

1                   A bill to be entitled  
2           An act relating to Citrus County; providing for  
3           codification of special laws relating to the Citrus County  
4           Hospital Board, an independent special district in Citrus  
5           County; codifying, amending, reenacting, and repealing  
6           chapters 99-442 and 2001-308, Laws of Florida, as the  
7           "Citrus County Hospital and Medical Nursing and  
8           Convalescent Home Act"; deleting obsolete provisions;  
9           making technical revisions; providing definitions;  
10          authorizing the board to enter into a lease or contract  
11          with a not-for-profit corporation for the purpose of  
12          operating and managing the hospital and its facilities;  
13          providing requirements for such lease or contract;  
14          declaring a need for governance authority to fulfill the  
15          hospital board's public responsibilities; providing for a  
16          board of directors; providing for membership; requiring  
17          that the not-for-profit corporation conform all governance  
18          documents to certain requirements, if necessary;  
19          authorizing ad valorem taxation; requiring that the not-  
20          for-profit corporation separately account for the  
21          expenditure of all ad valorem tax moneys provided by the  
22          hospital board; requiring that the expenditure of all  
23          public tax funds be approved in a public meeting and  
24          maintained in a separate account; providing for the  
25          hospital board's approval or rejection of the not-for-  
26          profit corporation's articles of incorporation or bylaws,  
27          selection of a new chief executive officer or renewal of  
28          his or her employment contract, the annual operating and

29 capital budgets, additional loan indebtedness or leases in  
30 excess of a specified amount, and the not-for-profit  
31 corporation's policies for travel reimbursements and  
32 contract bid procedures; providing that all records of the  
33 not-for-profit corporation are public records unless  
34 exempt; providing that any dispute between the hospital  
35 board and the not-for-profit corporation is subject to  
36 court action; providing application; repealing chapters  
37 99-442 and 2001-308, Laws of Florida, relating to the  
38 Citrus County Hospital Board; providing severability;  
39 providing construction; providing an effective date.  
40

41 WHEREAS, the Citrus County Hospital Board was created by  
42 the Legislature in 1949 as a special taxing district and a  
43 public nonprofit corporation for the purpose of acquiring,  
44 building, constructing, maintaining, and operating a public  
45 hospital in Citrus County; and, in 1965, the Legislature  
46 expanded the purpose of the hospital board to include operating  
47 public hospitals, medical nursing homes, and convalescent homes  
48 in Citrus County, and

49 WHEREAS, in 1987, the hospital board caused to be  
50 incorporated a not-for-profit management corporation with the  
51 original purpose of operating exclusively for the benefit of and  
52 carrying out the purposes of the Citrus County Hospital Board  
53 and, in 1990, entered into a long-term lease agreement with the  
54 not-for-profit management corporation pursuant to section  
55 155.40, Florida Statutes, leasing all public assets, operations,

56 and management of Citrus Memorial Hospital to the not-for-profit  
 57 management corporation, and

58 WHEREAS, meaningful oversight by the hospital board is  
 59 necessitated in light of the not-for-profit corporation's  
 60 status as an instrumentality of the hospital district, and

61 WHEREAS, restoration of meaningful hospital board  
 62 representation on the board of the lessee corporation and  
 63 implementation of appropriate accountability and oversight by  
 64 the hospital board are necessitated in order to ensure the  
 65 sovereign immunity status of the not-for-profit corporation as  
 66 an instrumentality of the hospital district, and

67 WHEREAS, the ability of the hospital board to continue to  
 68 act in the public interest on behalf of the taxpayers of Citrus  
 69 County requires mechanisms to ensure adherence to the hospital  
 70 board's public responsibilities, and

71 WHEREAS, this act provides an appropriate and effective  
 72 means of addressing the lessee's performance of its  
 73 responsibilities to the public and to the taxpayers of Citrus  
 74 County, NOW, THEREFORE,

75

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

77

78 Section 1. This act constitutes the codification of all  
 79 special acts relating to the Citrus County Hospital Board. It is  
 80 the intent of the Legislature in enacting this law to provide a  
 81 single, comprehensive special act charter for the district,  
 82 including all current authority granted to the district by its

83 several legislative enactments and any additional authority  
 84 granted by this act.

