

CHAPTER 2011-114

Committee Substitute for Committee Substitute for House Bill No. 395

An act relating to the University of Florida J. Hillis Miller Health Center; amending s. 1004.41, F.S.; correcting the name of one of the health center's colleges; specifying that the University of Florida Board of Trustees shall lease Shands Teaching Hospital and Clinics on the Gainesville campus to Shands Teaching Hospital and Clinics, Inc.; specifying the primary purpose of Shands Teaching Hospital and Clinics, Inc.; providing requirements for lease, contract, or agreement between the University of Florida Board of Trustees and Shands Teaching Hospital and Clinics, Inc.; authorizing the creation of corporate subsidiaries and affiliates; providing the right of control; providing for sovereign immunity; providing that Shands Jacksonville Medical Center, Inc., and its parent, Shands Jacksonville HealthCare, Inc., are private not-for-profit corporations organized primarily to support the health affairs mission of the University of Florida Board of Trustees; authorizing the creation of corporate subsidiaries and affiliates; providing requirements for lease, contract, or agreement between the University of Florida Board of Trustees and the corporations; providing the right of control; providing for sovereign immunity; providing for application; providing an effective date.

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

Section 1. Section 1004.41, Florida Statutes, is amended to read:

1004.41 University of Florida; J. Hillis Miller Health Center.—

(1) There is established the J. Hillis Miller Health Center at the University of Florida, including campuses at Gainesville and Jacksonville and affiliated teaching hospitals, which shall include the following colleges:

- (a) College of Dentistry.
- (b) College of Public Health and Health Professions.
- (c) College of Medicine.
- (d) College of Nursing.
- (e) College of Pharmacy.
- (f) College of Veterinary Medicine and related teaching hospitals.

(2) Each college of the health center shall be so maintained and operated as to comply with the standards approved by a nationally recognized association for accreditation.

(3)(a) The University of Florida Health Center Operations and Maintenance Trust Fund shall be administered by the University of Florida Board of Trustees. Funds shall be credited to the trust fund from the sale of goods and services performed by the University of Florida Veterinary Medicine Teaching Hospital. The purpose of the trust fund is to support the instruction, research, and service missions of the University of Florida College of Veterinary Medicine.

(b) Notwithstanding the provisions of s. 216.301, and pursuant to s. 216.351, any balance in the trust fund at the end of any fiscal year shall remain in the trust fund and shall be available for carrying out the purposes of the trust fund.

(4)(a) The University of Florida Board of Trustees shall lease the hospital facilities of the health center known as ~~the~~ Shands Teaching Hospital and Clinics on the Gainesville campus of the University of Florida and all furnishings, equipment, and other chattels or choses in action used in the operation of Shands Teaching Hospital and Clinics ~~the hospital~~, to Shands Teaching Hospital and Clinics, Inc., a private not-for-profit corporation organized solely for the primary purpose of supporting the University of Florida Board of Trustees' health affairs mission of community service and patient care, education and training of health professionals, and clinical research. In furtherance of that primary purpose, Shands Teaching Hospital and Clinics, Inc., shall operate ~~operating~~ the hospital and ancillary health care facilities as deemed ~~of the health center and other health care facilities and programs determined to be necessary by the board of Shands Teaching Hospital and Clinics, Inc. the nonprofit corporation.~~ The rental for the hospital facilities shall be an amount equal to the debt service on bonds or revenue certificates issued solely for capital improvements to the hospital facilities or as otherwise provided by law.

(b) The University of Florida Board of Trustees shall provide in the lease or by separate contract or agreement with Shands Teaching Hospital and Clinics, Inc., ~~the not-for-profit corporation~~ for the following:

1. Approval of the articles of incorporation of Shands Teaching Hospital and Clinics, Inc., ~~the not-for-profit corporation~~ by the University of Florida Board of Trustees.

2. ~~and the~~ Governance of Shands Teaching Hospital and Clinics, Inc., ~~the not-for-profit corporation~~ by a board of directors appointed, subject to removal, and chaired by the President of the University of Florida, or his or her designee, and vice chaired by the Vice President for Health Affairs of the University of Florida or his or her designee.

