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

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30 rejection of the not-for-profit corporation's Articles
31 of Incorporation or Bylaws, selection of a new chief
32 executive officer or renewal of his or her employment
33 contract, the annual operating and capital budgets,
34 additional loan indebtedness or leases in excess of a
35 specified amount, and the not-for-profit corporation's
36 policies for travel reimbursements and contract bid
37 procedures; providing that all records of the not-for-
38 profit corporation are public records unless exempt;
39 providing that any dispute between the hospital board
40 and the not-for-profit corporation is subject to court
41 action; providing for interpretation and
42 implementation of the act and for court enforcement;
43 repealing chapters 99-442 and 2001-308, Laws of
44 Florida, relating to the Citrus County Hospital Board;
45 providing for severability; providing for application
46 of the act; providing an effective date.

47
48 WHEREAS, the Citrus County Hospital Board was created by
49 the Legislature in 1949 as a special taxing district and a
50 public nonprofit corporation for the purpose of operating public
51 hospitals, medical nursing homes, and convalescent homes in
52 Citrus County, and

53 WHEREAS, in 1987 the hospital board incorporated a not-for-
54 profit management corporation, and in 1990 entered into a lease
55 agreement with the not-for-profit corporation pursuant to s.
56 155.40, Florida Statutes, leasing all public assets, operations,
57 and management of Citrus Memorial Hospital, and

58 WHEREAS, meaningful oversight by the hospital board is

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59 necessitated in light of the not-for-profit corporation's status
60 as an instrumentality of the hospital district, and

61 WHEREAS, restoration of the hospital board's representation
62 on the board of the lessee corporation, and implementation of
63 appropriate accountability and oversight by the hospital board,
64 are necessitated in order to ensure corporate sovereign immunity
65 status of the not-for-profit corporation as an instrumentality
66 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, as well as express authority
71 for judicial interpretation and enforcement of this act through
72 declaratory proceedings and other appropriate judicial remedies,
73 and

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

78
79 Be It Enacted by the Legislature of the State of Florida:

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

87 Section 2. Chapters 99-442 and 2001-308, Laws of Florida,

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88 relating to the Citrus County Hospital Board, are codified,
89 reenacted, and amended to read:

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

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

95 (a) The term "Citrus County Hospital Board" or the word
96 "board" shall mean the Citrus County Hospital Board.

97 (b) The word "county" shall mean the County of Citrus, in
98 the State of Florida.

99 (c) The word "state" shall mean the State of Florida.

100 (d) The word "property" shall mean the real and personal
101 property of every nature whatsoever.

102 (e) The word "operate" shall include build, construct,
103 maintain, repair, alter, expand, equip, lease, pursuant to and
104 consistent with section 17 of this act, finance, and operate.

105 (f) The words "county hospital and medical nursing and
106 convalescent homes" shall include hospitals, medical care
107 facilities, clinics, and other allied medical care units.

108 Section 3. (a) There is hereby created the Citrus County
109 Hospital Board, an independent special district, and by that
110 name the board may sue and be sued, plead and be impleaded,
111 contract and be contracted with, acquire and dispose of property
112 or any interest therein, and have an official seal. The board is
113 created as a public nonprofit corporation without stock and is
114 composed of and governed by the five (5) members herein provided
115 for, to be known as trustees. The hospital board is hereby
116 constituted and declared to be an agency of the county and

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117 incorporated for the purpose of operating hospitals, medical
118 nursing homes, and convalescent homes in the county. The
119 hospital board shall consist of five (5) trustees appointed by
120 the Governor and, upon this act becoming a law, the present
121 members will automatically become trustees and shall constitute
122 the board. Their respective terms of office shall be the term
123 each member is presently serving. All subsequent appointments,
124 upon the expiration of the present terms, shall be for the term
125 of four (4) years. Upon the expiration of the term of each
126 trustee, the successor shall be appointed by the Governor.
127 Likewise, any vacancy occurring shall be filled by appointment
128 by the Governor for the unexpired term. Each appointment by the
129 Governor is subject to approval and confirmation by the Florida
130 Senate.

131 (b) The trustees of said board shall elect from its members
132 a chair, a vice chair, and a secretary-treasurer who shall each
133 hold office for a period of one (1) year. Each trustee shall
134 execute a bond in the penal sum of five thousand dollars
135 (\$5,000) with two (2) good and sufficient sureties of a surety
136 company authorized under the laws of the state to become surety,
137 payable to the Citrus County Hospital Board, conditioned upon
138 the faithful performance of the duties of the officer, which
139 bonds shall be approved by the remaining trustees of the board
140 and which shall be filed with the Board of County Commissioners
141 of Citrus County. The premiums on said bonds shall be paid by
142 the hospital board.

