

HB 4087

2026

A bill to be entitled
An act relating to the Highlands County Hospital District; amending chapter 2004-458, Laws of Florida; providing requirements and duties of the Board of Commissioners of the Highlands County Hospital District before a lease or management agreement with not-for-profit or for-profit corporations; providing requirements for the agreement; providing applicability; authorizing the board to sell the entirety of the assets of the hospital to a not-for-profit or for-profit entity under certain circumstances; providing requirements and duties of the board before the sale; providing requirements for the sale agreement; requiring the hospital to file a copy of the sale agreement with the Department of Commerce; requiring the board to notify the Department of Commerce of the sale; providing for judicial reviews; providing for court costs; providing construction; providing an effective date.

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

Section 1. Section 35 of section 3 of chapter 2004-458, Laws of Florida, is amended, and sections 37 and 38 are added to that section, to read:

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.

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