

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 426

SPONSOR: Education Committee

SUBJECT: University Health Services Support Organizations

DATE: February 15, 2001      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>deMarsh-Mathues</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Favorable</u>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

**I. Summary:**

The bill clarifies the purpose of a university health services support organization, provides for future repeal and prior legislative review, and provides an effective date (upon becoming a law). This bill amends s. 240.2995, Florida Statutes.

**II. Present Situation:**

Two provisions of law (ss. 240.2995 and 240.2996, F.S.) specifically relate to university health services support organizations. The 1995 Legislature allowed each university to create a university health services support organization to enter into arrangements with other entities as providers for accountable health partnerships and providers in other integrated health care systems or similar entities. Chapter 96-171, L.O.F., provides that university health services support organizations were established to serve as the corporate entities through which public colleges of medicine may participate as partners in integrated health care delivery organizations.

The law (s. 240.2995, F.S.) provides that a university health services support organization may be established to benefit the university academic health sciences center. Each organization must comply with specific requirements and the support organization is solely responsible for its acts, debts, liabilities, and obligations. The law specifically states that the state or university does not have any responsibility for the acts, debts, liabilities, and obligations incurred or assumed by the support organization. Also, the law provides for rules and membership on the board of directors and the executive committee of any university health services support organization.

The University of Florida and the University of South Florida currently have public academic health sciences centers. The University of South Florida Health Sciences Center includes the College of Medicine, the College of Nursing, and the College of Public Health, as well as affiliated clinical facilities. The University of Florida Health Science Center consists of the six

health related colleges of the University of Florida. It is affiliated with Shands at the University of Florida and Shands Jacksonville and their affiliated hospitals. The Health Science Center also contracts with the Veterans Affairs Medical Center in Gainesville for various services.

The Board of Regents staff reports that these same universities have established the following approved health services support organizations:

- The University of South Florida (USF) Health Services Support Organization Inc.<sup>1</sup>
- The University of South (USF) Physicians Group, Inc.<sup>2</sup>
- The University of Florida Health Services, Inc.<sup>3</sup>
- The University of Florida Jacksonville Healthcare, Inc.

None of these organizations are licensed as an insurer or certified as a health maintenance organization. Currently, the only existing managed care contracts associated with a university health services support organization are through the University of Florida. The university has approximately 74 contracts for managed care arrangements on behalf of the University of Florida Jacksonville Healthcare, Inc. The only other managed care arrangement involved the University of South Florida Health Services Support Organization, Inc. In 1997, the organization entered into an agreement with FPMBH Clinical Services, Ltd., and U.B.H. Holdings, L.C., to develop and market a managed care behavioral health delivery system in 4 counties, in conjunction with the USF Department of Psychiatry. The contract was terminated in the summer of 1998. There are no current contracts for this organization or the University of Florida Health Services, Inc., although both organizations have retained a corporate structure.

Chapter 2000-321, L.O.F., relating to education governance reorganization, repeals many provisions of law, including chapter 240, F.S., relating to postsecondary education, effective January 7, 2003. Also, the law provides for prior legislative review.

### **III. Effect of Proposed Changes:**

The bill clarifies that the university health services support organization may enter into arrangements with other entities as providers in other integrated health care systems or similar entities. The purpose of entering into these arrangements is to benefit the university academic health sciences centers. The bill also provides a future repeal and review date (January 7, 2003) that is consistent with chapter 2000-321, L.O.F., relating to education governance reorganization. The bill provides an effective date (upon becoming a law).

---

<sup>1</sup> The University of South Florida considers this organization active. It is still listed as active with the Department of State.

<sup>2</sup> This organization is currently inactive with the Department of State.

<sup>3</sup> According to the University of Florida, this organization is inactive (without current ongoing business); the organization is still listed as active with the Department of State.

**IV. Constitutional Issues:**

## A. Municipality/County Mandates Restrictions:

None.

## B. Public Records/Open Meetings Issues:

None.

## C. Trust Funds Restrictions:

None.

**V. Economic Impact and Fiscal Note:**

## A. Tax/Fee Issues:

None.

## B. Private Sector Impact:

None.

## C. Government Sector Impact:

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

The Senate President assigned to the Senate Education Committee an Open Government Sunset Review of s. 240.2996(2), (3), & (4), F.S., related to records and meetings of university health services support organizations. There is a separate bill (SB 418) that is based on Senate Interim Project Report # 2001-38. The report recommended a Senate review prior to the repeal of ss. 240.2995 and 240.2996, F.S., to determine if any changes are needed to the structure of these organizations and the related public records and meetings exemptions. There is a reviser's bill (see section 26 of SB 278) that contains the contents of section 1 of SB 426.

**VIII. Amendments:**

None.