

- DRAFT MEETING MINUTES -

Florida Commission on Review of Taxpayer Funded Hospital Districts

Meeting Date: December 20, 2011

Time: 10:00a.m. – 4:00 p.m.

Location: Agency for Health Care Administration, Conference Room A

Members Present: Dominic Calabro, Chair, Brad Dinkins, R. Paul Duncan, Jacob C. Jackson (via phone), Marshall Kelley, Senator Joe Negron represented by Senator Claude Hendon, Randall McElheney (via phone), J. Scott McCleneghen (via phone), representative for Representative Matt Hudson (via phone) and Jeff Gregg, Executive Director

Members Absent:

AHCA Staff Present: Kaylyn Boles, Ryan Fitch, Marsha Webb, Marisol Novak, Beth Eastman

Interested Parties Present: John Benz, Memorial Healthcare System; Bill Woeltjen, Sarasota Memorial; Paul Belcher, Florida Hospital Association; Lori Hundley, Parrish Medical; Jim Zingale, Safety Net Hospital Alliance of Florida; Jim Saunders, News Service of Florida; Michael Glazer, Ausley & McMullen; David Ashburn, Greenberg Traug, Jan Gorrie, Carlton Fields.

Welcome and Introductions: Dominic Calabro, Chair, called the meeting to order and welcomed the Florida Commissioner's Review of Taxpayer Funded Hospital Districts (Commission members) and interested parties.

Review and Approval of December 6th Meeting Minutes: Chairman Calabro called for a review and approval of the minutes from the December 6, 2011 commission meeting. A motion was made by Commissioner Duncan and seconded by Commissioner Kelley. The minutes were approved.

Commission Review of Draft Report: The Commission members reviewed the proposed general recommendations of the draft report and made some minor changes to wording. A revised draft will be presented at the next meeting on Thursday, December 22. Any changes made will be in a different color.

Public Comment – Michael Glazer, Ausley & McMullen, representing Bert Fish Memorial: Mr. Glazer noted that a letter was submitted on behalf of Bert Fish Memorial. This letter has been added to the website with the meeting materials. He focused on governance and the notion of oversight. He stated that legislation had been introduced in the past regarding oversight. He asked that the Commission consider the nature of oversight and the notion of transitioning some hospitals to other governing models. Mr. Glazer stated that there were hurdles, one where the Sunshine Law played in the outcome. He also mentioned that the public should have more say in what happens. Chairman Calabro stated that he wasn't in favor of a public vote unless it was on how they would be taxed. He doesn't believe that the public should be involved in the sale of a facility.

Public Comment – William Woeltjen, Sarasota Memorial Hospital: Mr. Woeltjen stated that if several of the general recommendations are followed through it will curtail care in the community. He was specific to the recommendation under *Oversight and Accountability* that would ensure that all hospital taxing districts contain a sunset provision every eight years to review the districts' authority to levy taxes. He noted that this would make it difficult to secure bonds because the bond issuers want to know that a facility will exist for 30 years (the life of the bond). Commissioner Kelley noted that nothing is guaranteed to stay the same. Mr. Woeltjen stated that he understands this but feels that the recommendation will impact future bond issuance. He also commented on the recommendation of keeping the hospital board and district separate and that it would create more politics.

Public Comment – John Benz, Memorial Health System: Mr. Benz began by noting that the Memorial Health System was a model for healthcare. The South Broward Hospital District has the lowest tax rate (.75 mills). He mentioned that the money in the district does not follow the patient and that it goes to the primary care system. Their district board is the hospital board. He believes that care is not dependent on the structure as is being recommended, but it is based on the approach. He stated that if the recommendation goes through all that they've done has been in vain. His organization is opposed to the recommendation. Chairman Calabro stated that if there was a two-step process (public voting) that there could be two questions. Question one would be to keep the district as is. If the majority voted no, then you would move to question two, which would be how it would change. He noted that the solution would not be the same for every district. Commissioner Kelley asked if indigent care district should be changed to state health care district. Mr. Benz stated that they currently fund/provide care for all in district. He doesn't believe that there should be a two-tier system in Florida.

Public Comment – Jim Zingale, Safety Net Hospital Alliance of Florida: Mr. Zingale stated that they provided written comment on disagreements with some of the group's findings as presented. They believe that their information should be included in the final report as an appendix. He also stated that they believe that some of the recommendations listed on page two shouldn't be listed in the beginning as it wrongly elevates the importance.

Public Comment – Jan Gorrie, Carlton Fields: Ms. Gorrie stated that she believes that some of the findings in the general recommendations are inaccurate. The point of *All Florida counties have statutory authority to fund indigent care through a sales tax referendum* is incorrect as a county would not have this authority if they were already at the tax limit. She also noted in the point of *Public hospitals that sell their assets can provide long term benefits to improve access to care for the poor* is inaccurate because if a facility is selling assets in a fire sale that they would be closing out outstanding funds and would simply close out the bonds (there would be nothing left).

She also said that the recommendation *District and hospital boards should be separate* was a recommendation that she didn't believe in. She felt that this should be left at the discretion of the public (community). The next recommendation *Special hospital districts should become indigent health care districts, funding indigent health care based on local priorities and not limited to hospitals owned or operated by the districts* was another one in disagreement. She stated that more often than not you are seeing a district retaining the same name when leased and they play a stewardship role. In this instance they have no tax authority. In the recommendation to ensure a sunset review every eight years was another area in disagreement. She would like to include that indebtedness should be considered and that it wouldn't kick in until the debt is paid (if it was noted in the actual sunset review). The last comment was to re-word the first recommendation under *Changes of Ownership and Governance*, which is to *Ensure an open,*

public bid process. Ms. Gorrie suggested to add 'or negotiation' after 'bid.' Commissioner Kelley suggested using 'Ensure an open procurement process,' which would include both RFPs and ITNs.

Meeting Adjourn: The meeting adjourned at 12:54 p.m.