

THE FLORIDA SENATE
2012 SUMMARY OF LEGISLATION PASSED
Committee on Health Regulation

CS/CS/CS/HB 711 — Sale or Lease of a County, District, or Municipal Hospital

by Health and Human Services Committee; Community and Military Affairs Subcommittee; Health and Human Services Quality Subcommittee; and Rep. Hooper and others (CS/CS/CS/SB 1568 by Budget Subcommittee on General Government Appropriations; Community Affairs Committee; Health Regulation Committee; and Senators Gaetz and Garcia)

The bill requires any sale or lease of a public hospital or health care system that is owned by a county, district, or municipality to be approved by the Secretary of Health Care Administration, unless a majority vote of the registered voters within that county, district, or municipality is required by law.

The governing board of a public hospital or health care system must commence an evaluation of the possible benefits to an affected community from the sale or lease of the hospital facilities no later than December 31, 2012, unless exempted. The bill sets forth the considerations and procedures for the evaluation, including public notice and a public hearing. Within 160 days after initiation of the evaluation, the governing board must publish its findings related to the evaluation process.

The bill provides that prior to a sale or lease, the governing board of the public hospital or health care system must provide public notice of the proposed transaction, publish documents associated with the transaction, and publish the governing board's findings regarding the proposed sale or lease. The bill provides the process of review of the sale or lease to be conducted by the Secretary prior to approval or rejection of the sale or lease. The bill also authorizes any interested party, which is defined as the governing board or any person submitting a proposal, to seek judicial review of the Secretary's decision.

The bill allocates net proceeds received from any non-exempted sale or lease and allocates ad valorem tax revenue collected when a public hospital or health care system is sold or leased to a for-profit corporation or other business entity subject to local taxation. Fifty percent is earmarked for health care economic development, including the promotion and support of health care business development or research, and 50 percent is earmarked for funding the delivery of indigent health care.

This bill exempts the sale or lease of any hospital's or health care system's physical property that generates less than 20 percent of the hospital's net revenue from the evaluation, public disclosure and approval processes, and the allocation of net proceeds or tax revenue provisions in the bill. However, certain activities must be conducted publicly.

This bill defers hospitals and health care systems that are under lease at the time of the passage of this bill from these processes and allocations until termination of the lease under certain conditions. The bill also exempts hospitals and health care systems that have executed a letter of intent to sell or lease before December 31, 2011, or issued a request for proposals for sale or

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lease on or before February 1, 2012, from these processes and allocations, so long as the sale or lease of the hospital of health care system occurs by December 31, 2012.

If approved by the Governor, these provisions take effect upon becoming law.

Vote: Senate 40-0; House 108-9