

By Senator Dockery

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1 A bill to be entitled
2 An act relating to the North Lake County Hospital
3 District, Lake County; codifying special laws relating
4 to the district; providing legislative intent;
5 amending, codifying, reenacting, and repealing
6 chapters 2002-348 and 2004-460, Laws of Florida,
7 relating to the district; re-creating the district and
8 re-creating and reenacting the charter; providing
9 definitions; providing a public purpose; prohibiting a
10 person from seeking election to the board of trustees
11 if the person has previously served on the board of
12 directors of certain entities within a specified time;
13 requiring publication of the annual meeting notice on
14 a publicly accessible website; providing general
15 powers of the district, including the power to levy an
16 ad valorem tax not to exceed a specified millage;
17 establishing permitted uses of tax funds; providing
18 restrictions on the district board's activities;
19 prescribing requirements of the board for fiscal
20 responsibility, transparency, and accountability;
21 providing financial disclosure requirements and
22 reporting, notice, and public meeting provisions for
23 the board; providing for sovereign immunity; providing
24 for expiration of the district at a specified time
25 without further legislative action and permitting
26 continuation of the district by referendum at the end
27 of 10-year intervals; providing for a referendum;
28 providing an effective date.
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30 Be It Enacted by the Legislature of the State of Florida:

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32 Section 1. This act constitutes the codification of all
33 special acts relating to the North Lake County Hospital
34 District. It is the intent of the Legislature in enacting this
35 law to provide a single, comprehensive special act charter for
36 the district, including all current authority granted to the
37 district by its several legislative enactments and any
38 additional authority granted by this act.

39 Section 2. Chapters 2002-348 and 2004-460, Laws of Florida,
40 relating to the North Lake County Hospital District, are
41 codified, reenacted, amended, and repealed as provided in this
42 act.

43 Section 3. The North Lake County Hospital District is re-
44 created, and the charter is re-created and reenacted to read:

45 Section 1. ESTABLISHMENT OF DISTRICT; BOUNDARIES.—

46 A. This act may be cited as the "North Lake County Hospital
47 District Act."

48 B. There is created and established as an independent
49 special taxing district of the state a hospital district in Lake
50 County to be known as the "North Lake County Hospital District,"
51 which shall comprise and include the territory within Lake
52 County described as follows:

53
54 Beginning at the range line dividing ranges 26 and 27
55 east at its intersection with the township line
56 separating townships 20 and 21 south of the
57 Tallahassee meridian; thence north on said range line
58 to the township line dividing townships 19 and 20

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59 south; thence east on said township line to the Wekiva
60 River; thence north along the thread of the said
61 Wekiva River to the St. Johns River; thence in a
62 northerly and northwesterly direction through the
63 thread of the St. Johns River to the southwest shore
64 of Lake George; thence north along the west shore of
65 Lake George to the range line dividing ranges 26 and
66 27 east; thence south on said range line to the
67 township line dividing townships 17 and 18 south;
68 thence west on said township line to the northeast
69 corner of section 1, township 18 south, range 25 east;
70 thence run south along the east range line for range
71 25 to the southeast corner of section 36, township 18
72 south, range 25 east; thence run east along the North
73 boundary of section 6, township 19 south, range 26
74 east, to the waters of Lake Eustis; thence
75 southwesterly along the waters of Lake Eustis to the
76 center of the mouth of Dead River; thence
77 southwesterly along the center of Dead River to an
78 extension of the west boundary of section 24, township
79 19 south, range 25 east, extended south into Lake
80 Harris; thence run southwesterly across Lake Harris to
81 the intersection of the eastern boundary of section
82 12, township 20 south, range 24 east, with the waters
83 of Lake Harris; thence run southeasterly and
84 south/southeasterly along the shoreline of Lake Harris
85 and Little Lake Harris to the south boundary line of
86 section 24, township 20 south, range 25 east; thence
87 run west to the northwest corner of section 27,

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88 township 20 south, range 25 east; thence run south to
89 the southwest corner of section 34, township 20 south,
90 range 25 east; thence run east along the township line
91 separating townships 20 and 21 south, to the
92 Tallahassee Meridian to the point of beginning
93 (hereinafter the "Northeast Territory").

