

1 A bill to be entitled
2 An act relating to the conversion of a public health
3 care system; creating s. 155.42, F.S.; providing
4 definitions; authorizing the governing body of a
5 public health care system to evaluate the potential
6 conversion of the public health care system to a
7 nonprofit entity; providing requirements for the
8 governing body of a public health care system in
9 conducting such evaluation; requiring that the
10 governing body of a public health care system publish
11 notice of its evaluation in a specified manner;
12 authorizing a public health care system and local
13 governing authority to negotiate an agreement for such
14 conversion; providing requirements for such agreement;
15 authorizing the governing body of the public health
16 care system and local governing authority to approve
17 such conversion subject to certain requirements;
18 requiring that members of the governing body of the
19 public health care system disclose whether they intend
20 to serve on the board of the successor nonprofit
21 entity; requiring the public health care system and
22 local governing authority to jointly submit a notice
23 of completion of such conversion to the Legislature
24 after certain requirements are met; providing that the
25 public health care system is dissolved as a matter of

26 law on the date that such notice is submitted to the
 27 Legislature; providing an effective date.

28

29 Be It Enacted by the Legislature of the State of Florida:

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31 Section 1. Section 155.42, Florida Statutes, is created to
 32 read:

33 155.42 Conversion of a public health care system.-

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

35 (a) "Affected community" means those persons residing
 36 within the geographic boundaries of the public health care
 37 system.

38 (b) "Local governing authority" means the governing
 39 authority of the county in which the public health care system
 40 is primarily located and provides health care services.

41 (c) "Public health care system" means a county, district,
 42 or municipal hospital or health care system created pursuant to
 43 a special act.

44 (2) (a) The governing body of a public health care system
 45 may elect, by a majority vote plus one, to evaluate the
 46 potential conversion of the public health care system to a
 47 nonprofit entity.

48 (b) If the governing body of a public health care system
 49 elects to evaluate the potential conversion of the public health
 50 care system as set forth in paragraph (a), the governing body

51 shall evaluate the potential benefits to the affected community
52 of converting the public health care system to a nonprofit
53 entity and shall:

54 1. Publish notice of and conduct a public hearing in
55 accordance with s. 189.015 to provide the affected community the
56 opportunity to publicly testify regarding the conversion of the
57 public health care system.

58 2. Contract with a certified public accounting firm or
59 other firm that has substantial expertise in the valuation of
60 the type of activities engaged in by the public health care
61 system to render an independent valuation of the public health
62 care system. The certified public accounting firm or other firm
63 shall certify its valuation of the public health care system.

64 3. Make publicly available on the public health care
65 system's website all documents considered by the governing body
66 during its evaluation.

67 (c) After completing its evaluation, the governing body of
68 the public health care system shall publish notice of the
69 evaluation in the same manner as provided in s. 189.015(1).

70 (3)(a) Upon completing the evaluation of the benefits of
71 the conversion of the public health care system, if the
72 governing body of the public health care system determines that
73 it is in the best interest of the affected community to convert
74 the public health care system to a nonprofit entity, the public
75 health care system may negotiate an agreement with the local

76 governing authority which contains the terms and conditions by
 77 which the nonprofit entity that is succeeding the public health
 78 care system may acquire title and possession of property,
 79 rights, and other appurtenances owned by the public health care
 80 system and any other terms or conditions governing the
 81 conversion.

82 (b) An agreement between the public health care system and
 83 the local governing authority to convert the public health care
 84 system to a nonprofit entity must be in writing and must include
 85 all of the following terms and conditions:

86 1. A description of the terms and conditions of all
 87 proposed agreements.

88 2. A description of the assets and liabilities, if any,
 89 that will be transferred to the local governing authority upon
 90 conversion of the public health care system.

91 3. The estimated total value of the assets and
 92 liabilities, if any, that will be transferred to the local
 93 governing authority upon conversion of the public health care
 94 system.

95 4. A description of the assets and liabilities, if any,
 96 that will be transferred to the succeeding nonprofit entity upon
 97 conversion of the public health care system.

98 5. The estimated total value of the assets and
 99 liabilities, if any, that will be transferred to the succeeding
 100 nonprofit entity upon conversion of the public health care

101 system.

102 6. A provision that the remaining assets and liabilities,
103 if any, of the public health care system which are not
104 transferred to the local governing authority or the succeeding
105 nonprofit entity will be resolved upon conversion of the public
106 health care system.

107 7. An enforceable commitment that programs and services
108 provided by the public health care system will continue to be
109 provided to the affected community in perpetuity so long as the
110 nonprofit entity is in operation or, if otherwise agreed to by
111 the public health care system and the local governing authority,
112 until the nonprofit entity has otherwise met all obligations set
113 forth in the agreement.

114 8. A provision that transfers the rights and obligations
115 agreed to by the public health care system and the local
116 governing authority to the successor nonprofit entity upon
117 conversion of the public health care system.

118 9. A provision that prohibits a board member of the local
119 governing authority from serving on the board of the successor
120 nonprofit entity; however, the agreement may allow for members
121 of the governing body of the public health care system to serve
122 on the board of the successor nonprofit entity.

123 10. Any other terms or conditions mutually agreed upon by
124 the public health care system and the local governing authority.

125 (4) Upon completing the negotiation of the agreement as

126 provided in subsection (3), the governing body of the public
127 health care system and the local governing authority may elect,
128 by a majority vote plus one of each of the governing bodies, to
129 approve the conversion of the public health care system to a
130 nonprofit entity pursuant to the terms and conditions of the
131 agreement and subject to all of the following:

132 (a) The evaluations, agreements, disclosures, and all
133 other documents supporting the conversion must be published on
134 the websites of the public health care system and the local
135 governing authority and made publicly available for a period of
136 at least 20 days before the governing bodies of the public
137 health care system and the local governing authority may vote to
138 approve the conversion of the public health care system to a
139 nonprofit entity pursuant to the terms and conditions of the
140 agreement.

141 (b) The governing bodies of the public health care system
142 and the local governing authority may not vote to approve the
143 conversion of the public health care system unless the valuation
144 required in subparagraph (2) (b)2. was completed within the
145 preceding 18 months.

146 (5) A member of the governing body of the public health
147 care system must disclose whether he or she intends to serve on
148 the board of the successor nonprofit entity.

149 (6) After the assets and liabilities, if any, are
150 transferred to the succeeding nonprofit entity and all necessary

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151 requirements to complete the conversion of the public health
152 system to a nonprofit entity are met, the public health care
153 system and the local governing authority shall jointly submit a
154 notice of the completion of the conversion to the President of
155 the Senate and the Speaker of the House of Representatives. The
156 public health care system shall be deemed dissolved as a matter
157 of law effective on the date that such notice is submitted to
158 the Legislature.

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