

June 19, 2015

The Honorable Sylvia Mathews Burwell
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Burwell:

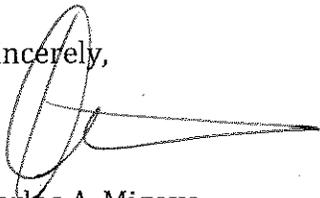
On behalf of the leadership, medical staff, patients, and taxpayers who support the Jackson Health System, I would like to extend my sincere thanks for your role in mitigating cuts to Florida's Low Income Pool ("LIP") in Fiscal Year 2015-16 ("FY16"). Based on our analysis of the budget compromise reached by the Florida Legislature last Friday, we anticipate a funding cut of less than \$10 million in FY16. While this cut will undoubtedly have a significant impact on Jackson's budget, it is far more manageable than the level contemplated several weeks ago.

Jackson plays a vital role in the health and well-being of our community. Thus, we are relieved to report that, at this time, we do not believe that reductions to Jackson's FY 16 LIP funding will necessitate service reductions or have a meaningful impact our ability to execute key strategic initiatives or our capital plans. Nonetheless, we are keenly aware of the short-term nature of this compromise. Federal funding for Florida's LIP is scheduled to decline by an additional \$400 million next year. Internally, Jackson will continue searching for new efficiencies and ways to control recurring costs. These initiatives, however, will not succeed unless Florida fundamentally transforms its approach to health care. The failure to do so will jeopardize everything we have built at Jackson over the last 100 years.

From a clinical and operational perspective, we are committed to strategies and programs that bend the cost curve by moving patients into preventative care and chronic-disease management instead of more costly acute and emergency treatment. From a legislative and regulatory perspective, we will continue working with federal and state leaders who believe in transforming our system through expanded individual coverage that allows people to take responsibility for their own health care. This is the only permanently sustainable path, and it is one that will maximize public wellness and minimize inefficiencies.

Again, thank you for your efforts to find a solution to the challenges that were confronting our institution during this tumultuous budget cycle. We believe that you listened to the Jackson community, and for that, we are extremely grateful.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line that tapers to a point on the right.

Carlos A. Migoya
President & Chief Executive Officer