

STORAGE NAME: h1615a.ca

DATE: April 19, 2000

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
COMMUNITY AFFAIRS
ANALYSIS - LOCAL LEGISLATION**

BILL #: HB 1615

RELATING TO: Lee Co./Health Care System

SPONSOR(S): Representative C. Green

TIED BILL(S): None

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

- (1) HEALTH CARE LICENSING & REGULATION (HFC) YEAS 12 NAYS 0
 - (2) COMMUNITY AFFAIRS (PRC) YEAS 7 NAYS 0
 - (3) FINANCE & TAXATION (FRC)
 - (4)
 - (5)
-

I. SUMMARY:

The bill codifies all prior special acts relating to the Lee County public health system into a single act and repeals all prior special acts relating to the system.

The bill removes obsolete language and is primarily a restatement of existing chapter law.

The bill changes the name of the system, permits the board to institute eminent domain proceedings, provides for filling vacancies in the office of director, increases the amount of compensation that directors may receive annually from \$5,000 to \$10,000 and allows for an annual increase. The bill also allows the board to adopt a policy that permits board members to participate in the system's insurance program for health system employees, revises provisions relating to the issuance of general obligation bonds by the health system, adds physician and other health care services to the list of services for which the system is entitled to impose a lien.

No fiscal impacts are anticipated for either fiscal year 2000-01 or 2001-02 according to the Economic Impact Statement.

See Part V, AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES section, for the effect of the amendments adopted by the Committee on Community Affairs. The first amendment corrects an erroneous departmental reference; the second amendment clarifies the charges for which the hospital may impose a lien.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Chapter 63-1552, Laws of Florida, granted Lee County the authority to establish a public hospital and nursing home. The Legislature expanded Lee County's authority pursuant to chapter 87-438, Laws of Florida, to enable the county to establish and maintain other hospitals, satellite hospitals, clinics, or other facilities devoted to the provision of health care services within Lee County.

Codification

Codification is the process of bringing up-to-date a special act. Special acts are not codified, and after the Legislature passes the initial enabling act, special acts continuously amend or alter previously enacted special acts. To ascertain the current status of any special act, it is necessary to research all amendments or changes made to the act since its inception or original passage by the Legislature. Codification of special district charters is important because it allows readers to go to one special act to determine the current charter of a district, instead of two, ten, twenty, or sometimes more special acts.

Codification of special districts' charters was authorized by the 1997 Legislature when it amended chapter 189, Florida Statutes, to provide for codification either by December 1, 2001, or when any act relating to such district is introduced to the Legislature, whichever occurs first. In addition, section 189.429, Florida Statutes, requires that no changes be made to a district's charter as it existed on October 1, 1997, in the codifying legislation and that all prior Legislative acts relating to the district be repealed.

The 1998 Legislature further amended section 189.429, Florida Statutes, by: (1) extending the deadline to codify to December 1, 2004; (2) allowing for the adoption of the codification schedule provided for in an October 3, 1997 memorandum issued by the Chair of the Committee on Community Affairs; (3) removing the prohibition of substantive amendments in a district's codification bill; and (4) removing the requirement that a codified charter must be submitted prior to the introduction of any act relating to the charter or prior to the scheduled deadline.

**SCHEDULE OF SUBMITTALS OF SPECIAL
DISTRICTS' CHARTERS**

Special Districts with 2 special acts (45 districts)	1999 Legislative Session
Special Districts with 3 or 4 special acts (63 districts)	2000 Legislative Session
Special Districts with 5, 6 or 7 special acts (53 districts)	2001 Legislative Session
Special Districts with 8, 9, 10, 11 or 12 special acts (56 districts)	2002 Legislative Session
Special Districts with 13 or more (54 districts)	2003 Legislative Session
Special Fire Control Districts (47 districts)	2004 Legislative Session

Since the enactment of sections 189.429 and 191.015, Florida Statutes, 36 special districts have codified their charters. Following is a list of special districts which have been codified pursuant to sections 189.429 and 191.015, Florida Statutes, and the corresponding Laws of Florida:

