CHAPTER 2012-258

Committee Substitute for
Committee Substitute for House Bill No. 1299

An act relating to the North Lake County Hospital District, Lake County; codifying special laws relating to the district; providing legislative intent; amending, codifying, reenacting, and repealing chapters 2002-348 and 2004-460, Laws of Florida, relating to the district; re-creating the district and re-creating and reenacting the charter; providing definitions; providing a public purpose; prohibiting a person from seeking election to the board of trustees if the person has previously served on the board of directors of certain entities within a specified time; requiring publication of the annual meeting notice on a publicly accessible website; providing general powers of the district, including the power to levy an ad valorem tax not to exceed a specified millage; establishing permitted uses of tax funds; providing restrictions on the district board’s activities; prescribing requirements of the board for fiscal responsibility, transparency, and accountability; providing financial disclosure requirements and reporting, notice, and public meeting provisions for the board; providing for sovereign immunity; providing for expiration of the district at a specified time without further legislative action and permitting continuation of the district by referendum at the end of 10-year intervals; providing for a referendum; providing an effective date.

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

Section 1. This act constitutes the codification of all special acts relating to the North Lake County Hospital District. It is the intent of the Legislature in enacting this law to provide a single, comprehensive special act charter for the district, including all current authority granted to the district by its several legislative enactments and any additional authority granted by this act.

Section 2. Chapters 2002-348 and 2004-460, Laws of Florida, relating to the North Lake County Hospital District, are codified, reenacted, amended, and repealed as provided in this act.

Section 3. The North Lake County Hospital District is re-created, and the charter is re-created and reenacted to read:

Section 1. ESTABLISHMENT OF DISTRICT; BOUNDARIES.—

A. This act may be cited as the “North Lake County Hospital District Act.”

B. There is created and established as an independent special taxing district of the state a hospital district in Lake County to be known as the

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“North Lake County Hospital District,” which shall comprise and include the territory within Lake County described as follows:

Beginning at the range line dividing ranges 26 and 27 east at its intersection with the township line separating townships 20 and 21 south of the Tallahassee meridian; thence north on said range line to the township line dividing townships 19 and 20 south; thence east on said township line to the Wekiva River; thence north along the thread of the said Wekiva River to the St. Johns River; thence in a northerly and northwesterly direction through the thread of the St. Johns River to the southwest shore of Lake George; thence north along the west shore of Lake George to the range line dividing ranges 26 and 27 east; thence south on said range line to the township line dividing townships 17 and 18 south; thence west on said township line to the northeast corner of section 1, township 18 south, range 25 east; thence run south along the east range line for range 25 to the southeast corner of section 36, township 18 south, range 25 east; thence run east along the North boundary of section 6, township 19 south, range 26 east, to the waters of Lake Eustis; thence southwesterly along the waters of Lake Eustis to the center of the mouth of Dead River; thence southwesterly along the center of Dead River to an extension of the west boundary of section 24, township 19 south, range 25 east, extended south into Lake Harris; thence run southwesterly across Lake Harris to the intersection of the eastern boundary of section 12, township 20 south, range 24 east, with the waters of Lake Harris; thence run southeasterly and south/southeasternly along the shoreline of Lake Harris and Little Lake Harris to the south boundary line of section 24, township 20 south, range 25 east; thence run west to the northwest corner of section 27, township 20 south, range 25 east; thence run south to the southwest corner of section 34, township 20 south, range 25 east; thence run east along the township line separating townships 20 and 21 south, to the Tallahassee Meridian to the point of beginning (hereinafter the “Northeast Territory”).

and

Begin at the northwest (NW) corner of section 6, in township 18 south, range 24 east, and run east along the north township line of township 18 south, to the northeast corner of section 1, township 18 south, range 25 east; thence run south along the east range line of range 25 to the southeast corner of section 36, township 18 south, range 25 east; thence run east along the north boundary of section 6, township 29 south, range 26 east, to the waters of Lake Eustis; thence southwesterly along the waters of Lake Eustis to the center of the mouth of Dead River; thence southwesterly along the center of Dead River to an extension of the west boundary of section 24, township 19 south, range 25 east, extended south into Lake Harris; thence run southwesterly across Lake Harris to the point that the eastern boundary of section 12, township 20 south, range 24 east intersects with the waters of Lake Harris; thence run in a general southeasterly direction along the waters of Lake Harris to the point that the southern boundary of section 24, township 20 south, range 25 east.

