2014

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	authorizing the board to enter into leases or
24	contracts with any Florida corporation, rather than
25	only a Florida nonprofit corporation, for the purpose
26	of operating or managing the hospital and its
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27 facilities; providing applicability; providing an 28 effective date. 29 30 Be It Enacted by the Legislature of the State of Florida: 31 32 Section 1. Section 3 of chapter 2011-256, Laws of Florida, is amended to read: 33 34 Section 1. This act may be cited as the "Citrus County Hospital and Medical Nursing and Convalescent Home Act." 35 36 Section 2. As used in this act, the following words and 37 terms have the following meanings: (1) "Citrus County Hospital Board," "hospital board," and 38 39 "board" means the Citrus County Hospital Board. "County" means Citrus County. 40 (2)41 (3) "County hospital and medical nursing and convalescent homes" includes hospitals, medical care facilities, clinics, and 42 other allied medical care units. 43 "Indigent care" means medically necessary health care 44 (4) 45 provided to Citrus County residents who are determined to be 46 qualified pursuant to the provisions of the Florida Health Care 47 Responsibility Act, section 154.304(9), Florida Statutes, and 48 the Florida Health Care Indigency Eligibility Certification Standards, Florida Administrative Code, rule 59H-1.0035(30). 49 50 "Operate" includes build, construct, maintain, repair, (5) alter, expand, equip, lease pursuant to and consistent with the 51 52 provisions of this act, finance, and operate. Page 2 of 17

53 (6) "Property" means real and personal property of every 54 nature whatsoever.

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

56 Section 3. (1) There is hereby created the Citrus County 57 Hospital Board, an independent special district, and by that 58 name the board may sue and be sued, plead and be impleaded, contract and be contracted with, acquire and dispose of property 59 or any interest therein, and have an official seal. The board is 60 created as a public nonprofit corporation without stock and is 61 62 composed of and governed by the five members herein provided 63 for, to be known as trustees. The hospital board is hereby 64 constituted and declared to be an agency of the county and 65 incorporated for the purpose of operating hospitals, medical 66 nursing homes, and convalescent homes in the county. The hospital board shall consist of five trustees appointed by the 67 Governor, and, upon this act becoming a law, the present members 68 69 will automatically become trustees and shall constitute the 70 board. Their respective terms of office shall be the term each 71 member is presently serving. All subsequent appointments, upon 72 the expiration of the present terms, shall be for terms of 4 73 years each. Upon the expiration of the term of each trustee, the 74 successor shall be appointed by the Governor. Likewise, any 75 vacancy occurring shall be filled by appointment by the Governor 76 for the unexpired term. Each appointment by the Governor is 77 subject to approval and confirmation by the Senate. 78 The trustees of the board shall elect from among its (2)

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

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

92 (4) Any and all funds so deposited shall be withdrawn by a
93 check or warrant signed by two trustees of the hospital board,
94 of which one shall be the chair, vice chair, or secretary95 treasurer. No check or warrant exceeding the sum of \$25,000
96 shall be delivered to the payee without approval thereof shown
97 in the minutes of the hospital board meeting.

98 Section 4. The trustees of the board shall receive no 99 compensation for their services. Three trustees shall constitute 100 a quorum of the hospital board for the purpose of conducting its 101 business and exercising its powers and for all other purposes. 102 Action may be taken by the board only upon a vote in the 103 affirmative of three trustees thereof.

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Section 5. The Citrus County Hospital Board as hereby

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

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other obligations; require a patient to guarantee the payment of an existing account or note; require a guarantee of payment before admitting a patient; and receive and assign any assignment of all types of insurance proceeds. In addition to all other powers, the board shall have the power and authority to:

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

143

(2) Develop and implement a county health plan.

144 (3) In its discretion, create an irrevocable community
 145 trust or foundation to manage the proceeds of a lease of the
 146 hospital and its facilities to a private for-profit entity.

147 The board may create and staff an irrevocable (a) 148 community trust or foundation to manage the proceeds of a lease 149 of the hospital and its facilities to a private for-profit 150 entity if such lease results in net proceeds that exceed 151 existing debt associated with the hospital and its facilities for loans, notes, revenue bonds, or other bond obligations and a 152 153 reasonable estimate of the board's administrative costs and 154 costs to facilitate, manage, or enforce the lease and its 155 covenants for the term of the lease. Such proceeds and any 156 interest derived therefrom may be appropriated by the

