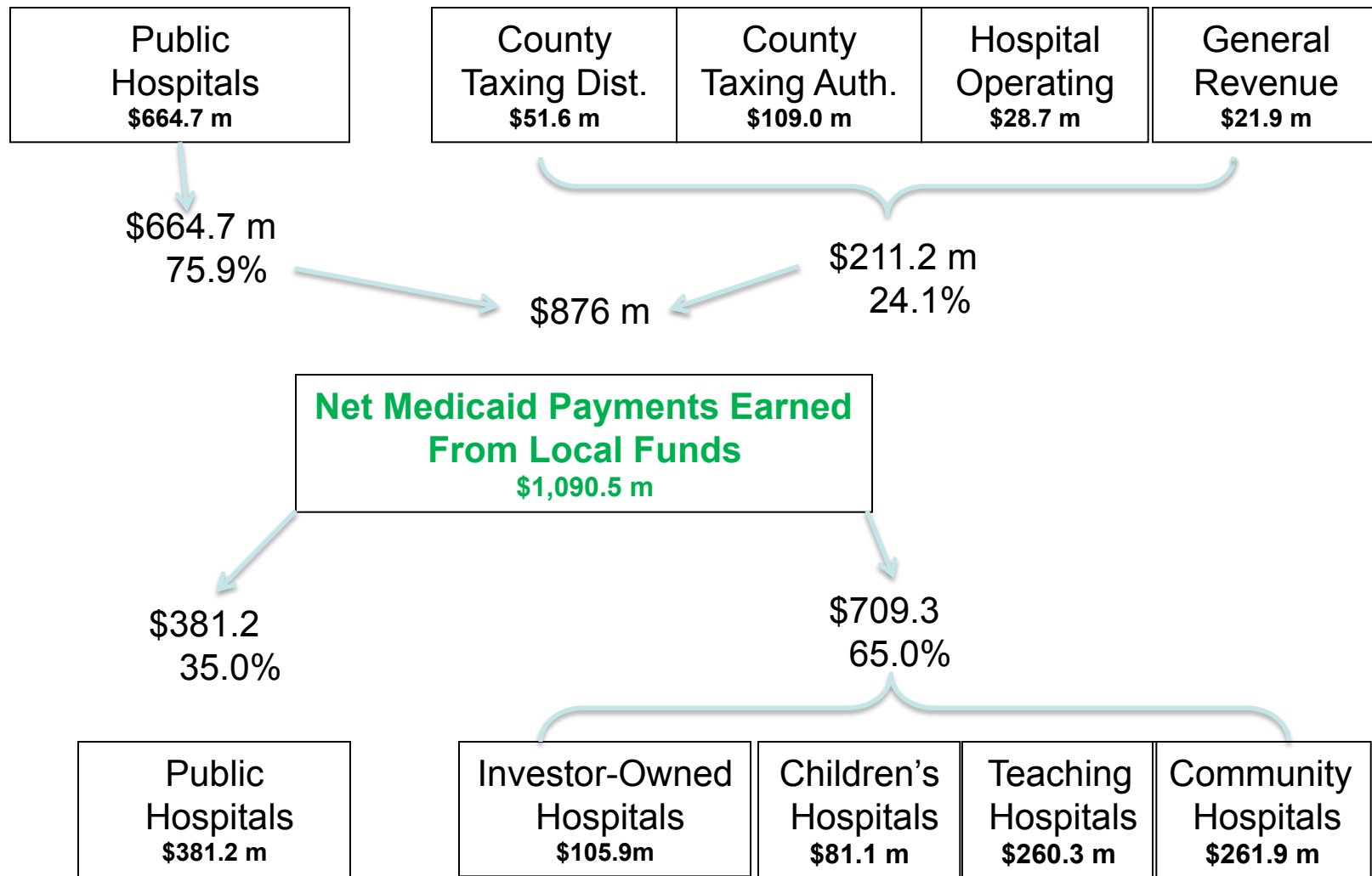


# Public Hospital Funds Ensure A Critical Share of Medicaid Federal Funding For Florida's Hospitals



## Intergovernmental Transfers Fiscal Year 2011-12

### Hospital Taxing Authority

Sarasota County Public Hospital Board	\$ 21,281,521	2.5%
Halifax Hospital Medical Center Taxing District	\$ 34,937,284	4.1%
South Broward Hospital District	\$ 91,127,629	10.7%
North Broward Hospital District	\$ 151,338,738	17.7%
Miami-Dade County	\$ 364,893,776	42.7%
North Brevard Hospital District	\$ 1,168,402	0.1%
	\$ 664,747,350	75.9%

