



879282

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/15/2011	.	
	.	
	.	
	.	

The Committee on Budget (Thrasher) recommended the following:

Senate Amendment (with title amendment)

Delete lines 6180 - 6294
and insert:

(4) (a) The University of Florida Board of Trustees shall lease the hospital facilities of the health center known as ~~the~~ Shands Teaching Hospital and Clinics on the Gainesville campus of the University of Florida and all furnishings, equipment, and other chattels or choses in action used in the operation of Shands Teaching Hospital and Clinics ~~the hospital,~~ to Shands Teaching Hospital and Clinics, Inc., a private not-for-profit corporation organized ~~solely~~ for the primary purpose of supporting the University of Florida Board of Trustees' health



879282

14 affairs mission of community service and patient care, education
15 and training of health professionals, and clinical research. In
16 furtherance of that primary purpose, Shands Teaching Hospital
17 and Clinics, Inc., shall operate ~~operating~~ the hospital and
18 ancillary health care facilities as deemed ~~of the health center~~
19 ~~and other health care facilities and programs determined to be~~
20 necessary by the board of Shands Teaching Hospital and Clinics,
21 Inc. ~~the nonprofit corporation.~~ The rental for the hospital
22 facilities shall be an amount equal to the debt service on bonds
23 or revenue certificates issued solely for capital improvements
24 to the hospital facilities or as otherwise provided by law.

25 (b) The University of Florida Board of Trustees shall
26 provide in the lease or by separate contract or agreement with
27 Shands Teaching Hospital and Clinics, Inc., ~~the not-for-profit~~
28 ~~corporation~~ for the following:

29 1. Approval of the articles of incorporation of Shands
30 Teaching Hospital and Clinics, Inc., ~~the not-for-profit~~
31 ~~corporation~~ by the University of Florida Board of Trustees. and
32 ~~the~~

33 2. Governance of Shands Teaching Hospital and Clinics,
34 Inc., ~~the not-for-profit corporation~~ by a board of directors
35 appointed, subject to removal, and chaired by the President of
36 the University of Florida, or his or her designee, and vice
37 chaired by the Vice President for Health Affairs of the
38 University of Florida, or his or her designee.

39 ~~3.2. The~~ Use of hospital facilities and personnel in
40 support of community service and patient care, ~~the~~ research
41 programs, and of the teaching roles ~~role~~ of the health center.

42 ~~4.3. The~~ Continued recognition of the collective bargaining



879282

43 units and collective bargaining agreements as currently composed
44 and recognition of the certified labor organizations
45 representing those units and agreements.

46 ~~5.4. The Use of hospital facilities and personnel in~~
47 ~~connection with research programs conducted by the health~~
48 ~~center.~~

49 ~~6.5. Reimbursement to Shands Teaching Hospital and Clinics,~~
50 ~~Inc., the hospital for indigent patients, state-mandated~~
51 ~~programs, underfunded state programs, and costs to Shands~~
52 ~~Teaching Hospital and Clinics, Inc., the hospital for support of~~
53 ~~the teaching and research programs of the health center. Such~~
54 ~~reimbursement shall be appropriated to either the health center~~
55 ~~or Shands Teaching Hospital and Clinics, Inc., the hospital each~~
56 ~~year by the Legislature after review and approval of the request~~
57 ~~for funds.~~

58 ~~7. Audit of the financial statements of Shands Teaching~~
59 ~~Hospital and Clinics, Inc., in accordance with generally~~
60 ~~accepted accounting principles as prescribed by the Governmental~~
61 ~~Accounting Standards Board for a separate corporation affiliated~~
62 ~~with a governmental entity that holds a voting majority interest~~
63 ~~of the affiliated corporation's governing board. The financial~~
64 ~~statements shall be provided to the University of Florida Board~~
65 ~~of Trustees for attachment to its audited financial statement~~
66 ~~that is provided to the Auditor General. The University of~~
67 ~~Florida may obtain additional financial information from Shands~~
68 ~~Teaching Hospital and Clinics, Inc., upon request by the Auditor~~
69 ~~General. This subparagraph applies equally to any not-for-profit~~
70 ~~subsidiary of Shands Teaching Hospitals and Clinics, Inc., which~~
71 ~~directly delivers health care services and also qualifies as an~~



879282

72 instrumentality of the state under the governance control and
73 the primary purpose standards specified in this section.

