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1 A bill to be entitled
2 An act relating to independent hospital districts;
3 creating s. 189.0762, F.S.; defining the terms
4 "independent hospital district" and "nonprofit
5 entity"; authorizing the governing body of an
6 independent hospital district to evaluate certain
7 benefits of the potential conversion of the
8 independent hospital district to a nonprofit entity
9 under certain circumstances; specifying requirements
10 for such evaluations; requiring that the evaluation be
11 completed and the final report be presented to the
12 governing body within a specified timeframe; requiring
13 the report to be published on the independent hospital
14 district's website; providing requirements for the
15 report; requiring the governing body to make certain
16 determinations within a specified timeframe; requiring
17 the governing body to negotiate and complete an
18 agreement with the board of county commissioners for
19 each affected county before converting the independent
20 hospital district to a nonprofit entity; requiring
21 that such agreements be entered into within a
22 specified timeframe; providing requirements for such
23 agreements; prohibiting members of the board of county
24 commissioners for counties party to such agreements
25 from serving on the board of the successor nonprofit
26 entity; allowing members of the governing body of the
27 independent hospital district to serve on the board of
28 the successor nonprofit entity; requiring members of
29 the governing body and each board of county

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30 commissioners party to the agreement to disclose all
31 conflicts of interest; requiring the evaluation, all
32 agreements and disclosures, and any other supporting
33 documents related to the conversion to be published on
34 the websites of the independent hospital district and
35 each county that is party to the agreement for a
36 specified timeframe before the district and each
37 county may vote on the proposed conversion; requiring
38 a referendum under certain circumstances; providing
39 for the conversion of the independent hospital
40 district to a nonprofit entity; providing public
41 meeting requirements; requiring the independent
42 hospital district to notify the Department of Health
43 of the transfer of assets and liabilities to the
44 nonprofit entity within a specified timeframe;
45 providing for dissolution of the district upon the
46 department's receipt of such notification; providing
47 that an independent hospital district continues to
48 exist if the governing body and the board of county
49 commissioners for each affected county are unable to
50 reach an agreement; providing an effective date.

51
52 Be It Enacted by the Legislature of the State of Florida:

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54 Section 1. Section 189.0762, Florida Statutes, is created
55 to read:

56 189.0762 Conversion of an independent hospital district to
57 a nonprofit entity.-

58 (1) For purposes of this section, the term:

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59 (a) "Independent hospital district" means an entity created
60 pursuant to a special act which operates one or more hospitals
61 licensed under chapter 395 and which is governed by the
62 governing body of a special district or by the board of trustees
63 of a public health trust created under s. 154.07.

64 (b) "Nonprofit entity" means a Florida not-for-profit
65 corporation operating under chapter 617.

66 (2) The governing body of an independent hospital district
67 may elect, by a majority vote plus one, to commence an
68 evaluation of the benefits to the residents of converting the
69 independent hospital district to a nonprofit entity if the
70 governing body of such district and each county within which any
71 part of the district's boundaries are located execute an
72 agreement that meets the requirements of subsection (5). In
73 evaluating the benefits of converting the independent hospital
74 district to a nonprofit entity, the governing body of the
75 district must:

76 (a) Publish notice of and conduct a public hearing in
77 accordance with s. 189.015(1) to provide the residents of such
78 district the opportunity to publicly testify regarding the
79 conversion of the independent hospital district. The public
80 hearing must be held at a meeting other than a regularly noticed
81 meeting of the independent hospital district or an emergency
82 meeting of such district.

83 (b) Contract with an independent entity that has at least 5
84 years of experience conducting comparable evaluations of
85 hospital organizations similar in size and function to the
86 independent hospital district to conduct the evaluation
87 according to applicable industry best practices. The independent

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88 entity may not have any affiliation with or financial
89 involvement in the district or with any member of the governing
90 body of such district.

91 (c) Publish all documents considered by the governing body
92 of the independent hospital district on the website of the
93 district.

94 (3) The evaluation must be completed and the final report
95 presented to the governing body of the independent hospital
96 district no later than 180 days after the date of the vote taken
97 by the governing body of such district to evaluate the
98 conversion. The final report must be published on the website of
99 the independent hospital district. The final report must include
100 a statement signed by the presiding officer of the governing
101 board of the independent hospital district and the chief
102 executive officer of the independent entity conducting the
103 evaluation that, upon each person's reasonable knowledge and
104 belief, the contents and conclusions of the evaluation are true
105 and correct.

106 (4) No later than 120 days after the date the governing
107 body of the independent hospital district received the final
108 report, the governing body of such district must determine, by
109 majority vote plus one, whether the interests of the residents
110 of the district are best served by converting the independent
111 hospital district to a nonprofit entity. If the governing body
112 of the independent hospital district determines conversion is in
113 the best interest of the district, the independent hospital
114 district must negotiate and complete an agreement with the board
115 of county commissioners for each county in which any part of the
116 district boundaries are located before conversion may occur.