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157	irrevocable community trust or foundation only for the medically
158	related needs of citizens and residents of Citrus County.
159	(b) The governing body of the community trust or
160	foundation must include at least two members who are citizens of
161	Citrus County who shall be elected on a nonpartisan, countywide
162	basis to serve a single 4-year term, except, for purposes of
163	establishing staggered terms, the term of one initial citizen
164	member shall be for 2 years. A citizen member may not serve more
165	than one term on the governing body of the irrevocable community
166	trust or foundation. Any vacancy occurring during a term of
167	office for a citizen member shall be filled by appointment of
168	the board for the remainder of the unexpired portion of the
169	term. Upon the request of the board, the Supervisor of Elections
170	for Citrus County shall conduct elections to fill the seats of
171	the citizen members of the governing body of the irrevocable
172	community trust or foundation.
173	(c) The irrevocable community trust or foundation shall be
174	considered a quasi-governmental entity and must comply with all
175	disclosure, accountability, ethics, and government-in-the-
176	sunshine requirements which apply both to governmental entities
177	and to their elected and appointed officials.
178	(d) The irrevocable community trust or foundation is
179	subject to the audit authority of the Clerk of the Court for
180	Citrus County.
181	Section 6. The board of county commissioners shall levy or
182	cause to be levied each year beginning July 1, 1965, the millage
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183 certified to the board of county commissioners by the trustees 184 of the board upon all taxable real and personal property in 185 Citrus County, not including, however, homestead property that 186 exempt from general taxation by the Constitution of the State 187 of Florida, for the purpose of erecting, building, equipping, 188 maintaining, changing, altering, repairing, leasing, and 189 operating the public hospital provided for in this act. Such tax 190 shall be known as the hospital tax, and the property appraiser 191 shall make such assessments and the tax collector shall collect 192 such assessments when made. The money collected shall be paid 193 monthly to the board. However, the annual tax levied under this 194 section may not exceed 3 mills.

195 Section 6.7. The hospital board is hereby authorized and empowered to own and acquire property by purchase, lease, gift, 196 grant, or transfer from the county, the state, or the Federal 197 198 Government, or any subdivision or agency thereof, or from any 199 municipality, person, partnership, or corporation and to 200 acquire, construct, maintain, operate, expand, alter, repair, change, lease, finance, and equip hospitals, medical nursing 201 202 homes, convalescent homes, medical care facilities, and clinics 203 in the county.

Section 7.8. The hospital board is authorized and empowered to enter into contracts with individuals, partnerships, corporations, municipalities, the county, the state or any subdivision or agency thereof, or the United States of America or any subdivision or agency thereof to carry out the

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209 purposes of this act.

210 Section 8.9. The hospital board is empowered to and shall 211 adopt all necessary rules, regulations, and bylaws for the 212 operation of hospitals, medical nursing homes, and convalescent 213 homes; provide for the admission thereto and treatment of such 214 charity patients who are citizens of the state and residents of the county for the preceding 2 years; set the fees and charges 215 to be made for the admission and treatment therein of all 216 217 patients; and establish the qualifications for members of the medical profession to be entitled to practice therein. 218

219 Section 9.10. The hospital board shall have the power to 220 purchase any and all equipment that may be needed for the 221 operation of hospitals, medical nursing homes, and convalescent 222 homes and shall have the power to appoint and hire such agent or 223 agents, technical experts, attorneys, and all other employees as 224 are necessary for carrying out the purposes of this act, 225 regardless of any lease to a not-for-profit corporation, 226 including the hiring and maintenance of staff personnel as it 227 may deem appropriate to assist the board in the discharge of its 228 operational, financial, and statutory responsibilities, and in 229 carrying out its fiduciary duties to the taxpayers of Citrus 230 County, and to prescribe their salaries and duties. The board 231 shall have the power to discharge all employees or agents when 232 deemed necessary by the board for the carrying out of the purposes of this act. 233

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A Section <u>10.</u><sup>11.</sup> At the end of each fiscal year, the Citrus Page 9 of 17

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235 County Hospital Board shall within 30 days file with the Clerk 236 of the Circuit Court of Citrus County a full, complete, and 237 detailed accounting of the preceding year and at the same time 238 shall file a certified copy of such financial report with the 239 Board of County Commissioners of Citrus County, which report 240 shall be recorded in the minutes of the board of county commissioners. The board of county commissioners, at its 241 242 discretion and at the expense of the county, may publish and 243 report an accounting in a newspaper of general circulation in 244 Citrus County.

245 Section 11.<del>12.</del> In addition to all other implied and 246 express powers contained in this act, the board shall have the 247 express authority to negotiate loans to borrow money from any 248 state or federal agency for the purpose or purposes of 249 constructing, maintaining, repairing, altering, expanding, 250 equipping, leasing, and operating county hospitals, medical 251 nursing homes, convalescent homes, medical care facilities, 252 clinics, and all other types of allied medical care units.

253 Section 12.13. (1) In addition to all other implied and 254 express powers contained in this act, the board shall have the 255 express authority to borrow money, with or without issuing notes therefor, for the purpose or purposes of constructing, 256 257 maintaining, repairing, altering, expanding, equipping, leasing, 258 and operating county hospitals, medical nursing homes, 259 convalescent homes, medical care facilities, clinics, and all other types of allied medical care units. The board's authority 260 Page 10 of 17

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261 to borrow money, with or without issuing notes, shall be subject 262 to the conditions of this act applying to the board's right to 263 issue revenue bonds.