### County Taxing Authority

Collier County	\$ 2,845,954	0.3%
Duval County	\$ 23,423,249	2.7%
Hillsborough County	\$ 34,232,756	4.0%
Marion County	\$ 5,010,638	0.6%
Orange County	\$ 12,325,434	1.4%
Pinellas County	\$ 24,635,001	2.9%
Gulf County	\$ 1,020,373	0.1%
Mantee County	\$ 5,120,981	0.6%
St. John County	\$ 363,827	0.0%
	\$ 108,978,213	12.4%

### County Taxing District

Health Care District of Palm Beach County	\$ 22,184,654	2.6%
Indian River Taxing District	\$ 9,864,873	1.2%
Lake Shore Hospital Authority	\$ 2,845,954	0.3%
North Lake Hospital Taxing District	\$ 12,456,954	1.5%
South Lake Hospital Taxing District	\$ 4,278,126	0.5%
	\$ 51,630,561	5.9%

### Public Hospital Operating Funds

Citrus County Hospital Board	\$ 7,984,490	
Health Central	\$ 2,622,928	
Lee Memorial Health System	\$ 12,171,751	
Bay County	\$ 5,918,162	
	\$ 28,697,331	3.3%

### General Revenue

General Revenue	\$ 250,000	
General Revenue Recurring	\$ 15,076,670	
New General Revenue For Buy backs	\$ -	
SDH (Shands-UF & FP GR	\$ 6,604,047	\$ 21,930,717
		2.5%
Total	\$ 875,984,172	\$ 875,984,172
		100.0%

## List of Public Hospitals included in the Analyses (from 2009-2010 AHCA Data)

	Hospital Name	County
1	BAY MEDICAL CENTER	BAY
2	BROWARD HEALTH BROWARD GENERAL MEDICAL CENTER	BROWARD
3	BROWARD HEALTH CORAL SPRINGS MEDICAL CENTER	BROWARD
4	BROWARD HEALTH IMPERIAL POINT MEDICAL CENTER	BROWARD
5	BROWARD HEALTH NORTH BROWARD MEDICAL CENTER	BROWARD
6	<b>CAMPBELLTON-GRACEVILLE HOSPITAL</b>	<b>JACKSON</b>
7	DOCTORS MEMORIAL HOSPITAL	HOLMES
8	ED FRASER MEMORIAL HOSPITAL	BAKER
9	GEORGE E WEEMS MEMORIAL HOSPITAL	FRANKLIN
10	HALIFAX HEALTH MEDICAL CENTER	VOLUSIA
11	HEALTH CENTRAL	ORANGE
12	HENDRY REGIONAL MEDICAL CENTER	HENDRY
13	JACKSON HOSPITAL	JACKSON
14	<b>JACKSON MEMORIAL HOSPITAL</b>	<b>MIAMI - DADE</b>
15	LAKESIDE MEDICAL CENTER	PALM BEACH
16	MEMORIAL HOSPITAL MIRAMAR	BROWARD
17	MEMORIAL HOSPITAL PEMBROKE	BROWARD
18	MEMORIAL HOSPITAL WEST	BROWARD
19	MEMORIAL REGIONAL HOSPITAL	BROWARD
20	PARRISH MEDICAL CENTER	BREVARD
21	SARASOTA MEMORIAL HOSPITAL	SARASOTA

\* Campbellton-Graceville Hospital is a rural critical access hospital

84	FOR PROFIT HOSPITALS
67	NOT FOR PROFIT HOSPITALS
172	TOTAL HOSPITALS

**Overview of the Average Cost  
Per Adjusted Admission**

Hospital Classification	Sample Size	Average Cost Per Adjusted Admission	Average Standardized Cost Per Adjusted Admission
For Profit	84	\$ 7,348	\$ 5,743
Not For Profit	69	\$ 8,836	\$ 6,307
Public Hospitals	21	\$ 8,048	\$ 6,398
*Campbellton-Graceville	1	\$ 11,984	\$ 12,028
Jackson Memorial	1	\$ 15,936	\$ 10,646

