

1 A bill to be entitled
2 An act relating to the University of Florida J. Hillis
3 Miller Health Center; amending s. 1004.41, F.S.;
4 correcting the name of one of the health center's
5 colleges; specifying that the University of Florida Board
6 of Trustees shall lease Shands Teaching Hospital and
7 Clinics on the Gainesville campus to Shands Teaching
8 Hospital and Clinics, Inc.; specifying the primary purpose
9 of Shands Teaching Hospital and Clinics, Inc.; providing
10 requirements for lease, contract, or agreement between the
11 University of Florida Board of Trustees and Shands
12 Teaching Hospital and Clinics, Inc.; authorizing the
13 creation of corporate subsidiaries and affiliates;
14 providing the right of control; providing for sovereign
15 immunity; providing that Shands Jacksonville Medical
16 Center, Inc., and its parent, Shands Jacksonville
17 HealthCare, Inc., are private not-for-profit corporations
18 organized primarily to support the health affairs mission
19 of the University of Florida Board of Trustees; providing
20 requirements for contract or agreement between the
21 University of Florida Board of Trustees and the
22 corporations; authorizing the creation of corporate
23 subsidiaries and affiliates; providing the right of
24 control; providing for sovereign immunity; providing an
25 effective date.

26
27 Be It Enacted by the Legislature of the State of Florida:
28

29 Section 1. Section 1004.41, Florida Statutes, is amended
 30 to read:

31 1004.41 University of Florida; J. Hillis Miller Health
 32 Center.—

33 (1) There is established the J. Hillis Miller Health
 34 Center at the University of Florida, including campuses at
 35 Gainesville and Jacksonville and affiliated teaching hospitals,
 36 which shall include the following colleges:

- 37 (a) College of Dentistry.
- 38 (b) College of Public Health and Health Professions.
- 39 (c) College of Medicine.
- 40 (d) College of Nursing.
- 41 (e) College of Pharmacy.
- 42 (f) College of Veterinary Medicine and related teaching
 43 hospitals.

44 (2) Each college of the health center shall be so
 45 maintained and operated as to comply with the standards approved
 46 by a nationally recognized association for accreditation.

47 (3) (a) The University of Florida Health Center Operations
 48 and Maintenance Trust Fund shall be administered by the
 49 University of Florida Board of Trustees. Funds shall be credited
 50 to the trust fund from the sale of goods and services performed
 51 by the University of Florida Veterinary Medicine Teaching
 52 Hospital. The purpose of the trust fund is to support the
 53 instruction, research, and service missions of the University of
 54 Florida College of Veterinary Medicine.

55 (b) Notwithstanding the provisions of s. 216.301, and
 56 pursuant to s. 216.351, any balance in the trust fund at the end

CS/HB 395

2011

57 of any fiscal year shall remain in the trust fund and shall be
58 available for carrying out the purposes of the trust fund.

59 (4) (a) The University of Florida Board of Trustees shall
60 lease the hospital facilities of the health center known as ~~the~~
61 Shands Teaching Hospital and Clinics on the Gainesville campus
62 of the University of Florida and all furnishings, equipment, and
63 other chattels or choses in action used in the operation of
64 Shands Teaching Hospital and Clinics ~~the hospital,~~ to Shands
65 Teaching Hospital and Clinics, Inc., a private not-for-profit
66 corporation organized ~~solely~~ for the primary purpose of
67 supporting the University of Florida Board of Trustees' health
68 affairs mission of community service and patient care, education
69 and training of health professionals, and clinical research. In
70 furtherance of that primary purpose, Shands Teaching Hospital
71 and Clinics, Inc., shall operate Shands Teaching Hospital and
72 Clinics ~~operating the hospital~~ and ancillary health care
73 facilities as deemed ~~of the health center and other health care~~
74 ~~facilities and programs determined to be necessary by the board~~
75 ~~of Shands Teaching Hospital and Clinics, Inc. the nonprofit~~
76 ~~corporation.~~ The rental for Shands Teaching Hospital and Clinics
77 ~~the hospital facilities~~ shall be an amount equal to the debt
78 service on bonds or revenue certificates issued solely for
79 capital improvements to the hospital facilities or as otherwise
80 provided by law.

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

85 1. Approval of the articles of incorporation of Shands
 86 Teaching Hospital and Clinics, Inc., ~~the not-for-profit~~
 87 ~~corporation~~ by the University of Florida Board of Trustees.

88 2. ~~and the~~ Governance of Shands Teaching Hospital and
 89 Clinics, Inc., ~~the not-for-profit corporation~~ by a board of
 90 directors appointed, subject to removal, and chaired by the
 91 President of the University of Florida, or his or her designee,
 92 and vice chaired by the Vice President for Health Affairs of the
 93 University of Florida or his or her designee.