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and the waters of Lake Harris intersect; thence run west along the south boundary of sections 24, 23, and 22, township 20 south, range 25 east, to the southwest (SW) corner of said section 22, township 20 south, range 25 east; thence run south along the west boundary of sections 27 and 34, township 20 south, range 25 east to the southwest (SW) corner of section 34, township 20 south, range 25 east; thence run west along the south line of said township 20 to western boundary of Lake County, and west boundary of range 24 east; thence north along the west boundary of said range 24 to the point of beginning (hereinafter the “Northwest Territory”).

Section 2. DEFINITIONS.—As used in this act and for purposes of this act, the term:

A. “Board of trustees” and “board” mean the Board of Trustees of the North Lake County Hospital District.

B. “District” means the North Lake County Hospital District.

C. “Indigent care” means medically necessary health care provided to residents of the North Lake County Hospital District who are determined to be qualified pursuant to the provisions of the Florida Health Care Responsibility Act, section 154.304(9), Florida Statues, and the Florida Health Care Indigency Eligibility Certification Standards, Florida Administrative Code, rule 59H-1.0035(30), except that the poverty rate standard shall be 200 percent of the federal poverty level.

D. “Provider” means a licensed hospital or primary care clinic physically located in the district.

Section 3. PUBLIC PURPOSE OF THE DISTRICT.—The public purpose of the district is to provide a means to pay for indigent care provided in accordance with this act. Indigent care may be provided to residents of the district in accordance with this act through the use of health care facilities not owned and operated by the board of trustees. The provision of such indigent care is found and declared to be a public purpose and necessary for the preservation of the public health of the residents of the district.

Section 4. MEMBERSHIP AND ORGANIZATION OF THE GOVERNING BOARD OF THE DISTRICT.—

A. General.—

1. The district shall be governed by a board of trustees composed of six persons to be elected by the electors residing within the district in a general election. The trustees currently serving on the board shall continue in their capacity to the completion of their terms. The term of office of each trustee shall be 4 years and a trustee may not serve more than two terms for a maximum of 8 years. The term of office shall expire on the date of the general election held 4 years after the date on which that trustee was elected. All
elections for the office of trustee shall be conducted in the same manner as elections for county commissioners.

2. The members of the board of trustees shall serve without pay. Each member shall give a bond to the Board of County Commissioners of Lake County and its successors in office for the use and benefit of the district for the faithful performance of his or her duties in the sum of $1,000 with a surety company qualified to do business in this state as surety, which bond shall be approved and accepted by the Clerk of the Circuit Court of Lake County. The premiums on such bond shall be paid by the district as part of the expenses of the district.

3. Four of the trustees shall constitute a quorum, and a vote of at least four of the trustees is necessary for the transaction of any business of the district. The board of trustees may select from among its membership a chair, vice chair, secretary, and treasurer. The board of trustees shall cause true and accurate minutes and records to be kept of all business transacted by them and shall keep full, true, and complete books of account and minutes, which minutes and books shall be open and subject to the inspection of the residents of the district at all reasonable times during normal business hours. Any person desiring to do so may obtain a copy of the minutes and books of account or such portions thereof as he or she may desire upon payment of the costs of reproduction.

B. Election of the board of trustees.—

1. Registration of electors.—Any person who is a resident of the district, at least 18 years of age, and registered with the Supervisor of Elections for Lake County is eligible to vote for the election of members of the board of trustees.