85 Section 2. Chapters 99-442 and 2001-308, Laws of Florida,  
 86 relating to the Citrus County Hospital Board, are codified,  
 87 reenacted, amended, and repealed as provided in this act.

88 Section 3. The Citrus County Hospital Board is re-created,  
 89 and the charter is re-created and reenacted to read:

90 Section 1. This act may be cited as the "Citrus County  
 91 Hospital and Medical Nursing and Convalescent Home Act."

92 Section 2. As used in this act, the following words and  
 93 terms have the following meanings:

94 (1) "Citrus County Hospital Board," "hospital board," and  
 95 "board" means the Citrus County Hospital Board.

96 (2) "County" means Citrus County.

97 (3) "County hospital and medical nursing and convalescent  
 98 homes" includes hospitals, medical care facilities, clinics, and  
 99 other allied medical care units.

100 (4) "Indigent care" means medically necessary health care  
 101 provided to Citrus County residents who are determined to be  
 102 qualified pursuant to the provisions of the Florida Health Care  
 103 Responsibility Act, section 154.304(9), Florida Statutes, and  
 104 the Florida Health Care Indigency Eligibility Certification  
 105 Standards, Florida Administrative Code, rule 59H-1.0035(30).

106 (5) "Operate" includes build, construct, maintain, repair,  
 107 alter, expand, equip, lease pursuant to and consistent with the  
 108 provisions of this act, finance, and operate.

109 (6) "Property" means real and personal property of every  
 110 nature whatsoever.

111 (7) "State" means the State of Florida.

112 Section 3. (1) There is hereby created the Citrus County  
113 Hospital Board, an independent special district, and by that  
114 name the board may sue and be sued, plead and be impleaded,  
115 contract and be contracted with, acquire and dispose of property  
116 or any interest therein, and have an official seal. The board is  
117 created as a public nonprofit corporation without stock and is  
118 composed of and governed by the five members herein provided  
119 for, to be known as trustees. The hospital board is hereby  
120 constituted and declared to be an agency of the county and  
121 incorporated for the purpose of operating hospitals, medical  
122 nursing homes, and convalescent homes in the county. The  
123 hospital board shall consist of five trustees appointed by the  
124 Governor, and, upon this act becoming a law, the present members  
125 will automatically become trustees and shall constitute the  
126 board. Their respective terms of office shall be the term each  
127 member is presently serving. All subsequent appointments, upon  
128 the expiration of the present terms, shall be for terms of 4  
129 years each. Upon the expiration of the term of each trustee, the  
130 successor shall be appointed by the Governor. Likewise, any  
131 vacancy occurring shall be filled by appointment by the Governor  
132 for the unexpired term. Each appointment by the Governor is  
133 subject to approval and confirmation by the Senate.

134 (2) The trustees of the board shall elect from among its  
135 members a chair, a vice chair, and a secretary-treasurer, who  
136 shall each hold office for a period of 1 year. Each trustee  
137 shall execute a bond in the penal sum of \$5,000 with a good and  
138 sufficient surety of a surety company authorized under the laws

139 of the state to become surety, payable to the Citrus County  
 140 Hospital Board, conditioned upon the faithful performance of the  
 141 duties of the trustee, which bonds shall be approved by the  
 142 remaining trustees of the board and shall be filed with the  
 143 Board of County Commissioners of Citrus County. The premiums on  
 144 such bonds shall be paid by the hospital board. Three trustees  
 145 shall constitute a quorum of the hospital board for the purpose  
 146 of conducting its business and exercising its powers and for all  
 147 other purposes. Action may be taken by the board only upon a  
 148 vote in the affirmative of three trustees thereof.

149 (3) The hospital board shall comply with the applicable  
 150 requirements of chapter 280, Florida Statutes, and part IV of  
 151 chapter 218, Florida Statutes.

152 (4) Any and all funds so deposited shall be withdrawn by a  
 153 check or warrant signed by two trustees of the hospital board,  
 154 of which one shall be the chair, vice chair, or secretary-  
 155 treasurer. No check or warrant exceeding the sum of \$25,000  
 156 shall be delivered to the payee without approval thereof shown  
 157 in the minutes of the hospital board meeting.