94 3.2. ~~The~~ Use of hospital facilities and personnel in
 95 support of community service and patient care, ~~the~~ research
 96 programs, ~~and of the teaching roles~~ role of Shands Teaching
 97 Hospital and Clinics ~~the health center.~~

98 4.3. ~~The~~ Continued recognition of the collective
 99 bargaining units and collective bargaining agreements as
 100 currently composed and recognition of the certified labor
 101 organizations representing those units and agreements.

102 5.4. ~~The~~ Use of hospital facilities and personnel in
 103 connection with research programs conducted by Shands Teaching
 104 Hospital and Clinics ~~the health center.~~

105 6.5. Reimbursement to Shands Teaching Hospital and
 106 Clinics, Inc., ~~the hospital~~ for indigent patients, state-
 107 mandated programs, underfunded state programs, and costs to
 108 Shands Teaching Hospital and Clinics, Inc., ~~the hospital~~ for
 109 support of the teaching and research programs of the health
 110 center. Such reimbursement shall be appropriated to either the
 111 health center or Shands Teaching Hospital and Clinics, Inc., ~~the~~

112 ~~hospital~~ each year by the Legislature after review and approval
 113 of the request for funds.

114 7. Audit of the financial statements of Shands Teaching
 115 Hospital and Clinics, Inc., in accordance with generally
 116 accepted accounting principles as prescribed by the Governmental
 117 Accounting Standards Board for a separate corporation affiliated
 118 with a government entity that holds a voting majority interest
 119 of the affiliated corporation's governing board. The financial
 120 statements shall be provided to the University of Florida Board
 121 of Trustees for attachment to its audited financial statement
 122 which is provided to the Auditor General. The University of
 123 Florida may obtain additional financial information from Shands
 124 Teaching Hospital and Clinics, Inc., upon request by the Auditor
 125 General.

126 (c) The University of Florida Board of Trustees may, with
 127 the approval of the Legislature, increase the Shands Teaching
 128 Hospital and Clinics ~~hospital~~ facilities or remodel or renovate
 129 them ~~if, provided that~~ the rental paid by Shands Teaching
 130 Hospital and Clinics, Inc., ~~the hospital~~ for such new,
 131 remodeled, or renovated facilities is sufficient to amortize the
 132 costs thereof over a reasonable period of time or fund the debt
 133 service for any bonds or revenue certificates issued to finance
 134 such improvements.

135 (d) The University of Florida Board of Trustees may ~~is~~
 136 ~~authorized to~~ provide to Shands Teaching Hospital and Clinics,
 137 Inc., ~~the not-for-profit corporation leasing the hospital~~
 138 ~~facilities~~ and its not-for-profit subsidiaries and affiliates,
 139 comprehensive general liability insurance, including

140 professional liability, from a self-insurance trust program
 141 established pursuant to s. 1004.24.

142 (e) Shands Teaching Hospital and Clinics, Inc., in support
 143 of the health affairs mission of the University of Florida Board
 144 of Trustees and with the board's prior approval, may create or
 145 have created either for-profit or not-for-profit subsidiaries
 146 and affiliates, or both. The University of Florida Board of
 147 Trustees, which may act through the president of the university
 148 or his or her designee, may control Shands Teaching Hospital and
 149 Clinics, Inc. For purposes of sovereign immunity pursuant to s.
 150 768.28(2), Shands Teaching Hospital and Clinics, Inc., shall be
 151 conclusively deemed a corporation primarily acting as an
 152 instrumentality of the state.

153 (f)~~(e)~~ In the event that the lease of Shands Teaching
 154 Hospital and Clinics ~~the hospital facilities~~ to Shands Teaching
 155 Hospital and Clinics, Inc., the not-for-profit corporation is
 156 terminated for any reason, the University of Florida Board of
 157 Trustees shall resume management and operation of Shands
 158 Teaching Hospital and Clinics ~~the hospital facilities~~. In such
 159 event, the University of Florida Board of Trustees may use ~~is~~
 160 ~~authorized to utilize~~ revenues generated from the operation of
 161 Shands Teaching Hospital and Clinics ~~the hospital facilities~~ to
 162 pay the costs and expenses of operating the hospital facility
 163 for the remainder of the fiscal year in which such termination
 164 occurs.