2. Qualifications of candidate.—All trustees must be duly qualified electors who reside in the district. Three trustees must reside in the Northeast Territory and three trustees must reside in the Northwest Territory. Beginning with the general election in 2014 and in each general election thereafter, a person is not eligible to seek election to the board of trustees if that person served, within the previous 2 years before the election, as an officer or member of a board of directors of a hospital physically located in the district, a parent corporation of such a hospital, or a foundation of such a hospital.

3. Vacancies.—Vacant trustee seats shall be filled through appointment by the Governor; appointees shall serve until the expiration of the term for which they are appointed.

C. Annual meeting.—The annual meeting shall be held before January 31 of each year at such time and place within the district as is determined by the board of trustees. Notice of the date, time, and place of the annual meeting shall be published online on a publicly accessible website maintained by the district and in a daily newspaper of general circulation, in a
section other than the legal ad or classified ad sections, in the district once per week for 2 consecutive weeks. The date of the first publication of such notice must be at least 15, and not more than 30, days before the annual meeting. The agenda at the annual meeting of the board of trustees shall include, but is not limited to:

1. Call to order.

2. Presentation and approval of minutes of the last annual meeting and of any special meeting held since that meeting.


4. Presentation of the annual report of the board of trustees.

5. Transaction of any business that may properly be brought before the board.

6. Election of officers of the board of trustees.

D. Special meetings.—Special meetings of the board of trustees may be called at any time by the chair or upon the written request of four members of the board of trustees. Notices of special meetings of the board of trustees shall be published online on a publicly accessible website maintained by the district and by publication in a daily newspaper of general circulation in the district at least 7 days before such meeting, stating the date and place and general matters of the business to be considered.

E. Removal of members from the board of trustees.—Any member of the board of trustees may be removed by the Governor at any time, for cause, in which event such vacancy or vacancies thereby occurring shall be filled through appointment by the Governor for the unexpired term.

Section 5. POWERS, FUNCTIONS, AND DUTIES.—

A. General powers.—The district may:

1. Adopt an official seal and alter it at pleasure.

2. Maintain an office within the district’s geographical territory at a place it may designate.

3. Sue and be sued in its own name and plead and be impleaded, but with all sovereign immunity and limitations provided by the State Constitution and general law.

4. Make and execute agreements of lease, contracts, and other instruments necessary in the exercise of its powers and functions under this act.

5. Lease as lessor or lessee to or from any person, firm, corporation, association, or body, public or private, any facilities or property for the use of the district to carry out the purpose of the district in its reasonable judgment.
6. Employ attorneys, accountants, and such other employees and agents as may be necessary, in its reasonable judgment, to carry out the purpose of the district, and fix their reasonable compensation.

7. Levy an ad valorem tax in the district not to exceed 1 mill on the dollar of the value of all nonexempt property within that area of Lake County which comprises the district. Such tax shall be paid into the district fund.

8. Cooperate with, apply for and receive grants from, or contract with other governmental agencies or private individuals or entities as may be necessary, convenient, or proper in connection with any of the powers and duties authorized by this act and to carry out the public purpose of the district in its reasonable judgment.

9. Adopt and promulgate policies, rules, and procedures for the efficient and effective operation of the district and to ensure the proper implementation of this act.

10. Do all things necessary to carry out the purpose of the district and to ensure the proper implementation of this act.

B. Collection of taxes.—It is the duty of the Property Appraiser of Lake County to assess, and the Tax Collector of Lake County to collect, the ad valorem tax levied by the board of trustees upon the taxable property in the district. The tax collector shall collect such tax as levied by the board of trustees in the same manner as other taxes are collected and shall pay the same over to the board of trustees within the time and in the manner prescribed by law for the payment of the Tax Collector of Lake County taxes to the county depository. It is the duty of the Department of Revenue to assess all such property in accordance with section 193.085, Florida Statutes. The amount of each county or state taxes and the taxes for the district shall be assessed by the officer respectively as are county taxes upon such property, and such tax shall be remitted by the collecting officer to the board of trustees. All such taxes shall be held by the board of trustees and paid out by them for purposes of this act.

