

BILL

ORIGINAL

YEAR

1                                   A bill to be entitled  
2           An act relating to Lake County; repealing chapters  
3           2002-348 and 2004-460, Laws of Florida, relating to  
4           the North Lake County Hospital District, to dissolve  
5           the district; providing for the transfer of property  
6           and the assumption of debt of the dissolved district;  
7           creating the North Lake County Indigent Healthcare  
8           District; providing district boundaries, definitions,  
9           and the purpose of the district; providing powers,  
10          duties, functions, and restrictions; providing for  
11          reduction of the millage rate in certain  
12          circumstances; establishing policy, procedure,  
13          eligibility criteria, and requirements for payment for  
14          health care services; providing a method for amending  
15          the charter; providing for district board membership,  
16          compensation, bond, and administrative duties;  
17          providing for financial disclosure, reporting, notice,  
18          and public records and meetings requirements, and  
19          financial integrity and compliance audits; providing  
20          for resolution of recoupment disputes and venue for  
21          related legal proceedings; providing procedures for  
22          conducting district elections, including referenda;  
23          providing qualifications of an elector; authorizing a  
24          millage rate; establishing planning requirements;  
25          establishing duration and continuation; providing for  
26          a referendum; providing for transition; providing  
27          effective dates.

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

30

31 Section 1. Chapters 2002-348 and 2004-460, Laws of  
 32 Florida, are repealed.

33 Section 2. The North Lake County Hospital District is  
 34 dissolved, notwithstanding the requirement under s. 189.4042(2),  
 35 Florida Statutes, that an independent special district having ad  
 36 valorem taxation power be dissolved by the same procedure  
 37 required to grant it such taxation power. Pursuant to s.  
 38 189.4045, Florida Statutes, all property owned by the North Lake  
 39 County Hospital District is transferred to, and all indebtedness  
 40 of the district is assumed by, the Lake County Board of County  
 41 Commissioners effective October 1, 2013.

42 Section 3. (1) SHORT TITLE.—This section may be cited as  
 43 the "North Lake County Indigent Healthcare District Act."

44 (2) CREATION.—There is created the North Lake County  
 45 Indigent Healthcare District, an independent special district,  
 46 consistent with the requirements of chapter 189, Florida  
 47 Statutes, and this section.

48 (3) DISTRICT BOUNDARIES.—The district comprises and  
 49 includes the territory within Lake County described as follows:

50

51 Beginning at the range line dividing ranges 26 and 27  
 52 east at its intersection with the township line  
 53 separating townships 20 and 21 south of the  
 54 Tallahassee meridian; thence north on said range line  
 55 to the township line dividing townships 19 and 20  
 56 south; thence east on said township line to the Wekiva

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57 River; thence north along the thread of the said  
 58 Wekiva River to the St. Johns River; thence in a  
 59 northerly and northwesterly direction through the  
 60 thread of the St. Johns River to the southwest shore  
 61 of Lake George; thence north along the west shore of  
 62 Lake George to the range line dividing ranges 26 and  
 63 27 east; thence south on said range line to the  
 64 township line dividing townships 17 and 18 south;  
 65 thence west on said township line to the northeast  
 66 corner of section 1, township 18 south, range 25 east;  
 67 thence run south along the east range line for range  
 68 25 to the southeast corner of section 36, township 18  
 69 south, range 25 east; thence run east along the North  
 70 boundary of section 6, township 19 south, range 26  
 71 east, to the waters of Lake Eustis; thence  
 72 southwesterly along the waters of Lake Eustis to the  
 73 center of the mouth of Dead River; thence  
 74 southwesterly along the center of Dead River to an  
 75 extension of the west boundary of section 24, township  
 76 19 south, range 25 east, extended south into Lake  
 77 Harris; thence run southwesterly across Lake Harris to  
 78 the intersection of the eastern boundary of section  
 79 12, township 20 south, range 24 east, with the waters  
 80 of Lake Harris; thence run southeasterly and  
 81 south/southeasterly along the shoreline of Lake Harris  
 82 and Little Lake Harris to the south boundary line of  
 83 section 24, township 20 south, range 25 east; thence  
 84 run west to the northwest corner of section 27,

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85 township 20 south, range 25 east; thence run south to  
 86 the southwest corner of section 34, township 20 south,  
 87 range 25 east; thence run east along the township line  
 88 separating townships 20 and 21 south, to the  
 89 Tallahassee Meridian to the point of beginning  
 90 (hereinafter the "Northeast Territory").