94
95 and

96
97 Begin at the northwest (NW) corner of section 6, in
98 township 18 south, range 24 east, and run east along
99 the north township line of township 18 south, to the
100 northeast corner of section 1, township 18 south,
101 range 25 east; thence run south along the east range
102 line of range 25 to the southeast corner of section
103 36, township 18 south, range 25 east; thence run east
104 along the north boundary of section 6, township 29
105 south, range 26 east, to the waters of Lake Eustis;
106 thence southwesterly along the waters of Lake Eustis
107 to the center of the mouth of Dead River; thence
108 southwesterly along the center of Dead River to an
109 extension of the west boundary of section 24, township
110 19 south, range 25 east, extended south into Lake
111 Harris; thence run southwesterly across Lake Harris to
112 the point that the eastern boundary of section 12,
113 township 20 south, range 24 east intersects with the
114 waters of Lake Harris; thence run in a general
115 southeasterly direction along the waters of Lake
116 Harris to the point that the southern boundary of

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117 section 24, township 20 south, range 25 east, and the
118 waters of Lake Harris intersect; thence run west along
119 the south boundary of sections 24, 23, and 22,
120 township 20 south, range 25 east, to the southwest
121 (SW) corner of said section 22, township 20 south,
122 range 25 east; thence run south along the west
123 boundary of sections 27 and 34, township 20 south,
124 range 25 east to the southwest (SW) corner of section
125 34, township 20 south, range 25 east; thence run west
126 along the south line of said township 20 to western
127 boundary of Lake County, and west boundary of range 24
128 east; thence north along the west boundary of said
129 range 24 to the point of beginning (hereinafter the
130 "Northwest Territory").

131 Section 2. DEFINITIONS.—As used in this act and for
132 purposes of this act, the term:

133 A. "Board of trustees" and "board" mean the Board of
134 Trustees of the North Lake County Hospital District.

135 B. "District" means the North Lake County Hospital
136 District.

137 C. "Indigent care" means medically necessary health care
138 provided to residents of the North Lake County Hospital District
139 who are determined to be qualified pursuant to the provisions of
140 the Florida Health Care Responsibility Act, section 154.304(9),
141 Florida Statutes, and the Florida Health Care Indigency
142 Eligibility Certification Standards, Florida Administrative
143 Code, rule 59H-1.0035(30).

144 D. "Provider" means a licensed hospital or primary care
145 clinic physically located in the district.

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146 Section 3. PUBLIC PURPOSE OF THE DISTRICT.—The public
147 purpose of the district is to provide a means to pay for
148 indigent care provided in accordance with this act. Indigent
149 care may be provided to residents of the district in accordance
150 with this act through the use of health care facilities not
151 owned and operated by the board of trustees. The provision of
152 such indigent care is found and declared to be a public purpose
153 and necessary for the preservation of the public health of the
154 residents of the district.

155 Section 4. MEMBERSHIP AND ORGANIZATION OF THE GOVERNING
156 BOARD OF THE DISTRICT.—

157 A. General.—

158 1. The district shall be governed by a board of trustees
159 composed of six persons to be elected by the electors residing
160 within the district in a general election. The trustees
161 currently serving on the board shall continue in their capacity
162 to the completion of their terms. The term of office of each
163 trustee shall be 4 years and a trustee may not serve more than
164 two terms for a maximum of 8 years. The term of office shall
165 expire on the date of the general election held 4 years after
166 the date on which that trustee was elected. All elections for
167 the office of trustee shall be conducted in the same manner as
168 elections for county commissioners.

