



26 Section 3. The charter for the Highlands County Hospital  
 27 District is re-created and reenacted to read:

28 Section 35. In order that citizens and residents of the  
 29 district may receive quality health care, the board of  
 30 commissioners may enter into contract with corporations, either  
 31 for-profit ~~for profit~~ or not-for-profit ~~not for profit~~, duly  
 32 authorized to do business in the state for the purpose of  
 33 operating and managing such hospital and any or all of its  
 34 facilities ~~of whatsoever kind and nature and enter into leases~~  
 35 ~~with such corporations for the operating of such facilities. The~~  
 36 ~~term of any such lease, contract, or agreement and the~~  
 37 ~~conditions, covenants, and agreements to be contained therein~~  
 38 ~~shall be determined by the board of commissioners.~~

39 (1) Prior to entering into a lease or management  
 40 agreement, the Board of Commissioners of the Highlands County  
 41 Hospital District must elect, by a majority vote of the members  
 42 present and voting, to commence an evaluation of the benefits to  
 43 the public of the district, as described in Section 1, of  
 44 leasing the entirety of the assets of the Highlands County  
 45 Hospital District to a not-for-profit or for-profit entity to  
 46 continue to provide health care services to the community if the  
 47 board executes an agreement that meets the requirements of  
 48 subsection (6) of this section. In evaluating the benefits of  
 49 the lease, the board must find that the lease is in the best  
 50 interests of the public of the district and must state the basis

51 of that finding. To make that determination, the board shall:  
52 (a) Contract with an independent entity or entities that  
53 have at least 5 years of experience conducting comparable  
54 evaluations of hospital organizations similar in size and  
55 function to the hospital to conduct the evaluation according to  
56 applicable industry practices. A study completed less than 2  
57 years prior to the public notice in under paragraph (c) of this  
58 subsection that meets all other requirements may be used for the  
59 purposes of this evaluation.  
60 (b) Publish all documents considered by the board on the  
61 hospital district website.  
62 (c) Publish notice of and conduct a public meeting in  
63 accordance with section 189.015(1), Florida Statutes, to provide  
64 the public of the district with the opportunity to publicly  
65 testify regarding the lease or management agreement. The public  
66 notice must contain notice of where the public can find all  
67 documents related to the potential lease of the hospital.  
68 (2) The final report shall be published on the hospital  
69 district website. The final report must include a statement  
70 signed by the chair of the board that, based on his or her  
71 reasonable knowledge and belief, the content of the evaluation  
72 is true and correct. The final report must also include a  
73 statement signed by the chief executive officer or designee of  
74 the independent entity or entities conducting the evaluation  
75 that, based on his or her reasonable knowledge and belief, the

76 content and conclusions of the evaluation are true and correct.

77 (3) If, upon completion of the evaluation of the benefits  
78 of a lease, the board elects to consider a lease or management  
79 agreement of the hospital in its entirety to a third party, the  
80 board must first determine whether there are any qualified  
81 lessees. In the process of evaluating any qualified lessee, the  
82 board shall:

83 (a) Publicly advertise the meeting at which the proposed  
84 lease will be considered by the board in accordance with section  
85 286.0105, Florida Statutes; or

86 (b) Publicly advertise the offer to accept proposals in  
87 accordance with section 255.0525, Florida Statutes, and receive  
88 proposals from all qualified lessees.

89 (4) The members of the board must disclose all conflicts  
90 of interest as required by section 112.313, Florida Statutes,  
91 including, but not limited to, whether the lease or management  
92 agreement will result in a special private gain or loss to any  
93 member of the board. Conflicts of interest, if any, with respect  
94 to experts retained by the board shall also be disclosed.

95 (5) The evaluation, agreements, disclosures, and any other  
96 supporting documents related to the lease or management  
97 agreement of the hospital must be published on the hospital  
98 district website for 30 days before the board may vote on the  
99 proposed agreement identified in subsection (6) of this section  
100 to lease the hospital to a not-for-profit or for-profit entity.

101        (6) The board must determine, by a majority vote, whether  
102 the interests of the affected community are best served by  
103 leasing to a not-for-profit or for-profit entity. The board  
104 must:

105        (a) Make a determination to accept a proposal for lease  
106 after consideration of all proposals received and negotiations  
107 with a qualified lessee or management entity. The board's  
108 determination must include, in writing, detailed findings of all  
109 reasons for accepting the proposal.

110        (b) Include the findings of all information and documents  
111 relevant to the board's determination, including, but not  
112 limited to:

113        1. The names and addresses of all parties to the  
114 transaction.

115        2. The location of the hospital and all related  
116 facilities.

117        3. A description of the terms of all proposed agreements.

118        4. A copy of the lease or management agreement and any  
119 related agreements.

120        5. The estimated total value associated with the proposed  
121 agreement and the proposed lease price.

122        6. The evaluation as required in subsection (1) of this  
123 section and any other valuation prepared at the request of the  
124 board, lessee, or managing entity of the hospital.