165 (5) (a) Shands Jacksonville Medical Center, Inc., and its
 166 parent, Shands Jacksonville HealthCare, Inc., are private not-
 167 for-profit corporations organized primarily to support the

168 health affairs mission of the University of Florida Board of
 169 Trustees in community service and patient care, education and
 170 training of health affairs professionals, and clinical research.
 171 Shands Jacksonville Medical Center, Inc., is a teaching hospital
 172 affiliated with the University of Florida Board of Trustees and
 173 is located, in part, on the Jacksonville Campus of the
 174 University of Florida. Shands Jacksonville Medical Center, Inc.,
 175 and Shands Jacksonville HealthCare, Inc., in support of the
 176 health affairs mission of the University of Florida Board of
 177 Trustees and with its prior approval, may create or have created
 178 either for-profit or not-for-profit subsidiaries or affiliates,
 179 or both.

180 (b) The University of Florida Board of Trustees shall
 181 provide by contract or other agreement with Shands Jacksonville
 182 Medical Center, Inc., and Shands Jacksonville HealthCare, Inc.,
 183 for the following:

184 1. Approval of the articles of incorporation of Shands
 185 Jacksonville Medical Center, Inc., and of Shands Jacksonville
 186 HealthCare, Inc., by the University of Florida Board of
 187 Trustees, which may act through the president of the university
 188 or his or her designee. In approving the articles of
 189 incorporation of Shands Jacksonville Medical Center, Inc., and
 190 of Shands Jacksonville HealthCare, Inc., the President of the
 191 University of Florida, or his or her designee, may act as the
 192 chair of the board of directors or the president of the
 193 university or his or her designee or members of the University
 194 of Florida Board of Trustees may act as members of the board of

195 directors of Shands Jacksonville Medical Center, Inc., or Shands
 196 Jacksonville HealthCare, Inc.

197 2. Governance of Shands Jacksonville Medical Center, Inc.,
 198 and of Shands Jacksonville HealthCare, Inc., by boards of
 199 directors appointed, subject to removal, and chaired by the
 200 President of the University of Florida, or his or her designee.
 201 One director of each board may be so appointed after being
 202 nominated by the mayor of the City of Jacksonville subject to
 203 the applicable standards for directors of such board. If there
 204 is a vice chair of the board of directors of Shands Jacksonville
 205 Medical Center, Inc., or Shands Jacksonville HealthCare, Inc.,
 206 the Vice President for Health Affairs of the University of
 207 Florida or his or her designee or the designee of the president
 208 of the university shall hold that position.

209 3. Use of the Shands Jacksonville Medical Center, Inc.,
 210 hospital facilities and personnel in support of community
 211 service and patient care, research programs, and the teaching
 212 roles of the health center of the University of Florida Board of
 213 Trustees.

214 4. Reimbursement to Shands Jacksonville Medical Center,
 215 Inc., for indigent patients, state-mandated programs,
 216 underfunded state programs, and costs to the not-for-profit
 217 corporation for support of the teaching and research programs of
 218 the health center. Such reimbursement shall be appropriated to
 219 either the health center or the not-for-profit corporation each
 220 year by the Legislature after review and approval of the request
 221 for funds.

222 5. Audit of the financial statements of Shands
 223 Jacksonville Medical Center, Inc., and Shands Jacksonville
 224 HealthCare, Inc., in accordance with generally accepted
 225 accounting principles as prescribed by the Governmental
 226 Accounting Standards Board for a separate corporation affiliated
 227 with a government entity that holds a voting majority interest
 228 of the affiliated corporation's governing board. The financial
 229 statements shall be provided to the University of Florida Board
 230 of Trustees for attachment to its audited financial statement
 231 which is provided to the Auditor General. The University of
 232 Florida may obtain additional financial information from Shands
 233 Jacksonville Medical Center, Inc., and Shands Jacksonville
 234 HealthCare, Inc., upon request by the Auditor General.

235 (c) The University of Florida Board of Trustees, which may
 236 act through the president of the university or his or her
 237 designee, may control Shands Jacksonville Medical Center, Inc.,
 238 and Shands Jacksonville HealthCare, Inc.

239 (d) For purposes of sovereign immunity pursuant to s.
 240 768.28(2), Shands Jacksonville Medical Center, Inc., and Shands
 241 Jacksonville HealthCare, Inc., shall be conclusively deemed
 242 corporations primarily acting as instrumentalities of the state.

243 (e) ~~(f)~~ The University of Florida Board of Trustees may ~~is~~
 244 authorized to provide to Shands Jacksonville HealthCare, Inc.,
 245 and Shands Jacksonville Medical Center, Inc., and any of their
 246 ~~its~~ not-for-profit subsidiaries and affiliates and any successor
 247 corporation that acts in support of the board of trustees,
 248 comprehensive general liability coverage, including professional

CS/HB 395

2011

249 liability, from the self-insurance programs established pursuant
250 to s. 1004.24.

251 Section 2. This act shall take effect July 1, 2011.