

Date: December 29, 2011

To: Fellow Commissioners

From: Brad Dinkins

At the meeting on December 22nd, I questioned the inclusion of the following recommendation in the commission's final report:

3.b. The Legislature should consider providing Public Medical Assistance Trust Fund tax relief to targeted public hospitals with no taxing authority as an innovative funding mechanism to provide cost-effective services to a broad population, incentivize economic development, and provide a higher quality of healthcare delivery services.

I further questioned why such tax relief should not be made available to private hospitals as well. The recommendation was left unchanged in the latest draft, based partly on the following input, as I remember, from a fellow Commissioner:

- 1) The commission is titled "Commission on Review of Taxpayer Funded Hospital Districts" and therefore consideration of such tax relief for private hospitals falls outside the purview of the commission.
- 2) The legislature will do what it wants to do, whatever the commission may recommend anyway.

For this meeting I would like to suggest we consider the following new concerns and points that have not been raised regarding 3.b.:

- The Executive Order makes it clear we are not to look at taxpayer funded hospital districts in a vacuum. The problem of "special treatment" for certain hospitals is one of the commission's primary research tasks. **I believe we are expected to be fair and whenever possible to provide equal and balanced treatment to all hospitals, and this proposed recommendation fails the test.**
- The Governor's Executive Order communicates concern about how current public policy impacts market competition among all hospitals—both public and private? **Recommending 3.b. rewards only certain hospitals at the biased exclusion of many others....and demonstrates favoritism, while promoting unfair advantages to a select few hospitals.**
- I believe the Governor expected the commission to conduct its own independent assessment and develop its own recommendations. **However this recommendation is anything but independent, as it originated with a paid lobbyist seeking special**

treatment for Lee Memorial Health Systems, at the exclusion of many other worthy hospitals. It unfairly excluded many other hospitals in Florida. The lobbyist wanted his recommendation included to provide capital funding for a proposed hospital they wish to build. Some of the monies would come from all taxpayers in Florida via the general revenue fund. Shifting or expanding the tax burden of Florida citizens, or taking monies from other areas of the budget to benefit only a select few hospitals opposes the intent and spirit of our Executive Order.

If we make a recommendation to provide **“tax relief”**, as this recommendation does, then why provide tax relief for a just a small minority of hospitals, why not all hospitals, and in a fair and balanced manner .If we recommend **“an innovative funding mechanism to provide cost-effective services to a broad population, incentivize economic development, and provide a higher quality of healthcare delivery services”** to some hospitals, as this recommendation does, then why not provide this to all hospitals.

Bottom line, I believe recommendation 3.b. violates the intent and purpose of our Executive Order, is not fair and balanced to all worthy hospitals throughout Florida, it demonstrates favoritism and special treatment, and does so without merit or justification. In conclusion I therefore ask my fellow Commissioners to reconsider recommendation 3.b., and I further suggest that we remove it from our final report