Public Hospitals Adjuste For:	Sample Size	Average Cost Per Adjusted Admission	Average Standardized Cost Per Adjusted Admission
Less: Campbellton-Graceville*	20	\$ 7,851	\$ 6,117
Less: and Jackson Memorial	19	\$ 6,874	\$ 5,410

\* Critical Access Hospital

November 21, 2011

Dominic M. Calabro, Chair  
Florida Tax Watch  
106 N. Bronough St.  
Tallahassee, FL 32301-7723

Dear Chairman Calabro:

I am writing to you in your capacity as Chairman of the Governor's Commission on Review of Taxpayer Funded Hospital Districts. During meetings of the Commission, some have raised an issue that we believe does not accurately reflect the facts relating to public hospitals. Some have asserted that the hospital districts were created many years ago, and have outlived or abandoned their original purposes. I write today to bring to your attention information that we believe creates a more accurate picture of the dynamic and evolving nature of public hospitals in Florida.

In response to the Commission's initial request for information on May 16, 2011, hospitals provided information on their legislative authorization. This information clearly indicates that these districts were not simply authorized by the legislature and then forgotten, but have evolved and changed over time in response to the will of the local community.

Since this information has either been overlooked or not understood, I have attached, as an example, a document from Sarasota Memorial Hospital that provides a detailed account of the legal history of that district. Since Sarasota Memorial was initially authorized by law in 1949, its authorizing legislation has been amended 30 times, most recently in 2005. Sarasota Memorial is an evolving entity that has changed at the request of its local legislative delegation on a regular basis to meet the developing needs of its citizens and community.

This is the case with all of the hospital districts. The number of legislative changes varies, but they have all changed over time, by actions of their local delegations, to meet the developing needs of their communities. This is as it should be. As Representative Larry Metz indicated at the last Commission meeting, and Representative Matt Hudson has expressed at several meetings, these districts were created by local bills sponsored by their delegations and passed by the legislature. They should be and have been changed and improved in the same manner.

Chairman Dominic Calabro  
November 21, 2011  
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Thank you for the opportunity to present this information. We request that you distribute this letter and the attachment to the members of the Commission, and post both on the official Commission website.

Cordially,

A handwritten signature in black ink, appearing to read 'Mark Delegal', written in a cursive style.

Mark Delegal

Cc: Jeff Gregg, Staff Director of the Commission  
AHCA

## Sarasota County Public Hospital District Amendments/ Enabling Legislation

The following is a comprehensive abstract of the amendments that have been made to the Sarasota County Public Hospital District Enabling Legislation through the years.

The special law (the "Special Act") which established the Sarasota County Public Hospital District ("the District") originated in 1949 with Chapter 26468, Laws of Florida (1949), and was approved by Sarasota County electors in a referendum held on January 10, 1950.