158 Section 4. The trustees of the board shall receive no  
 159 compensation for their services. Three trustees shall constitute  
 160 a quorum of the hospital board for the purpose of conducting its  
 161 business and exercising its powers and for all other purposes.  
 162 Action may be taken by the board only upon a vote in the  
 163 affirmative of three trustees thereof.

164 Section 5. The Citrus County Hospital Board as hereby  
 165 created shall be for the purpose of operating, in Citrus County,  
 166 public hospitals, medical nursing homes, and convalescent homes,

167 primarily and chiefly for the benefit of the citizens and  
168 residents of Citrus County. Authority is hereby given to the  
169 board to build, erect, expand, equip, maintain, operate, alter,  
170 change, lease pursuant to and consistent with the provisions of  
171 this act, and repair public hospitals, medical nursing homes,  
172 and convalescent homes in Citrus County. The corporation is  
173 authorized, when rooms and services are available, without  
174 detriment or deprivation to the citizens and residents of Citrus  
175 County, to extend the hospitalization and medical nursing home  
176 and convalescent home services provided by such hospitals,  
177 medical nursing homes, and convalescent homes to patients from  
178 adjoining and other counties of Florida and from other states,  
179 upon the payment of the cost of such hospitalization, medical  
180 nursing home services, and convalescent home services as may be  
181 determined by the trustees of the hospital board. The board  
182 shall have the power and authority to operate an ambulance  
183 system and ambulance services and to charge all patients for all  
184 services rendered in any facility owned or operated by the  
185 hospital board, including the ambulance facility. The board may  
186 charge a patient interest on the patient's account; sell,  
187 discount, or assign such account to a bank, finance company,  
188 collection agency, or other type of collection facility; accept  
189 promissory notes or other types of debt obligations from a  
190 patient; assign or discount such accounts receivable, notes, or  
191 other obligations; require a patient to guarantee the payment of  
192 an existing account or note; require a guarantee of payment  
193 before admitting a patient; and receive and assign any  
194 assignment of all types of insurance proceeds. In addition to

195 all other powers, the board shall have the power and authority  
 196 to:

197 (1) Provide for the payment of indigent care services by  
 198 private health care providers in the county, or to partner with  
 199 other entities such as the Department of Health, in furtherance  
 200 of the hospital board's public purpose and the necessity for the  
 201 preservation of the public health and welfare of the residents  
 202 of the county by the hospital board.

203 (2) Develop and implement a county health plan.

204 Section 6. The board of county commissioners shall levy or  
 205 cause to be levied each year beginning July 1, 1965, the millage  
 206 certified to the board of county commissioners by the trustees  
 207 of the board upon all taxable real and personal property in  
 208 Citrus County, not including, however, homestead property that  
 209 is exempt from general taxation by the Constitution of the State  
 210 of Florida, for the purpose of erecting, building, equipping,  
 211 maintaining, changing, altering, repairing, leasing, and  
 212 operating the public hospital provided for in this act. Such tax  
 213 shall be known as the hospital tax, and the property appraiser  
 214 shall make such assessments and the tax collector shall collect  
 215 such assessments when made. The money collected shall be paid  
 216 monthly to the board. However, the annual tax levied under this  
 217 section may not exceed 3 mills.

218 Section 7. The hospital board is hereby authorized and  
 219 empowered to own and acquire property by purchase, lease, gift,  
 220 grant, or transfer from the county, the state, or the Federal  
 221 Government, or any subdivision or agency thereof, or from any  
 222 municipality, person, partnership, or corporation and to



223 acquire, construct, maintain, operate, expand, alter, repair,  
 224 change, lease, finance, and equip hospitals, medical nursing  
 225 homes, convalescent homes, medical care facilities, and clinics  
 226 in the county.

227 Section 8. The hospital board is authorized and empowered  
 228 to enter into contracts with individuals, partnerships,  
 229 corporations, municipalities, the county, the state or any  
 230 subdivision or agency thereof, or the United States of America  
 231 or any subdivision or agency thereof to carry out the purposes  
 232 of this act.

