

By Senator Dean

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1 A bill to be entitled
2 An act relating to the Citrus County Hospital Board,
3 Citrus County; amending chapter 2011-256, Laws of
4 Florida; authorizing the board to create an
5 irrevocable community foundation or trust to manage
6 the proceeds of a lease of the hospital and its
7 facilities to a private for-profit entity; requiring
8 the board to create and staff an irrevocable community
9 foundation or trust to manage the proceeds of certain
10 leases; providing that proceeds of certain leases may
11 only be used for medically related needs of citizens
12 and residents of Citrus County; providing for certain
13 members of the governing body of the irrevocable
14 community trust or foundation; requiring the
15 Supervisor of Elections to conduct elections to select
16 such members upon the request of the board; requiring
17 the irrevocable community trust or foundation to
18 comply with certain rules and laws applicable to
19 governmental entities and their elected and appointed
20 officials; providing that an irrevocable community
21 trust or foundation created by the board is subject to
22 the audit authority of the Clerk of the Court;
23 reducing the authorized millage for the hospital tax
24 under specified circumstances; providing exceptions;
25 authorizing the board to enter into leases or
26 contracts with any Florida corporation, rather than
27 only a Florida nonprofit corporation, for the purpose
28 of operating or managing the hospital and its
29 facilities; providing retroactive applicability;

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30 providing an effective date.

31
32 Be It Enacted by the Legislature of the State of Florida:

33
34 Section 1. Section 3 of chapter 2011-256, Laws of Florida,
35 is amended to read:

36 Section 3. The Citrus County Hospital Board is re-created,
37 and the charter is re-created and reenacted to read:

38 Section 1. This act may be cited as the "Citrus County
39 Hospital and Medical Nursing and Convalescent Home Act."

40 Section 2. As used in this act, the following words and
41 terms have the following meanings:

42 (1) "Citrus County Hospital Board," "hospital board," and
43 "board" means the Citrus County Hospital Board.

44 (2) "County" means Citrus County.

45 (3) "County hospital and medical nursing and convalescent
46 homes" includes hospitals, medical care facilities, clinics, and
47 other allied medical care units.

48 (4) "Indigent care" means medically necessary health care
49 provided to Citrus County residents who are determined to be
50 qualified pursuant to the provisions of the Florida Health Care
51 Responsibility Act, section 154.304(9), Florida Statutes, and
52 the Florida Health Care Indigency Eligibility Certification
53 Standards, Florida Administrative Code, rule 59H-1.0035(30).

54 (5) "Operate" includes build, construct, maintain, repair,
55 alter, expand, equip, lease pursuant to and consistent with the
56 provisions of this act, finance, and operate.

57 (6) "Property" means real and personal property of every
58 nature whatsoever.

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59 (7) "State" means the State of Florida.

60 Section 3. (1) There is hereby created the Citrus County
61 Hospital Board, an independent special district, and by that
62 name the board may sue and be sued, plead and be impleaded,
63 contract and be contracted with, acquire and dispose of property
64 or any interest therein, and have an official seal. The board is
65 created as a public nonprofit corporation without stock and is
66 composed of and governed by the five members herein provided
67 for, to be known as trustees. The hospital board is hereby
68 constituted and declared to be an agency of the county and
69 incorporated for the purpose of operating hospitals, medical
70 nursing homes, and convalescent homes in the county. The
71 hospital board shall consist of five trustees appointed by the
72 Governor, and, upon this act becoming a law, the present members
73 will automatically become trustees and shall constitute the
74 board. Their respective terms of office shall be the term each
75 member is presently serving. All subsequent appointments, upon
76 the expiration of the present terms, shall be for terms of 4
77 years each. Upon the expiration of the term of each trustee, the
78 successor shall be appointed by the Governor. Likewise, any
79 vacancy occurring shall be filled by appointment by the Governor
80 for the unexpired term. Each appointment by the Governor is
81 subject to approval and confirmation by the Senate.

82 (2) The trustees of the board shall elect from among its
83 members a chair, a vice chair, and a secretary-treasurer, who
84 shall each hold office for a period of 1 year. Each trustee
85 shall execute a bond in the penal sum of \$5,000 with a good and
86 sufficient surety of a surety company authorized under the laws
87 of the state to become surety, payable to the Citrus County

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88 Hospital Board, conditioned upon the faithful performance of the
89 duties of the trustee, which bonds shall be approved by the
90 remaining trustees of the board and shall be filed with the
91 Board of County Commissioners of Citrus County. The premiums on
92 such bonds shall be paid by the hospital board.

