

1 A bill to be entitled

2 An act relating to the Citrus County Hospital Board,
3 Citrus County; amending ch. 2011-256, Laws of Florida;
4 authorizing the board to create an irrevocable
5 community foundation or trust to manage the proceeds
6 of a lease of the hospital and its facilities to a
7 private for-profit entity; requiring the board to
8 create and staff an irrevocable community foundation
9 or trust to manage the proceeds of certain leases;
10 providing that proceeds of certain leases may only be
11 used for medically related needs of citizens and
12 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 applicability; providing an
 30 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 1. This act may be cited as the "Citrus County
 37 Hospital and Medical Nursing and Convalescent Home Act."

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

40 (1) "Citrus County Hospital Board," "hospital board," and
 41 "board" means the Citrus County Hospital Board.

42 (2) "County" means Citrus County.

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

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

52 (5) "Operate" includes build, construct, maintain, repair,

53 alter, expand, equip, lease pursuant to and consistent with the
54 provisions of this act, finance, and operate.

55 (6) "Property" means real and personal property of every
56 nature whatsoever.

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

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

79 subject to approval and confirmation by the Senate.

80 (2) The trustees of the board shall elect from among its
81 members a chair, a vice chair, and a secretary-treasurer, who
82 shall each hold office for a period of 1 year. Each trustee
83 shall execute a bond in the penal sum of \$5,000 with a good and
84 sufficient surety of a surety company authorized under the laws
85 of the state to become surety, payable to the Citrus County
86 Hospital Board, conditioned upon the faithful performance of the
87 duties of the trustee, which bonds shall be approved by the
88 remaining trustees of the board and shall be filed with the
89 Board of County Commissioners of Citrus County. The premiums on
90 such bonds shall be paid by the hospital board.

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

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

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

105 affirmative of three trustees thereof.

106 Section 5. The Citrus County Hospital Board as hereby
107 created shall be for the purpose of operating, in Citrus County,
108 public hospitals, medical nursing homes, and convalescent homes,
109 primarily and chiefly for the benefit of the citizens and
110 residents of Citrus County. Authority is hereby given to the
111 board to build, erect, expand, equip, maintain, operate, alter,
112 change, lease pursuant to and consistent with the provisions of
113 this act, and repair public hospitals, medical nursing homes,
114 and convalescent homes in Citrus County. The corporation is
115 authorized, when rooms and services are available, without
116 detriment or deprivation to the citizens and residents of Citrus
117 County, to extend the hospitalization and medical nursing home
118 and convalescent home services provided by such hospitals,
119 medical nursing homes, and convalescent homes to patients from
120 adjoining and other counties of Florida and from other states,
121 upon the payment of the cost of such hospitalization, medical
122 nursing home services, and convalescent home services as may be
123 determined by the trustees of the hospital board. The board
124 shall have the power and authority to operate an ambulance
125 system and ambulance services and to charge all patients for all
126 services rendered in any facility owned or operated by the
127 hospital board, including the ambulance facility. The board may
128 charge a patient interest on the patient's account; sell,
129 discount, or assign such account to a bank, finance company,
130 collection agency, or other type of collection facility; accept

131 promissory notes or other types of debt obligations from a
132 patient; assign or discount such accounts receivable, notes, or
133 other obligations; require a patient to guarantee the payment of
134 an existing account or note; require a guarantee of payment
135 before admitting a patient; and receive and assign any
136 assignment of all types of insurance proceeds. In addition to
137 all other powers, the board shall have the power and authority
138 to:

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

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

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

149 (a) The board must create and staff an irrevocable
150 community trust or foundation to manage the proceeds of a lease
151 of the hospital and its facilities to a private for-profit
152 entity if such lease results in net proceeds that exceed
153 existing debt associated with the hospital and its facilities
154 for loans, notes, revenue bonds, or other bond obligations and a
155 reasonable estimate of the board's administrative costs to
156 facilitate, manage, or enforce the lease and its covenants. Such

157 proceeds and any interest derived therefrom may be appropriated
158 by the irrevocable community trust or foundation only for the
159 medically related needs of citizens and residents of Citrus
160 County.