125        7. Copies of all other proposals and bids that the board

126 may have received or considered in compliance with subsection  
127 (3) of this section.

128 (7) In a public meeting noticed as required pursuant to  
129 subsection (1) of this section, the board may approve, by a  
130 majority vote, of the lease of the hospital to an entity subject  
131 to the terms of a negotiated agreement. The agreement made  
132 pursuant hereto shall:

133 (a) Require that the articles of incorporation of the for-  
134 profit or not-for-profit corporation be subject to the approval  
135 of the board;

136 (b) Require that any not-for-profit corporation is  
137 qualified under s. 501(c)(3) of the United States Internal  
138 Revenue Code;

139 (c) Provide for the orderly transition of the operation  
140 and management of the facilities, including a change of  
141 ownership as defined in section 408.807, Florida Statutes; and

142 (d) Provide that the leasing or managing entity has made  
143 an enforceable commitment that programs and services and quality  
144 health care will continue to be provided to the public of the  
145 district, particularly to the indigent, the uninsured, and the  
146 underinsured.

147 (8) Any interested party as defined in section 155.40(4),  
148 Florida Statutes, has the right to seek judicial review of the  
149 decision by the board relating to the lease of the hospital in  
150 the circuit court where the hospital is located. Judicial review

151 is limited solely to consideration of whether the procedures  
152 contained within this section have been followed by the board.

153 (9) If an interested party contests the action by the  
154 board, the court will assign costs equitably to the parties.

155 (10) Leases or management agreements not subject to  
156 subsections (5)-(9) of this section are limited to:

157 (a) A lease entered into prior to the effective date of  
158 this act that is modified, extended, or renewed.

159 (b) A lease or management agreement for a term no greater  
160 than 10 years that is entered into so the board may undergo the  
161 process as outlined in subsections (5)-(9) of this section.

162 Section 37. (1) The Board of Commissioners of the  
163 Highlands County Hospital District may elect, by a majority vote  
164 of the members present and voting, to commence an evaluation of  
165 the benefits to the public of the district, as described in  
166 Section 1, of selling the entirety of the assets of the  
167 Highlands County Hospital District to a not-for-profit or for-  
168 profit entity to continue to provide health care services to the  
169 community if the board executes an agreement that meets the  
170 requirements of subsection (6) of this section. In evaluating  
171 the benefits of the sale, the board must find that the sale is  
172 in the best interest of the public of the district and must  
173 state the basis of that finding. To make that determination, the  
174 board shall:

175 (a) Contract with an independent entity or entities that

176 have at least 5 years of experience conducting comparable  
177 evaluations of hospital organizations similar in size and  
178 function to the hospital to conduct the evaluation according to  
179 applicable industry practices. A study completed less than 2  
180 years prior to the public notice under paragraph (c) of this  
181 subsection that meets all other requirements may be used for the  
182 purposes of this evaluation.

183 (b) Publish all documents considered by the board on the  
184 hospital district website.

185 (c) Publish notice of and conduct a public meeting in  
186 accordance with section 189.015(1), Florida Statutes, to provide  
187 the public of the district with the opportunity to publicly  
188 testify regarding the sale. The public notice must contain  
189 notice of where the public can find all documents related to the  
190 potential sale of the hospital. The public hearing must be held  
191 at a meeting other than a regularly noticed meeting or an  
192 emergency meeting of the board.

193 (2) The final report shall be published on the hospital  
194 district website. The final report must include a statement  
195 signed by the chair of the board that, based on his or her  
196 reasonable knowledge and belief, the content of the evaluation  
197 is true and correct. The final report must also include a  
198 statement signed by the chief executive officer or designee of  
199 the independent entity or entities conducting the evaluation  
200 that, based on his or her reasonable knowledge and belief, the

201 content and conclusions of the evaluation are true and correct.

202 (a) The evaluation must provide an objective operating  
203 comparison of the hospital to other similarly situated  
204 hospitals, both not-for-profit and for-profit, which have a  
205 similar service mix in order to determine where there is a  
206 difference in the cost of operation using, including, but not  
207 limited to, publicly available data provided by the Agency for  
208 Health Care Administration, data provided by the current  
209 operator of the hospital as requested by the board, and the  
210 quality metrics identified by the Centers for Medicare and  
211 Medicaid Services Core Measures. The comparison must also  
212 determine whether there is a net benefit to the community to  
213 operate the hospital as a not-for-profit or for-profit entity  
214 and use the proceeds of the sale for the purposes described in  
215 section 36.

216 (b) The final report must be based on the most currently  
217 available financial data.

218 (c) The final report must contain an evaluation of the  
219 hospital and its assets.

220 (3) If, upon completion of the evaluation of the benefits  
221 of a sale, the board elects to consider a sale of the hospital  
222 in its entity to a third party, the board must first determine  
223 whether there are any qualified purchasers. In the process of  
224 evaluating any qualified purchaser, the board shall:

225 (a) Publicly advertise the meeting at which the proposed

226 sale will be considered by the board in accordance with section  
227 286.0105, Florida Statutes; or

228 (b) Publicly advertise the offer to accept proposals in  
229 accordance with section 255.0525, Florida Statutes, and receive  
230 proposals from all qualified purchasers.