169 2. The members of the board of trustees shall serve without
170 pay. Each member shall give a bond to the Board of County
171 Commissioners of Lake County and its successors in office for
172 the use and benefit of the district for the faithful performance
173 of his or her duties in the sum of \$1,000 with a surety company
174 qualified to do business in this state as surety, which bond

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175 shall be approved and accepted by the Clerk of the Circuit Court
176 of Lake County. The premiums on such bond shall be paid by the
177 district as part of the expenses of the district.

178 3. Four of the trustees shall constitute a quorum, and a
179 vote of at least four of the trustees is necessary for the
180 transaction of any business of the district. The board of
181 trustees may select from among its membership a chair, vice
182 chair, secretary, and treasurer. The board of trustees shall
183 cause true and accurate minutes and records to be kept of all
184 business transacted by them and shall keep full, true, and
185 complete books of account and minutes, which minutes and books
186 shall be open and subject to the inspection of the residents of
187 the district at all reasonable times during normal business
188 hours. Any person desiring to do so may obtain a copy of the
189 minutes and books of account or such portions thereof as he or
190 she may desire upon payment of the costs of reproduction.

191 B. Election of the board of trustees.-

192 1. Registration of electors.-Any person who is a resident
193 of the district, at least 18 years of age, and registered with
194 the Supervisor of Elections for Lake County is eligible to vote
195 for the election of members of the board of trustees.

196 2. Qualifications of candidate.-All trustees must be duly
197 qualified electors who reside in the district. Three trustees
198 must reside in the Northeast Territory and three trustees must
199 reside in the Northwest Territory. Beginning with the general
200 election in 2014 and in each general election thereafter, a
201 person is not eligible to seek election to the board of trustees
202 if that person served, within the previous 4 years before the
203 election, as an officer or member of a board of directors of a

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204 hospital physically located in the district, a parent
205 corporation of such a hospital, or a foundation of such a
206 hospital.

207 3. Vacancies.—Vacant trustee seats shall be filled through
208 appointment by the Governor; appointees shall serve until the
209 expiration of the term for which they are appointed.

210 C. Annual meeting.—The annual meeting shall be held before
211 January 31 of each year at such time and place within the
212 district as is determined by the board of trustees. Notice of
213 the date, time, and place of the annual meeting shall be
214 published online on a publicly accessible website maintained by
215 the district and in a daily newspaper of general circulation, in
216 a section other than the legal ad or classified ad sections, in
217 the district once per week for 2 consecutive weeks. The date of
218 the first publication of such notice must be at least 15, and
219 not more than 30, days before the annual meeting. The agenda at
220 the annual meeting of the board of trustees shall include, but
221 is not limited to:

222 1. Call to order.

223 2. Presentation and approval of minutes of the last annual
224 meeting and of any special meeting held since that meeting.

225 3. Financial report.

226 4. Presentation of the annual report of the board of
227 trustees.

228 5. Transaction of any business that may properly be brought
229 before the board.

230 6. Election of officers of the board of trustees.

231 D. Special meetings.—Special meetings of the board of
232 trustees may be called at any time by the chair or upon the

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233 written request of four members of the board of trustees.
234 Notices of special meetings of the board of trustees shall be
235 published online on a publicly accessible website maintained by
236 the district and by publication in a daily newspaper of general
237 circulation in the district at least 7 days before such meeting,
238 stating the date and place and general matters of the business
239 to be considered.

240 E. Removal of members from the board of trustees.—Any
241 member of the board of trustees may be removed by the Governor
242 at any time, for cause, in which event such vacancy or vacancies
243 thereby occurring shall be filled through appointment by the
244 Governor for the unexpired term.

245 Section 5. POWERS, FUNCTIONS, AND DUTIES.—

246 A. General powers.—The district may:

247 1. Adopt an official seal and alter it at pleasure.
248 2. Maintain an office within the district's geographical
249 territory at a place it may designate.