91  
 92 and

93  
 94 Begin at the northwest (NW) corner of section 6, in  
 95 township 18 south, range 24 east, and run east along  
 96 the north township line of township 18 south, to the  
 97 northeast corner of section 1, township 18 south,  
 98 range 25 east; thence run south along the east range  
 99 line of range 25 to the southeast corner of section  
 100 36, township 18 south, range 25 east; thence run east  
 101 along the north boundary of section 6, township 29  
 102 south, range 26 east, to the waters of Lake Eustis;  
 103 thence southwesterly along the waters of Lake Eustis  
 104 to the center of the mouth of Dead River; thence  
 105 southwesterly along the center of Dead River to an  
 106 extension of the west boundary of section 24, township  
 107 19 south, range 25 east, extended south into Lake  
 108 Harris; thence run southwesterly across Lake Harris to  
 109 the point that the eastern boundary of section 12,  
 110 township 20 south, range 24 east intersects with the  
 111 waters of Lake Harris; thence run in a general  
 112 southeasterly direction along the waters of Lake

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113 Harris to the point that the southern boundary of  
 114 section 24, township 20 south, range 25 east, and the  
 115 waters of Lake Harris intersect; thence run west along  
 116 the south boundary of sections 24, 23, and 22,  
 117 township 20 south, range 25 east, to the southwest  
 118 (SW) corner of said section 22, township 20 south,  
 119 range 25 east; thence run south along the west  
 120 boundary of sections 27 and 34, township 20 south,  
 121 range 25 east to the southwest (SW) corner of section  
 122 34, township 20 south, range 25 east; thence run west  
 123 along the south line of said township 20 to western  
 124 boundary of Lake County, and west boundary of range 24  
 125 east; thence north along the west boundary of said  
 126 range 24 to the point of beginning (hereinafter the  
 127 "Northwest Territory").

128  
 129 (4) DEFINITIONS.—As used in this section and for purposes  
 130 of this act, the term:

131 (a) "District" means the North Lake County Indigent  
 132 Healthcare District.

133 (b) "Health care services" means medically necessary  
 134 hospital, medical, nursing, mental, and behavioral services,  
 135 including inpatient, outpatient, primary, and specialty services  
 136 and medicine.

137 (c) "Medically indigent person" means a qualified resident  
 138 who lacks public or private health insurance, is unable to pay  
 139 for care, and is a member of a family with an income at or below  
 140 185 percent of the federal poverty level.

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141 (d) "Qualified resident" means an individual who maintains  
 142 his or her primary residence and domicile within the district.

143 (5) PUBLIC PURPOSE OF THE DISTRICT.—The public purpose of  
 144 the district is to provide a means to pay for health care  
 145 services for medically indigent persons who are qualified  
 146 residents. Consistent with this purpose, the use of funds  
 147 received through the district's taxing power and any interest  
 148 thereon may be used only:

149 (a) For reasonable expenses incurred by the district to  
 150 administer and enforce this section.

151 (b) To pay for health care services provided to medically  
 152 indigent persons who are qualified residents of the district for  
 153 which the provider of the services cannot receive payment from  
 154 any private or public insurance program, including Medicare and  
 155 Medicaid. District funds may not be used to supplement payments  
 156 received from any private or public insurance program, including  
 157 Medicare and Medicaid.