231 (4) The members of the board must disclose all conflicts  
232 of interest as required by section 112.313, Florida Statutes,  
233 including, but not limited to, whether the sale will result in a  
234 special private gain or loss to any member of the board.  
235 Conflicts of interest, if any, with respect to experts retained  
236 by the board shall also be disclosed.

237 (5) The evaluation, agreements, disclosures, and any other  
238 supporting documents related to the sale of the hospital must be  
239 published on the hospital district website for 30 days before  
240 the board may vote on the proposed agreement identified in  
241 subsection (6) of this section to sell the hospital to a not-  
242 for-profit or for-profit entity. The hospital district website  
243 must include a means by which a person may submit written  
244 comments about the proposed transaction to the board and obtain  
245 copies of the findings and documents required under subsections  
246 (1) and (7) of this section.

247 (6) The board must determine, by a majority vote, whether  
248 the interests of the public of the district are best served by  
249 selling to a not-for-profit or for-profit entity. The board  
250 must:

251 (a) Make a determination to accept a proposal for sale  
252 after consideration of all proposals received and negotiations  
253 with a qualified purchaser. The board's determination must  
254 include, in writing, detailed findings of all reasons for  
255 accepting the proposal.

256 (b) Include the findings of all information and documents  
257 relevant to the board's determination, including, but not  
258 limited to:

259 1. The names and addresses of all parties to the  
260 transaction.

261 2. The location of the hospital and all related  
262 facilities.

263 3. A description of the terms of all proposed agreements.

264 4. A copy of the proposed sale and any related agreements.

265 5. The estimated total value associated with the proposed  
266 agreement and the proposed acquisition price.

267 6. The evaluation as required in subsection (1) of this  
268 section and any other valuation prepared at the request of the  
269 board, lessee, or managing entity of the hospital.

270 7. Copies of all other proposals and bids that the board  
271 may have received or considered in compliance with subsection  
272 (3) of this section.

273 (7) In a public meeting noticed as required pursuant to  
274 subsection (1) of this section, the board may approve, by a  
275 majority vote, of the sale of the hospital to an entity subject

276 to the terms of a negotiated agreement. The agreement made  
277 pursuant hereto shall:

278 (a) Require that the articles of incorporation of the for-  
279 profit or not-for-profit corporation be subject to the approval  
280 of the board;

281 (b) Require that any not-for-profit corporation is  
282 qualified under s. 501(c)(3) of the United States Internal  
283 Revenue Code;

284 (c) Provide for the orderly transition of the operation  
285 and management of the facilities; and

286 (d) Provide that the acquiring entity has made an  
287 enforceable commitment that programs and services and quality  
288 health care will continue to be provided to all residents of the  
289 public of the district, particularly to the indigent, the  
290 uninsured, and the underinsured in perpetuity so long as the  
291 succeeding entity is in operation or, if otherwise agreed to,  
292 until the succeeding entity has otherwise met all obligations  
293 set forth in the agreement.

294 (8) If the board approves the agreement, the hospital  
295 shall file a copy of the agreement with the Department of  
296 Commerce no later than 10 days after the date of approval and  
297 the change of ownership has been approved as outlined in section  
298 408.807, Florida Statutes.

299 (9) No later than 30 days after the complete transfer of  
300 assets and liabilities as provided in the agreement under

301 subsection (6) of this section, the board shall notify the  
302 Department of Commerce of the sale. The Highlands County  
303 Hospital District shall be dissolved 30 days following the  
304 receipt of the notice by the department.

305 (10) If the board fails to approve for any reason an  
306 agreement that would result in the sale of the hospital to a  
307 not-for-profit or for-profit entity that will continue to  
308 provide health care services for the county, the board shall  
309 continue to exist as the Highlands County Hospital District.

310 (11) Any interested party as defined in section 155.40(4),  
311 Florida Statutes, has the right to seek judicial review of the  
312 decision by the board to sell the hospital and its assets in the  
313 circuit court where the hospital is located. Judicial review is  
314 limited solely to consideration of whether the procedures  
315 contained within this section have been followed by the board.

316 (12) If an interested party contests the action by the  
317 board, the court will assign costs equitably to the parties.

318 Section 38. The provisions of this act shall be construed  
319 liberally in order to carry out its purpose effectively. Any of  
320 the enumerated powers herein shall not be construed as a  
321 limitation against any remaining powers but shall be construed  
322 as cumulative. To the extent necessary to fully effectuate the  
323 purpose of this act, the provisions hereof shall supersede and  
324 preempt the application of section 155.40, Florida Statutes,  
325 relating to the sale or lease of the hospital.

326

**Section 2.** This act shall take effect upon becoming a law.