233 Section 9. The hospital board is empowered to and shall  
 234 adopt all necessary rules, regulations, and bylaws for the  
 235 operation of hospitals, medical nursing homes, and convalescent  
 236 homes; provide for the admission thereto and treatment of such  
 237 charity patients who are citizens of the state and residents of  
 238 the county for the preceding 2 years; set the fees and charges  
 239 to be made for the admission and treatment therein of all  
 240 patients; and establish the qualifications for members of the  
 241 medical profession to be entitled to practice therein.

242 Section 10. The hospital board shall have the power to  
 243 purchase any and all equipment that may be needed for the  
 244 operation of hospitals, medical nursing homes, and convalescent  
 245 homes and shall have the power to appoint and hire such agent or  
 246 agents, technical experts, attorneys, and all other employees as  
 247 are necessary for carrying out the purposes of this  
 248 act, regardless of any lease to a not-for-profit corporation,  
 249 including the hiring and maintenance of staff personnel as it  
 250 may deem appropriate to assist the board in the discharge of its

251 operational, financial, and statutory responsibilities, and in  
 252 carrying out its fiduciary duties to the taxpayers of Citrus  
 253 County, and to prescribe their salaries and duties. The board  
 254 shall have the power to discharge all employees or agents when  
 255 deemed necessary by the board for the carrying out of the  
 256 purposes of this act.

257 Section 11. At the end of each fiscal year, the Citrus  
 258 County Hospital Board shall within 30 days file with the Clerk  
 259 of the Circuit Court of Citrus County a full, complete, and  
 260 detailed accounting of the preceding year and at the same time  
 261 shall file a certified copy of such financial report with the  
 262 Board of County Commissioners of Citrus County, which report  
 263 shall be recorded in the minutes of the board of county  
 264 commissioners. The board of county commissioners, at its  
 265 discretion and at the expense of the county, may publish and  
 266 report an accounting in a newspaper of general circulation in  
 267 Citrus County.

268 Section 12. In addition to all other implied and express  
 269 powers contained in this act, the board shall have the express  
 270 authority to negotiate loans to borrow money from any state or  
 271 federal agency for the purpose or purposes of constructing,  
 272 maintaining, repairing, altering, expanding, equipping, leasing,  
 273 and operating county hospitals, medical nursing homes,  
 274 convalescent homes, medical care facilities, clinics, and all  
 275 other types of allied medical care units.

276 Section 13. (1) In addition to all other implied and  
 277 express powers contained in this act, the board shall have the  
 278 express authority to borrow money, with or without issuing notes

279 therefor, for the purpose or purposes of constructing,  
280 maintaining, repairing, altering, expanding, equipping, leasing,  
281 and operating county hospitals, medical nursing homes,  
282 convalescent homes, medical care facilities, clinics, and all  
283 other types of allied medical care units. The board's authority  
284 to borrow money, with or without issuing notes, shall be subject  
285 to the conditions of this act applying to the board's right to  
286 issue revenue bonds.

287 (2) The board shall have express authority to issue bonds,  
288 subject to approval at a referendum of the voters of the county,  
289 and to issue revenue bonds, without a referendum of the voters  
290 of the county, the proceeds of which shall be used for erecting,  
291 equipping, building, expanding, altering, changing, maintaining,  
292 operating, leasing, and repairing such hospitals, medical  
293 nursing homes, and convalescent homes. Such bonds, federal or  
294 state hospital loans, notes, or revenue bonds shall mature  
295 within 30 years after the year in which they are issued or made  
296 and shall be payable in such years and amounts as shall be  
297 approved by the board.

298 (3) The board shall determine the form of the loans,  
299 notes, bonds, and revenue bonds, including any interest coupons  
300 to be attached thereto, and the manner of executing them, and  
301 shall fix the denomination or denominations thereof and the  
302 place or places of payment of principal and interest, which may  
303 be at any bank or trust company within or without the state. In  
304 case a trustee whose signature or a facsimile of whose signature  
305 appears on any loan, note, bond, or revenue certificate or  
306 coupon ceases to be such trustee before the delivery thereof,

307 such signature or facsimile shall nevertheless be valid and  
308 sufficient for all purposes the same as if the trustee had  
309 remained in office until such delivery. All loan agreements,  
310 notes, bonds, and revenue bonds issued hereunder shall have and  
311 are hereby declared to have all the qualities and incidents of  
312 negotiable instruments under the negotiable instruments law of  
313 the state.

