1 A bill to be entitled 2 An act relating to Lee Memorial Health System, Lee 3 County; amending chapter 2000-439, Laws of Florida; providing that the operation and maintenance of 4 5 certain projects, activities, and products by the Lee 6 Memorial Health System Board of Directors are deemed a 7 public purpose; authorizing the system board to 8 establish, fund, support, organize, and participate in 9 such projects, activities, and products; providing for a quorum; deleting a reporting requirement; revising 10 11 provisions relating to powers of the system board and 12 system funds; providing general and special powers of the Lee Memorial Health System; exempting from taxes 13 14 certain notes, mortgages, security agreements, letters 15 of credit, or other instruments; providing an 16 exception; revising the ways funds of the system board 17 may be paid out; authorizing the system board to invest specified funds; conforming provisions to 18 19 changes made by the act; providing for applicability; providing for severability; providing an effective 20 21 date. 22 23 Be It Enacted by the Legislature of the State of Florida: 24 Section 1. 25 Sections 3, 4, 7, 10, 13, and 18 of chapter Page 1 of 20

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26 2000-439, Laws of Florida, are amended, and sections 20 and 21 are added to that chapter, to read:

Section 3. The operation and maintenance of the public health system, and the construction of health system facilities, and such other projects, activities, and products provided for in this act are declared to be a public purpose.

32 Section 4. The Lee Memorial Health System Board of 33 Directors, hereinafter called the system board, is hereby authorized to establish and to provide for the operation and 34 35 maintenance of a public health care system comprised of hospitals; satellite hospitals; clinics; or other facilities 36 37 devoted to the provision of health care services intended to 38 improve the physical, spiritual, emotional, or mental health of 39 those persons utilizing such services, or of services to prevent sickness, injury, or disease, including those which are intended 40 to promote a healthful lifestyle, and such other facilities or 41 42 services as the system board shall deem appropriate to provide a 43 full range of health care services to the population the public 44 health care system may serve, and to establish, fund, support, 45 organize, and participate in other projects, activities, and 46 products which benefit the population served by the Lee Memorial 47 Health System. The system board is authorized to construct and 48 equip the necessary buildings for the aforesaid purposes and to 49 construct extensions, additions, and improvements thereto from 50 time to time, and to lease as lessee or lessor, or purchase or

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51 sell any land or any interest in land. The system board is 52 authorized and empowered to carry out its functions directly or 53 indirectly through other companies it controls through joint 54 ventures or partnerships with other public or private 55 organizations.

56 Section 7. The system board shall elect annually from its 57 members a chair, vice-chair, secretary, and treasurer, who shall 58 be the officers of the system board. The system board shall 59 cause true and accurate minutes and records to be kept of all 60 business transacted by the system board and shall keep full, true, and complete books of accounts and records, which minutes, 61 62 records, and books of account and the current line item budget 63 shall at all reasonable times be open and subject to inspection 64 and copying pursuant to the provisions of the constitution and laws of Florida. A majority of the then-elected and serving 65 66 members of the system board constitutes a quorum of the system 67 board for the purpose of conducting its business and exercising 68 its powers and for all other purposes. Action may be taken by 69 the system board upon an affirmative vote of a majority of those 70 system board members attending a system board meeting at which a 71 quorum is in attendance. The system board may conduct meetings 72 of the system board, including, without limitation, workshops and board committee meetings, in whole or partially by means of 73 74 communications media technology, if it so chooses. The 75 utilization of communications media technology at any such

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76	meeting shall be governed by the system board's policies
77	pertaining to the use of such technology. The participation by a
78	system board member in a system board meeting conducted in whole
79	or partially through communications media technology and in
80	accordance with system board policies constitutes that
81	individual's presence at such meeting for all purposes,
82	including for purposes of establishing that a quorum is in
83	attendance, when a quorum is needed. As used in this section,
84	the term "communications media technology" includes, without
85	limitation, the electronic transmission of printed matter,
86	audio, full-motion video, freeze-frame video, compressed video,
87	and digital video by any method available now or in the future.
88	All meetings of the system board shall be open to the general
89	public pursuant to general law. At least once a year the system
90	board shall cause the financial records and accounts of the
91	health care system to be audited by a certified public
92	accountant authorized to practice public accounting in Florida
93	and a certified public account audit report to be prepared. The
94	audit, together with a copy of the health system's current
95	annual budget, shall be filed annually with the Clerk of the
96	Circuit Court of Lee County.
97	Section 10. The Lee Memorial Health System Board of
98	Directors shall have the authority to operate and conduct the
99	business of the public health system and such other projects,
100	activities, and products, and consistent therewith, shall have
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101 the following powers:

(1) The system board is authorized to pay all expenses of operation of the Lee Memorial Health System and all other necessary expenses incurred, including the fees and expenses of attorneys retained by the system board or the chief executive officer of the Lee Memorial Health System, in the transaction of the business of the public health care system, and in carrying out and accomplishing the purposes of this act.