74 (c) The University of Florida Board of Trustees may, with
75 the approval of the Legislature, increase the hospital
76 facilities or remodel or renovate them ~~if, provided that~~ the
77 rental paid by Shands Teaching Hospital and Clinics, Inc., ~~the~~
78 ~~hospital~~ for such new, remodeled, or renovated facilities is
79 sufficient to amortize the costs thereof over a reasonable
80 period of time or fund the debt service for any bonds or revenue
81 certificates issued to finance such improvements.

82 (d) The University of Florida Board of Trustees ~~may~~ ~~is~~
83 ~~authorized to~~ provide to Shands Teaching Hospital and Clinics,
84 Inc., ~~the not-for-profit corporation leasing the hospital~~
85 ~~facilities~~ and its not-for-profit subsidiaries and affiliates,
86 and any successor corporation that acts in support of the board
87 of trustees, comprehensive general liability insurance,
88 including professional liability, from a self-insurance trust
89 program established pursuant to s. 1004.24.

90 (e) Shands Teaching Hospital and Clinics, Inc., in support
91 of the health affairs mission of the University of Florida Board
92 of Trustees and with the board's prior approval, may create or
93 have created for-profit or not-for-profit subsidiaries and
94 affiliates, or both. The University of Florida Board of
95 Trustees, which may act through the president of the university
96 or his or her designee, may control Shands Teaching Hospital and
97 Clinics, Inc. For purposes of sovereign immunity pursuant to s.
98 768.28(2), Shands Teaching Hospital and Clinics, Inc., and any
99 not-for-profit subsidiary that directly delivers health care
100 services and whose governing board is chaired by the president



879282

101 of the university or his or her designee and is controlled by
102 the University of Florida Board of Trustees, that may act
103 through the president of the university or his or her designee,
104 and whose primary purpose is the support of the University of
105 Florida Board of Trustees' health affairs mission, shall be
106 conclusively deemed a corporation primarily acting as an
107 instrumentality of the state.

108 (f)(e) If In the event that the lease of Shands Teaching
109 Hospital and Clinics the hospital facilities to Shands Teaching
110 Hospital and Clinics, Inc., the not for profit corporation is
111 terminated for any reason, the University of Florida Board of
112 Trustees shall resume management and operation of Shands
113 Teaching Hospital and Clinics the hospital facilities. In such
114 event, the University of Florida Board of Trustees may use is
115 authorized to utilize revenues generated from the operation of
116 Shands Teaching Hospital and Clinics the hospital facilities to
117 pay the costs and expenses of operating the hospital facility
118 for the remainder of the fiscal year in which such termination
119 occurs.

120 (5) (a) Shands Jacksonville Medical Center, Inc., and its
121 parent, Shands Jacksonville HealthCare, Inc., are private not-
122 for-profit corporations organized primarily to support the
123 health affairs mission of the University of Florida Board of
124 Trustees in community service and patient care, education and
125 training of health affairs professionals, and clinical research.
126 Shands Jacksonville Medical Center, Inc., is a teaching hospital
127 affiliated with the University of Florida Board of Trustees and
128 is located, in part, on the Jacksonville Campus of the
129 University of Florida. Shands Jacksonville Medical Center, Inc.,



879282

130 and Shands Jacksonville HealthCare, Inc., in support of the
131 health affairs mission of the University of Florida Board of
132 Trustees and with its prior approval, may create or have created
133 for-profit or not-for-profit subsidiaries or affiliates, or
134 both.

135 (b) The University of Florida Board of Trustees shall
136 provide in the lease or by separate contract or agreement with
137 Shands Jacksonville Medical Center, Inc., and Shands
138 Jacksonville HealthCare, Inc., for the following:

139 1. Approval of the articles of incorporation of Shands
140 Jacksonville Medical Center, Inc., and of Shands Jacksonville
141 HealthCare, Inc., by the University of Florida Board of
142 Trustees, which may act through the president of the university
143 or his or her designee. In approving the articles of
144 incorporation of Shands Jacksonville Medical Center, Inc., and
145 of Shands Jacksonville HealthCare, Inc., the president of the
146 university, or his or her designee, may act as the chair of the
147 board of directors, or the president of the university or his or
148 her designee or members of the University of Florida Board of
149 Trustees may act as the approving body of Shands Jacksonville
150 Medical Center, Inc., or Shands Jacksonville HealthCare, Inc.

