

FLORIDA HOUSE OF REPRESENTATIVES

FINAL BILL ANALYSIS

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BILL #: [CS/CS/HB 229](#)

TITLE: Health Facilities

SPONSOR(S): Oliver

COMPANION BILL: [CS/SB 68](#) (Martin)

LINKED BILLS: None

RELATED BILLS: None

FINAL HOUSE FLOOR ACTION: 113 Y's 0 N's

GOVERNOR'S ACTION: Approved

SUMMARY

Effect of the Bill:

The bill expands the types of health care facility corporate structures authorized to pursue financing from a Health Facilities Authority (HFA), and expands the types of financial activities HFAs may engage in for the benefit of health care facilities and providers. The bill authorizes not-for-profit limited liability companies and not-for-profit corporate parents of health systems to receive financing from a HFA. The bill also authorizes HFAs to structure transactions as loan agreements.

The bill also amends a provision created by CS/HB 1195 (chapter 2025-19, laws of Florida), which requires a hospital or hospital-based off-campus emergency department to perform a confirmation test if the urine test is positive for fentanyl. The bill makes it permissive, instead of mandatory, to perform a confirmation test.

Fiscal or Economic Impact:

To the extent hospital corporations are no longer eligible for charitable property tax exemptions, such hospitals will experience a significant, indeterminate, negative fiscal impact.

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ANALYSIS

EFFECT OF THE BILL:

CS/CS/HB 229 passed as [CS/SB 68](#). (Please note that the bill section parentheses do not contain hyperlinks to bill sections for Senate bills)

Health Facilities Authorities

Health Facilities Authorities (HFAs) are special districts created by counties or municipalities to finance [health facility](#) projects if such local agency determines there will be a benefit or a cost savings to the health facility.

The bill authorizes not-for-profit limited liability companies and not-for-profit corporate parents of health systems to receive financing from a HFA. This eliminates the eligibility requirement in current law that limits HFA projects to not-for-profit corporations. As a result, a health facility or health care system that is organized as a not-for-profit limited liability company is eligible to receive financing from a HFA. (Section [1](#)).

The bill authorizes HFAs to structure their transactions as loan agreements, eliminating the limitation in current law that only allows lease agreements. Specifically, the bill authorizes HFAs to make mortgages, or other secured or unsecured loans, to or for the benefit of a health facility, in accordance with an agreement between the HFA and the facility. The bill requires such loans to be used to finance the cost of a project, or to refund or refinance outstanding bonds, obligations, loans, indebtedness, or advances issued, made, given, or incurred by a health facility. Such loans may be made to any entity affiliated with a health facility that undertakes such financing, refinancing, or refunding, if the proceeds of such loan are made available to, or applied for, the benefit of the health facility. (Sections [2](#) and [3](#)).

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The bill makes conforming changes throughout the bill to make the existing requirements for lease agreements applicable to loan agreements.

[Fentanyl Testing](#)

The bill also amends a provision created by CS/HB 1195 ([chapter 2025-19, Laws of Florida](#)), which requires a hospital or hospital-based off-campus emergency department to perform a confirmation test if the urine test is positive for fentanyl. The bill makes it permissive, instead of mandatory, to perform a confirmation test.

The bill was approved by the Governor on June 25, 2025, ch. 2025-179, L.O.F., and will become effective on July 1, 2025.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

[Health Facilities Authorities](#)

The Health Facilities Authorities Law was enacted in 1974 to assist health facilities with additional means and assistance in the development and maintenance of health care related facilities and services as determined to be needed by the community. A [health facility](#) is eligible for this assistance if it is a not-for-profit private corporation authorized by law to provide:¹

- Hospital services in accordance with ch. 395, F.S.;
- Nursing home care in accordance with ch. 400, F.S.;
- Continuing care services in accordance with ch. 651, F.S.;
- Services for the developmentally disabled under ch. 393, F.S., provided by intermediate care facilities for the developmentally disabled; and
- Services for the mentally ill under ch. 394, F.S., including crisis stabilization units, residential treatment facilities, and specialty psychiatric hospitals.

A health facility or health care system that is organized as a not-for-profit limited liability company is not eligible to receive financing under the law.

Health Facilities Authorities (HFAs) are the governing bodies that provide this assistance. A HFA is a public corporation created by [s. 154.207, F.S.](#); or any board, body, commission, or department of a county or municipality succeeding to the principal functions of the public corporation or to whom the powers and responsibilities authorized by the law are given by the county or municipality.² Current law authorizes a county or municipality to create a HFA, by adopting an ordinance or resolution, if their governing body determines there is a need for an authority. A governing body may abolish a HFA by ordinance or resolution if all its bonded debt has been paid.

An HFA consists of five individuals designated by the governing body of a county or municipality who are residents of the county or municipality, and serve 4-year terms. Members of an HFA annually elect a chair and a vice chair.