314 (4) Whenever the board passes a resolution approving the  
315 issuance of such bonds, the board shall call for an election  
316 and, subject to such election, permit the repayment of the bonds  
317 out of an annual levy not to exceed 1.5 mills per year. Such  
318 millage is included in the maximum millage of 3 mills per year.  
319 Subject to such limitations, such bonds shall be payable from  
320 the full faith and credit of the board.

321 (5) The loans, notes, and revenue bonds, together with the  
322 interest, shall be payable from gross or net receipts of the  
323 hospital board or any portion thereof.

324 (6) Such loans, notes, bonds, or revenue bonds shall not  
325 bear interest in excess of the maximum rate permitted by the  
326 laws of the state.

327 (7) The board may sell bonds, loans, notes, or revenue  
328 bonds in such manner, either at public or private sale, and for  
329 such price as it may determine to be for the best interest of  
330 the hospital board.

331 Section 14. The total amount of outstanding bonds of the  
332 hospital payable from ad valorem taxation at any one time shall  
333 not exceed an amount equal to 6 times the annual hospital tax,  
334 assuming such tax is based upon the yearly millage of 3 mills.

335       Section 15. (1) The Citrus County Hospital Board shall  
 336 have the authority to enter into leases or contracts with a not-  
 337 for-profit Florida corporation for the purpose of operating and  
 338 managing the hospital and any or all of its facilities of any  
 339 kind and nature.

340       (2) The Citrus County Hospital Board shall have the power  
 341 and authority to:

342       (a) Provide health care services to residents of the  
 343 county through the use of health care facilities not owned and  
 344 operated by the hospital board. The provision of such care is  
 345 hereby found and declared to be a public purpose and necessary  
 346 for the preservation of the public health and welfare of the  
 347 residents of the county.

348       (b) Maintain an office.

349       (c) Provide for reimbursement to hospitals, physicians, or  
 350 other health care providers or facilities, whether public or  
 351 private, and pay private physicians for indigent care.

352       (3) The hospital board is hereby restricted from  
 353 reimbursing any health care providers or facilities, including  
 354 hospitals and physicians, for their bad debts arising from those  
 355 patients who are not eligible for reimbursement under hospital  
 356 board guidelines. The hospital board, however, shall continue to  
 357 reimburse such health care providers for the medical care of  
 358 medically needy patients, to the extent of the hospital board's  
 359 financial resources, taking into account funds available from  
 360 other sources, including other governmental funding sources.

361       Section 16. To ensure public oversight, accountability,  
 362 and public benefit ,in addition to the requirements for any such  
 363 lease set forth in section 155.40, Florida Statutes:

364       (1) The not-for-profit corporation shall separately  
 365 account for the expenditure of all ad valorem tax moneys  
 366 provided to it by the Citrus County Hospital Board, including  
 367 maintaining them in a separate accounting fund. The expenditure  
 368 for all such public tax funds shall be approved in a public  
 369 meeting and separately accounted for annually by the not-for-  
 370 profit corporation in a report provided to the Citrus County  
 371 Hospital Board.

372       (2) The articles of incorporation, all amendments or  
 373 restatements of the articles of incorporation, all corporate  
 374 bylaws, all amendments or restatements of the corporate bylaws,  
 375 and all other governing documents of the not-for-profit  
 376 corporation shall be subject to the approval of the hospital  
 377 board, and any such documents that have not heretofore been  
 378 approved by the hospital board shall be submitted forthwith to  
 379 the hospital board for approval.

380       (3) The hospital board shall be the sole member of the  
 381 not-for-profit corporation.

382       (4) The hospital board shall independently approve any  
 383 plan of merger or dissolution of the not-for-profit corporation  
 384 pursuant to sections 617.1103 and 617.1402, Florida Statutes,  
 385 and may reject any such plan in its sole discretion.

386       (5) The members of the hospital board shall be voting  
 387 directors of the not-for-profit board of directors who  
 388 constitute a majority of the voting directors of the not-for-

389 profit corporation; and, to the extent that any governance  
390 documents of the not-for-profit corporation do not so presently  
391 provide, the not-for-profit corporation shall forthwith take all  
392 steps necessary to bring them into conformity with this majority  
393 membership requirement.