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117 (5) An agreement between the governing body of the
118 independent hospital district and each county in which any part
119 of the district boundary is located must be completed no later
120 than 120 days after the date of the public meeting at which the
121 governing body of such district determines conversion of the
122 independent hospital district is in the best interest of its
123 residents. The agreement must be in writing, dispose of all
124 assets and liabilities of the independent hospital district, and
125 include:

126 (a) A description of each asset that will be transferred to
127 each county.

128 (b) A description of each liability that will be
129 transferred to each county.

130 (c) The estimated total value of the assets that will be
131 transferred to each county.

132 (d) The estimated total value of the liabilities that will
133 be transferred to each county.

134 (e) If the agreement is with more than one county, a
135 description of the methodology used to allocate the assets and
136 liabilities of the district between the counties.

137 (f) A description of all assets that will be transferred to
138 the succeeding nonprofit entity.

139 (g) A description of all liabilities that will be assumed
140 by the succeeding nonprofit entity.

141 (h) The estimated total value of the assets that will be
142 transferred to the succeeding nonprofit entity.

143 (i) The total value of the liabilities to be assumed by the
144 succeeding nonprofit entity.

145 (j) If any debts remain, how those debts will be resolved.

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146 (k) An enforceable commitment that programs and services
147 provided by the district will continue to be provided to all
148 residents of the former district in perpetuity so long as the
149 nonprofit entity is in operation, or if otherwise agreed to
150 between the independent hospital district and the county or
151 counties party to the agreement, until the nonprofit entity has
152 otherwise met all obligations set forth in the agreement.

153 (l) A provision transferring the rights and obligations as
154 agreed to between the governing body of the independent hospital
155 district and the county or counties to the successor nonprofit
156 entity.

157 (m) Any other terms mutually agreed to between the
158 governing body of the independent hospital district and the
159 county or counties.

160 (6) (a) No member of the board of county commissioners for
161 any county that is a party to the agreement may serve on the
162 board of the successor nonprofit entity.

163 (b) Members of the governing body of the independent
164 hospital district may serve on the board of the successor
165 nonprofit entity.

166 (7) The members of the governing body of the independent
167 hospital district and of the board of county commissioners in
168 each county party to the agreement must disclose all conflicts
169 of interest as required by s. 112.313, including, but not
170 limited to:

171 (a) Whether the conversion of the independent hospital
172 district will result in a special private gain or loss to any
173 member of the governing body of the independent hospital
174 district or boards of county commissioners or to any senior

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175 executives of the independent hospital district.

176 (b) If any member of the governing body of the independent
177 hospital district will serve on the board of the successor
178 nonprofit entity. Such intent to serve on the board of the
179 successor nonprofit entity does not disqualify any member from
180 voting on the proposed conversion.

181 (8) The evaluation, agreements, disclosures, and any other
182 supporting documents related to the conversion of the
183 independent hospital district must be published on the website
184 of the independent hospital district and each county that is a
185 party to the agreement for 45 days before the governing body of
186 the independent hospital district and the board of county
187 commissioners for each county may vote on the proposed
188 conversion.

189 (9) (a) In a public meeting noticed as required by
190 subsection (2), the governing body of the independent hospital
191 district may approve, by majority vote plus one, the conversion
192 of such district to a nonprofit entity and any agreements
193 related to the conversion.

194 (b) The agreement negotiated under this section must be
195 approved by each board of county commissioners for each affected
196 county in a properly noticed public meeting.

197 (c) If the governing body of the independent hospital
198 district and the board of county commissioners for each affected
199 county approve the proposed agreement, a referendum of the
200 qualified voters of the district must be conducted at the next
201 general election as required under s. 100.031 for independent
202 hospital districts that exercise ad valorem taxing powers. A
203 referendum is not required for independent hospital districts

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204 that have not levied, collected, or received ad valorem taxes in
205 the current fiscal year or any of the previous 5 fiscal years.

206 (d) If approved in accordance with paragraphs (a)-(c), the
207 agreement between the independent hospital district and each
208 board of county commissioners for each affected county shall go
209 into full force and effect. The independent hospital district
210 shall file a copy of the agreement with the department no later
211 than 10 days after the date of the referendum approving the
212 agreement and conversion.

213 (10) No later than 30 days after the complete transfer of
214 assets and liabilities as provided in the agreement, the
215 independent hospital district shall notify the department. The
216 district shall be dissolved automatically upon receipt of the
217 notice by the department.

218 (11) If the governing body of the independent hospital
219 district and the board of county commissioners of each affected
220 county are unable to reach an agreement that would result in the
221 conversion of the independent hospital district to a nonprofit
222 entity, the district shall continue to exist.

223 Section 2. This act shall take effect July 1, 2022.