109 The Lee Memorial Health System may sue and be sued in (2)the name of Lee Memorial Health System; provided that in any 110 suit, a change in personnel of the system board shall not abate 111 112 the suit, which shall proceed as if such change had not taken 113 place. In all suits against the Lee Memorial Health System, 114 service of process shall be had on the chief executive officer 115 of the hospital, or in his absence on any officer of the system 116 board.

117 (3) To the fullest extent permitted by the state law, the 118 system board may create, be a voting member of, choose directors 119 to serve on the boards of, be a partner in, or participate in or control, any venture, corporation, partnership, or other 120 121 organization, public or private, which the system board finds 122 operates for the purposes consistent with, and in furtherance 123 of, the purposes and best interests of the Lee Memorial Health 124 System.

125

(4) The system board may make, or authorize its chief

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126 executive officer to make, contracts of all kinds, including, 127 but not limited to, the sale or purchase of real property within 128 and beyond the boundaries of Lee County and may enter into 129 leases of real and personal property of any kind or description, 130 either as lessor or lessee, within and beyond the boundaries of 131 Lee County. Any such purchase of real property may be obtained, 132 subject to one or more existing mortgages, or may be purchased 133 by installment sale or purchase money financing, provided that 134 any such assumed mortgage, installment sale, or new mortgage 135 shall be nonrecourse to other property of the system board. The system board is authorized to accept gifts, 136 (5) 137 bequests, grants, endowments, and conveyances from any source. The system board is authorized and empowered, in order 138 (6) 139 to provide for and carry out the work of this act, to borrow 140 money from time to time and in accordance with the constitution 141 and law, and to issue the notes or bonds of the Lee Memorial 142 Health System upon such terms and upon such rates of interest as 143 the system board may deem advisable, to the fullest extent 144 permitted by general law, all such notes, bonds, and any other 145 evidence of indebtedness, including the transfer, and the income 146 therefrom and any profit made on the sale thereof, as well as 147 any notes, mortgages, security agreements, letters of credit, or other instruments which arise out of or are given to secure the 148 repayment of such indebtedness, shall be exempt from all taxes 149 by the state or any local unit, political subdivision, or other 150

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151 <u>instrumentality of the state, except any tax imposed by chapter</u> 152 <u>220 on interest, income, or profits on debt obligations owned by</u> 153 <u>corporations</u>.

(7) The system board may enter into any and all types of
derivative agreements as may be used by prudent borrowers,
lenders, or investors, which are intended to minimize the risk
of financial loss or maximize the financial return in connection
with its bonds, notes, or investments, or for any other purpose,
<u>subject to the system board's investment policy referenced in</u>
section 13.

The system board may, or may authorize its chief 161 (8) 162 executive officer to, settle or compromise any claim, suit, or 163 action brought against the Lee Memorial Health System or any of 164 its subsidiaries, or affiliated organizations, or any of its 165 directors, officers, or employees when such claim, suit, or 166 action arises out of such directors', officers', or employees' 167 acts or omissions in the course of employment or the performance of official duties, consistent with the provisions of the 168 169 Florida Waiver of Sovereign Immunity Act, as such act may be in 170 effect at the time of such settlement or compromise. This 171 subsection shall not be construed as authorizing or requiring any settlement in excess of those limits imposed by the 172 foregoing general act. 173

(9) The system board may take any other action consistentwith the efficient and effective operation of the public health

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176 care system and such other projects, activities, and products
177 provided for by this act, consistent with the constitution and
178 laws of Florida.

179 Section 13. Funds of the Lee Memorial Health System may be 180 paid out only upon drafts, checks, wire transfers, electronic 181 bank transfers, or warrants signed or approved by persons duly 182 authorized by the system board to execute such instruments for 183 purposes consistent with this act. The system board may adopt rules for the payment of lesser sums in cash, and a petty cash 184 185 fund or funds may be established for such purpose with the maximum amount payable in cash in one transaction fixed by the 186 187 system chief executive officer. All funds of the system board 188 shall be deposited in banks which are qualified under state law 189 to accept deposits of public funds. In addition to any 190 investment permitted by general law, the system board shall be 191 and is hereby authorized and empowered to invest any funds in 192 its control or possession in accordance with an investment 193 policy approved by the system board consistent with section 194 218.415, Florida Statutes, which mandates prudent investment 195 practices and shall include, among other items, the investment 196 objectives and permitted securities of the policy. Such 197 investment policy shall be designed to maximize the financial return to the fund consistent with the risks incumbent in each 198 investment and shall be designed to preserve the appropriate 199 200 diversification of the portfolio. The system board may deposit