158 (6) POWERS, DUTIES, FUNCTIONS, AND RESTRICTIONS.—

159 (a) The district may:

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

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

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

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

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169        5. Lease as lessor or lessee to or from any person, firm,  
 170 corporation, association, or body, public or private, any  
 171 facilities or property for the use of the district to carry out  
 172 the purpose of the district in its reasonable judgment.

173        6. Employ attorneys, accountants, and such other employees  
 174 and agents as may be necessary, in its reasonable judgment, to  
 175 carry out the purpose of the district, and may fix their  
 176 reasonable compensation.

177        7. Cooperate with, apply for and receive grants from, or  
 178 contract with other governmental agencies or private individuals  
 179 or entities as may be necessary, convenient, or proper in  
 180 connection with any of the powers and duties authorized by this  
 181 section and to carry out the purpose of the district in its  
 182 reasonable judgment, as long as doing so does not result in a  
 183 legal obligation to expend district ad valorem recurring revenue  
 184 for more than 1 fiscal year. The district board may contract  
 185 with the Lake County Board of County Commissioners for services  
 186 performed for the district by personnel employed by the county,  
 187 as well as logistical and technical support, to carry out, in  
 188 its reasonable judgment, the purpose of the district.

189        8. Levy and assess an ad valorem tax on all the taxable  
 190 property in the district to carry out the purpose of the  
 191 district. The ad valorem tax levied by the district board for  
 192 district purposes may not exceed 1 mill. The levy by the  
 193 district board of the taxes authorized by this section shall be  
 194 in accordance with the procedure set forth in the State  
 195 Constitution and general law. The collection and enforcement of  
 196 the tax levied by the district shall be undertaken at the same

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197 time and in the same manner as county taxes, and the provisions  
 198 of the Florida Statutes relating to liens for taxes and the  
 199 enforcement thereof; the sale of lands for unpaid and delinquent  
 200 taxes; the issuance, sale, and delivery of tax certificates for  
 201 such unpaid and delinquent taxes; the redemption thereof; the  
 202 issuance to individuals of tax deeds based thereon; and all  
 203 other procedures in connection therewith shall be applicable to  
 204 the district to the same extent as if the statutory provisions  
 205 were expressly set forth herein. All taxes shall be subject to  
 206 the same discounts as county taxes. All taxes provided for in  
 207 this section shall become delinquent and bear penalties on the  
 208 amount of such taxes in the same manner as county taxes.

209 9. Apply any unused funds remaining at the end of a fiscal  
 210 year to lower the millage rate within the next 2 succeeding  
 211 years.

212 10. Annually determine and approve a balanced district  
 213 budget and millage in accordance with chapter 200, Florida  
 214 Statutes, this section, and generally accepted accounting  
 215 practices.

216 11. Promulgate and adopt policies, rules, and procedures  
 217 for the efficient and effective operation of the district and to  
 218 ensure the proper implementation of this section.

219 12. Provide for payment in whole or in part to providers  
 220 of health care services but only for specific health care  
 221 services consistent with the purpose of the district and the  
 222 requirements and limitations stated in this section.

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223 13. Do all things necessary to carry out the purpose of  
 224 the district and to ensure the proper implementation of this  
 225 section.

226 (b) The district may not pay any provider of health care  
 227 services:

228 1. To compensate for the provider's inability to collect  
 229 debts arising from serving persons who are not eligible for  
 230 health care services under this section or persons who are  
 231 eligible for health care services under this section but are  
 232 required to partially pay for such services under district  
 233 requirements implementing this section;

234 2. In excess of the Medicaid reimbursement rate for  
 235 identical or substantially similar health care services paid  
 236 under the Medicaid program for the geographical region which  
 237 includes the territory of the district; or

238 3. Fees based on assumptions, models, studies, expert  
 239 analyses, or estimates.

240 (c) The district board may not issue bonds, raise tax  
 241 revenue from any other source, or impose non-ad valorem  
 242 assessments.

