

**STORAGE NAME:** h1543.ca

**DATE:** April 8, 1997

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
COMMUNITY AFFAIRS  
BILL RESEARCH & ECONOMIC IMPACT STATEMENT - LOCAL LEGISLATION**

**BILL #:** HB 1543

**RELATING TO:** Volusia County (Task Force on Health Care Organization)

**SPONSOR(S):** Representative Feeney

**COMPANION BILL(S):** None.

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) COMMUNITY AFFAIRS
  - (2) HEALTH CARE SERVICES
  - (3)
  - (4)
  - (5)
- 

**I. SUMMARY:**

This bill creates the Task Force on Health Care Organization in Volusia County to study tax revenues generated from health care services provided in Volusia County and the county's health care resources. The task force is to determine if the health care needs of the county's residents are being met in the most efficient manner possible. The bill directs the task force to review all publicly funded health care services in Volusia County and to recommend the most efficient system of administering a health care system and providing health care services. The task force must address the need for a publicly funded health care delivery system.

The bill provides for the appointment of the task force members, and requires the three hospital districts in Volusia County to fund the task force's activities. The task force is required to contract with a Florida public institution of higher learning for purposes of staffing and producing a final report of its findings and recommendations. The report is due November 30, 1997. The bill requires the Volusia County Council to provide the task force administrative support and an equipped office, free of charge.

The bill caps the millage rate of the Southeast Volusia Hospital Taxing District and the millage rate of the Halifax Hospital Taxing District at the rate in place as of January 1, 1997. The millage rate of the West Volusia Hospital Taxing District is capped at 1.52 mills (**See Amendment section**). Each district is authorized to adjust their millage rate downward at any time. The bill prohibits increases in millage rates beyond the specified caps before specific legislative action is taken based on the recommendations generated by the task force.

In addition to the cost of funding the task force, which may not exceed \$250,000, the bill will result in a \$800,000 decrease in tax revenues for the West Volusia Hospital Authority.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

The West Volusia Hospital Authority (Authority), an independent district created by chapter 57-1929 and 57-2085, Laws of Florida, as amended, is governed by a five-member elected board. The Authority provides for indigent care at the West Volusia Memorial Hospital in Deland, Florida. The Authority also has agreements to reimburse physicians for care rendered to indigent patients living within the Authority's boundaries. In addition, the Authority is required to fund a portion of the Medicaid program expenditures for those patients residing in the district. The Authority also provides funding to the Healthy Families program in Volusia County. The Authority is authorized to levy up to a 5 mill property tax to fund the operation, maintenance, repair, and construction of hospitals established as authorized by its charter, to pay outstanding indebtedness, and to pay for other necessary expenses in carrying on and transacting the business of the district.

The Halifax Hospital Medical Center is an independent district created by chapter 79-577, Laws of Florida, as amended. The Halifax Hospital Medical Center also is the name of a facility operated by the district. The district is governed by a seven-member board appointed by the Governor, and has all powers of a corporate body, including the power to issue revenue bonds. One of the functions of the district is to provide a location or locations where medically indigent residents of the district may receive medical care. The district is authorized to levy up to a 4 mill property tax to pay for bonds, operating costs, providing indigent care, and other expenses.

The Southeast Volusia Hospital District is an independent special district created by chapter 1947, 24961, Laws of Florida, as amended, and chapter 65-2362, Laws of Florida. The governing body of the district consists of seven members appointed by the Governor. The district owns and operates Bert Fish Medical Center in New Smyrna, Florida. The District is authorized to levy up to a 4 mill property tax to pay operation costs and bond payments.

B. EFFECT OF PROPOSED CHANGES:

This bill creates the Task Force on Health Care Organization in Volusia County to study tax revenues generated from health care services provided in Volusia County and the county's health care resources. The task force is to determine if the health care needs of the county's residents are being met in the most efficient manner possible. The bill directs the task force to review all publicly funded health care services in Volusia County and to recommend the most efficient system of administering a health care system and providing health care services. The task force must address the need for a publicly funded health care delivery system.

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C. LAWS OF FLORIDA/FLORIDA STATUTES AFFECTED:

The bill creates a new special act.

D. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

Yes. The bill requires the three hospital districts in Volusia County to fund the activities of the task force. The Volusia County Council is required to provide meeting facilities, an equipped office, and administrative support for the task force, free of charge.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

Not applicable.

(2) what is the cost of such responsibility at the new level/agency?

Not applicable.

(3) how is the new agency accountable to the people governed?

Not applicable.

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

Not applicable.

(2) Who makes the decisions?

Not applicable.

(3) Are private alternatives permitted?

Not applicable.

(4) Are families required to participate in a program?

Not applicable

(5) Are families penalized for not participating in a program?

Not applicable

b. Does the bill directly affect the legal rights and obligations between family members?

No.

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

Not applicable

(2) service providers?

Not applicable

(3) government employees/agencies?