3.2. The Use of hospital facilities and personnel in support of community service and patient care, ~~the~~ research programs, and ~~of the teaching roles~~ role of the health center.

~~4.3.~~ The Continued recognition of the collective bargaining units and collective bargaining agreements as currently composed and recognition of the certified labor organizations representing those units and agreements.

~~5.4.~~ The Use of hospital facilities and personnel in connection with research programs conducted by the health center.

~~6.5.~~ Reimbursement to Shands Teaching Hospital and Clinics, Inc., the ~~hospital~~ for indigent patients, state-mandated programs, underfunded state programs, and costs to Shands Teaching Hospital and Clinics, Inc., the ~~hospital~~ for support of the teaching and research programs of the health center. Such reimbursement shall be appropriated to either the health center or Shands Teaching Hospital and Clinics, Inc., the ~~hospital~~ each year by the Legislature after review and approval of the request for funds.

7. Audit of the financial statements of Shands Teaching Hospital and Clinics, Inc., in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board for a separate corporation affiliated with a government entity that holds a voting majority interest of the affiliated corporation’s governing board. The financial statements shall be provided to the University of Florida Board of Trustees for attachment to its audited financial statement which is provided to the Auditor General. The University of Florida may obtain additional financial information from Shands Teaching Hospital and Clinics, Inc., upon request by the Auditor General. This subparagraph applies equally to any not-for-profit subsidiary of Shands Teaching Hospitals and Clinics, Inc., which directly delivers health care services and also qualifies as an instrumentality of the state under the governance control and the primary purpose standards specified in this section.

(c) The University of Florida Board of Trustees may, with the approval of the Legislature, increase the hospital facilities or remodel or renovate them if, provided that the rental paid by Shands Teaching Hospital and Clinics, Inc., the hospital for such new, remodeled, or renovated facilities is sufficient to amortize the costs thereof over a reasonable period of time or fund the debt service for any bonds or revenue certificates issued to finance such improvements.

(d) The University of Florida Board of Trustees ~~may~~ is authorized to provide to Shands Teaching Hospital and Clinics, Inc., the ~~not-for-profit corporation leasing the hospital facilities and its not-for-profit subsidiaries and affiliates, and any successor corporation that acts in support of the board of trustees,~~ comprehensive general liability insurance, including professional liability, from a self-insurance trust program established pursuant to s. 1004.24.

(e) Shands Teaching Hospital and Clinics, Inc., in support of the health affairs mission of the University of Florida Board of Trustees and with the board’s prior approval, may create or have created either for-profit or not-for-profit subsidiaries and affiliates, or both. The University of Florida Board of

Trustees, which may act through the president of the university or his or her designee, may control Shands Teaching Hospital and Clinics, Inc. For purposes of sovereign immunity pursuant to s. 768.28(2), Shands Teaching Hospital and Clinics, Inc., and any not-for-profit subsidiary which directly delivers health care services and whose governing board is chaired by the president of the university or his or her designee and is controlled by the University of Florida Board of Trustees, which may act through the president of the university or his or her designee and whose primary purpose is the support of the University of Florida Board of Trustees' health affairs mission, shall be conclusively deemed a corporation primarily acting as an instrumentality of the state.

(f)(e) In the event that the lease of Shands Teaching Hospital and Clinics the hospital facilities to Shands Teaching Hospital and Clinics, Inc., the not-for-profit corporation is terminated for any reason, the University of Florida Board of Trustees shall resume management and operation of Shands Teaching Hospital and Clinics the hospital facilities. In such event, the University of Florida Board of Trustees may use is authorized to utilize revenues generated from the operation of Shands Teaching Hospital and Clinics the hospital facilities to pay the costs and expenses of operating the hospital facility for the remainder of the fiscal year in which such termination occurs.

(5)(a) Shands Jacksonville Medical Center, Inc., and its parent, Shands Jacksonville HealthCare, Inc., are private not-for-profit corporations organized primarily to support the health affairs mission of the University of Florida Board of Trustees in community service and patient care, education and training of health affairs professionals, and clinical research. Shands Jacksonville Medical Center, Inc., is a teaching hospital affiliated with the University of Florida Board of Trustees and is located, in part, on the Jacksonville Campus of the University of Florida. Shands Jacksonville Medical Center, Inc., and Shands Jacksonville HealthCare, Inc., in support of the health affairs mission of the University of Florida Board of Trustees and with its prior approval, may create or have created either for-profit or not-for-profit subsidiaries or affiliates, or both.

