

By Senator Thrasher

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1 A bill to be entitled
2 An act relating to Shands Teaching Hospital and
3 Clinics, Inc.; amending s. 1004.41, F.S.; clarifying
4 provisions relating to references to the corporation
5 known as Shands Teaching Hospital and Clinics, Inc.;
6 clarifying provisions regarding the purpose of the
7 corporation; authorizing the corporation to create
8 corporate subsidiaries and affiliates; providing that
9 Shands Teaching Hospital and Clinics, Inc., Shands
10 Jacksonville Medical Center, Inc., Shands Jacksonville
11 Healthcare, Inc., and any not-for-profit subsidiary of
12 such entities are instrumentalities of the state for
13 purposes of sovereign immunity; providing an effective
14 date.

15
16 Be It Enacted by the Legislature of the State of Florida:

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18 Section 1. Section 1004.41, Florida Statutes, is amended to
19 read:

20 1004.41 University of Florida; J. Hillis Miller Health
21 Center.—

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

26 (a) College of Dentistry.

27 (b) College of Public Health and Health Professions.

28 (c) College of Medicine.

29 (d) College of Nursing.

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30 (e) College of Pharmacy.

31 (f) College of Veterinary Medicine and related teaching
32 hospitals.

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

36 (3) (a) The University of Florida Health Center Operations
37 and Maintenance Trust Fund shall be administered by the
38 University of Florida Board of Trustees. Funds shall be credited
39 to the trust fund from the sale of goods and services performed
40 by the University of Florida Veterinary Medicine Teaching
41 Hospital. The purpose of the trust fund is to support the
42 instruction, research, and service missions of the University of
43 Florida College of Veterinary Medicine.

44 (b) Notwithstanding the provisions of s. 216.301, and
45 pursuant to s. 216.351, any balance in the trust fund at the end
46 of any fiscal year shall remain in the trust fund and shall be
47 available for carrying out the purposes of the trust fund.

48 (4) (a) The University of Florida Board of Trustees shall
49 lease the hospital facilities of the health center known as the
50 Shands Teaching Hospital and Clinics on the Gainesville campus
51 of the University of Florida and all furnishings, equipment, and
52 other chattels or choses in action used in the operation of the
53 hospital, to Shands Teaching Hospital and Clinics, Inc., a
54 private not-for-profit corporation organized ~~solely~~ for the
55 primary purpose of supporting operating the University of
56 Florida Board of Trustees' health affairs mission of community
57 service and patient care, education and training of health
58 professionals, and clinical research. In furtherance of that

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59 primary purpose, Shands Teaching Hospital and Clinics, Inc.,
60 shall operate the hospital and ancillary health care facilities
61 as deemed of the health center and other health care facilities
62 and programs determined to be necessary by the board of Shands
63 Teaching Hospital and Clinics, Inc. the nonprofit corporation.
64 The rental for the hospital facilities shall be an amount equal
65 to the debt service on bonds or revenue certificates issued
66 solely for capital improvements to the hospital facilities or as
67 otherwise provided by law.

68 (b) The University of Florida Board of Trustees shall
69 provide in the lease or by separate contract or agreement with
70 Shands Teaching Hospital and Clinics, Inc., the not-for-profit
71 corporation for the following:

72 1. Approval of the articles of incorporation of Shands
73 Teaching Hospital and Clinics, Inc., the not-for-profit
74 corporation by the University of Florida Board of Trustees and
75 the governance of that the not-for-profit corporation by a board
76 of directors appointed, subject to removal, and chaired by the
77 President of the University of Florida, or his or her designee,
78 and vice chaired by the Vice President for Health Affairs of the
79 University of Florida, or his or her designee.

80 2. The use of hospital facilities and personnel in support
81 of community service and patient care, the research programs,
82 and of the teaching roles role of the health center.

83 3. The continued recognition of the collective bargaining
84 units and collective bargaining agreements as currently composed
85 and recognition of the certified labor organizations
86 representing those units and agreements.

87 4. The use of hospital facilities and personnel in

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88 connection with research programs conducted by the health
89 center.