C. Liens and foreclosures.—Liens and foreclosure of liens resulting from failure to pay ad valorem taxation shall be treated as liens and foreclosures resulting from other ad valorem taxes.

Section 6. PERMITTED USES OF TAX FUNDS.—Consistent with the public purpose of the district, the use of funds received through the district’s taxing power and any interest thereon may be used:

A. For reasonable expenses incurred by the district to administer and enforce this act, including the use of private vendors.

B. To pay for indigent care provided by licensed hospitals physically located in the district according to policies and procedures adopted by the board of trustees pursuant to and consistent with this act.

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C. To pay for indigent care provided by licensed primary care clinics physically located in the district that are approved by the board of trustees, if the care does not overlap or duplicate care available through other public health clinics physically located in the district and serving medically indigent residents of the district.

D. To maximize public or private grant or matching funds available for indigent care, including, but not limited to, Medicaid Supplemental Hospital Funding Programs, the Low-Income Pool Program, the Disproportionate Share Hospital Program, and similar programs.

E. To contract with the Lake County Board of County Commissioners for services performed for the district by personnel employed by the county, as well as logistical and technical support, to carry out, in its reasonable judgment, the purpose of the district.

F. To lower the millage rate in succeeding years.

Section 7. RESTRICTIONS.—

A. The district board may not issue bonds, raise tax revenue from any other source, or impose non-ad valorem assessments.

B. Funds received through the district’s taxing power and any interest thereon may not be used:

1. To compensate for a provider’s inability to collect debts arising from serving persons who are not eligible for indigent care under this act.

2. To cover shortfalls or deficiencies in the amounts paid by Medicare or private insurance from patients who are not eligible for indigent care under this act.

3. For capital expenditures incurred by or for a provider.

4. For indigent care based on assumptions, models, studies, or expert analyses or opinions.

5. For indigent care in excess of the actual cost of providing such care; however, the payment for indigent care provided may not exceed the amount payable by the Medicare program for identical or substantially similar care in the territory of the district.

Section 8. FISCAL RESPONSIBILITY, TRANSPARENCY, AND ACCOUNTABILITY.—

A. The board of trustees shall annually determine and approve a balanced district budget and millage in accordance with chapter 200, Florida Statutes, this act, and generally accepted accounting principles.

B. At least once each year, the board of trustees shall post online on a publicly accessible website maintained by the district and publish once in a
daily newspaper of general circulation in the district a complete detailed statement of all moneys received and disbursed by it since the creation of the district as to the first published statement and since the last published statement as to any other year. The statement must include the sources from which the funds were received, the balance on hand at the time of the published statement, and a complete statement of the financial condition of the district.

C. Any provider receiving funds from the district is subject to an audit of its records relative to the patients for whom payment is sought in order to ensure compliance with this act. All auditors must contractually agree to comply with applicable patient confidentiality rules, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA; Pub. L. No. 104-191, 110 Stat. 1936) and rules implementing that act.

D. The district must conduct financial integrity and compliance audits of providers receiving payments in any one fiscal year in excess of 10 percent of the district's tax revenue in that year, and may initiate other audits of any provider at any time, to ensure compliance with this act and to provide transparency and accountability to the taxpayers. All audit reports become public records upon acceptance by the board of trustees. If, upon completion of an audit, it is determined that payment was made by the district that was not in compliance with this act, a rebuttable presumption is created that the district is entitled to a recoupment of the amounts in question. Notice to the provider and an opportunity to go forward with evidence rebutting the presumption in an informal setting shall be provided. Pending any judicial determination, the district may set off the amounts in question against any other amounts owed or to be owed to the provider. If informal resolution cannot be reached between the parties, a formal mediation conference shall be requested by the board of trustees. Venue for any legal proceedings is in the Circuit Court of Lake County.

E. The board of trustees shall adopt and promulgate eligibility verification criteria and procedures designed to ensure that all recipients of indigent care for which payment is sought under this act are qualified by the provider as medically indigent persons and residents of the district.