243 (d) At least once each year, the district board shall  
 244 cause to be posted online and published once in a newspaper of  
 245 general circulation in the district a complete detailed  
 246 statement of all moneys received and disbursed by it since the  
 247 creation of the district as to the first published statement and  
 248 since the last published statement as to any other year. The  
 249 statement must include the sources from which the funds were  
 250 received, the balance on hand at the time of the published

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251 statement, and a complete statement of the financial condition  
 252 of the district.

253 (7) POLICY, PROCEDURE, ELIGIBILITY CRITERIA, AND  
 254 REQUIREMENTS FOR PAYMENT FOR HEALTH CARE SERVICES.—

255 (a) Licensed hospitals physically located within the  
 256 district are eligible to submit payment requests to the  
 257 district.

258 (b) Non-hospital health care providers must be prescreened  
 259 and approved by the district before becoming eligible to submit  
 260 payment requests to the district. These providers may include  
 261 non-hospital urgent care centers and private physicians in  
 262 predetermined specialty areas including, but not limited to,  
 263 prenatal care, pediatric medicine, and oncology. The district,  
 264 in its reasonable judgment, may limit the number of approved  
 265 non-hospital health care providers.

266 (c) The district board shall establish eligibility  
 267 verification criteria designed to ensure that all recipients of  
 268 health care services paid for under this section are medically  
 269 indigent persons and qualified residents.

270 (d) A qualified resident must comply with the district's  
 271 adopted eligibility verification criteria and certify, under  
 272 penalty of perjury, that he or she is a medically indigent  
 273 person as defined in this section.

274 (e) Any health care services for which payment is  
 275 requested must be certified by the provider as medically  
 276 necessary.

277 (f) The health care provider requesting payment under this  
 278 section must certify, under penalty of perjury, that after

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279 following the district's eligibility verification procedures, he  
 280 or she, in good faith, believes that the person meets the  
 281 definition of a medically indigent person.

282 (g) The district board may develop a sliding scale for  
 283 evaluation of a medically indigent person's ability to partially  
 284 pay for his or her health care services. If it is determined  
 285 that the medically indigent person is able to pay partially  
 286 according to the district's adopted sliding scale, the patient's  
 287 eligibility shall be conditioned on such participation.

288 (h) Payment for all health care services shall be made  
 289 only on a per-patient basis for actual documented health care  
 290 services provided.

291 (i) Any health care provider receiving funds from the  
 292 district is subject to an audit of its records relative to the  
 293 patients for whom payment is sought in order to ensure program  
 294 integrity.

295 (j) There is no entitlement to payment. Rather, any  
 296 request for payment is subject to availability of funds  
 297 collected under the approved millage in the same fiscal year  
 298 that the services are rendered and that otherwise meet all of  
 299 the established criteria.

300 (8) METHOD OF AMENDING CHARTER.—This charter may not be  
 301 amended except by action of the Legislature.

302 (9) DISTRICT BOARD MEMBERSHIP.—

303 (a) The district board shall be comprised of five board  
 304 members. Three of the members shall be members of the Lake  
 305 County Board of County Commissioners who represent districts 3,  
 306 4, and 5, as determined by the 2011 district map of the Lake

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307 County Board of County Commissioners. The two members of the  
 308 board who do not serve as county commissioners must be electors  
 309 residing in the district, one residing in the Northeast  
 310 Territory and one residing in the Northwest Territory. The board  
 311 members who represent the Northeast and Northwest territories  
 312 shall initially be appointed by the Governor to serve until the  
 313 election of their successors at the general election in 2014.