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

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

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

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

207 Section 7. The hospital board is hereby authorized and
 208 empowered to own and acquire property by purchase, lease, gift,

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209 grant, or transfer from the county, the state, or the Federal
210 Government, or any subdivision or agency thereof, or from any
211 municipality, person, partnership, or corporation and to
212 acquire, construct, maintain, operate, expand, alter, repair,
213 change, lease, finance, and equip hospitals, medical nursing
214 homes, convalescent homes, medical care facilities, and clinics
215 in the county.

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

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

231 Section 10. The hospital board shall have the power to
232 purchase any and all equipment that may be needed for the
233 operation of hospitals, medical nursing homes, and convalescent
234 homes and shall have the power to appoint and hire such agent or

235 agents, technical experts, attorneys, and all other employees as
236 are necessary for carrying out the purposes of this act,
237 regardless of any lease to a not-for-profit corporation,
238 including the hiring and maintenance of staff personnel as it
239 may deem appropriate to assist the board in the discharge of its
240 operational, financial, and statutory responsibilities, and in
241 carrying out its fiduciary duties to the taxpayers of Citrus
242 County, and to prescribe their salaries and duties. The board
243 shall have the power to discharge all employees or agents when
244 deemed necessary by the board for the carrying out of the
245 purposes of this act.

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

257 Section 12. In addition to all other implied and express
258 powers contained in this act, the board shall have the express
259 authority to negotiate loans to borrow money from any state or
260 federal agency for the purpose or purposes of constructing,

261 maintaining, repairing, altering, expanding, equipping, leasing,
 262 and operating county hospitals, medical nursing homes,
 263 convalescent homes, medical care facilities, clinics, and all
 264 other types of allied medical care units.

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

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

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

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

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

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

316 (7) The board may sell bonds, loans, notes, or revenue
 317 bonds in such manner, either at public or private sale, and for
 318 such price as it may determine to be for the best interest of
 319 the hospital board.

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

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

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

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

337 (b) Maintain an office.

338 (c) Provide for reimbursement to hospitals, physicians, or

339 other health care providers or facilities, whether public or
340 private, and pay private physicians for indigent care.

341 (3) The hospital board is hereby restricted from
342 reimbursing any health care providers or facilities, including
343 hospitals and physicians, for their bad debts arising from those
344 patients who are not eligible for reimbursement under hospital
345 board guidelines. The hospital board, however, shall continue to
346 reimburse such health care providers for the medical care of
347 medically needy patients, to the extent of the hospital board's
348 financial resources, taking into account funds available from
349 other sources, including other governmental funding sources.

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

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

361 (2) The articles of incorporation, all amendments or
362 restatements of the articles of incorporation, all corporate
363 bylaws, all amendments or restatements of the corporate bylaws,
364 and all other governing documents of the not-for-profit

365 corporation shall be subject to the approval of the hospital
366 board, and any such documents that have not heretofore been
367 approved by the hospital board shall be submitted forthwith to
368 the hospital board for approval.

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

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

375 (5) The members of the hospital board shall be voting
376 directors of the not-for-profit board of directors who
377 constitute a majority of the voting directors of the not-for-
378 profit corporation; and, to the extent that any governance
379 documents of the not-for-profit corporation do not so presently
380 provide, the not-for-profit corporation shall forthwith take all
381 steps necessary to bring them into conformity with this majority
382 membership requirement.

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

388 (7) The chief executive officer of the not-for-profit
389 corporation and his or her term of office and any extensions
390 thereof shall be approved by the hospital board, and the

391 hospital board may terminate the term of the chief executive
392 officer of the not-for-profit corporation with or without cause
393 in its sole discretion, subject to the terms of any and all
394 then-existing contracts.

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

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

404 (10) Any capital project of the not-for-profit corporation
405 having a value in excess of \$250,000 per project, and any
406 nonbudgeted operative expenditure in excess of \$125,000 in the
407 per annum aggregate, shall be approved by the hospital board.

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

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

415 (13) Subject to the annual approved budget, the hospital
416 board shall reimburse the not-for-profit corporation for

417 indigent care pursuant to the Florida Health Care Responsibility
418 Act and the Florida Indigent Certification Standards and shall
419 take into account funds available from other sources, including
420 other governmental funding sources.

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

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

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

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