151 2. Governance of Shands Jacksonville Medical Center, Inc.,
152 and of Shands Jacksonville HealthCare, Inc., by boards of
153 directors appointed, subject to removal, and chaired by the
154 President of the University of Florida, or his or her designee.
155 One director of each board may be so appointed after being
156 nominated by the mayor of the City of Jacksonville subject to
157 the applicable standards for directors of such board. If there
158 is a vice chair of the board of directors of Shands Jacksonville



879282

159 Medical Center, Inc., or Shands Jacksonville HealthCare, Inc.,
160 the Vice President for Health Affairs of the University of
161 Florida, or his or her designee or the designee of the president
162 of the university, shall hold that position.

163 3. Use of the Shands Jacksonville Medical Center, Inc.,
164 hospital facilities and personnel in support of community
165 service and patient care, research programs, and the teaching
166 roles of the health center of the University of Florida Board of
167 Trustees.

168 4. Reimbursement to Shands Jacksonville Medical Center,
169 Inc., for indigent patients, state-mandated programs,
170 underfunded state programs, and costs to the not-for-profit
171 corporation for support of the teaching and research programs of
172 the health center. Such reimbursement shall be appropriated to
173 the health center or the not-for-profit corporation each year by
174 the Legislature after review and approval of the request for
175 funds.

176 5. Audit of the financial statements of Shands Jacksonville
177 Medical Center, Inc., and Shands Jacksonville HealthCare, Inc.,
178 in accordance with generally accepted accounting principles as
179 prescribed by the Governmental Accounting Standards Board for a
180 separate corporation affiliated with a governmental entity that
181 holds a voting majority interest of the affiliated corporation's
182 governing board. The financial statements shall be provided to
183 the University of Florida Board of Trustees for attachment to
184 its audited financial statement that is provided to the Auditor
185 General. The University of Florida may obtain additional
186 financial information from Shands Jacksonville Medical Center,
187 Inc., and Shands Jacksonville HealthCare, Inc., upon request by



879282

188 the Auditor General. This subparagraph applies equally to any
189 not-for-profit subsidiary that directly delivers health care
190 services and also qualifies as an instrumentality of the state
191 under the governance control and primary purpose standards
192 specified in this section.

193 (c) The University of Florida Board of Trustees, which may
194 act through the president of the university or his or her
195 designee, may control Shands Jacksonville Medical Center, Inc.,
196 and Shands Jacksonville HealthCare, Inc.

197 (d) For purposes of sovereign immunity pursuant to s.
198 768.28(2), Shands Jacksonville Medical Center, Inc., Shands
199 Jacksonville HealthCare, Inc., and any not-for-profit subsidiary
200 that directly delivers health care services and whose governing
201 board is chaired by the President of the University of Florida
202 or his or her designee and is controlled by the University of
203 Florida Board of Trustees, that may act through the president of
204 the university or his or designee, and whose primary purpose is
205 the support of the University of Florida Board of Trustees'
206 health affairs mission, shall be conclusively deemed
207 corporations primarily acting as instrumentalities of the state.

208 (e) ~~(f)~~ The University of Florida Board of Trustees may ~~is~~
209 authorized to provide to Shands Jacksonville HealthCare, Inc.,
210 and Shands Jacksonville Medical Center, Inc., and any of their
211 ~~its~~ not-for-profit subsidiaries and affiliates and any successor
212 corporation that acts in support of the board of trustees,
213 comprehensive general liability coverage, including professional
214 liability, from the self-insurance programs established pursuant
215 to s. 1004.24.

216



217 ===== T I T L E A M E N D M E N T =====

218 And the title is amended as follows:

219 Delete lines 422 - 432

220 and insert:

221 1004.41, F.S.; correcting the name of one of the
222 health center's colleges; specifying that the
223 University of Florida Board of Trustees shall lease
224 Shands Teaching Hospital and Clinics on the
225 Gainesville campus to Shands Teaching Hospital and
226 Clinics, Inc.; specifying the primary purpose of
227 Shands Teaching Hospital and Clinics, Inc.; providing
228 requirements for the lease, contract, or agreement
229 between the University of Florida Board of Trustees
230 and Shands Teaching Hospital and Clinics, Inc.;

231 authorizing the creation of corporate subsidiaries and
232 affiliates; providing the right of control; providing
233 for sovereign immunity; providing that Shands
234 Jacksonville Medical Center, Inc., and its parent,
235 Shands Jacksonville HealthCare, Inc., are private not-
236 for-profit corporations organized primarily to support
237 the health affairs mission of the University of
238 Florida Board of Trustees; authorizing the creation of
239 corporate subsidiaries and affiliates; providing
240 requirements for the lease, contract, or agreement
241 between the University of Florida Board of Trustees
242 and the corporations; providing the right of control;
243 providing for sovereign immunity; repealing s.
244 409.9121, F.S.,