264 (2)The board shall have express authority to issue bonds, 265 subject to approval at a referendum of the voters of the county, 266 and to issue revenue bonds, without a referendum of the voters 267 of the county, the proceeds of which shall be used for erecting, equipping, building, expanding, altering, changing, maintaining, 268 operating, leasing, and repairing such hospitals, medical 269 270 nursing homes, and convalescent homes. Such bonds, federal or 271 state hospital loans, notes, or revenue bonds shall mature 272 within 30 years after the year in which they are issued or made 273 and shall be payable in such years and amounts as shall be 274 approved by the board.

275 (3)The board shall determine the form of the loans, 276 notes, bonds, and revenue bonds, including any interest coupons 277 to be attached thereto, and the manner of executing them, and shall fix the denomination or denominations thereof and the 278 place or places of payment of principal and interest, which may 279 280 be at any bank or trust company within or without the state. In 281 case a trustee whose signature or a facsimile of whose signature 282 appears on any loan, note, bond, or revenue certificate or 283 coupon ceases to be such trustee before the delivery thereof, 284 such signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if the trustee had 285 remained in office until such delivery. All loan agreements, 286

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notes, bonds, and revenue bonds issued hereunder shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the state.

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

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

301 (6) Such loans, notes, bonds, or revenue bonds shall not 302 bear interest in excess of the maximum rate permitted by the 303 laws of the state.

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

308 Section <u>13.14</u>. The total amount of outstanding bonds of 309 the hospital payable from ad valorem taxation at any one time 310 shall not exceed an amount equal to 6 times the annual hospital 311 tax, assuming such tax is based upon the yearly millage of 3 312 mills.

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313 Section <u>14.15.</u> (1) The Citrus County Hospital Board shall 314 have the authority to enter into leases or contracts with a <del>not-</del> 315 <del>for-profit</del> Florida corporation for the purpose of operating and 316 managing the hospital and any or all of its facilities of any 317 kind and nature.

318 (2) The Citrus County Hospital Board shall have the power 319 and authority to:

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

326

(b) Maintain an office.

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

The hospital board is hereby restricted from 330 (3) 331 reimbursing any health care providers or facilities, including 332 hospitals and physicians, for their bad debts arising from those 333 patients who are not eligible for reimbursement under hospital 334 board guidelines. The hospital board, however, shall continue to reimburse such health care providers for the medical care of 335 336 medically needy patients, to the extent of the hospital board's financial resources, taking into account funds available from 337 other sources, including other governmental funding sources. 338

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339 Section <u>15.16.</u> To ensure public oversight, accountability, 340 and public benefit, in addition to the requirements for any such 341 lease set forth in section 155.40, Florida Statutes:

342 (1)The not-for-profit corporation shall separately 343 account for the expenditure of all ad valorem tax moneys 344 provided to it by the Citrus County Hospital Board, including 345 maintaining them in a separate accounting fund. The expenditure 346 for all such public tax funds shall be approved in a public 347 meeting and separately accounted for annually by the not-forprofit corporation in a report provided to the Citrus County 348 349 Hospital Board.

The articles of incorporation, all amendments or 350 (2)351 restatements of the articles of incorporation, all corporate 352 bylaws, all amendments or restatements of the corporate bylaws, and all other governing documents of the not-for-profit 353 354 corporation shall be subject to the approval of the hospital 355 board, and any such documents that have not heretofore been 356 approved by the hospital board shall be submitted forthwith to 357 the hospital board for approval.

358 (3) The hospital board shall be the sole member of the359 not-for-profit corporation.

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

364 (5) The members of the hospital board shall be voting Page 14 of 17

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

372 (6) All members of the not-for-profit board of directors
373 shall be subject to approval by the hospital board, and any
374 board members presently serving who have not heretofore been
375 approved by the hospital board shall be submitted forthwith to
376 the hospital board for approval.

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

384 (8) The hospital board shall approve all borrowing of 385 money by the not-for-profit corporation in any form and for any 386 reason in an amount exceeding \$100,000, any additional loan indebtedness or leases in excess of \$1.25 million per instrument 387 388 or contract, and all policies of the not-for-profit corporation 389 that govern travel reimbursements and contract bid procedures. 390 No annual operating and capital budget of the not-for-(9)

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391 profit corporation shall become effective until approved by the 392 hospital board.

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

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

402 (12) All records of the not-for-profit corporation shall403 be public records unless exempt by law.

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

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

(15) Any dispute between the hospital board and the not-for-profit corporation shall be subject to any court action

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FLORIDA HOUS	E O F	REPRES	ENTATIVES
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417	pursuant to sections 164.101-164.1065, Florida Statutes.
418	Section 2. The amendments made by this act to section 5 of
419	the charter of the Citrus County Hospital Board apply to leases
420	entered into after January 1, 2014, with a for-profit Florida
421	corporation.
422	Section 3. This act shall take effect upon becoming a law.

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