

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; authorizing
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

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,
 33 is amended to read:

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

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

38 (1) "Citrus County Hospital Board," "hospital board," and
 39 "board" means the Citrus County Hospital Board.

40 (2) "County" means Citrus County.

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

44 (4) "Indigent care" means medically necessary health care
 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
 49 Standards, Florida Administrative Code, rule 59H-1.0035(30).

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

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

55 (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,
59 contract and be contracted with, acquire and dispose of property
60 or any interest therein, and have an official seal. The board is
61 created as a public nonprofit corporation without stock and is
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
67 hospital board shall consist of five trustees appointed by the
68 Governor, and, upon this act becoming a law, the present members
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 (2) The trustees of the board shall elect from among its

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
81 shall execute a bond in the penal sum of \$5,000 with a good and
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
86 remaining trustees of the board and shall be filed with the
87 Board of County Commissioners of Citrus County. The premiums on
88 such bonds shall be paid by the hospital board.

89 (3) The hospital board shall comply with the applicable
90 requirements of chapter 280, Florida Statutes, and part IV of
91 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 secretary-
95 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.

104 Section 5. The Citrus County Hospital Board as hereby

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
113 authorized, when rooms and services are available, without
114 detriment or deprivation to the citizens and residents of Citrus
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
118 adjoining and other counties of Florida and from other states,
119 upon the payment of the cost of such hospitalization, medical
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
123 system and ambulance services and to charge all patients for all
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
129 promissory notes or other types of debt obligations from a
130 patient; assign or discount such accounts receivable, notes, or

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

137 (1) Provide for the payment of indigent care services by
138 private health care providers in the county, or to partner with
139 other entities such as the Department of Health, in furtherance
140 of the hospital board's public purpose and the necessity for the
141 preservation of the public health and welfare of the residents
142 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 (a) The board may create and staff an irrevocable
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
152 for loans, notes, revenue bonds, or other bond obligations and a
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

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, at a minimum, must
175 comply with all disclosure, accountability, ethics, and
176 government-in-the-sunshine requirements which apply both to
177 governmental entities and to their elected and appointed
178 officials.

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

182 ~~Section 6. The board of county commissioners shall levy or~~

183 ~~cause to be levied each year beginning July 1, 1965, the millage~~
 184 ~~certified to the board of county commissioners by the trustees~~
 185 ~~of the board upon all taxable real and personal property in~~
 186 ~~Citrus County, not including, however, homestead property that~~
 187 ~~is exempt from general taxation by the Constitution of the State~~
 188 ~~of Florida, for the purpose of erecting, building, equipping,~~
 189 ~~maintaining, changing, altering, repairing, leasing, and~~
 190 ~~operating the public hospital provided for in this act. Such tax~~
 191 ~~shall be known as the hospital tax, and the property appraiser~~
 192 ~~shall make such assessments and the tax collector shall collect~~
 193 ~~such assessments when made. The money collected shall be paid~~
 194 ~~monthly to the board. However, the annual tax levied under this~~
 195 ~~section may not exceed 3 mills.~~

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

205 Section 7.8. The hospital board is authorized and
 206 empowered to enter into contracts with individuals,
 207 partnerships, corporations, municipalities, the county, the
 208 state or any subdivision or agency thereof, or the United States

209 of America or any subdivision or agency thereof to carry out the
210 purposes of this act.

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

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

235 Section 10.11. At the end of each fiscal year, the Citrus
 236 County Hospital Board shall within 30 days file with the Clerk
 237 of the Circuit Court of Citrus County a full, complete, and
 238 detailed accounting of the preceding year and at the same time
 239 shall file a certified copy of such financial report with the
 240 Board of County Commissioners of Citrus County, which report
 241 shall be recorded in the minutes of the board of county
 242 commissioners. The board of county commissioners, at its
 243 discretion and at the expense of the county, may publish and
 244 report an accounting in a newspaper of general circulation in
 245 Citrus County.

246 Section 11.12. In addition to all other implied and
 247 express powers contained in this act, the board shall have the
 248 express authority to negotiate loans to borrow money from any
 249 state or federal agency for the purpose or purposes of
 250 constructing, maintaining, repairing, altering, expanding,
 251 equipping, leasing, and operating county hospitals, medical
 252 nursing homes, convalescent homes, medical care facilities,
 253 clinics, and all other types of allied medical care units.

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

261 other types of allied medical care units. The board's authority
262 to borrow money, with or without issuing notes, shall be subject
263 to the conditions of this act applying to the board's right to
264 issue revenue bonds.

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

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

287 remained in office until such delivery. All loan agreements,
288 notes, bonds, and revenue bonds issued hereunder shall have and
289 are hereby declared to have all the qualities and incidents of
290 negotiable instruments under the negotiable instruments law of
291 the state.

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

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

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

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

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

313 mills.

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

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

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

327 (b) Maintain an office.

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

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

339 other sources, including other governmental funding sources.

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

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

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

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

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

365 (5) The members of the hospital board shall be voting
366 directors of the not-for-profit board of directors who
367 constitute a majority of the voting directors of the not-for-
368 profit corporation; and, to the extent that any governance
369 documents of the not-for-profit corporation do not so presently
370 provide, the not-for-profit corporation shall forthwith take all
371 steps necessary to bring them into conformity with this majority
372 membership requirement.

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

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

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

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

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

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

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

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

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

416 (15) Any dispute between the hospital board and the not-

CS/CS/HB 1445

2014

417 for-profit corporation shall be subject to any court action
418 pursuant to sections 164.101-164.1065, Florida Statutes.

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

423 Section 3. This act shall take effect October 15, 2014.