

STORAGE NAME: h0071.hcl

DATE: February 2, 2000

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
HEALTH CARE LICENSING & REGULATION
ANALYSIS**

BILL #: HB 71

RELATING TO: County Public Hospital Surtax

SPONSOR(S): Representative Lacasa

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) HEALTH CARE LICENSING & REGULATION
 - (2) COMMUNITY AFFAIRS
 - (3) FINANCE & TAXATION
 - (4) HEALTH & HUMAN SERVICES
 - (5)
-

I. SUMMARY:

This bill revises the amount that a county authorized to levy a county public hospital surtax must appropriate for the operation, administration, and maintenance of the public county general hospital from general revenue. It provides discretion to these counties to reallocate the funds.

This bill has no fiscal impact on state government. The impact of the bill on the affected local government is unclear. It does not require any new expenditure of funds and it does not establish any new sources of revenue. It allows Dade County to reallocate certain funds that previously had been designated to pay for the operation, administration, and maintenance of the county public hospital. It is unclear how Dade County will opt to reappropriate those dollars.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Any county, as defined in s. 125.011(1), F.S., is authorized pursuant to s. 212.055, F.S., to levy a 0.5% county public hospital surtax. Dade County is the only county that meets the definition of a "county" pursuant to s. 125.011(1), F.S. The proceeds from this tax are to be deposited in a special fund, set aside from all other funds and are to be used solely for the operation, administration, and maintenance of the county public general hospital. The county is also required to contribute at least 80% of the percentage of the total county budget appropriated for the operation, administration, and maintenance of the county public hospital from the county's general revenues in the fiscal year ending September 30, 1991.

A county public general hospital is a general hospital as defined in s. 395.002, F.S., that is owned, operated, maintained, or governed by the county, or its agency, authority, or public health trust. In Dade County, there is one county general public hospital, which is governed by a public health trust; that hospital is Jackson Memorial Hospital.

The legislation authorizing the surtax came about at the request of Jackson Memorial and the public health trust. Jackson Memorial was facing a growing financial crisis as its costs associated with providing indigent care services were ballooning. Jackson Memorial was seeking new sources of revenue to offset the burden placed on it due to a growing demand for services for indigent patients. On September 3, 1991, the citizens of Dade County approved the surtax to help pay for indigent care provided by Jackson Memorial to residents of Dade County. Since that time, Jackson Memorial has used this new revenue source to offset its indigent care costs.

Pursuant to the approved 1999-00 budget, Dade County appropriated \$87.4 million to the Public Health Trust (PHT) to satisfy its statutory obligation. The PHT received an additional \$120 million from the 0.5% sales tax. These dollars are required by statute to be used to fund the county public general hospital.

C. EFFECT OF PROPOSED CHANGES:

The bill eliminates the provision that requires counties authorized to levy the county public hospital surtax to contribute at least 80% of the base year percentage of the county budget appropriated for the operation, administration, and maintenance of the county public hospital.

It provides discretion to such counties to annually appropriate less than 80% of the percentage of the total county budget appropriated for the operation, administration, and maintenance of the county public hospital.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends s. 212.055, F.S., to revise the provision that requires the counties authorized to levy the county public hospital surtax to appropriate a specified minimum amount for operation, administration, and maintenance of the county public hospital.

Section 2. Provides an effective date of July 1, 2000.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. **Revenues:**

See fiscal comments section.

2. **Expenditures:**

See fiscal comments section.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. **Revenues:**

See fiscal comments section.

2. **Expenditures:**

See fiscal comments section.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

It is unclear what impact this bill will have on the private sector.

D. FISCAL COMMENTS:

This bill has no fiscal impact on state government. The impact of the bill on the affected local government is unclear. It does not require any new expenditure of funds and it does not establish any new sources of revenue. It allows Dade County to reallocate certain funds that previously had been designated to pay for the operation, administration, and maintenance of the county public hospital. It is unclear how Dade County will opt to reappropriate those dollars.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to expend funds or take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

According to Jackson Memorial officials, in the late 1980's the hospital became unable to sustain its capital needs as a result of tremendous growth in the amount of indigent care services provided by the hospital. The PHT, in concert with the hospital sought a way to offset these increasing costs. This led to the establishment of the county public hospital surtax. The citizens of Dade county approved this surtax in 1991. The new dollars were intended to directly offset the cost of providing indigent care services at Jackson Memorial Hospital.

Various sources indicate that Jackson Memorial provides between 70% to 84% of the indigent care services in Dade County. Other area hospitals have been forced to take on a growing role in caring for the indigent, due to changes in federal regulations. They contend that it is unfair for Jackson Memorial to receive 100% of the funds created in 1991 to offset indigent care, when Jackson Memorial does not provide 100% of the indigent care services in Dade County.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

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VII. SIGNATURES:

COMMITTEE ON HEALTH CARE LICENSING & REGULATION:

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