

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 1578

SPONSOR: Senator Horne

SUBJECT: University Hospital of Jacksonville and Faculty Clinic

DATE: March 16, 2000 REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|--------------|------------------|-----------|------------------|
| 1. | <u>White</u> | <u>O'Farrell</u> | <u>ED</u> | <u>Favorable</u> |
| 2. | <u>Rhea</u> | <u>Wilson</u> | <u>GO</u> | <u>Favorable</u> |
| 3. | _____ | _____ | _____ | _____ |
| 4. | _____ | _____ | _____ | _____ |
| 5. | _____ | _____ | _____ | _____ |

I. Summary:

This legislation replaces statutory references to "University Hospital of Jacksonville and Faculty Clinic, Inc." with "Shands Jacksonville Healthcare, Inc." Further, it authorizes the Board of Regents to provide comprehensive general liability coverage to that hospital, its affiliates and any successor corporation.

This bill amends s. 240.5135, F.S.

II. Present Situation:

Section 240.213, F.S., authorizes the Board of Regents to secure, or provide by self-insurance, comprehensive general liability insurance, including professional liability insurance for health care and veterinary sciences, for:

- The Board of Regents.
- Its officers, employees, or agents.
- The students and faculty of any state university.
- The professional practitioners practicing a profession within or by a state university.
- Any state university.
- Certain not-for-profit corporations affiliated with a state university, and their directors, officer, employees, and agents.

The not-for-profit corporations which may be covered must be operated for the benefit of a state university in a manner consistent with the best interests of the state, and participation must be approved by the appropriate insurance trust fund council, university president, and the Board of Regents.

That section also stipulates that the necessary trust funds may be established in the State Treasury if the Board of Regents adopts a self-insurance program.

Section 240.5135, F.S., authorizes the Board of Regents to provide comprehensive general liability insurance, including professional liability insurance, to University Hospital of Jacksonville and Faculty Clinic, Inc.

According to the University of Florida, on October 1, 1999, Shands Jacksonville Healthcare, Inc., assumed the daily operation and organizational structure of University Hospital of Jacksonville and Faculty Clinic, Inc.

III. Effect of Proposed Changes:

The legislation under consideration replaces current statutory references to “University Hospital of Jacksonville and Faculty Clinic, Inc.” with “Shands Jacksonville Healthcare, Inc.,” and authorizes the Board to provide the corporation, or any successor corporation that acts in support of the Board of Regents, with comprehensive general liability coverage.

Further, the bill authorizes the Board of Regents to extend comprehensive general liability coverage, including professional liability coverage, to the not-for-profit subsidiaries and affiliates of Shands Jacksonville Healthcare, Inc.

This coverage, which includes professional liability coverage, is to be provided from the self-insurance programs that current law authorizes the Board of Regents to adopt.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Current and future not-for-profit subsidiaries and affiliates of Shands Jacksonville Healthcare, Inc., may receive coverage from the self-insurance programs established pursuant to s.

240.213, F.S. According to the Board of Regents, the self-insurance program is funded by participants, so additional expenses would be distributed among the members.

C. Government Sector Impact:

While the not-for-profit subsidiaries and affiliates of Shands Jacksonville Healthcare, Inc., are not delineated, it does not appear that costs would increase as the self-insurance program is funded by participants, and new members would share expenses.

VI. Technical Deficiencies:

None.

VII. Related Issues:

Section 240.213, F.S., permits the Board of Regents to secure comprehensive general liability insurance, to self-insure, or both. The bill refers only to the “self-insurance programs” established pursuant to s. 240.213, F.S., but not to purchased insurance coverage.

VIII. Amendments:

None.