93 (3) The hospital board shall comply with the applicable
94 requirements of chapter 280, Florida Statutes, and part IV of
95 chapter 218, Florida Statutes.

96 (4) Any and all funds so deposited shall be withdrawn by a
97 check or warrant signed by two trustees of the hospital board,
98 of which one shall be the chair, vice chair, or secretary-
99 treasurer. No check or warrant exceeding the sum of \$25,000
100 shall be delivered to the payee without approval thereof shown
101 in the minutes of the hospital board meeting.

102 Section 4. The trustees of the board shall receive no
103 compensation for their services. Three trustees shall constitute
104 a quorum of the hospital board for the purpose of conducting its
105 business and exercising its powers and for all other purposes.
106 Action may be taken by the board only upon a vote in the
107 affirmative of three trustees thereof.

108 Section 5. The Citrus County Hospital Board as hereby
109 created shall be for the purpose of operating, in Citrus County,
110 public hospitals, medical nursing homes, and convalescent homes,
111 primarily and chiefly for the benefit of the citizens and
112 residents of Citrus County. Authority is hereby given to the
113 board to build, erect, expand, equip, maintain, operate, alter,
114 change, lease pursuant to and consistent with the provisions of
115 this act, and repair public hospitals, medical nursing homes,
116 and convalescent homes in Citrus County. The corporation is

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117 authorized, when rooms and services are available, without
118 detriment or deprivation to the citizens and residents of Citrus
119 County, to extend the hospitalization and medical nursing home
120 and convalescent home services provided by such hospitals,
121 medical nursing homes, and convalescent homes to patients from
122 adjoining and other counties of Florida and from other states,
123 upon the payment of the cost of such hospitalization, medical
124 nursing home services, and convalescent home services as may be
125 determined by the trustees of the hospital board. The board
126 shall have the power and authority to operate an ambulance
127 system and ambulance services and to charge all patients for all
128 services rendered in any facility owned or operated by the
129 hospital board, including the ambulance facility. The board may
130 charge a patient interest on the patient's account; sell,
131 discount, or assign such account to a bank, finance company,
132 collection agency, or other type of collection facility; accept
133 promissory notes or other types of debt obligations from a
134 patient; assign or discount such accounts receivable, notes, or
135 other obligations; require a patient to guarantee the payment of
136 an existing account or note; require a guarantee of payment
137 before admitting a patient; and receive and assign any
138 assignment of all types of insurance proceeds. In addition to
139 all other powers, the board shall have the power and authority
140 to:

141 (1) Provide for the payment of indigent care services by
142 private health care providers in the county, or to partner with
143 other entities such as the Department of Health, in furtherance
144 of the hospital board's public purpose and the necessity for the
145 preservation of the public health and welfare of the residents

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146 of the county by the hospital board.

147 (2) Develop and implement a county health plan.

148 (3) Create an irrevocable community trust or foundation to
149 manage the proceeds of a lease of the hospital and its
150 facilities to a private for-profit entity.

151 (a) The board must create and staff an irrevocable
152 community trust or foundation to manage the proceeds of a lease
153 of the hospital and its facilities to a private for-profit
154 entity if such lease results in net proceeds that exceed
155 existing debt associated with the hospital and its facilities
156 for loans, notes, revenue bonds, or other bond obligations and a
157 reasonable estimate of the board's administrative costs to
158 facilitate, manage, or enforce the lease and its covenants. Such
159 proceeds and any interest derived therefrom may be appropriated
160 by the irrevocable community trust or foundation only for the
161 medically related needs of citizens and residents of Citrus
162 County.

163 (b) The governing body of the irrevocable community trust
164 or foundation must include at least two members who are citizens
165 of Citrus County who shall be elected on a nonpartisan,
166 countywide basis to serve a single 4-year term, except, for
167 purposes of establishing staggered terms, the term of one
168 initial citizen member shall be for 2 years. A citizen member
169 may not serve more than one term on the governing body of the
170 irrevocable community trust or foundation. Any vacancy occurring
171 during a term of office for a citizen member shall be filled by
172 appointment of the board for the remainder of the unexpired
173 portion of the term. Upon the request of the board, the
174 Supervisor of Elections for Citrus County shall conduct

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175 elections to fill the seats of the citizen members of the
176 governing body of the irrevocable community trust or foundation.