- 26468-49      Established Sarasota County Public Hospital Board as corporate body, jurisdiction to all of Sarasota County.
- 27888-51      **Amends Section 8 of 26468-49** as amended providing for the qualifications and method of appointment of the members of the Hospital Board, term of office and compensation, duties and powers, authorizing Hospital Board to purchase property, construct hospital building(s) and to operate maintain and supervise such hospital(s); authorizing Hospital Board to borrow money and issue bonds to purchase property, to construct hospital buildings and equip and maintain; provides for the calling of special tax elections for the Issuance of Evidence of Indebtedness and Bonds; providing for the condemnation of property under the right of eminent domain; providing rules and regulations for the use and operation of such hospitals or hospital. Providing for the Levy of a Millage on all property and the manner of collection; Providing for the right to accept gifts and donations and declaring said act to be for public purposes; providing for the issuance of benefit certificate and the terms and conditions upon which they may be issued. Issuance of negotiable coupon bonds of the District in amount not to exceed \$750,000 if approved by majority of votes cast which majority of freeholders who were qualified electors residing in District – interest rate not exceeding 6% per annum
- 31262-55      **Amends Sections 1,3,5,8 & 12 of 26468-49 as amended by 27888-51** which establishes Sarasota County Public Hospital Board; providing for the qualifications and method of appointment of the members of such hospital board, term of office, compensation to be paid, duties and powers, authorization to operate, maintain and supervise hospital, borrow money and issue bonds to purchase property, to construct hospital buildings, irrespective of zoning regulations and equip and maintain the same; providing for the calling of special tax elections for the issuance of evidence of indebtedness and bonds, providing for the condemnation of property under the right of eminent domain, providing rules and regulations for the use and operation of such hospitals or hospital. Providing for the right to accept gifts and donations and declaring said act to be for public purposes; providing for the issuance of benefit certificate and the terms and conditions upon which they may be issued.
- 57-1838      **Amends Sections 7, 8 and 10 of 26468-49 as amended by 27888-51 as amended by 31262-55** establishing Sarasota County Public Hospital Board, providing for the manner of deposit and withdrawal of monies and receipts of hospitals owned by Hospital Board, providing for the calling of Special Freeholder Elections from time to time, for the issuance of evidence of indebtedness and bonds, providing for liability of Municipal corporations within said Hospital District to Hospital Board for hospital services rendered prisoners of such Municipal Corporation by Hospitals owned by said Board. (amended by 86-373)
- 59-1839      **Amends Sections 3, 8, 10, 13 & 14 of 26468-49 as amended by 27888-51 as amended by 31262-55 as amended by 57-1838** changing the term Administrator to Director; defining the term Mill; providing for monthly certification by the Hospital Board to

the Board of County Commissioners of Sarasota County of list of medically indigent persons with hospital charges for each and providing for payment by Board of County Commissioners for hospital services and care for the medically indigent persons to the Hospital Board. Defining the term medically indigent person, providing for the reimbursement of certain other hospitals in Sarasota County by the Board of County Commissioners of Sarasota County for hospital services rendered therein to medically indigent persons; deleting the provision that any hospital created under this act shall be for the benefit of certain persons who are not inhabitants of Sarasota County, Florida who become sick or maimed within the county of Sarasota, Florida; providing for the destruction of records of the Hospital Board and Hospitals owned and operated by the Hospital Board after the records have been photographed or micro-filmed.

- 61-2807-      **Section 8 of 26468-49** as amended is amended to add the following:  
j. expend hospital funds and withhold employee's wages to purchase and otherwise participate in group insurance policies and plans providing hospitalization, medical, disability and life insurance for employees of the Board and their dependents. (Authorizes the board to purchase and participate in group insurance for its employees.)
- 61-2855      Authorizes the issuance of special beverage license to the Hospital Board authorizing sale of alcoholic beverages to patients of any hospital operated by the Board upon prescription of a licensed physician and purchase from a duly authorized manufacturer or distributor.
- 61-2868      Hospital or hospitals in the County of Sarasota shall be entitled to and given liens for reasonable charges for hospital care, treatment and maintenance of the ill (causes of action, suits, claims, demands, etc)—Procedure for perfection of lien and release of same.
- 63-1893      **Amends Section 8 (c) 26468-49** as amended requiring the Board of County Commissioners of Sarasota County upon the adoption of a resolution by the Hospital Board requesting the Board of County Commissioners to call a hospital bond election to forthwith adopt a resolution which orders an election of freeholders to be held in such county and provides the date for such freeholders election and publication of notice.
- 63-1895      **Section 3 of 26468-49** as amended providing hospital board shall select a meeting place and place for its principal office and board meetings shall be held at least once a month. Board to elect one of its members to serve as secretary, one as treasurer, two to serve as assistant treasurers or it may appoint persons not members to serve in those capacities. Chairman, First Vice Chairman and Second Vice Chairman of Board. – Authorized to establish and maintain refund account in a commercial bank of its choosing and may designate either the director, controller of the Hospital Board or either of them as sole authorized signatories for such refund account. Authority for payment of wages and salaries. Treasurer and Assistant Treasurer shall give bonds in amounts designated by majority vote for faithful performance of their duties by bonding company. Board authorized to pay treasurer, assistant treasurer and secretary salary and expenses for work done.
- 63-1896      **Amends Section 8(h) and 1<sup>st</sup> paragraph of Section 14 26468-49** as amended- provides for the levy of a millage not to exceed two mills on all property in Sarasota county to provide funds for the operation maintenance and repair of and for the making of alterations and additions to any hospitals established by the hospital board.

