheres to the principles of the Healthcare Financial Management Association.

If the participating provider's LIP payments exceed its allowable uninsured charity costs, as described above, then that provider shall return the LIP overpayment to the State and the State will do a prior period adjustment on CMS-64 Line 10B returning the overpayment to CMS in the quarter the State receives the provider overpayment. After the provider has refunded the overpayment, the State will have the option to redistribute all, or a portion, of the overpayment to other participating LIP providers within the provider group, that have not exceeded their own cost limit. All redistributions must meet the requirements described in STC 64b (see Appendix B). These redistributions are made at the State's discretion and

must be approved by CMS prior to submitting to providers. The redistribution will be applied against the original demonstration year LIP distribution and the State must report the redistributions as a prior period adjustment on CMS-64, Line 8. The redistributions shall be effective for DY12 going forward and will not apply retroactively to a prior demonstration year's LIP distributions.

VII. Conclusion

This LIP Reimbursement and Funding Methodology Document is submitted to satisfy STC 62 (see Appendix B). This updated version of the Reimbursement and Funding Methodology Document is submitted to CMS in order to update the March 15, 2018 DY12 document.

Office of the Inspector General
Report of Investigation
19-06-004

Exhibit 13

A58 10184200

Report not submitted
Did not need to submit
Overpaid
Overpaid & EMAILED

SFY 2014-15 (DY9) Cost Limit Reports Over/Under Limits

Medicaid Number (As Listed in Programming)	Medicaid Number	Provider Name (As Listed in Programming)	Provider Name (As Listed in LIP Program)	Provider Type	State Fiscal Year	Total Revenue	Total Cost	SFY 14-15 DY9 (Over)/Under Limit
[redacted]	[redacted]	Halifax Health Medical Center	Halifax Health Medical Center	Hospital	2014-2015	$ 107,503,042.00	$ 112,002,358.53	$ 4,499,316.53
		Parrish Medical Center	Parrish Medical Center	Hospital	2014-2015	$ 20,148,077.35	$ 20,711,071.17	$ 562,993.82