(b) The University of Florida Board of Trustees shall provide in the lease or by separate contract or agreement with Shands Jacksonville Medical Center, Inc., and Shands Jacksonville HealthCare, Inc., for the following:

1. Approval of the articles of incorporation of Shands Jacksonville Medical Center, Inc., and of Shands Jacksonville HealthCare, Inc., by the University of Florida Board of Trustees, which may act through the president of the university or his or her designee. In approving the articles of incorporation of Shands Jacksonville Medical Center, Inc., and of Shands Jacksonville HealthCare, Inc., the president of the university, or his or her designee, may act as the chair of the board of directors, or the president of the university or his or her designee or members of the University of Florida Board of Trustees may act as the approving body of Shands Jacksonville Medical Center, Inc., or Shands Jacksonville HealthCare, Inc.

2. Governance of Shands Jacksonville Medical Center, Inc., and of Shands Jacksonville HealthCare, Inc., by boards of directors appointed, subject to removal, and chaired by the President of the University of Florida, or his or her designee. One director of each board may be so appointed after being nominated by the mayor of the City of Jacksonville subject to the applicable standards for directors of such board. If there is a vice chair of the board of directors of Shands Jacksonville Medical Center, Inc., or Shands Jacksonville HealthCare, Inc., the Vice President for Health Affairs of the University of Florida, or his or her designee or the designee of the president of the university, shall hold that position.

3. Use of the Shands Jacksonville Medical Center, Inc., hospital facilities and personnel in support of community service and patient care, research programs, and the teaching roles of the health center of the University of Florida Board of Trustees.

4. Reimbursement to Shands Jacksonville Medical Center, Inc., for indigent patients, state-mandated programs, underfunded state programs, and costs to the not-for-profit corporation for support of the teaching and research programs of the health center. Such reimbursement shall be appropriated to either the health center or the not-for-profit corporation each year by the Legislature after review and approval of the request for funds.

5. Audit of the financial statements of Shands Jacksonville Medical Center, Inc., and Shands Jacksonville HealthCare, Inc., in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board for a separate corporation affiliated with a government entity that holds a voting majority interest of the affiliated corporation's governing board. The financial statements shall be provided to the University of Florida Board of Trustees for attachment to its audited financial statement which is provided to the Auditor General. The University of Florida may obtain additional financial information from Shands Jacksonville Medical Center, Inc., and Shands Jacksonville HealthCare, Inc., upon request by the Auditor General. This subparagraph applies equally to any not-for-profit subsidiary which directly delivers health care services and also qualifies as an instrumentality of the state under the governance control and primary purpose standards specified in this section.

(c) The University of Florida Board of Trustees, which may act through the president of the university or his or her designee, may control Shands Jacksonville Medical Center, Inc., and Shands Jacksonville HealthCare, Inc.

(d) For purposes of sovereign immunity pursuant to s. 768.28(2), Shands Jacksonville Medical Center, Inc., Shands Jacksonville HealthCare, Inc., and any not-for-profit subsidiary which directly delivers health care services and whose governing board is chaired by the President of the University of Florida or his or her designee and is controlled by the University of Florida Board of Trustees, which may act through the president of the university or his or designee and whose primary purpose is the support of the University of

Florida Board of Trustees' health affairs mission, shall be conclusively deemed corporations primarily acting as instrumentalities of the state.

(e)(f) The University of Florida Board of Trustees may ~~is authorized to~~ provide to Shands Jacksonville HealthCare, Inc., and Shands Jacksonville Medical Center, Inc., and any of their ~~its~~ not-for-profit subsidiaries and affiliates and any successor corporation that acts in support of the board of trustees, comprehensive general liability coverage, including professional liability, from the self-insurance programs established pursuant to s. 1004.24.

Section 2. This act shall take effect July 1, 2011, and shall apply to causes of action accruing on or after July 1, 2011.

Approved by the Governor June 2, 2011.

Filed in Office Secretary of State June 2, 2011.