143 (c) The hospital board shall comply with the applicable
144 requirements of Florida Security for Public Deposits Act,
145 chapter 280, Florida Statutes, and the Investment of Local

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146 Government Surplus Funds Act, part IV of chapter 218, Florida
147 Statutes.

148 (d) Any and all funds so deposited shall be withdrawn by a
149 check or warrant signed by two (2) trustees of the hospital
150 board, of which one (1) shall be the chair, vice chair, or
151 secretary-treasurer. No check or warrant shall be delivered to
152 the payee without approval thereof shown in the minutes of the
153 hospital board.

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

160 Section 5. The Citrus County Hospital Board as hereby
161 created shall be for the purpose of operating, in the County of
162 Citrus, public hospitals, medical nursing homes, and
163 convalescent homes, primarily and chiefly for the benefit of the
164 citizens and residents of Citrus County. Authority is hereby
165 given to said board to build, erect, expand, equip, maintain,
166 operate, alter, change, lease, pursuant to and consistent with
167 section 17 of this act, and repair public hospitals, medical
168 nursing homes, and convalescent homes in Citrus County. The
169 corporation is authorized, when rooms and services are
170 available, without detriment or deprivation to the citizens and
171 residents of Citrus County, to extend the hospitalization and
172 medical nursing home and convalescent home services provided by
173 said hospitals, medical nursing homes, and convalescent homes to
174 patients from adjoining and other counties of Florida and from

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175 other states, upon the payment of the cost of such
176 hospitalization, medical nursing home services, and convalescent
177 home services as may be determined by the trustees of the
178 hospital board. The board shall have the power and authority to
179 operate an ambulance system and ambulance services. The board
180 shall have the authority to charge all patients for all services
181 rendered in any facility owned or operated by the hospital
182 board, including the ambulance facility. The board may charge
183 patients interest on the patient's account; may sell, discount,
184 or assign said account to a bank, finance company, collection
185 agency, or other type of collection facility; may accept
186 promissory notes or other types of debt obligations from a
187 patient; may assign or discount said accounts receivable, notes,
188 or other obligations; may require a patient to guarantee the
189 payment of an existing account or note; may require a guarantee
190 of payment before admitting a patient; and may receive and
191 assign any assignment of all types of insurance proceeds.

192 Section 6. The board may provide for the annual levy of an
193 ad valorem tax upon all taxable property within the district to
194 pay for the principal of and interest on promissory notes,
195 mortgages, or ad valorem bonds; and may pay for the erecting,
196 building, equipping, maintaining, changing, altering, repairing,
197 leasing, and operating the public hospital. However, the millage
198 rate may not exceed 3 mills per year. The board shall comply
199 with the applicable provisions of chapter 200, Florida Statutes.

200 Section 7. The hospital board is hereby authorized and
201 empowered to own and acquire property by purchase, lease, gift,
202 grant, or transfer from the county, the state, or the Federal
203 Government, or any subdivision or agency thereof, any

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204 municipality, person, partnership, or corporation, and to
205 acquire, construct, maintain, operate, expand, alter, repair,
206 change, lease, finance, and equip hospitals, medical nursing
207 homes, convalescent homes, medical care facilities, and clinics
208 in the county.

209 Section 8. The hospital board is authorized and empowered
210 to enter into contracts with individuals, partnerships,
211 corporations, municipalities, the county, the state or any
212 subdivision or agency thereof, and the United States of America
213 or any subdivision or agency thereof to carry out the purposes
214 of this act.

215 Section 9. The hospital board is empowered to and shall
216 adopt all necessary rules and regulations and bylaws for the
217 operation of hospitals, medical nursing homes, and convalescent
218 homes; to provide for the admission thereto and treatment of
219 such charity patients who are citizens of Florida and residents
220 of Citrus County for the last two (2) preceding years; to set
221 the fees and charges to be made for the admission and treatment
222 therein of all patients; and to establish the qualifications for
223 members of the medical profession to be entitled to practice
224 therein.

225 Section 10. The hospital board shall have the power to
226 purchase any and all equipment that may be needed for the
227 operation of hospitals, medical nursing homes, and convalescent
228 homes, and shall have the power to appoint and hire such agent
229 or agents, technical experts, attorneys, and all other employees
230 as are necessary for carrying out the purposes of this act, and
231 to prescribe their salaries and duties. The board shall have the
232 power to discharge all employees or agents when it shall be

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233 deemed by the board necessary for the carrying out of the
234 purposes of this act.