Alachua County Library District	Ch. 98-502
Anastasia Mosquito Control District	Ch. 99-449
Baker County Hospital District	Ch. 99-431
Carrollwood Recreation District	Ch. 98-475, as amended by Ch. 99-418
Cedar Key Water & Sewer District	Ch. 98-473
Central Broward Water Control District	Ch. 98-501
Charlotte County Airport Authority	Ch. 98-508
Citrus County Hospital Board	Ch. 99-442
Citrus County Mosquito Control District	Ch. 99-432
County Line Drainage District	Ch. 99-417
East Charlotte Drainage District	Ch. 99-439
Flagler Estates Road & Water District	Ch. 98-529
Florosa Fire Control District	Ch. 99-479

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Hillsboro Inlet District	Ch. 99-433
Immokalee Water & Sewer District	Ch. 98-495
Joshua Water Control District	Ch. 99-460
Lake Apopka Natural Gas District	Ch. 99-454
Lake Worth Drainage District	Ch. 98-525, as amended by Ch. 99-422
Lee County Bonita Springs Fire Control District	Ch. 98-464
Lee County Hyacinth Control District	Ch. 98-462
Lee County Mosquito Control District	Ch. 98-461
Loxahatchee Groves Water Control District	Ch. 99-425
North Bay Fire Control District	Ch. 98-470
North Naples Fire District	Ch. 99-450
Ocean City-Wright District	Ch. 99-478
Old Plantation Water Control District	Ch. 99-435
Orange County Library District	Ch. 99-486
Panama City-Bay Co. Airport	Ch. 98-527
Ranger Drainage District	Ch. 99-453
South Broward Drainage District	Ch. 98-524
Tindall Hammock Irrigation District	Ch. 98-523
Twelve Oaks Special District	Ch. 99-452
West Coast Inland Navigation District	Ch. 98-526

In 1998, the Environmental Protection Commission in Hillsborough County unsuccessfully attempted to codify its charter. The District is scheduled to codify in 2002. In 1999, there were two unsuccessful codifications. Mid-Bay Bridge Authority's codification bill passed the Legislature, but was vetoed by the Governor. The Authority was scheduled to codify its charter in 1999. The South Walton Fire District's codification bill died on the House Calendar on April 30, 1999. The District is scheduled to codify its charter in 2004.

According to the Schedule of Submittals of Special Districts' Charters and information relating to charters previously codified, there are 94 special districts that should have been codified during the 1999 session but were not. There are 56 special districts that are scheduled for codification during the 2000 Legislative Session.

Status Statement Language

Section 189.404(5), Florida Statutes, provides that after October 1, 1997, the charter of any newly-created special district shall contain, and as practical, the charter of a preexisting special district shall be amended to contain, a reference to the status of the special district as dependent or independent. When necessary, the status statement shall be amended to conform with the department's determination or declaratory statement regarding the status of the district.

C. EFFECT OF PROPOSED CHANGES:

The bill codifies all prior special acts relating to the Lee County public health care system into a single act and repeals all prior special acts relating to this system.

This bill is primarily a restatement of existing chapter law.

The bill provides that the public health system in Lee County will be known as the Lee Memorial Health System and will be governed by the Lee Memorial Health System Board of Directors.

The bill provides that should it be necessary to acquire land for health system purposes under the authority of this act through eminent domain, such proceedings will be instituted by the public health system board and be carried out as provided by general law.

This bill also provides that any vacancy in the office of director on the Lee Memorial Health System Board of Directors will be filled as provided by law.

It increases the amount of compensation that directors may receive annually from \$5,000 to \$10,000 and allows for an annual increase in this limit equal to the annual increase in the Consumer Price Index. The system board is allowed to adopt a policy that permits board members to participate in the Lee Memorial Health System's insurance program for health system employees.

The bill permits the board to issue revenue bonds to provide funds as the board deems necessary. The bonds will be issued pursuant to the constitution and laws of Florida, and the principal and interest on the bonds will be paid from the revenues of the Lee Memorial Health System.