F. Any indigent care for which payment is requested in whole or in part from the district must be certified by the provider as medically necessary.

G. A provider requesting payment under this act must certify, under penalty of perjury, that the eligibility verification procedures adopted by the board of trustees have been complied with and that he or she, in good faith, believes that the person is qualified to receive indigent care under this act.

H. If estimated payments are made to a provider eligible to receive payment from the district, to ensure public oversight, accountability, and public benefit, the hospital or clinic shall maintain such funds in a separate accounting of funds and document each eligible indigent care patient account so that a complete audit record is established. All direct documentation that

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is part of the audit record is subject to disclosure as provided in chapter 119, Florida Statutes.

I. All hospitals receiving any payments from the district in a given fiscal year shall file with the district the audited financial statements required by and filed with the Agency for Health Care Administration for the same fiscal year.

J. The board of trustees shall timely provide to each member of the Lake County Legislative Delegation:

1. All financial statements and reports of the district.

2. All audit reports of the district and of all providers that are the subjects of audits initiated by the district.

3. Within 120 days after the end of its fiscal year, which shall be the same as the fiscal year for Lake County government, an annual report for the previous fiscal year providing a detailed review of the performance of the district containing actual data and analyses of patients served, the names and types of providers used, the ratio of administrative to direct patient expenditures, problems encountered, and recommendations for improvement, including proposed legislative changes to this act.

Section 9. FINANCIAL DISCLOSURE AND NOTICE.—

A. Members of the board of trustees are subject to the financial disclosure requirements provided in general law.

B. Except as otherwise expressly required in this act, the board of trustees is subject to the reporting, notice, and public meetings requirements of sections 189.415, 189.417, and 189.418, Florida Statutes. All meeting and workshop notices and minutes of meetings and workshops shall be posted online on a publicly accessible website maintained by the district.

Section 10. AMENDMENTS TO THE CHARTER.—This act may not be amended except by action of the Legislature.

Section 11. SOVEREIGN IMMUNITY.—For purposes of sovereign immunity pursuant to section 768.28(2), Florida Statutes, any primary care clinic physically located in the district the main purpose of which is to provide indigent care and which directly delivers care for compensation from the district as provided in this act, and any health care provider who volunteers his or her services to the primary care clinics to provide indigent care without receiving personal financial compensation, shall be conclusively deemed to be primarily acting as an instrumentality of the state.

Section 12. COMPREHENSIVE PLANNING.—Except as may otherwise be required by general law, comprehensive planning is not required by this act.

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Section 13. ESTABLISHMENT AND DISSOLUTION OF THE DISTRICT.—The district, established pursuant to section 189.4042, Florida Statutes, is reestablished by this act as a special district under chapter 189, Florida Statutes. The district may be dissolved by action of the Legislature.

Section 14. DURATION AND CONTINUATION.—The district expires and shall be dissolved at the end of its fiscal year in 2017 without further action by the Legislature. However, the district may be continued at the end of that period for 10 years if in the general election in 2016 a majority of the electors voting in a referendum called for that purpose approve its continuation. The district is subject to a continuation vote in like manner every 10 years thereafter. If the district is dissolved without further action by the Legislature as provided in this act, all property owned by the district is transferred to, and all indebtedness of the district is assumed by, the Lake County Board of County Commissioners effective upon such dissolution.

Section 15. REFERENDUM.—The Board of County Commissioners of Lake County shall call, and the Supervisor of Elections of Lake County shall conduct, in conjunction with the general election to be held on November 8, 2016, or such other general election date as provided by general law, a referendum as follows:

CONTINUATION OF THE NORTH LAKE COUNTY HOSPITAL DISTRICT

Shall the independent special district known as the North Lake County Hospital District with authority to levy each year an ad valorem tax not to exceed 1 mill to fund indigent care to qualified residents of the district be continued for another 10 years?

Yes......

No......


Section 5. This act shall take effect upon becoming a law.

Approved by the Governor April 27, 2012.

Filed in Office Secretary of State April 27, 2012.