235 Section 11. At the end of each fiscal year thereafter, the
236 Citrus County Hospital Board shall within thirty (30) days file
237 with the Clerk of the Circuit Court of Citrus County a full,
238 complete, and detailed accounting of the preceding year and at
239 the same time shall file a certified copy of said financial
240 report with the Board of County Commissioners of Citrus County,
241 which report shall be recorded in the minutes of the board of
242 county commissioners. The board of county commissioners at its
243 discretion and at the expense of the county may publish and
244 report an accounting in a newspaper of general circulation in
245 Citrus County.

246 Section 12. In addition to all other implied and express
247 powers contained herein, the board shall have the express
248 authority to negotiate loans to borrow money from any state or
249 federal agency for the purpose or purposes of constructing,
250 maintaining, repairing, altering, expanding, equipping, leasing,
251 and operating county hospitals, medical nursing homes,
252 convalescent homes, medical care facilities, clinics, and all
253 other types of allied medical care units.

254 Section 13. In addition to all other implied and express
255 powers contained herein, the board shall have the express
256 authority to borrow money, with or without issuing notes
257 therefor, for the purpose or purposes of constructing,
258 maintaining, repairing, altering, expanding, equipping, leasing,
259 and operating county hospitals, medical nursing homes,
260 convalescent homes, medical care facilities, clinics, and all
261 other types of allied medical care units. The board's authority

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262 to borrow money, with or without issuing notes, shall be subject
263 to the conditions of this act, applying to the board's right to
264 issue revenue bonds.

265 Section 14. Said board shall have express authority to
266 issue bonds, subject to approval by a referendum of the voters
267 of said county, and to issue revenue bonds, without a referendum
268 of the voters of said county, the proceeds of which shall be
269 used for erecting, equipping, building, expanding, altering,
270 changing, maintaining, operating, leasing, and repairing said
271 hospitals, medical nursing homes, and convalescent homes.

272 Section 15. (a) Said bonds, federal or state hospital
273 loans, notes, or revenue bonds shall mature within thirty (30)
274 years from the year in which they are issued or made, and shall
275 be payable in such years and amounts as shall be approved by the
276 board.

277 (b) The board shall determine the form of the loans, notes,
278 bonds, and revenue bonds, including any interest coupons to be
279 attached thereto, and the manner of executing it, shall fix the
280 denomination or denominations thereof and the place or places of
281 payment of principal and interest which may be at any bank or
282 trust company within or without the state. In case an officer
283 whose signature or a facsimile of whose signature shall appear
284 on any loan, note, bond, or revenue certificate or coupon shall
285 cease to be such officer before the delivery thereof, such
286 signature or facsimile shall nevertheless be valid and
287 sufficient for all purposes the same as if the officer had
288 remained in office until such delivery. All loan agreements,
289 notes, bonds, and revenue bonds issued hereunder shall have and
290 are hereby declared to have all the qualities and incidents of

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291 negotiable instruments under the negotiable instruments law of
292 the state.

293 (c) Whenever the board shall pass a resolution approving
294 the issuance of said bonds, the board shall call for an election
295 and, subject to said election, permit the repayment of the bonds
296 out of an annual levy not to exceed one and one-half (1 1/2)
297 mills per year. Said millage is included in the maximum millage
298 of three (3) mills per year. Subject to such limitations, said
299 bonds shall be payable from the full faith and credit of the
300 board.

301 (d) The loans, notes, and revenue bonds, together with the
302 interest, shall be payable from gross or net receipts of the
303 hospital board or any portion thereof.

304 (e) Said loans, notes, bonds, or revenue bonds shall not
305 bear interest in excess of the maximum rate permitted by the
306 laws of the State of Florida.

307 (f) The board may sell bonds, loans, notes, or revenue
308 bonds in such manner, either at public or private sale, and for
309 such price as it may determine to be for the best interest of
310 the hospital board.

311 Section 16. The total amount of outstanding bonds of said
312 hospital payable from ad valorem taxation at any one time shall
313 not exceed an amount equal to six (6) times the annual hospital
314 tax, assuming said tax is based upon the yearly millage of three
315 (3) mills.

316 Section 17. The Citrus County Hospital Board shall have the
317 authority to enter into leases or contracts with a not-for-
318 profit Florida corporation for the purpose of operating and
319 managing the hospital and any or all of its facilities of any

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320 kind and nature. To ensure public oversight, accountability, and
321 public benefit, in addition to the requirements for any such
322 lease set forth in s. 155.40, Florida Statutes:

323 (a) The Citrus County Hospital Board shall be the sole
324 member of the not-for-profit corporation.

