

STORAGE NAME: h0633.hcs

DATE: March 15, 1999

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
HEALTH CARE SERVICES
ANALYSIS - LOCAL LEGISLATION**

BILL #: HB 633

RELATING TO: Nassau County and the Nassau General Hospital

SPONSOR(S): Rep. Crady

COMPANION BILL(S): SB 1082 (i)

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

- (1) HEALTH CARE SERVICES
 - (2) COMMUNITY AFFAIRS
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

HB 633 repeals chapter 21228, Laws of Florida, 1941, which provided for an election to be held in Nassau County on the question of levying an annual tax for establishing and maintaining a public hospital at Fernandina in Nassau County. Additionally, the act validated the authorization and issuance of hospital bonds and acts relating to the appointment and organization of a board of hospital trustees for the Nassau County hospital.

In 1994, ch. 94-446, L.O.F., was passed, which allowed the hospital board of trustees for Nassau General Hospital to sell or lease the hospital and all related facilities and assets to a private or public not-for-profit or for-profit corporation. Effective July 1, 1994, the Board of Trustees of Nassau General Hospital sold all of its assets to Baptist Medical Center-Nassau pursuant to the authority granted in ch. 94-446, L.O.F., 1994.

The Board of Trustees of Nassau General Hospital was dissolved, effective August 31, 1994, by Board resolution on July 19, 1994. According to a letter from the State of Florida, Department of Community Affairs to the Baptist Medical Center-Nassau, the status of the hospital district was changed to "dissolved" in August 1994.

This legislation has no fiscal impact on state or local government.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Chapter 21228, Laws of Florida, 1941, provided for an election to be held in Nassau County on the question of levying an annual tax for establishing and maintaining a public hospital at Fernandina in Nassau County. Additionally, the act validated the authorization and issuance of hospital bonds and acts relating to the appointment and organization of a board of hospital trustees for the Nassau County hospital. In 1949, the act was amended to change the manner in which the members of the board of trustees were elected. Several other amendments have been made to ch. 21228, L.O.F., 1941, with regard to hospital bonds, the renaming of the hospital, composition of the board of trustees, and employee insurance.

Chapter 22128, L.O.F., 1941, as amended, does not refer to or specifically classify the public hospital in Nassau County or to the hospital board of trustees as a special district. From the bill titles in the special acts, it could be inferred that Nassau General Hospital is nothing more than a county hospital with a separate board of trustees. At the same time, however, the hospital board of trustees has certain abilities, functions, and responsibilities that have been granted by the special act, as amended, that separate it from the board of county commissioners. By virtue of such abilities, the hospital may either be considered a *de facto* special district or an entity similar to a special district.

In the mid 1980s, the public hospital in Nassau County began contracting with the Hospital Corporation of America (HCA) for management services. In 1990, this management contract was extended for 5 years. Later in 1990, HCA became Quorum Health Resources, Inc., through a management acquisition. On September 30, 1992, the hospital had liabilities totaling approximately \$26,700 to Quorum. During that fiscal year, the hospital's total patient service revenue was approximately \$17,207,500 and its income from property tax receipts was approximately \$1,078,000.

In January, 1994, Baptist Health System, Inc., (BHS) made a proposal to the Nassau General Hospital Board of Trustees relating to the acquisition of the hospital and related assets. According to the proposal, BHS would receive all assets under specified conditions and would assume Nassau General Hospital's liabilities, including \$2.8 million in capital indebtedness. BHS also agreed to make \$5.5 million in capital improvements over the following 3 years.

In 1994, ch. 94-446, L.O.F., was passed, which allowed the hospital board of trustees for Nassau General Hospital to sell or lease the hospital and all related facilities and assets to a private or public not-for-profit or for-profit corporation. Effective July 1, 1994, the Board of Trustees of Nassau General Hospital sold all of its assets to Baptist Medical Center-Nassau pursuant to the authority granted in ch. 94-446, L.O.F.

The Board of Trustees of Nassau General Hospital was dissolved, effective August 31, 1994, by Board resolution on July 19, 1994. According to a letter from the State of Florida, Department of Community Affairs to the Baptist Medical Center-Nassau, the status of the hospital district was changed to "dissolved" in August 1994. The special act creating the hospital district, however, has not yet been repealed.

B. EFFECT OF PROPOSED CHANGES:

The special act creating the public county hospital in Nassau County, which was sold to a private corporation in 1994, will be repealed.

C. LAWS OF FLORIDA/FLORIDA STATUTES AFFECTED:

Chapter 21228, L.O.F., 1941.

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?

No.

(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?

N/A

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

N/A

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

N/A

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?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

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

N/A

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

N/A

- 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?

N/A

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(2) service providers?

N/A

(3) government employees/agencies?

N/A

E. SECTION-BY-SECTION ANALYSIS:

Section 1. Repeals ch. 21228, L.O.F., 1941, relating to the creation of the Board of Trustees of Nassau General Hospital and the establishment, financing, construction, and maintenance of a public hospital at Fernandina in Nassau County.

Section 2. Provides for the act to take effect upon becoming a law.

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

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

IF YES, WHEN? January 9, 1999

WHERE? The Florida Times-Union, Jacksonville, Florida.

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

IF YES, WHEN?

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

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

IV. COMMENTS:

None.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VI. SIGNATURES:

COMMITTEE ON HEALTH CARE SERVICES:

Prepared by:

Staff Director:

Amy K. Guinan

Phil E. Williams