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State/Territory Name: FLORIDA

State Plan Amendment (SPA) #: FL-25-0005

This file contains the following documents in the order listed:

1) Approval Letter
2) CMS 179 Form/Summary Form
3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
230 South Dearborn
Chicago, Illinois 60604

Financial Management Group

November 3, 2026

Shevaun L. Harris
Secretary for Medicaid
Agency for Health Care Administration
2727 Mahan Drive, Mail Stop #1
Tallahassee, FL 32308

Attention: Shanise Jackson

RE: TN 25-0005

Dear Secretary Harris:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Florida State Plan Amendment (SPA) to Attachment 4.19-B Exhibit I, FL-25-0005 which was submitted to CMS on September 29, 2025. This plan amendment updates the Outpatient Hospital Reimbursement methodology.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2025. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Ysabel Gavino via email at Maria.Gavino@cms.hhs.gov.

Sincerely,

[redacted]

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

DEPARTMENT OF HEALTH ANDHUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 25-0005

2. STATE: FL

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT: (•) XIX ( ) XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2024-25 $ 0
b. FFY 2025-26 $ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B Exhibit I, pages 1-6

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19-B Exhibit I, pages 1-6

9. SUBJECT OF AMENDMENT
Outpatient Reimbursement Methodology

10. GOVERNOR'S REVIEW *(Check One)*
( ) GOVERNOR'S OFFICE REPORTED NO COMMENT
( ) COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
( ) NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
(•) OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL
[redacted]

12. TYPED NAME
Brian Meyer

13. TITLE
Deputy Secretary for Medicaid

14. DATE SUBMITTED
9 - 29 - 25

15. RETURN TO
Mr. Brian Meyer

Deputy Secretary for Medicaid
Agency for Health Care Administration
2727 Mahan Drive, Mail Stop #8
Tallahassee, Florida 32308

Attention: Shanise Jackson

FOR CMS USE ONLY

16. DATE RECEIVED
September 29, 2025

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
July 1, 2025

1[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement Review

22. REMARKS

Instructions on Back

FLORIDA TITLE XIX OUTPATIENT HOSPITAL

REIMBURSEMENT PLAN

VERSION XXXVII

EFFECTIVE DATE: July 1, 2025

I. Purpose of the Plan

This Title XIX Outpatient Hospital Reimbursement Plan establishes the methodology for calculating the reimbursement rates for covered Florida Medicaid outpatient hospital services. Title XIX provides grants to states for Medicaid medical assistance programs as specified in the Social Security Act, certified in 42 U.S.C. 1396-1396(p).

II. Standard

A. Each hospital participating in the Florida Medicaid program shall be paid based on a prospective payment system for outpatient services.

B. The Agency for Health Care Administration (AHCA) shall implement a methodology for establishing base reimbursement rates for each hospital. The base reimbursement rate is defined in Section III.

C. The list of covered revenue codes is attached as Appendix A. Certain revenue codes are not reimbursed by Florida Medicaid. Service rendered under these codes shall not be billed to Florida Medicaid. Revenue code 510 Clinic/General is reimbursable by Florida Medicaid for health care services, in outpatient clinic facilities where a non-state government owned or operated facility assumed the fiscal and operating responsibilities of one or more primary care centers previously operated by the Florida Department of Health or the local county government. Public hospital providers that have assumed the fiscal and operating responsibilities of one or more primary care centers previously operated by the Florida Department of Health or the local county government must include revenue code 510 to be reimbursed for clinic services using the UB-04 claim form or 837I electronic claim.

Amendment: 2025-0005
Effective Date: 7/1/2025
Supersedes: 2024-0007
Approval Date: 11/3/2026

III. Enhanced Ambulatory Patient Group (EAPG) Reimbursement

This section defines the methods used by the Florida Medicaid Program for reimbursement of hospital outpatient visits using a prospective payment system based on EAPGs. The EAPG payment methodology categorizes for purposes of calculating reimbursement the amount and type of outpatient services used in ambulatory visits by grouping together procedures, medications, and materials that share similar characteristics and resource utilization. Each category is assigned an EAPG code and each EAPG code is assigned a relative weight used in calculating payment. EAPG grouping and payment is used for all services and items furnished during a hospital outpatient visit, unless otherwise specified in this plan.