177 (c) The irrevocable community trust or foundation shall be
178 considered a quasi-governmental entity and must comply with all
179 disclosure, accountability, ethics, and government-in-the-
180 sunshine requirements which apply both to governmental entities
181 and to their elected and appointed officials.

182 (d) The irrevocable community trust or foundation is
183 subject to the audit authority of the Clerk of the Court for
184 Citrus County.

185 Section 6. The board of county commissioners shall levy or
186 cause to be levied each year beginning July 1, 1965, the millage
187 certified to the board of county commissioners by the trustees
188 of the board upon all taxable real and personal property in
189 Citrus County, not including, however, homestead property that
190 is exempt from general taxation by the Constitution of the State
191 of Florida, for the purpose of erecting, building, equipping,
192 maintaining, changing, altering, repairing, leasing, and
193 operating the public hospital provided for in this act. Such tax
194 shall be known as the hospital tax, and the property appraiser
195 shall make such assessments and the tax collector shall collect
196 such assessments when made. The money collected shall be paid
197 monthly to the board. ~~However,~~ The annual tax levied under this
198 section may not exceed 3 mills. However, effective January 1,
199 2015, if the board's hospital and its facilities are leased to a
200 private for-profit entity, the annual tax levied under this
201 section may not exceed 0.25 mills. Such restriction does not
202 apply if there is a material default under the lease,
203 termination of the lease, pending litigation regarding the

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204 lease, or the board or lessee has served a notice of intent to
205 terminate the lease, notice of nonrenewal of the lease, or
206 notice of default under the lease, in which case the authority
207 to levy the tax under this section reverts to a millage not
208 exceeding 3 mills.

209 Section 7. The hospital board is hereby authorized and
210 empowered to own and acquire property by purchase, lease, gift,
211 grant, or transfer from the county, the state, or the Federal
212 Government, or any subdivision or agency thereof, or from any
213 municipality, person, partnership, or corporation and to
214 acquire, construct, maintain, operate, expand, alter, repair,
215 change, lease, finance, and equip hospitals, medical nursing
216 homes, convalescent homes, medical care facilities, and clinics
217 in the county.

218 Section 8. The hospital board is authorized and empowered
219 to enter into contracts with individuals, partnerships,
220 corporations, municipalities, the county, the state or any
221 subdivision or agency thereof, or the United States of America
222 or any subdivision or agency thereof to carry out the purposes
223 of this act.

224 Section 9. The hospital board is empowered to and shall
225 adopt all necessary rules, regulations, and bylaws for the
226 operation of hospitals, medical nursing homes, and convalescent
227 homes; provide for the admission thereto and treatment of such
228 charity patients who are citizens of the state and residents of
229 the county for the preceding 2 years; set the fees and charges
230 to be made for the admission and treatment therein of all
231 patients; and establish the qualifications for members of the
232 medical profession to be entitled to practice therein.

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233 Section 10. The hospital board shall have the power to
234 purchase any and all equipment that may be needed for the
235 operation of hospitals, medical nursing homes, and convalescent
236 homes and shall have the power to appoint and hire such agent or
237 agents, technical experts, attorneys, and all other employees as
238 are necessary for carrying out the purposes of this act,
239 regardless of any lease to a not-for-profit corporation,
240 including the hiring and maintenance of staff personnel as it
241 may deem appropriate to assist the board in the discharge of its
242 operational, financial, and statutory responsibilities, and in
243 carrying out its fiduciary duties to the taxpayers of Citrus
244 County, and to prescribe their salaries and duties. The board
245 shall have the power to discharge all employees or agents when
246 deemed necessary by the board for the carrying out of the
247 purposes of this act.

248 Section 11. At the end of each fiscal year, the Citrus
249 County Hospital Board shall within 30 days file with the Clerk
250 of the Circuit Court of Citrus County a full, complete, and
251 detailed accounting of the preceding year and at the same time
252 shall file a certified copy of such financial report with the
253 Board of County Commissioners of Citrus County, which report
254 shall be recorded in the minutes of the board of county
255 commissioners. The board of county commissioners, at its
256 discretion and at the expense of the county, may publish and
257 report an accounting in a newspaper of general circulation in
258 Citrus County.