The bill revises provisions relating to the issuance of general obligation bonds by the health system. These bonds may be issued if approved by a majority of votes cast at an election of qualified electors residing in Lee County. The bonds may be issued in coupon or non-coupon form. Bonds may be issued with the voters' approval without regard toward the amount of bonds outstanding. The board may determine by resolution the interest rate to be paid upon the bonds and the maturity term of the bonds. The principal and interest on these bonds will be paid for by an ad valorem tax levied, assessed, and collected in the same manner as other county ad valorem taxes are levied, assessed, and collected.

This bill adds physician and other health care services to the list of services for which Lee Memorial Health Systems is entitled to impose a lien.

D. SECTION-BY-SECTION ANALYSIS:

- Section 1:** Provides that this act is a codification pursuant to section 189.429, Florida Statutes, repeals chapter 63-1552, Laws of Florida, and amendments made thereto by chapters 69-1235, 72-600, 81-420, 83-452, 83-454, 84-465, 87-438, 91-410, 92-269, and 98-528, Laws of Florida; in addition, the bill repeals chapter 78-552, Laws of Florida. Provides that it is the intent of the Legislature that if any section of this act is found to be invalid, the remainder of the act will be unaffected. Provides that any act repealed by this bill will be deemed reenacted to the extent necessary to replace any part found to be invalid.
- Section 2:** Provides that the name of the health system established pursuant to this act will be Lee Memorial Health System and that the health system will be governed by the Lee Memorial Health System Board of Directors.
- Section 3:** Declares the operation and the maintenance of the public health system and the construction of health system facilities to be a public purpose.
- Section 4:** Authorizes the Lee Memorial Health System Board of Directors to establish and operate a public health system comprised of hospitals, satellite hospitals, clinics, and other facilities devoted to the provision of health care services. Authorizes the board to construct and equip the necessary buildings and to lease, sell, or purchase any land or interest in land. Authorizes the board to carry out its functions directly or indirectly through other companies it controls through partnerships or joint ventures.
- Section 5:** Provides that should it become necessary for the board to acquire land by eminent domain, the proceedings will be instituted by the board and prosecuted in the manner prescribed by law.
- Section 6:** Provides that the Lee Memorial Health System Board of Directors will consist of ten directors, comprised of two directors from each of the five county health system districts. Provides that the directors must reside in and be a registered voter of Lee County, in the district they represent. Authorizes the directors to change the boundaries of the five districts by resolution at any time, provided that public notice is given, a public hearing held, and the districts remain as nearly equal in population as is practical. Requires each candidate for election to the board to pay a qualifying fee, and to sign certain oaths. Provides that system board members will be elected on a nonpartisan basis and will serve staggered four year terms. Provides that any vacancy in the office of director will be filled according to law.
- Section 7:** Provides that the board will annually elect from its members a chair, vice-chair, secretary, and treasurer. Requires the board to keep "true and accurate" minutes, books, and records. Provides that all records of the board will be available to the general public and all meetings of the board will be open to the public. Requires the board to cause the books to be audited at least annually by a certified public accountant authorized to practice accounting in Florida.
- Section 8:** Provides that each Lee Memorial Health System director will receive an annual compensation of up to \$10,000 up from an annual compensation of \$5,000. Allows for an annual increase to this amount equal to the annual increase in

the Consumer Price Index. Provides that directors will be reimbursed for travel pursuant to section 112.061, Florida Statutes. Authorizes the board to adopt policies and procedures that will grant the board members the same privileges, benefits and allowances that are allowed to the Lee Memorial Health System staff and volunteers. Authorizes the board members to participate in the system's health insurance program for its employees. Requires each board member to post a bond as provided by general law for the faithful performance of his or her duties.

Section 9: Authorizes the board to establish a medical staff to direct and control practitioners with privileges to perform professional services in the system's facilities. Grants the board authority to promulgate rules and regulations regarding the appointment of staff, the disciplining of staff, the professional duties of staff, and other such matters which the board sees fit.