A. Applicability

AHCA calculates reimbursement for hospital outpatient visits using an EAPG-based methodology. This methodology applies to all in-state and out-of-state general acute care hospitals, rural hospitals, children's specialty hospitals, teaching hospitals, cancer specialty hospitals, rehabilitation specialty hospitals, long term acute care specialty hospitals, critical access hospitals, and state-owned psychiatric specialty hospitals.

For hospitals reimbursed via the EAPG-based methodology, all outpatient services provided at these facilities and billed on a UB-04 paper claim form or an 837I electronic claim are covered by the EAPG payment with the following exceptions: global transplant services, infant and newborn hearing screening, vagus nerve stimulator devices, and clinic services billed on the CMS 1500 claim form.

B. EAPG Codes and Relative Weights

1. AHCA utilizes EAPGs created by Solventum Health Information Systems (HIS) for assigning classifications to services and materials identified on outpatient claims.
2. Services included in the Centers for Medicare and Medicaid Services (CMS) inpatient only (IPO) procedure list are assigned to non-payable EAPG codes.
3. The EAPG relative weights utilized are national EAPG relative weights calculated by Solventum HIS

using a database containing millions of hospital outpatient visits. The relative weights are available on the AHCA website at the following link: https://ahca.myflorida.com/medicaid/medicaid-finance-and-analytics/medicaid-program-finance/institutional-reimbursement/hospital-outpatient-prospective-payment-reimbursement-methodology-asc.html

4. Effective July 1, 2024, EAPG version 3.18 codes and national relative weights are being used for hospital outpatient pricing in State Fiscal Year (SFY) 2025-2026. The Florida State Fiscal Year is July 1 through June 30.

C. Hospital Base Rates

1. Separate standardized EAPG hospital base rates are calculated for:
   a. Hospitals with signed agreements to participate in the Florida Medicaid program
   b. Hospitals that do not have signed agreements to participate in the Florida Medicaid program.
2. Provider policy adjustors allow for payment adjustments to specific providers. The Rural Hospital Provider Adjustor is 1.5254 and the High Medicaid Outpatient Utilization Hospital Adjustor is 2.0951.
3. Base rates and other EAPG pricing methodology parameters are established by AHCA to achieve neutrality cost projections and to be compliant with federal upper payment limit requirements.
4. EAPG base rates and projected changes in hospital Medicaid outpatient reimbursement are calculated using historical claims data from a period, referred to as the “base period”. Claim data from the base period is used to simulate future outpatient Medicaid claim payments for the purpose of setting the new rate year EAPG base rates and other EAPG payment parameters. Baseline payment is calculated by applying rates from the year immediately preceding the upcoming rate year to the claims in the base period dataset. The new rate year EAPG base rate and associated EAPG payment parameters are set to an approximate baseline payment to achieve cost projections. The claim payments from the base period may be adjusted for Medicaid volume, inflation, and legislative direction so that the base period data approximates the upcoming rate year as closely as possible.
5. Because most Florida Medicaid recipients are enrolled in statewide Medicaid managed care, the base period historical claims dataset includes claims from both the fee-for-service and managed

care programs. A Florida Medicaid recipient is any individual whom the Florida Department of Children and Families, or the Social Security Administration on behalf of AHCA, determines is eligible, pursuant to federal and state law, to receive medical or allied care, goods, or services for which the department may make payments under the Florida Medicaid program and is enrolled in the Florida Medicaid program.

6. For SFY 2025-2026, base historical claims used to calculate the EAPG base rates had a claim first date of service between January 1, 2023, and December 31, 2023.
7. For SFY 2025-2026 rates, standardized EAPG base rates and provider policy adjustors were initially calculated to achieve a simulated budget neutral effect relative to the SFY 2024-2025 EAPG-based payment system.
8. The hospital EAPG base rates are available on the AHCA website at the following link: https://ahca.myflorida.com/medicaid/medicaid-finance-and-analytics/medicaid-program-finance/institutional-reimbursement/hospital-outpatient-prospective-payment-reimbursement-methodology-asc.html. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of outpatient services. The Agency's fee schedule rate was set as of July 1, 2025, and is effective for services provided on or after that date. All rates are published on the Agency's website.

