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LEGISLATIVE ACTION

Senate

House

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Floor: 1/AD/2R

04/21/2010 04:29 PM

Senator Dean moved the following:

Senate Amendment (with title amendment)

Delete lines 371 - 435

and insert:

Section 17. The Citrus County Hospital Board shall have the authority to enter into leases or contracts with a not-for-profit Florida corporation for the purpose of operating and managing the hospital and any or all of its facilities of any kind and nature. To ensure public oversight, accountability, and public benefit, in addition to the requirements for any such lease set forth in s. 155.40, Florida Statutes:

(a) The Citrus County Hospital Board shall be the sole member of the not-for-profit corporation.



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14 (b) The not-for-profit corporation shall have an eleven
15 (11) member board of directors consisting of three (3) classes.
16 The first class shall consist of the five (5) Citrus County
17 Hospital Board trustees. The second class shall consist of five
18 (5) private not-for-profit directors who shall be selected
19 initially by the sitting private not-for-profit directors of the
20 not-for-profit corporation in existence on the effective date of
21 this act and thereafter by the board of directors when the
22 nominating committee presents the nominees for the board of
23 directors. The third class shall be the chief of the hospital's
24 medical staff. The chief of the hospital's medical staff shall
25 not have a financial or business relationship with the hospital,
26 a competing hospital, or a competing medical provider. All
27 eleven (11) members shall have voting rights and a quorum shall
28 consist of a minimum of six (6) members. To the extent that any
29 governance documents of the not-for-profit corporation do not so
30 presently provide for the requisite governance structure, the
31 not-for-profit corporation shall take all steps necessary to
32 bring them into conformity with the requirements herein.

33 (c) The hospital board shall independently approve any plan
34 of merger or dissolution of the not-for-profit corporation
35 pursuant to sections 617.1103 and 617.1402, Florida Statutes.

36 (d) All members of the hospital board shall be voting
37 directors of the not-for-profit board of directors.

38 (e) The not-for-profit corporation's committees shall
39 consist of two (2) trustees and two (2) private not-for-profit
40 members. The Audit and Conflict Committees may expand membership
41 with persons from neither class. Each class of directors shall
42 select its representatives for each committee. The not-for-



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43 profit corporation's executive committee shall retain authority
44 to resolve medical liability issues. All other matters shall be
45 approved by the board of directors.

46 (f) The not-for-profit corporation shall separately account
47 for the expenditure of all ad valorem tax moneys provided to it
48 by the Citrus County Hospital Board, including maintaining them
49 in a separate accounting fund. The expenditure for all such
50 public tax funds shall be approved in a public meeting and
51 separately accounted for annually by the not-for-profit
52 corporation in a report provided to the Citrus County Hospital
53 Board.

54 (g) The Citrus County Hospital Board shall have the right
55 to approve or reject the following:

56 (1) Adoption, amendment, modification, or restatement of
57 the not-for-profit corporation's Articles of Incorporation or
58 Bylaws, including those required by this act and any such
59 amendments not heretofore approved;

60 (2) Upon expiration of the contract in effect on January 1,
61 2010, selection of a new chief executive officer or renewal of
62 his or her employment contract;

63 (3)a. The annual operating and capital budgets of the not-
64 for-profit corporation, considering each budget separately and
65 without line item veto authority. To reject any budget shall
66 require the affirmative vote of four (4) hospital board
67 trustees.

68 b. Subject to the annual approved budget, the Citrus County
69 Hospital Board shall reimburse the not-for-profit corporation
70 for indigent care at the prevailing Medicaid per diem rate
71 pursuant to state and federal law.



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72 (4) Additional loan indebtedness or leases in excess of
73 \$1,250,000 per instrument or contract; and

74 (5) The not-for-profit corporation policies governing
75 travel reimbursements and contract bid procedures.

76 (h) All records of the not-for-profit corporation are
77 public records unless exempt by law.

78 (i) Any dispute between the Citrus County Hospital Board
79 and the not-for-profit corporation shall be subject to any court
80 actions pursuant to sections 164.101-164.1065, Florida Statutes.

81
82 ===== T I T L E A M E N D M E N T =====

83 And the title is amended as follows:

84 Delete lines 17 - 133

85 and insert:

86 providing for a board of directors; providing for
87 membership; requiring that the not-for-profit
88 corporation conform all governance documents to
89 certain requirements, if necessary; providing for
90 committees; requiring that the not-for-profit
91 corporation's executive committee resolve medical
92 liability issues; requiring that the not-for-profit
93 corporation separately account for the expenditure of
94 all ad valorem tax moneys provided by the Citrus
95 County Hospital Board; requiring that the expenditure
96 of all public tax funds be approved in a public
97 meeting and maintained in a separate account;
98 providing for the hospital board's approval or
99 rejection of the not-for-profit corporation's Articles
100 of Incorporation or Bylaws, selection of a new chief



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101 executive officer or renewal of his or her employment
102 contract, the annual operating and capital budgets,
103 additional loan indebtedness or leases in excess of a
104 specified amount, and the not-for-profit corporation's
105 policies for travel reimbursements and contract bid
106 procedures; providing that all records of the not-for-
107 profit corporation are public records unless exempt;
108 providing that any dispute between the hospital board
109 and the not-for-profit corporation is subject to court
110 action; providing for interpretation and
111 implementation of the act and for court enforcement;
112 repealing chapters 99-442 and 2001-308, Laws of
113 Florida, relating to the Citrus County Hospital Board;
114 providing for severability; providing for application
115 of the act; providing an effective date.

116
117 WHEREAS, the Citrus County Hospital Board was created by
118 the Legislature in 1949 as a special taxing district and a
119 public nonprofit corporation for the purpose of operating public
120 hospitals, medical nursing homes, and convalescent homes in
121 Citrus County, and

122 WHEREAS, in 1987 the hospital board incorporated a not-for
123 profit management corporation, and in 1990 entered into a lease
124 agreement with the not-for-profit corporation pursuant to s.
125 155.40, Florida Statutes, leasing all public assets, operations,
126 and management of Citrus Memorial Hospital, and

127 WHEREAS, meaningful oversight by the hospital board is
128 necessitated in light of the not-for profit corporation's status
129 as an instrumentality of the hospital district, and



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130 WHEREAS, restoration of the hospital board's representation
131 on the board of the lessee corporation, and implementation of
132 appropriate accountability and oversight by the hospital board,
133 are necessitated in order to ensure corporate sovereign immunity
134 status of the not for profit corporation as an instrumentality
135 of the hospital district, and

136 WHEREAS, the ability of the hospital board to continue to
137 act in the public interest on behalf of the taxpayers of Citrus
138 County requires mechanisms to ensure adherence to the hospital
139 board's public responsibilities, as well as express authority
140 for judicial interpretation and enforcement of this act through
141 declaratory proceedings and other appropriate judicial remedies,
142 and

143 WHEREAS, this act provides an appropriate and effective
144 means of addressing the lessee's performance of its
145 responsibilities to the public and to the taxpayers of Citrus
146 County, NOW, THEREFORE,