Not applicable

**E. SECTION-BY-SECTION RESEARCH:**

**Section 1.** Subsection (1)(a) creates the Task Force on Health Care Organization in Volusia County to study tax revenues generated from health care services provided in Volusia County and the county's health care resources. The task force is to determine if the health care needs of the county's residents are being met in the most efficient manner possible.

Subsection (1)(b) directs the task force to review other counties' initiatives for funding health care services, including those in Palm Beach County and Hillsborough County. The task force is directed to evaluate whether it is appropriate for a single governmental entity to be responsible for purchasing and delivering health care services.

Subsection (1)(c) directs the task force to conduct a thorough review of all publicly funded health care services in Volusia County and to recommend the most efficient system of administering a health care system and providing health care services. In accomplishing this task, the task force is to:

1. Review how other areas of the state provide health care, including areas without a dedicated source of tax revenues. This review is to include a comparison of the per capita cost of health care services delivered in areas that do have a dedicated source of tax revenues with areas that do not have a dedicated source of tax revenues.
2. Determine if there is a need to provide public funds for health care services in Volusia County.
3. If the task force determines a publicly funded health care delivery system is needed, recommend the extent to which the system is needed, the level of needed tax support, and a system of administration and service delivery.
4. If the task force determines a publicly funded health care delivery system is not needed, recommend how the existing system should be modified to complement the exiting private-sector health care delivery system.

Subsection (2) requires the task force to consist of 17 members who will serve until the task force expires. Each of the following groups will appoint one member each to the task force:

- \* Florida League of Health Systems;
- \* Florida Hospital Association;
- \* Association of Community Hospitals and Health Systems of Florida;
- \* Tax Cap Committee;
- \* Florida TaxWatch;
- \* Volusia County Council.

In addition, nine members, each appointed by a single member of the Volusia County Legislative Delegation, one member appointed by the President of the Senate, and one member appointed by the Speaker of the House of Representatives are to serve on the task force.

Subsection (3) provides that the failure to appoint a member does not invalidate the task force, and requires the task force to hold its first meeting within 45 days after this act becomes law.

Subsection (4)(a) provides for the task force to be funded by a proportionate assessment on each hospital taxing district. A total of not more than \$250,000 may be assessed. The Southeast Volusia Hospital District may not be assessed more than \$45,000; the West Volusia Hospital Authority may not be assessed more than \$67,000; the Halifax Hospital Medical Center may not be assessed more than \$137,500. Any funds not expended upon expiration of the task force are to be proportionately divided and returned to the respective hospital taxing district.

Subsection (4)(b) requires the task force to contract with a Florida public institution of higher learning for purposes of staffing and producing a final report of its findings and recommendations. The task force is to provide a final report to the Governor, the President of the Senate, the Speaker of the House of Representatives, the Volusia County Legislative Delegation, the three hospital districts, and the District Four Health Planning Council. The report is due November 30, 1997.

Subsection (4)(c) requires the Volusia County Council to provide the task force meeting facilities and administrative support, free of charge, including an equipped office that will accommodate the task force.

**Section 2.** This section caps the millage rate of the Southeast Volusia Hospital Taxing District and the millage rate of the Halifax Hospital Taxing District at the rate in place as of January 1, 1997. The millage rate of the West Volusia Hospital Taxing District is capped at 1.52 mills (**See Amendment section**).

The section allows each district to adjust their millage rate downward at any time. The section prohibits increases in millage rates beyond the specified caps before specific legislative action is taken based on the recommendations generated by the task force.

**Section 3.** An effective date of upon becoming law is provided.

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

A. NOTICE PUBLISHED? Yes [X] No [ ]

IF YES, WHEN? January 8, 1997

WHERE? The News-Journal, Volusia County

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B. REFERENDUM(S) REQUIRED? Yes [ ] No [X]

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached [ ] No [X]

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached [ ] No [X]

IV. COMMENTS:

**Task Force Funding**

The bill provides for the task force to be funded by a proportionate assessment on each hospital taxing district. A total of not more than \$250,000 may be assessed. The Southeast Volusia Hospital District may not be assessed more than \$45,000; the West Volusia Hospital Authority may not be assessed more than \$67,000; the Halifax Hospital Medical Center may not be assessed more than \$137,500.

Based on the maximum amount each district may be assessed, Southeast Volusia Hospital District will pay 18 percent, West Volusia Hospital Authority will pay 26.8 percent, and Halifax Hospital Medical Center will pay 54.8 percent of the total amount assessed to fund the task force.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

Amendment 1

Section 2 of the bill caps the millage rate of the West Volusia Hospital Taxing District at 1.52 mills. The name of the district is the West Volusia Hospital Authority.

On page 5, line 11, the amendment strikes the words "Taxing District" and inserts "authority".

VI. SIGNATURES:

COMMITTEE ON COMMUNITY AFFAIRS:

Prepared by:

Legislative Research Director:

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