259 Section 12. In addition to all other implied and express
260 powers contained in this act, the board shall have the express
261 authority to negotiate loans to borrow money from any state or

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262 federal agency for the purpose or purposes of constructing,
263 maintaining, repairing, altering, expanding, equipping, leasing,
264 and operating county hospitals, medical nursing homes,
265 convalescent homes, medical care facilities, clinics, and all
266 other types of allied medical care units.

267 Section 13. (1) In addition to all other implied and
268 express powers contained in this act, the board shall have the
269 express authority to borrow money, with or without issuing notes
270 therefor, for the purpose or purposes of constructing,
271 maintaining, repairing, altering, expanding, equipping, leasing,
272 and operating county hospitals, medical nursing homes,
273 convalescent homes, medical care facilities, clinics, and all
274 other types of allied medical care units. The board's authority
275 to borrow money, with or without issuing notes, shall be subject
276 to the conditions of this act applying to the board's right to
277 issue revenue bonds.

278 (2) The board shall have express authority to issue bonds,
279 subject to approval at a referendum of the voters of the county,
280 and to issue revenue bonds, without a referendum of the voters
281 of the county, the proceeds of which shall be used for erecting,
282 equipping, building, expanding, altering, changing, maintaining,
283 operating, leasing, and repairing such hospitals, medical
284 nursing homes, and convalescent homes. Such bonds, federal or
285 state hospital loans, notes, or revenue bonds shall mature
286 within 30 years after the year in which they are issued or made
287 and shall be payable in such years and amounts as shall be
288 approved by the board.

289 (3) The board shall determine the form of the loans, notes,
290 bonds, and revenue bonds, including any interest coupons to be

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291 attached thereto, and the manner of executing them, and shall
292 fix the denomination or denominations thereof and the place or
293 places of payment of principal and interest, which may be at any
294 bank or trust company within or without the state. In case a
295 trustee whose signature or a facsimile of whose signature
296 appears on any loan, note, bond, or revenue certificate or
297 coupon ceases to be such trustee before the delivery thereof,
298 such signature or facsimile shall nevertheless be valid and
299 sufficient for all purposes the same as if the trustee had
300 remained in office until such delivery. All loan agreements,
301 notes, bonds, and revenue bonds issued hereunder shall have and
302 are hereby declared to have all the qualities and incidents of
303 negotiable instruments under the negotiable instruments law of
304 the state.

305 (4) Whenever the board passes a resolution approving the
306 issuance of such bonds, the board shall call for an election
307 and, subject to such election, permit the repayment of the bonds
308 out of an annual levy not to exceed 1.5 mills per year. Such
309 millage is included in the maximum millage of 3 mills per year.
310 Subject to such limitations, such bonds shall be payable from
311 the full faith and credit of the board.

312 (5) The loans, notes, and revenue bonds, together with the
313 interest, shall be payable from gross or net receipts of the
314 hospital board or any portion thereof.

315 (6) Such loans, notes, bonds, or revenue bonds shall not
316 bear interest in excess of the maximum rate permitted by the
317 laws of the state.

318 (7) The board may sell bonds, loans, notes, or revenue
319 bonds in such manner, either at public or private sale, and for

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320 such price as it may determine to be for the best interest of
321 the hospital board.

322 Section 14. The total amount of outstanding bonds of the
323 hospital payable from ad valorem taxation at any one time shall
324 not exceed an amount equal to 6 times the annual hospital tax,
325 assuming such tax is based upon the yearly millage of 3 mills.

326 Section 15. (1) The Citrus County Hospital Board shall have
327 the authority to enter into leases or contracts with a ~~not-for-~~
328 ~~profit~~ Florida corporation for the purpose of operating and
329 managing the hospital and any or all of its facilities of any
330 kind and nature.

331 (2) The Citrus County Hospital Board shall have the power
332 and authority to:

333 (a) Provide health care services to residents of the county
334 through the use of health care facilities not owned and operated
335 by the hospital board. The provision of such care is hereby
336 found and declared to be a public purpose and necessary for the
337 preservation of the public health and welfare of the residents
338 of the county.

339 (b) Maintain an office.

340 (c) Provide for reimbursement to hospitals, physicians, or
341 other health care providers or facilities, whether public or
342 private, and pay private physicians for indigent care.

343 (3) The hospital board is hereby restricted from
344 reimbursing any health care providers or facilities, including
345 hospitals and physicians, for their bad debts arising from those
346 patients who are not eligible for reimbursement under hospital
347 board guidelines. The hospital board, however, shall continue to
348 reimburse such health care providers for the medical care of

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349 medically needy patients, to the extent of the hospital board's
350 financial resources, taking into account funds available from
351 other sources, including other governmental funding sources.