250 3. Sue and be sued in its own name and plead and be
251 impleaded, but with all sovereign immunity and limitations
252 provided by the State Constitution and general law.

253 4. Make and execute agreements of lease, contracts, and
254 other instruments necessary in the exercise of its powers and
255 functions under this act.

256 5. Lease as lessor or lessee to or from any person, firm,
257 corporation, association, or body, public or private, any
258 facilities or property for the use of the district to carry out
259 the purpose of the district in its reasonable judgment.

260 6. Employ attorneys, accountants, and such other employees
261 and agents as may be necessary, in its reasonable judgment, to

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262 carry out the purpose of the district, and fix their reasonable
263 compensation.

264 7. Levy an ad valorem tax in the district not to exceed 1
265 mill on the dollar of the value of all nonexempt property within
266 that area of Lake County which comprises the district. Such tax
267 shall be paid into the district fund.

268 8. Cooperate with, apply for and receive grants from, or
269 contract with other governmental agencies or private individuals
270 or entities as may be necessary, convenient, or proper in
271 connection with any of the powers and duties authorized by this
272 act and to carry out the public purpose of the district in its
273 reasonable judgment.

274 9. Adopt and promulgate policies, rules, and procedures for
275 the efficient and effective operation of the district and to
276 ensure the proper implementation of this act.

277 10. Do all things necessary to carry out the purpose of the
278 district and to ensure the proper implementation of this act.

279 B. Collection of taxes.—It is the duty of the Property
280 Appraiser of Lake County to assess, and the Tax Collector of
281 Lake County to collect, the ad valorem tax levied by the board
282 of trustees upon the taxable property in the district. The tax
283 collector shall collect such tax as levied by the board of
284 trustees in the same manner as other taxes are collected and
285 shall pay the same over to the board of trustees within the time
286 and in the manner prescribed by law for the payment of the Tax
287 Collector of Lake County taxes to the county depository. It is
288 the duty of the Department of Revenue to assess all such
289 property in accordance with section 193.085, Florida Statutes.
290 The amount of each county or state taxes and the taxes for the

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291 district shall be assessed by the officer respectively as are
292 county taxes upon such property, and such tax shall be remitted
293 by the collecting officer to the board of trustees. All such
294 taxes shall be held by the board of trustees and paid out by
295 them for purposes of this act.

296 C. Liens and foreclosures.—Liens and foreclosure of liens
297 resulting from failure to pay ad valorem taxation shall be
298 treated as liens and foreclosures resulting from other ad
299 valorem taxes.

300 Section 6. PERMITTED USES OF TAX FUNDS.—Consistent with the
301 public purpose of the district, the use of funds received
302 through the district's taxing power and any interest thereon may
303 be used:

304 A. For reasonable expenses incurred by the district to
305 administer and enforce this act, including the use of private
306 vendors.

307 B. To pay for indigent care provided by licensed hospitals
308 physically located in the district according to policies and
309 procedures adopted by the board of trustees pursuant to and
310 consistent with this act.

311 C. To pay for indigent care provided by licensed primary
312 care clinics physically located in the district that are
313 approved by the board of trustees, if the care does not overlap
314 or duplicate care available through other public health clinics
315 physically located in the district and serving medically
316 indigent residents of the district.

317 D. To maximize public or private grant or matching funds
318 available for indigent care, including, but not limited to,
319 Medicaid Supplemental Hospital Funding Programs, the Low-Income

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320 Pool Program, the Disproportionate Share Hospital Program, and
321 similar programs.

322 E. To contract with the Lake County Board of County
323 Commissioners for services performed for the district by
324 personnel employed by the county, as well as logistical and
325 technical support, to carry out, in its reasonable judgment, the
326 purpose of the district.

327 F. To lower the millage rate in succeeding years.

328 Section 7. RESTRICTIONS.—

329 A. The district board may not issue bonds, raise tax
330 revenue from any other source, or impose non-ad valorem
331 assessments.