- 63-1913      **Amends Section 7 of 26468-49** as amended authorizing the Hospital Board to pay for items of equipment, costing less than two hundred dollars and for general operating expenses, drugs, food, fuel, linen, supplies, laundry, medicines, salaries, wages and utilities without an order from the Hospital Board.
- 65-2226      **Amends Section 8 26468-49** to allow Sarasota County Public Hospital Board through hospitals under its jurisdiction to conduct informal and formal courses of instruction, demonstration and education relating to hospital procedures, services and care and the operation and care of apparatus and equipment utilized in connection with usual hospital functions, and authorizing the participation in such courses with private or other governmental agencies.
- 65-2227      **Amends Section 9 26468-49** to allow the Sarasota County Public Hospital Board to exercise its power of eminent domain in accordance with the provisions of chapter 74, Florida Statutes, in the same manner as therein provided for the acquiring of right of way for the state highway system.
- 65-2232      **Amends 26468-49 adding sections 24-26** providing for the construction and operation of parking facilities, providing for lease or franchise agreements and the pledging of revenues there from for loans; providing for a public hearing regarding parking rate' providing an exemption from ad valorem taxation.
- 67-2047      **Amends Section 8 26468-49** providing that if the millage rate is reduced in the year of a revaluation under the provisions of Section 193.03 Florida Statutes, the Sarasota County Public Hospital Board may require an increase in the levy of millage by no more than ten percent (10%) of what it was in the preceding year or by no more than that which is required for a ten percent (10%) increase in the amount which was yielded by millage levied for such Hospital Board in the year immediately preceding such revaluation.
- 69-1583      **Amends 26468-49 as amended-** relating to the creation, powers and duties of the Sarasota County Public Hospital Board, providing for the issuance by the Board of Revenue Bonds to pay the cost of hospital facilities in the Sarasota County Public Hospital District; providing for the fixing, charging and collecting of rates, fees and charges for the use of hospital facilities under the control of the board to pay the principal of and the interest on such revenue bonds; providing that such bonds shall not obligate the state, the county the board or the district to levy any ad valorem taxes or to make any appropriation for the payment of such principal or for the operation and maintenance of such hospital facilities.
- 69-1593      **Amends section 12 26468-49** as amended providing for the organization of the staff of physicians for hospitals owned or operated by the board; authorizing the board to establish rules for control of hospital employees, including private duty nurses attending hospital patients.
- 71-907      **Amends section 8 (k) 26468-49** as amended to empower the Board to award scholarship loans and grants to qualified students of nursing, x-ray technology and other hospital -related fields of study.
- 83-525      **Amends sections 1,3,7,8a (1) and 12 of 26468-49** as amended providing that all Hospital Board members elected in 1976 and after shall commence on the same date that the County Commissioners of Sarasota commence their terms of office as provided by general law; eliminating the power of the hospital board to appoint and remove assistant directors, providing for an assistant secretary, providing that the director,

assistant directors, business office manager and controller may be designated signatories on the refund account, empowering hospital board to provide certain hospital services within the boundaries of the hospital district but outside of the hospital facilities of the board; power of the Board to expend funds and make payments for purposes other than wages or salary, authorizing membership by dentists on the hospital medical staff and providing requirements therefore, providing for the payment of hospital funds without an order from the board; authorizing the hospital board by resolution or bylaws to establish procedures mandating the hospital board approval of certain expenses; authorizing membership by osteopathic physicians on hospital medical staff and providing requirements therefore.