352 Section 16. To ensure public oversight, accountability, and
353 public benefit, in addition to the requirements for any such
354 lease set forth in section 155.40, Florida Statutes:

355 (1) The not-for-profit corporation shall separately account
356 for the expenditure of all ad valorem tax moneys provided to it
357 by the Citrus County Hospital Board, including maintaining them
358 in a separate accounting fund. The expenditure for all such
359 public tax funds shall be approved in a public meeting and
360 separately accounted for annually by the not-for-profit
361 corporation in a report provided to the Citrus County Hospital
362 Board.

363 (2) The articles of incorporation, all amendments or
364 restatements of the articles of incorporation, all corporate
365 bylaws, all amendments or restatements of the corporate bylaws,
366 and all other governing documents of the not-for-profit
367 corporation shall be subject to the approval of the hospital
368 board, and any such documents that have not heretofore been
369 approved by the hospital board shall be submitted forthwith to
370 the hospital board for approval.

371 (3) The hospital board shall be the sole member of the not-
372 for-profit corporation.

373 (4) The hospital board shall independently approve any plan
374 of merger or dissolution of the not-for-profit corporation
375 pursuant to sections 617.1103 and 617.1402, Florida Statutes,
376 and may reject any such plan in its sole discretion.

377 (5) The members of the hospital board shall be voting

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378 directors of the not-for-profit board of directors who
379 constitute a majority of the voting directors of the not-for-
380 profit corporation; and, to the extent that any governance
381 documents of the not-for-profit corporation do not so presently
382 provide, the not-for-profit corporation shall forthwith take all
383 steps necessary to bring them into conformity with this majority
384 membership requirement.

385 (6) All members of the not-for-profit board of directors
386 shall be subject to approval by the hospital board, and any
387 board members presently serving who have not heretofore been
388 approved by the hospital board shall be submitted forthwith to
389 the hospital board for approval.

390 (7) The chief executive officer of the not-for-profit
391 corporation and his or her term of office and any extensions
392 thereof shall be approved by the hospital board, and the
393 hospital board may terminate the term of the chief executive
394 officer of the not-for-profit corporation with or without cause
395 in its sole discretion, subject to the terms of any and all
396 then-existing contracts.

397 (8) The hospital board shall approve all borrowing of money
398 by the not-for-profit corporation in any form and for any reason
399 in an amount exceeding \$100,000, any additional loan
400 indebtedness or leases in excess of \$1.25 million per instrument
401 or contract, and all policies of the not-for-profit corporation
402 that govern travel reimbursements and contract bid procedures.

403 (9) No annual operating and capital budget of the not-for-
404 profit corporation shall become effective until approved by the
405 hospital board.

406 (10) Any capital project of the not-for-profit corporation

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407 having a value in excess of \$250,000 per project, and any
408 nonbudgeted operative expenditure in excess of \$125,000 in the
409 per annum aggregate, shall be approved by the hospital board.

410 (11) At the discretion of the hospital board, each and
411 every year the not-for-profit corporation shall complete an
412 independent audit of the fiscal management of the hospital by an
413 auditor chosen by the hospital board, with the audit to be paid
414 for by the not-for-profit corporation.

415 (12) All records of the not-for-profit corporation shall be
416 public records unless exempt by law.

417 (13) Subject to the annual approved budget, the hospital
418 board shall reimburse the not-for-profit corporation for
419 indigent care pursuant to the Florida Health Care Responsibility
420 Act and the Florida Indigent Certification Standards and shall
421 take into account funds available from other sources, including
422 other governmental funding sources.

423 (14) The provisions in this act and the hospital board's
424 lease with the not-for-profit corporation shall be construed and
425 interpreted as furthering the public health and welfare and the
426 open government requirements of s. 24, Art. I of the State
427 Constitution and sections 119.01 and 286.011, Florida Statutes.

428 (15) Any dispute between the hospital board and the not-
429 for-profit corporation shall be subject to any court action
430 pursuant to sections 164.101-164.1065, Florida Statutes.

431 Section 2. The amendments made by this act to section 5 of
432 the charter of the Citrus County Hospital Board apply to leases
433 entered into after January 1, 2014, with a for-profit Florida
434 corporation.

435 Section 3. This act shall take effect upon becoming a law.