Section 10: Authorizes the board to conduct the health system's business. Allows the board to pay all expenses of operation of Lee Memorial Health System, to sue and be sued on behalf of the system, to create or participate in any joint venture, corporation, or partnership which the board determines promotes the system's best interests. Authorizes the board to accept gifts, borrow money, and enter into derivative contracts. Provides that the board may authorize its chief executive officer to make contracts of all kinds, to settle or compromise any suit or complaint brought against the system, any of its subsidiaries, or any of its employees or officers.

Section 11: States that the public health care system established under this act will primarily be for the use and benefit of the residents of Lee County. Provides that the Lee Memorial Health System Board of Directors may establish policies regarding the treatment of nonresidents of Lee County and of indigent patients. Authorizes the board to collect charges from patients who have a means to pay. Authorizes the board to receive payment from insurance companies, governmental agencies, or other sources.

Section 12: Provides that the board may hire or appoint a chief executive officer who will have the title of president. Establishes the powers of the president.

Section 13: Provides that the funds of Lee Memorial Health System must be paid out only on drafts, checks, or warrants signed by persons authorized by the board. Authorizes the board to adopt rules for paying lesser sums in cash. Requires that all funds be deposited into banks qualified under state law to accept deposit of public funds. Provides that the board may invest its surplus funds in certain interest-bearing instruments.

Section 14: Authorizes the board to issue revenue bonds in such amount as the board establishes by resolution. Provides that the principal and interest on such bonds will be paid from the revenues of the Lee Memorial Health System.

Section 15: Authorizes the board to issue general obligation bonds. Provides that these bonds may only be issued after their issuance has been approved by a majority of the votes cast at an election of the qualified voters of Lee County.

Section 16: Provides that when bonds have been issued pursuant to the previous section, an ad valorem tax upon all taxable property in Lee County may be assessed in

an amount sufficient to pay the interest on the bonds as it becomes due and the principal of the bonds at maturity. Provides that the tax will be levied, assessed, and collected by the same officials and in the same manner as other county ad valorem taxes are levied, assessed, and collected.

Section 17: Provides that the bonds authorized to be issued by this act may be issued or sold at one time or from time to time. Provides that the denomination of the bonds, the type and amount of the interest rate on the bonds, and the maturity dates on the bonds will be determined by resolution of the Lee Memorial Health System Board of Directors. Permits that the bonds may be issued in coupon or non-coupon form. Provides that this act will not affect any outstanding bonds or obligations of the Hospital Board of Directors of Lee County issued prior to the effective date of this act.

Section 18: Entitles Lee Memorial Health System to a lien for charges for hospital, physician, or other health care services provided by the Lee Memorial Health System to ill or injured persons, upon the proceeds of all causes of action, suits, claims, counterclaims paid to the ill or injured persons. Provides that an employee of the health system must file a written notice of lien with the office of the Lee County Clerk of Circuit Court within 10 days after the ill or injured person is discharged from a Lee Memorial Health System Hospital. Provides that only the lienholder may execute a release of its lien prior to receiving payments from any settlement or award. Provides that the hospital lien must be paid before any other party may recover damages based on the expense of hospital, physician, or other health care services provided by Lee Memorial Health System.

Section 19: Provides that in the event of a conflict of the provisions of this act with the provisions of any other act, the provisions of this act will control to the extent of the conflict.

Section 20: Provides an effective date of upon becoming law.

III. **NOTICE/REFERENDUM AND OTHER REQUIREMENTS:**

A. NOTICE PUBLISHED? Yes [] No []

IF YES, WHEN? January 6, 2000

WHERE? Fort Myers News-Press in Fort Myers, Florida

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

IF YES, WHEN?

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

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

IV. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

Two amendments were adopted by the Committee on Community Affairs on April 19, 2000. The first amendment corrects an erroneous departmental reference. The second amendment clarifies the charges for which the hospital may impose a lien.

VI. SIGNATURES:

COMMITTEE ON HEALTH CARE LICENSING & REGULATION:

Prepared by:

Andrew "Andy" Palmer

Staff Director:

Lucretia Shaw Collins

AS REVISED BY THE COMMITTEE ON COMMUNITY AFFAIRS:

Prepared by:

Kyle V. Mitchell

Staff Director:

Joan Highsmith-Smith