90 5. Reimbursement to the hospital for indigent patients,
91 state-mandated programs, underfunded state programs, and costs
92 to the hospital for support of the teaching and research
93 programs of the health center. Such reimbursement shall be
94 appropriated to either the health center or the hospital each
95 year by the Legislature after review and approval of the request
96 for funds.

97 (c) The University of Florida Board of Trustees may, with
98 the approval of the Legislature, increase the hospital
99 facilities or remodel or renovate them, provided that the rental
100 paid by the hospital for such new, remodeled, or renovated
101 facilities is sufficient to amortize the costs thereof over a
102 reasonable period of time or fund the debt service for any bonds
103 or revenue certificates issued to finance such improvements.

104 (d) The University of Florida Board of Trustees is
105 authorized to provide to Shands Teaching Hospital and Clinics,
106 Inc., ~~the not-for-profit corporation leasing the hospital~~
107 ~~facilities~~ and its not-for-profit subsidiaries and affiliates
108 comprehensive general liability insurance including professional
109 liability from a self-insurance trust program established
110 pursuant to s. 1004.24.

111 (e) Shands Teaching Hospital and Clinics, Inc., may, in
112 support of the health affairs mission of the University of
113 Florida Board of Trustees and with its prior approval, create
114 for-profit or not-for-profit corporate subsidiaries and
115 affiliates, or both. The University of Florida Board of
116 Trustees, which may act through the President of the University

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117 of Florida or his or her designee, has the right to control
118 Shands Teaching Hospital and Clinics, Inc. Shands Teaching
119 Hospital and Clinics, Inc., and any not-for-profit subsidiaries
120 shall be conclusively deemed corporations primarily acting as
121 instrumentalities of the state, pursuant to s. 768.28(2), for
122 purposes of sovereign immunity.

123 (f)(e) If In the event that the lease of the hospital
124 facilities to Shands Teaching Hospital and Clinics, Inc., the
125 ~~not-for-profit corporation~~ is terminated for any reason, the
126 University of Florida Board of Trustees shall resume management
127 and operation of the hospital facilities. In such event, the
128 University of Florida Board of Trustees is authorized to utilize
129 revenues generated from the operation of the hospital facilities
130 to pay the costs and expenses of operating the hospital facility
131 for the remainder of the fiscal year in which such termination
132 occurs.

133 (5) (a)(f) Shands Jacksonville Medical Center, Inc., and its
134 parent Shands Jacksonville Healthcare, Inc., are private not-
135 for-profit corporations organized primarily to support the
136 health affairs mission of the University of Florida Board of
137 Trustees in community service and patient care, education and
138 training of health affairs professionals, and clinical research.
139 Shands Jacksonville Medical Center, Inc., is a teaching hospital
140 affiliated with the University of Florida Board of Trustees,
141 located on the Jacksonville Campus of the University of Florida.
142 Shands Jacksonville Medical Center, Inc., and Shands
143 Jacksonville Healthcare, Inc., may, in support of the health
144 affairs mission of the University of Florida Board of Trustees
145 and with its prior approval, create for-profit or not-for-profit

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146 corporate subsidiaries and affiliates, or both.

147 (b) The University of Florida Board of Trustees, which may
148 act through the President of the University of Florida or his or
149 her designee, has the right to control Shands Jacksonville
150 Medical Center, Inc., and Shands Jacksonville Healthcare, Inc.
151 Shands Jacksonville Medical Center, Inc., Shands Jacksonville
152 Healthcare, Inc., and any not-for-profit subsidiary of Shands
153 Jacksonville Medical Center, Inc., shall be conclusively deemed
154 corporations primarily acting as instrumentalities of the state,
155 pursuant to s. 768.28(2), for purposes of sovereign immunity.

156 (c) The University of Florida Board of Trustees is
157 authorized to provide to Shands Jacksonville Healthcare, Inc.,
158 and its not-for-profit subsidiaries and affiliates and any
159 successor corporation that acts in support of the board of
160 trustees, comprehensive general liability coverage, including
161 professional liability, from the self-insurance programs
162 established pursuant to s. 1004.24.

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