332 B. Funds received through the district's taxing power and
333 any interest thereon may not be used:

334 1. To compensate for a provider's inability to collect
335 debts arising from serving persons who are not eligible for
336 indigent care under this act.

337 2. To cover shortfalls or deficiencies in the amounts paid
338 by Medicare or private insurance from patients who are not
339 eligible for indigent care under this act.

340 3. To compensate for normal business overhead or expenses.

341 4. For capital expenditures incurred by or for a provider.

342 5. For indigent care based on assumptions, models, studies,
343 or expert analyses or opinions.

344 6. For indigent care in excess of the actual cost of
345 providing such care; however, the payment for indigent care
346 provided may not exceed the amount payable by the Medicare
347 program for identical or substantially similar care in the
348 territory of the district.

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349 Section 8. FISCAL RESPONSIBILITY, TRANSPARENCY, AND
350 ACCOUNTABILITY.—

351 A. The board of trustees shall annually determine and
352 approve a balanced district budget and millage in accordance
353 with chapter 200, Florida Statutes, this act, and generally
354 accepted accounting principles.

355 B. At least once each year, the board of trustees shall
356 post online on a publicly accessible website maintained by the
357 district and publish once in a daily newspaper of general
358 circulation in the district a complete detailed statement of all
359 moneys received and disbursed by it since the creation of the
360 district as to the first published statement and since the last
361 published statement as to any other year. The statement must
362 include the sources from which the funds were received, the
363 balance on hand at the time of the published statement, and a
364 complete statement of the financial condition of the district.

365 C. Any provider receiving funds from the district is
366 subject to an audit of its records relative to the patients for
367 whom payment is sought in order to ensure compliance with this
368 act. All auditors must contractually agree to comply with
369 applicable patient confidentiality rules, including the Health
370 Insurance Portability and Accountability Act of 1996 (HIPAA;
371 Pub. L. No. 104-191, 110 Stat. 1936) and rules implementing that
372 act.

373 D. The district must conduct financial integrity and
374 compliance audits of providers receiving payments in any one
375 fiscal year in excess of 10 percent of the district's tax
376 revenue in that year, and may initiate other audits of any
377 provider at any time, to ensure compliance with this act and to

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378 provide transparency and accountability to the taxpayers. All
379 audit reports become public records upon acceptance by the board
380 of trustees. If, upon completion of an audit, it is determined
381 that payment was made by the district that was not in compliance
382 with this act, a rebuttable presumption is created that the
383 district is entitled to a recoupment of the amounts in question.
384 Notice to the provider and an opportunity to go forward with
385 evidence rebutting the presumption in an informal setting shall
386 be provided. Pending any judicial determination, the district
387 may set off the amounts in question against any other amounts
388 owed or to be owed to the provider. If informal resolution
389 cannot be reached between the parties, a formal mediation
390 conference is required and is a condition precedent to the
391 filing of a lawsuit. Venue for any legal proceedings is in the
392 Circuit Court of Lake County.

393 E. The board of trustees shall adopt and promulgate
394 eligibility verification criteria and procedures designed to
395 ensure that all recipients of indigent care for which payment is
396 sought under this act are qualified by the provider as medically
397 indigent persons and residents of the district.

398 F. Any indigent care for which payment is requested in
399 whole or in part from the district must be certified by the
400 provider as medically necessary.

401 G. A provider requesting payment under this act must
402 certify, under penalty of perjury, that the eligibility
403 verification procedures adopted by the board of trustees have
404 been complied with and that he or she, in good faith, believes
405 that the person is qualified to receive indigent care under this
406 act.

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407 H. If estimated payments are made to a provider eligible to
408 receive payment from the district, to ensure public oversight,
409 accountability, and public benefit, the hospital or clinic shall
410 maintain such funds in a separate accounting fund and document
411 each payment or draw down from that account so that a complete
412 audit record is established. The separate account and all direct
413 support documentation that is part of the audit record is
414 subject to disclosure as provided in chapter 119, Florida
415 Statutes.

