

THE FLORIDA SENATE
2022 SUMMARY OF LEGISLATION PASSED
Committee on Health Policy

CS/SB 1260 — Independent Hospital Districts

by Community Affairs Committee and Senator Gruters

The bill creates s. 189.0762, F.S., which provides a procedure for an independent hospital district to convert into a private non-profit entity by following the steps specified in the bill.

The bill defines the terms “independent hospital district” and “nonprofit entity” and allows the governing body of the district to vote to commence an evaluation of the benefits of conversion to a nonprofit entity for residents of the district. The bill specifies that, when evaluating the benefits of such conversion, the governing body must publish a notice and conduct a public hearing to give the public an opportunity to testify regarding the conversion, contract with an entity with at least five years of experience conducting comparable evaluations to conduct the evaluation, and publish all documents considered by the governing body on the hospital district’s website.

Once the evaluation is complete and the hospital district has received the final report, the governing body of the district must determine, within 120 days, whether conversion is in the best interests of the residents of the district. If the governing body of the district determines the prospective conversion meets that standard, the governing body must negotiate an agreement with the board of county commissioners of each county in which any part of the district’s boundary is located. This agreement must be in writing, include the terms and conditions necessary for both disposing of the assets and liabilities of the system and ensuring health care services are provided to the district’s residents, and be completed no later than 120 days after the public meeting in which the governing body determined conversion is in the best interest of its residents. The bill provides a list of items that must be included in the agreement, including an enforceable commitment that programs and services provided by the district will continue to be provided so long as the nonprofit entity is in operation or until the nonprofit entity has met all obligations set forth in the agreement.

The bill requires that the evaluation, agreements, disclosures, and any other supporting documentation related to conversion be published on the district’s website and the website of each involved county for 45 days before the governing body of the district and each involved county may vote on the proposed conversion. The agreement must be voted on and approved in a properly noticed meeting by the governing body of the hospital district and by each involved county. The bill prohibits any member of the board of county commissioners serving in any involved county to serve on the board of the succeeding nonprofit entity.

If the agreement is approved, the bill requires that a referendum be held on the agreement at the next general election unless the hospital district has not levied, collected, or received ad valorem taxes in the current year and any of the previous five fiscal years. Once approved as provided, the agreement goes into full force and effect and the district must file a copy of the agreement with the Department of Economic Opportunity within ten days and then again within 30 days of transferring all assets and liabilities to the succeeding nonprofit entity. The district is dissolved upon the department receiving the latter notice.

This summary is provided for information only and does not represent the opinion of any Senator, Senate Officer, or Senate Office.
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If approved by the Governor, these provisions take effect July 1, 2022.

Vote: Senate 38-0; House 112-0