There are currently 22 HFAs operating in Florida, including 14 county HFAs and 8 municipal HFAs.³

¹ S. [154.205\(8\), F.S.](#)

² S. [154.205\(2\), F.S.](#)

³ County HFAs: Alachua, Brevard, Collier, Escambia, Highlands, Martin, Miami-Dade, Orange, Osceola, Palm Beach, Pasco, Pinellas, Santa Rosa, and Sarasota. Municipal HFAs: Altamonte Springs, Cape Coral, Miami, South Miami, St. Petersburg, Jacksonville, Miami Beach, and Mount Dora. See Florida Department of Commerce, Official List of Special Districts, available at <https://specialdistrictreports.floridajobs.org/OfficialList/SpecialDistrictProfiles> (last visited February 28, 2025).

Powers of HFAs

Section [154.247, F.S.](#), authorizes HFA to issue bonds to a not-for-profit health facility to finance projects within the geographical boundaries of their county or municipality, or for another not-for-profit corporation under common control with that health facility, if the HFA finds that there will be a benefit or a cost savings to the health facility. The bonds can be used to assist facilities in the acquisition, construction, financing, and refinancing of health facility projects.⁴

Health facility projects include any structure, facility, machinery, equipment, or other property suitable for use by a health facility in connection with its operations.⁵

Current law grants certain powers of authority to HFAs to complete health facility projects, including, among other things, the ability to:⁶

- Make and execute agreements of lease, contracts, deeds, mortgages, notes, and other instruments necessary or convenient in the exercise of its powers and functions;
- Pledge or assign any money, rents, charges, fees, or other revenues and any proceeds derived from sales of property, insurance, or condemnation awards;
- Fix, charge, and collect rents, fees, and charges for the use of any project;
- Acquire existing projects and to refund outstanding obligations, mortgages, or advances issued, made, or given by a health facility for the cost of such project;
- Participate in and issue bonds and other forms of indebtedness for the purpose of establishing and maintaining an accounts receivable program on behalf of a health facility, which may include the financing of accounts receivable acquired by a health facility from other not-for-profit health care corporations, regardless of location within or outside the geographical boundaries of Florida.

Lease Agreements

An HFA may lease a project to a health facility for operation and maintenance. Such lease agreements may include, among other provisions, that:⁷

- The lessee shall, at its own expense, operate, repair, and maintain the project;
- The rent payable under the lease shall not be less than an amount sufficient to pay all the interest, principal, and redemption premiums, if any, on the bonds that shall be issued by the authority to pay the cost of the project or projects leased thereunder;
- The bonds issued by the HFA to pay the cost of the project;
- The lessee shall pay all costs incurred by the HFA in connection with the acquisition, financing, construction, and administration of the project, except as may be paid out of the proceeds of bonds or otherwise, including, but not limited to:
 - Insurance costs;
 - The cost of administering the bond resolution authorizing such bonds and any trust agreement securing the bonds; and
 - The fees and expenses of trustees, agents, attorneys, consultants, and others.
- The terms of the lease shall terminate not earlier than the date all such bonds and all other obligations incurred by the HFA in connection with the project are to be paid in full; and
- The lessee's obligation to pay rent shall not be subject to cancellation, termination, or abatement by the lessee until payment of the bonds or provision for such payment are made.

⁴ S. [154.209, F.S.](#)

⁵ S. [154.205\(10\), F.S.](#)

⁶ S. 154.209(6), (8), (9), (13), F.S.

A lease agreement may also contain provisions for extensions of the term, renewals of the lease, and vesting in the lessee an option to purchase the project. An option to purchase a project may not be exercised unless all bonds issued for such project, including all principal, interest, and redemption premiums, and all other obligations incurred by the HFA have been paid in full or deposited in trust for payment. The purchase price of such project must be sufficient to pay in full all the bonds, including all principal, interest, and redemption premiums issued for the project, and all other obligations incurred by the HFA in connection with the project.⁸

Loan agreements are not permitted under the law.

Revenues

Section [154.225, F.S.](#), authorizes an HFA to fix and collect fees, rents, and charges for the use of any project. A HFA may require a lessee to operate, repair, and maintain a project as provided in a lease agreement or other contract. The fees, rents, and charges must be fixed to pay the principal of, and interest on such bonds, as they become due and payable. If deemed necessary to pay the principal and interest for such bonds, the fees, rents, and charges must also be fixed to create reserves.

The fees, rents, charges, and all other revenues derived from a project in which a bond has been issued must be set aside at regular intervals in a sinking fund. The sinking fund is pledged to, and charged with, the payment of the principal and interest from such a bond, and the redemption price or the purchase price of bonds retired by call or purchase. Such pledge must be valid and binding from the time it was made.⁹

Section [154.235, F.S.](#), authorizes a HFA to issue revenue bonds to refund any of its outstanding revenue bonds, including the payment of any redemption premium and any interest accrued.