- 84-530      **Amends section 8 of 26468-49** as amended relating to powers of the Hospital Board; enabling the Hospital Board to create subsidiary corporations for specified purposes. (Sarasota County Public Hospital Board Enabling Legislation)
- 85-501      **Amends Sections 8 and 8A 26468-49** as amended enabling the Hospital Board to acquire property necessary for health care purposes, to borrow money for the purpose of purchasing property and equipment and constructing buildings for health facilities; to provide health care services; to participate to extent permitted by the Constitution and Laws of Florida as a shareholder in a corporation, or as a joint venture in a joint venture which provides health care or engages in activities related thereto; to provide debt and equity financing for the activities of such corporations or joint ventures; and to utilize for any lawful purpose assets and resources of the Board to the extent not needed for health care and related activities providing for severability. Majority of hospital board shall constitute quorum for transaction of its business.
- 86-373      **Amends Sections 1,3,7, & 8 of 26468-49** as amended requiring Hospital Board to create three hospital board districts as specified, Hospital Board to fix district boundaries at intervals of no more than 10 years; providing for election of hospital board members from each district and at large; prohibiting the grouping on the ballot of candidates for district seats and at large seats, temporary filling of vacancy on the board, commencement and expiration of member's term of office; enabling hospital board to appoint certain officers and specify powers; establishment of fund to promote activities of facilities owned or operated by the hospital board; enabling the board to compromise, settle and assign accounts receivable, establish or participate in health maintenance organizations.  
**Further amends sections 1 & 4 of 61-2868** providing for hospital liens for hospital care and **amending section 8 of 83-525** that specified operations of the hospital established under 26468-49 remain under the direct control and administration of the Hospital Board.
- 87-526      **Amends subsection b of section 8 of 26468-49** as amended enabling the Hospital Board to construct hospitals, health facilities, buildings and accessories within the Memorial Hospital core without regard to municipal and county zoning regulations. (completely amended by 90—422)
- 88-534      **Adds Section 8 (r) to 26468-49** as amended powers of Hospital Board to invest its funds
- 90-411      **Amends section 1 of 26468-49** as amended providing for a minimum meeting attendance requirement for members of the Board; providing that failure to fulfill such requirement is neglect of duty, allowing the Board to remove a member for neglect of duty and specifying procedure for such removal from office and for filling the resultant vacancy.

- 90-422      **Amends 8 (b) of 26468-49** as amended to enable the hospital board to construct outpatient health facilities and medical offices and to do so without regard to municipal and county zoning ordinances, laws, and regulations.
- 95-507      **Amends 26468-49** as amended to provide members of the Hospital Board reimbursement for actual expenses incurred by them in the performance of their duties, provides that the board may invest funds in negotiable direct obligations of Federal Agencies or Government Sponsored Enterprises which meet certain criteria; providing that the powers of the Hospital Board as authorized may be exercised amending 83-525 to provide that the term *operations of the hospital* does not include certain shared service arrangements of Sarasota Memorial Hospital.
- 2000-400      **Amends 26468-49** as amended to provide that candidates for the Hospital Board seats shall be grouped by seat as provided in the Florida Election Code.
- 2003-359      **Act constituting the codification of all special acts relating to the Sarasota County Public Hospital District. Amends, codifies and re-enacts all special acts relating to the Sarasota County Public Hospital District.** Provides District boundaries, governing board, powers, functions and duties of the District and its governing board, including express power to sell and exchange real estate. – **REPEALS** 26468 (1949), 27888 (1951), 31262 (1955), 57-1838, 59-1839, 61-2807, 61- 2855, 61-2868, 63-1893, 63-1895, 63-1896, 63-1913, 65-2226, 65-2227, 65-2232, 67-2047, 69- 1583, 69-1593, 71-907, 83-525, 84-530, 85-501, 86-373, 87-526, 88-534, 90-411, 90-422, 95- 507, and 2000-400, Laws of Florida, except for the provisions approved in referendum on January 10, 1950 **conferring ad valorem taxing authority**, ratifying actions of the District and the governing board pursuant to 69-1583, providing severability and for construction and effect.
- 2005-304-      **Amends 2003-359** authorizing the Sarasota County Public Hospital Board to establish, operate and maintain facilities and services outside the boundaries of the district; **restricting the use of ad valorem tax funds to facilities and services within the district and providing severability.** This adds subsections 20, 21, 22 and 23 to section 8 of section 3 of chapter 2003-359.