314 (b) The seats for the members who represent the Northeast  
 315 and Northwest territories shall be filled by partisan election  
 316 at large by the entire district beginning with the 2014 general  
 317 election. The member elected at large to serve from the  
 318 Northeast Territory shall serve a 2-year term which expires in  
 319 2016, but thereafter the position shall be elected for a 4-year  
 320 term at the general election in each even-numbered year the  
 321 number of which is a multiple of 4. The member elected at large  
 322 to serve from the Northwest Territory shall be elected to serve  
 323 a 4-year term in the general election in each even-numbered year  
 324 the number of which is not a multiple of 4. The term of office  
 325 for members serving from the Northeast and Northwest territories  
 326 shall begin on the second Tuesday following such election.

327 (c) If a vacancy occurs in an office held by a member who  
 328 represents the Northeast Territory or the Northwest Territory,  
 329 the office shall be filled by appointment by the Governor for  
 330 the remainder of the term if that term is less than 28 months,  
 331 otherwise until the first Tuesday after the first Monday  
 332 following the next general election.

333 (10) COMPENSATION.—Board members shall serve without  
 334 compensation for their services. However, while acting in their

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335 official capacity for the district board, members are entitled  
 336 to reimbursement for their reasonable and necessary actual  
 337 expenses, including subsistence, lodging, travel, and other  
 338 reasonable expenses not to exceed the amount actually incurred,  
 339 as approved by the district board.

340 (11) ADMINISTRATIVE DUTIES.—

341 (a) The members of the district board shall annually elect  
 342 from among themselves a chair and a vice chair. The chair shall  
 343 preside at all meetings, except that the vice chair may preside  
 344 in the chair's absence. The chair and vice chair shall each have  
 345 an official vote in all matters considered by the board. The  
 346 district board may adopt bylaws providing for the orderly  
 347 governance and operation of district affairs.

348 (b) The district board shall meet regularly but not less  
 349 frequently than quarterly to transact business. A special  
 350 meeting may be called by the chair and shall be called upon the  
 351 request of a majority of the members. Three district board  
 352 members constitutes a quorum, and a vote of at least three of  
 353 the members is required to complete the transaction of any  
 354 business of the district. The district board shall keep true and  
 355 accurate minutes and records of all business transacted by it  
 356 and shall keep full, true, and complete books of account and  
 357 minutes. The minutes, records, and books shall be open and  
 358 subject to public inspection at all reasonable times, and any  
 359 person desiring to do so may make or procure a copy of the  
 360 minutes, records, or books of account, or any portion thereof,  
 361 as he or she may desire, at a reasonable cost determined by the  
 362 board.

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363        (c) Each district board member, whether elected or  
 364 appointed, shall give a bond for the faithful performance of the  
 365 duties of his or her office. The bond shall be issued by a  
 366 surety company authorized to do business in the state as a  
 367 surety. The amount of the bond must be approved by the district  
 368 board, and the bond shall be kept by the Clerk of the Circuit  
 369 Court of Lake County. The premium of the bond must be paid as  
 370 part of the expenses of the district board.

371        (12) FINANCIAL DISCLOSURE, NOTICE, AND REPORTING  
 372 REQUIREMENTS.—

373        (a) District board members are subject to the same  
 374 financial disclosure requirements as county commissioners.

375        (b) The district board is subject to the reporting,  
 376 notice, and public meeting requirements of ss. 189.415, 189.417,  
 377 and 189.418, Florida Statutes.

378        (c) The district board shall promptly transmit to the  
 379 Department of Health, with a copy provided to each member of the  
 380 Lake County Legislative Delegation:

381            1. All financial statements and reports of the district.

382            2. All audit reports of the district and of all hospitals  
 383 and health care providers that are the subjects of audits  
 384 initiated by the district.

385            3. An annual report providing a detailed review of the  
 386 performance of the district containing actual data and analyses  
 387 of patients served, types of providers used, the ratio of  
 388 administrative to direct patient expenditures, problems  
 389 encountered, and recommendations for improvement, including  
 390 proposed legislative changes to this section.