416 I. Annual financial statements.—All hospitals receiving any
417 payments from the district in a given fiscal year, and their
418 parent corporations and foundations, shall each file annual
419 audited financial statements with the district.

420 J. The board of trustees shall timely provide to each
421 member of the Lake County Legislative Delegation:

422 1. All financial statements and reports of the district.

423 2. All audit reports of the district and of all providers
424 that are the subjects of audits initiated by the district.

425 3. By January 31 of each year, an annual report for the
426 previous fiscal year providing a detailed review of the
427 performance of the district containing actual data and analyses
428 of patients served, the names and types of providers used, the
429 ratio of administrative to direct patient expenditures, problems
430 encountered, and recommendations for improvement, including
431 proposed legislative changes to this act.

432 Section 9. FINANCIAL DISCLOSURE AND NOTICE.—

433 A. Members of the board of trustees are subject to the
434 financial disclosure requirements provided in general law.

435 B. Except as otherwise expressly required in this act, the

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436 board of trustees is subject to the reporting, notice, and
437 public meetings requirements of sections 189.415, 189.417, and
438 189.418, Florida Statutes. All meeting and workshop notices and
439 minutes of meetings and workshops shall be posted online on a
440 publicly accessible website maintained by the district.

441 Section 10. AMENDMENTS TO THE CHARTER.—This act may not be
442 amended except by action of the Legislature.

443 Section 11. SOVEREIGN IMMUNITY.—For purposes of sovereign
444 immunity pursuant to section 768.28(2), Florida Statutes, any
445 primary care clinic physically located in the district the main
446 purpose of which is to provide indigent care and which directly
447 delivers that care for compensation from the district as
448 provided in this act, and any health care provider who
449 volunteers his or her services to the primary care clinics to
450 provide indigent care without receiving personal financial
451 compensation, shall be conclusively deemed to be primarily
452 acting as an instrumentality of the state.

453 Section 12. COMPREHENSIVE PLANNING.—Except as may otherwise
454 be required by general law, comprehensive planning is not
455 required by this act.

456 Section 13. ESTABLISHMENT AND DISSOLUTION OF THE DISTRICT.—
457 The district, established pursuant to section 189.4042, Florida
458 Statutes, is reestablished by this act as a special district
459 under chapter 189, Florida Statutes. The district may be
460 dissolved by action of the Legislature.

461 Section 14. DURATION AND CONTINUATION.—The district expires
462 and shall be dissolved at the end of its fiscal year in 2017
463 without further action by the Legislature. However, the district
464 may be continued at the end of that period for 10 years if in

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465 the general election in 2016 a majority of the electors voting
 466 in a referendum called for that purpose approve its
 467 continuation. The district is subject to a continuation vote in
 468 like manner every 10 years thereafter. If the district is
 469 dissolved without further action by the Legislature as provided
 470 in this act, all property owned by the district is transferred
 471 to, and all indebtedness of the district is assumed by, the Lake
 472 County Board of County Commissioners effective upon such
 473 dissolution.

474 Section 15. REFERENDUM.—The Board of County Commissioners
 475 of Lake County shall call, and the Supervisor of Elections of
 476 Lake County shall conduct, in conjunction with the general
 477 election to be held on November 8, 2016, or such other general
 478 election date as provided by general law, a referendum as
 479 follows:

481 CONTINUATION OF THE NORTH LAKE COUNTY HOSPITAL DISTRICT

483 Shall the independent special district known as the
 484 North Lake County Hospital District with authority to
 485 levy each year an ad valorem tax not to exceed 1 mill
 486 to fund indigent care to qualified residents of the
 487 district be continued for another 10 years?

489 Yes _____

491 No _____

493 Section 4. Chapters 2002-348 and 2004-460, Laws of Florida,

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494 are repealed.

495 Section 5. This act shall take effect upon becoming a law.