325 (b) The not-for-profit corporation shall have an eleven
326 (11) member board of directors consisting of three (3) classes.
327 The first class shall consist of the five (5) Citrus County
328 Hospital Board trustees. The second class shall consist of five
329 (5) private not-for-profit directors who shall be selected
330 initially by the sitting private not-for-profit directors of the
331 not-for-profit corporation in existence on the effective date of
332 this act and thereafter by the board of directors when the
333 nominating committee presents the nominees for the board of
334 directors. The third class shall be the chief of the hospital's
335 medical staff. The chief of the hospital's medical staff shall
336 not have a financial or business relationship with the hospital,
337 a competing hospital, or a competing medical provider. All
338 eleven (11) members shall have voting rights and a quorum shall
339 consist of a minimum of six (6) members. To the extent that any
340 governance documents of the not-for-profit corporation do not so
341 presently provide for the requisite governance structure, the
342 not-for-profit corporation shall take all steps necessary to
343 bring them into conformity with the requirements herein.

344 (c) The hospital board shall independently approve any plan
345 of merger or dissolution of the not-for-profit corporation
346 pursuant to sections 617.1103 and 617.1402, Florida Statutes.

347 (d) All members of the hospital board shall be voting
348 directors of the not-for-profit board of directors.

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349 (e) The not-for-profit corporation's committees shall
350 consist of two (2) trustees and two (2) private not-for-profit
351 members. The Audit and Conflict Committees may expand membership
352 with persons from neither class. Each class of directors shall
353 select its representatives for each committee. The not-for-
354 profit corporation's executive committee shall retain authority
355 to resolve medical liability issues. All other matters shall be
356 approved by the board of directors.

357 (f) The not-for-profit corporation shall separately account
358 for the expenditure of all ad valorem tax moneys provided to it
359 by the Citrus County Hospital Board, including maintaining them
360 in a separate accounting fund. The expenditure for all such
361 public tax funds shall be approved in a public meeting and
362 separately accounted for annually by the not-for-profit
363 corporation in a report provided to the Citrus County Hospital
364 Board.

365 (g) The Citrus County Hospital Board shall have the right
366 to approve or reject the following:

367 (1) Adoption, amendment, modification, or restatement of
368 the not-for-profit corporation's Articles of Incorporation or
369 Bylaws, including those required by this act and any such
370 amendments not heretofore approved;

371 (2) Upon expiration of the contract in effect on January 1,
372 2010, selection of a new chief executive officer or renewal of
373 his or her employment contract;

374 (3)a. The annual operating and capital budgets of the not-
375 for-profit corporation, considering each budget separately and
376 without line item veto authority. To reject any budget shall
377 require the affirmative vote of four (4) hospital board

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378 trustees.

379 b. Subject to the annual approved budget, the Citrus County
380 Hospital Board shall reimburse the not-for-profit corporation
381 for indigent care at the prevailing Medicaid per diem rate
382 pursuant to state and federal law.

383 (4) Additional loan indebtedness or leases in excess of
384 \$1,250,000 per instrument or contract; and

385 (5) The not-for-profit corporation policies governing
386 travel reimbursements and contract bid procedures.

387 (h) All records of the not-for-profit corporation are
388 public records unless exempt by law.

389 (i) Any dispute between the Citrus County Hospital Board
390 and the not-for-profit corporation shall be subject to any court
391 actions pursuant to sections 164.101-164.1065, Florida Statutes.

392 Section 18. In order to ensure public oversight,
393 accountability, and public benefit, the provisions in this act
394 and the hospital board's lease with the not-for-profit
395 corporation:

396 (a) Shall be construed and interpreted as furthering the
397 public health and welfare, and the open-government requirements
398 of s. 24, Article I of the State Constitution and ss. 119.01 and
399 286.011, Florida Statutes; and

400 (b) Except as provided for in section 17(i), may be
401 enforced by a court of competent jurisdiction in declaratory
402 proceedings under chapter 86, Florida Statutes, by injunction,
403 or by any other appropriate form of judicial relief.

404 Section 3. Chapter 99-442, Laws of Florida, and chapter
405 2001-308, Laws of Florida, are repealed.

406 Section 4. If any provision of this act or its application

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407 to any person or circumstance is held invalid, the invalidity
408 does not affect other provisions or applications of the act
409 which can be given effect without the invalid provision or
410 application, and to this end the provisions of this act are
411 severable.

412 Section 5. This act shall take effect July 1, 2010, and
413 shall apply to existing and future leases and amendments,
414 revisions, and restatements thereto, and to existing and future
415 agreements for hospital care and amendments, revisions, and
416 restatements thereto; however, this act shall not apply to the
417 term of any existing contract entered into by the not-for-profit
418 corporation with a third-party, to any existing contract for the
419 borrowing of money in excess of \$100,000 for which the hospital
420 board has not previously given its approval, or to any existing
421 contract for a capital project in excess of \$250,000 for which
422 the hospital board has not previously given its approval.