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391 (13) FINANCIAL INTEGRITY AND COMPLIANCE AUDITS.—  
 392 (a) The district must conduct financial integrity and  
 393 compliance audits of hospitals and health care providers  
 394 receiving payments in any one fiscal year in excess of 10  
 395 percent of the district's tax revenue in that year, and may  
 396 initiate other audits of any hospital or health care provider at  
 397 any time, to ensure program integrity and to provide  
 398 accountability to the taxpayers. All audit reports become public  
 399 records upon acceptance by the board.  
 400 (b) If, upon completion of an audit, it is determined that  
 401 payment was made by the district that was not in compliance with  
 402 the requirements of this section, a rebuttable presumption is  
 403 created that the district is entitled to a recoupment of the  
 404 amounts in question. Notice to the provider and an opportunity  
 405 to go forward with evidence rebutting the presumption in an  
 406 informal setting will be provided. Pending any judicial  
 407 determination, the district may set off the amounts in question  
 408 against any other amounts owed or to be owed to the provider. If  
 409 informal resolution cannot be reached between the parties, a  
 410 formal mediation conference is required and is a condition  
 411 precedent to the filing of a lawsuit. Venue for any legal  
 412 proceedings is in the Circuit Court of Lake County.  
 413 (14) PROCEDURES FOR CONDUCTING DISTRICT ELECTIONS OR  
 414 REFERENDA REQUIRED; QUALIFICATIONS OF AN ELECTOR.—District  
 415 elections, including referenda, shall be conducted by the  
 416 supervisor of elections consistent with the procedures  
 417 established in the Florida Election Code. All registered voters

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418 of the district eligible to vote in an election are qualified  
 419 electors.

420 (15) AUTHORIZED MILLAGE RATE.—The ad valorem tax levied by  
 421 the district board for district purposes may not exceed 1 mill.

422 (16) PLANNING REQUIREMENTS.—The district must annually  
 423 plan its income and expenditures as part of the budget  
 424 development process.

425 (17) DURATION AND CONTINUATION.—The district expires at  
 426 the end of its fiscal year 11 years after the election in which  
 427 the creation of the district is approved. However, the district  
 428 may be continued at the end of that period if a majority of the  
 429 electors voting in a referendum called for that purpose and held  
 430 before the expiration of the district approve its continuation.  
 431 The district is subject to a continuation vote in like manner  
 432 every 10 years thereafter.

433 Section 4. The Board of County Commissioners of Lake  
 434 County shall call, and the Supervisor of Elections of Lake  
 435 County shall conduct, in conjunction with the general election  
 436 to be held on November 6, 2012, a referendum as follows:

438 CREATION OF THE NORTH LAKE COUNTY INDIGENT HEALTHCARE DISTRICT

440 Shall an independent special district known as the North Lake  
 441 County Indigent Healthcare District be created by special act of  
 442 the Legislature with authority to levy each year an ad valorem  
 443 tax not to exceed 1 mill to fund indigent health care services  
 444 provided to qualified residents of the district?

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446 Yes

447 No

448

449       Section 5. If the creation of the North Lake County  
 450 Indigent Healthcare District is approved at the referendum  
 451 required by this act, the Governor shall make the appointments  
 452 to the district board as soon as possible thereafter and in  
 453 sufficient time prior to October 1, 2013, for those members and  
 454 the elective members of the board to begin preparations to  
 455 ensure that the district is fully operational on October 1,  
 456 2013, as provided by this act.

457       Section 6. Sections 1 and 2 of this act shall take effect  
 458 October 1, 2013; section 3 of this act, which creates the North  
 459 Lake County Indigent Healthcare District and authorizes the levy  
 460 of ad valorem taxation pursuant to Section 9(b) of Article VII  
 461 of the State Constitution, shall take effect October 1, 2013, if  
 462 approved by a majority vote of those qualified electors of the  
 463 district voting in a referendum to be held in conjunction with  
 464 the general election to be held on November 6, 2012, in  
 465 accordance with the provisions of law relating to elections  
 466 currently in force; and sections 4 and 5 of this act and this  
 467 section shall take effect upon this act becoming a law.