394 (6) All members of the not-for-profit board of directors  
395 shall be subject to approval by the hospital board, and any  
396 board members presently serving who have not heretofore been  
397 approved by the hospital board shall be submitted forthwith to  
398 the hospital board for approval.

399 (7) The chief executive officer of the not-for-profit  
400 corporation and his or her term of office and any extensions  
401 thereof shall be approved by the hospital board, and the  
402 hospital board may terminate the term of the chief executive  
403 officer of the not-for-profit corporation with or without cause  
404 in its sole discretion, subject to the terms of any and all  
405 then-existing contracts.

406 (8) The hospital board shall approve all borrowing of  
407 money by the not-for-profit corporation in any form and for any  
408 reason in an amount exceeding \$100,000, any additional loan  
409 indebtedness or leases in excess of \$1.25 million per instrument  
410 or contract, and all policies of the not-for-profit corporation  
411 that govern travel reimbursements and contract bid procedures.

412 (9) No annual operating and capital budget of the not-for-  
413 profit corporation shall become effective until approved by the  
414 hospital board.

415 (10) Any capital project of the not-for-profit corporation  
416 having a value in excess of \$250,000 per project, and any

417 nonbudgeted operative expenditure in excess of \$125,000 in the  
 418 per annum aggregate, shall be approved by the hospital board.

419 (11) At the discretion of the hospital board, each and  
 420 every year the not-for-profit corporation shall complete an  
 421 independent audit of the fiscal management of the hospital by an  
 422 auditor chosen by the hospital board, with the audit to be paid  
 423 for by the not-for-profit corporation. Three years from the  
 424 effective date of this act, the hospital board shall submit a  
 425 request to the Joint Legislative Auditing Committee for an  
 426 operational audit of the hospital board and the not-for-profit  
 427 corporation to be conducted by the Auditor General. The board  
 428 should include specific areas to be addressed in the audit,  
 429 including, but not limited to, review of internal controls over  
 430 financial related operations.

431 (12) All records of the not-for-profit corporation shall  
 432 be public records unless exempt by law.

433 (13) Subject to the annual approved budget, the hospital  
 434 board shall reimburse the not-for-profit corporation for  
 435 indigent care pursuant to the Florida Health Care Responsibility  
 436 Act and the Florida Indigent Certification Standards and shall  
 437 take into account funds available from other sources, including  
 438 other governmental funding sources.

439 (14) The provisions in this act and the hospital board's  
 440 lease with the not-for-profit corporation shall be construed and  
 441 interpreted as furthering the public health and welfare and the  
 442 open government requirements of s. 24, Art. I of the State  
 443 Constitution and sections 119.01 and 286.011, Florida Statutes.



444       (15) Any dispute between the hospital board and the not-  
445 for-profit corporation shall be subject to any court action  
446 pursuant to sections 164.101-164.1065, Florida Statutes.

447       Section 4. This act shall apply to existing and future  
448 leases and amendments, revisions, and restatements thereto, and  
449 to existing and future agreements for hospital care and  
450 amendments, revisions, and restatements thereto. However, this  
451 act does not apply to the term of any existing contract entered  
452 into by the not-for-profit corporation with a third party, to  
453 any existing contract for the borrowing of money in excess of  
454 \$100,000, to any additional loan indebtedness or leases in  
455 excess of \$1.25 million for which the hospital board has not  
456 previously given its approval, or to any existing contract for a  
457 capital project in excess of \$250,000 per project, and any  
458 nonbudgeted operative expenditure in excess of \$125,000 in the  
459 per annum aggregate, for which the hospital board has not  
460 previously given its approval.

461       Section 5. Chapters 99-442 and 2001-308, Laws of Florida,  
462 are repealed.

463       Section 6. If any provision of this act or its application  
464 to any person or circumstance is held invalid or  
465 unconstitutional by a court of competent jurisdiction, the  
466 invalidity shall not affect other provisions or applications of  
467 the act which can be given effect without the invalid provision  
468 or application, and to this end the provisions of this act are  
469 severable.

470       Section 7. This act shall take effect July 1, 2011.