D. Children's Hospital Add-On Payments

1. Children's hospital per-service add-on payments are paid to nonprofit hospitals that as of January 1, 2022, are separately licensed by the state as specialty hospitals providing comprehensive acute care services to children and remain so licensed and qualify for the High Medicaid Utilization Policy Adjustor. The outpatient EAPG per-service add-on payments were calculated by distributing $84,886,650 to qualifying hospitals proportionately based on each hospital's total of simulated DRG and Trauma hospital rate enhancement payments and simulated EAPG payments from the budget neutral simulations. A hospital's eligibility to receive these add-on payments requires the hospital having full network contracts with each applicable Medicaid managed care plan in the state.

2. For each qualifying hospital, the total appropriated add-on payment amount is translated into an average per-service amount by dividing the total appropriated amount by the number of qualifying services in the base period historical claims dataset.
3. Children's hospital per-service add-on payment amounts are available on the AHCA website at the following link: https://ahca.myflorida.com/medicaid/medicaid-finance-and-analytics/medicaid-program-finance/institutional-reimbursement/hospital-outpatient-prospective-payment-reimbursement-methodology-asc.html. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of outpatient services. The Agency's fee schedule rate was set as of July 1, 2025, and is effective for services provided on or after that date. All rates are published on the Agency's website.

E. Policy Adjustors

1. Policy adjustors are numerical multipliers included in the EAPG claim service line payment calculation that allow AHCA to increase or decrease payments to categories of services and/or categories of providers.
2. Only one policy adjustor, a provider policy adjustor, has been built into the EAPG-based payment method and is applied to two categories of hospitals – rural hospitals and hospitals with very high Medicaid outpatient utilization.
    a. The Rural Hospital Provider Adjustor is 1.5254. Rural hospitals are acute care hospitals with 100 or fewer licensed beds, an emergency room, and which is:
        i. The sole provider within a county with a population density of up to 100 persons per square mile;
        ii. An acute care hospital, in a county with a population density of up to 100 persons per square mile, which is at least 30 minutes of travel time, on normally traveled roads under normal traffic conditions, from any other acute care hospital within the same county;
        iii. A hospital supported by a tax district or sub-district whose boundaries encompass a population of up to 100 persons per square mile;

iv. A hospital classified as a sole community hospital under 42 C.F.R. s. 412.92, regardless of the number of licensed beds;

v. A hospital with a service area that has a population of up to 100 persons per square mile. Service area means the fewest number of zip codes that account for 75 percent of the hospital's discharges for the most recent 5-year period, based on information available from the hospital inpatient discharge database in the Florida Center for Health Information and Transparency at the Agency; or

vi. A hospital designated as a critical access hospital, as defined in sections 1861(mm)(1) and 1820(e) of the Social Security Act.

vii. An acute care hospital that has not previously been designated as a rural hospital and that meets the criteria of this paragraph shall be granted such designation upon application, including supporting documentation, to the Agency. A hospital that was licensed as a rural hospital during the 2010-2011 or 2011-2012 fiscal year shall continue to be a rural hospital from the date of designation through June 30, 2031, if the hospital continues to have up to 100 licensed beds and an emergency room.

b. High Medicaid outpatient utilization hospitals are those that have 50 percent or more of their total annual outpatient charges resulting from care provided to Medicaid recipients. The High Medicaid Outpatient Utilization Hospital Adjustor is 2.0951. Florida Medicaid outpatient charges are the hospital's usual and customary charges for outpatient services rendered to patients excluding charges for laboratory and pathology services.

c. All other hospitals receive a provider policy adjustor of 1.0, which generates no payment adjustment.

F. EAPG Service Line Payment Adjustments

1. Under the EAPG payment methodology some claim service lines will pay in full, in which case the Payment Adjustment Factor gets set to 1.0