Section [154.219, F.S.](#), authorizes any resolution used by an HFA to issue a revenue bond to include contractual provisions to address rentals and other charges, the amounts to be raised each year, and the use and disposition of revenues.

Trust Agreements

Section [154.221, F.S.](#), authorizes any bonds issued under the law to be secured by a trust agreement between the HFA and a corporate trustee, which may be any trust company or bank. The trust agreement providing for the issuance of such bonds may pledge or assign the fees, rents, charges, or proceeds from the sale of any project, insurance proceeds, condemnation awards, or other funds and revenues. Such a trust agreement may also provide for the mortgaging of any project as security for repayment of bonds and must contain provisions for protecting and enforcing the rights and remedies of the bondholders.

Fentanyl

Fentanyl is a synthetic opioid drug approved by the Food and Drug Administration (FDA) for pain relief; fentanyl is approximately 100 times more potent than morphine and 50 times more potent than heroin.¹⁰ When prescribed by a physician, fentanyl is typically used to treat patients with severe pain or to manage pain after surgery and is administered via injection, transdermal patch, or in lozenges.¹¹ Fentanyl produces effects such as relaxation, euphoria, pain relief, sedation, confusion, drowsiness, dizziness, nausea, vomiting, urinary retention, pupillary

⁸ S. [154.213\(2\), F.S.](#)

⁹ *Id.*

¹⁰ Department of Justice/Drug Enforcement Administration, *Drug Fact Sheet—Fentanyl*, <https://www.dea.gov/sites/default/files/2025-01/Fentanyl-Drug-Fact-Sheet.pdf> (last visited March 18, 2025).

¹¹ National Institute on Drug Abuse, *Naloxone Drug Facts*, <https://nida.nih.gov/publications/drugfacts/naloxone> (last visited March 19, 2025).

constriction, and respiratory depression.¹² Although prescription fentanyl can be misused, most overdoses and related deaths have been linked to illicitly manufactured fentanyl, including fentanyl analogs.¹³

There are two general types of drug testing: immunoassay (screening) and chromatography (confirmation):¹⁴

- **Immunoassay:** This is typically the first test used to identify the presence of drugs in the urine and are available in most community hospitals. Immunoassay drug screens use antibodies to detect the presence of certain drugs and/or their metabolites in a urine sample. Immunoassay drug screens are quick and inexpensive, however, they can result in false positives and false negatives. Immunoassay drug screens are generally less specific; for example, it may detect opioids but not be able to determine the specific opioid drug.
- **Chromatography:** This is typically used to confirm a positive drug screen. Chromatography can detect the specific drugs and/or metabolites in a urine sample. Chromatography testing takes longer, is expensive and requires specialized training; as a result, it is not readily available in most community hospitals.

Immunoassay drug screens can result in false negatives when the drug panel used does not include the specific drug.¹⁵ There are various types of drug panels. Many drug panels, especially those used in hospitals, test for five drugs, known as the “federal five”: cannabis, cocaine, opioids, amphetamines, and phencyclidine.¹⁶ All drug panels test for opioids; however, most commonly available drug screens do not readily detect semisynthetic and synthetic opioids. As a result, opioids such as oxycodone, hydrocodone, tramadol, and fentanyl may go undetected.¹⁷ The vast majority of hospitals do not test for fentanyl; as of June 2023, approximately 14% of hospital emergency departments tested for fentanyl.¹⁸

Chapter 2015-19, Laws of Florida – Fentanyl Testing

On April 16, 2025, the Legislature passed CS/HB 1195, and the Governor signed it into law on April 29, 2025. The bill requires hospitals and hospital-based off-campus emergency departments to test for fentanyl when conducting a urine drug test to diagnose a possible drug overdose or poisoning. If the test is positive for fentanyl, the bill requires a confirmation test. Under the bill, the hospital or hospital-based off-campus emergency department must retain the results of the urine test and the confirmation test in the patient’s clinical record for the period of time required by the facility’s current practice.

¹² U.S. Center for Disease Control and Prevention, *Increases in Fentanyl-Related Deaths-Florida and Ohio, 2013-2015*, <https://www.cdc.gov/mmwr/volumes/65/wr/mm6533a3.htm> (last visited March 20, 2025).

¹³ U.S. Center for Disease Control and Prevention, *Increases in Fentanyl-Related Deaths-Florida and Ohio, 2013-2015*, <https://www.cdc.gov/mmwr/volumes/65/wr/mm6533a3.htm> (last visited March 20, 2025).

¹⁴ Legislative Analysis and Public Policy Association, *Fentanyl Screening in Hospitals*, <https://legislativeanalysis.org/wp-content/uploads/2024/01/Fentanyl-Screening-in-Hospitals.pdf> (last visited March 18, 2025).

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ Epic Research, *Fentanyl Toxicology Screenings for Overdoses on the Rise*, <https://www.epicresearch.org/articles/field-note-fentanyl-toxicology-screenings-for-overdoses-on-the-rise> (last visited March 19, 2024).