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201 or invest its surplus funds in interest-bearing accounts, 202 instruments, or securities, to the fullest extent permitted by 203 general law. In addition, the system board may invest its 204 surplus funds provided in section 218.415, Florida Statutes, and 205 such other investments as are authorized by the system board and 206 permitted by the system board investment policy. as follows: 207 (1) Without limitation in: 208 (a) Bonds, notes, or other obligations of the United States or those guaranteed by the United States or for which the 209 210 credit of the United States is pledged for the payment of the 211 principal and interest or dividends thereof. 212 (b) State bonds pledging the full faith and credit of the 213 state and revenue bonds additionally secured by the full faith 214 and credit of the state. 215 (c) Bonds of the several counties or districts in the 216 state containing a pledge of the full faith and credit of the 217 county or district involved. 218 (d) Savings accounts in, or certificates of deposit of, 219 any bank, savings bank, or savings and loan association 220 incorporated under the laws of the United States doing business 221 and situated in this state, the accounts of which are insured by 222 the Federal Government or an agency thereof, in an amount that does not exceed 15 percent of the net worth of the institution, 223 224 provided such savings accounts and certificates of deposit are 225 secured in the manner prescribed in chapter 280, Florida

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226 Statutes. 227 (e) Obligations of the Federal Farm Credit Banks and 228 obligations of the Federal Home Loan Bank and its district 229 banks. 230 (f) Obligations of the Federal Home Loan Mortgage 231 Corporation including participation certificates. 232 (g) Obligations guaranteed by the Government National 233 Mortgage Association. 234 (h) Commercial paper of prime quality of the highest 235 letter and numerical rating as provided for by at least one 236 nationally recognized rating service. 237 (i) Time drafts or bills of exchange drawn on and accepted 238 by a commercial bank, otherwise known as banker's acceptances, 239 which are accepted by a member bank of the Federal Reserve 240 System having total deposits of not less than \$400 million. 241 (j) Short-term obligations not authorized elsewhere in 242 this section, to be purchased individually or in pooled accounts 243 or other collective investment funds, for the purpose of 244 providing liquidity to any fund or portfolio. 245 (k) Securities of, or other interest in, any open-end or 246 closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, 15 247 248 U.S.C. ss. 80a 1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment 249 trust is limited to obligations of the United States Government 250

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251	or any agency or instrumentality thereof and to repurchase
252	agreements fully collateralized by such United States Government
253	obligations and provided that such investment company or
254	investment trust takes delivery of such collateral either
255	directly or through an authorized custodian.
256	(2) With no more than 25 percent of its funds in:
257	(a) Bonds, notes, or obligations of any municipality or
258	political subdivision or any agency or authority of this state,
259	if such obligations are rated in any one of the three highest
260	ratings by two nationally recognized rating services. However,
261	if only one nationally recognized rating service shall rate such
262	obligations, then such rating service must have rated such
263	obligations in any one of the two highest classifications
264	heretofore mentioned.
265	(b) Notes secured by first mortgages on Florida real
266	property, insured or guaranteed by the Federal Housing
267	Administration or the United States Department of Veterans
268	Affairs.
269	(c) Mortgage pass-through certificates, meaning
270	certificates evidencing ownership of an undivided interest in
271	pools of conventional mortgages on real property which is
272	improved by a building or buildings used for residential
273	purposes for one to four families when:
274	1. Such real property is located in this state;
275	2. Such mortgages are originated by one or more banks or
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276 savings and loan associations organized under the laws of this 277 state, by national banks or federal savings and loan 278 associations having their principal place of business in this 279 state, or by a lender that is approved by the Secretary of the 280 United States Department of Housing and Urban Development for 281 the participation in any mortgage insurance program under the 282 National Housing Act and has its principal place of business in this state, or by any combination thereof; and 283 3. Such mortgages are transferred or assigned to a 284 285 corporate trustee acting for the benefit of the holders of such 286 certificates. 287 (d) Obligations of the Federal National Mortgage 288 Association. 289 (c) Group annuity contracts of the pension investment type 290 with insurers licensed to do business in this state, except that 291 amounts invested by the board with any one insurer shall not 292 exceed 3 percent of its assets. 293 (f) Certain interest in real property and related personal 294 property, including mortgages and related instruments on 295 commercial or industrial real property, with provisions for equity or income participation or with provisions for 296 297 convertibility to equity ownership; and interest in collective investment funds. Associated expenditures for acquisition and 298 299 operation of assets purchased under this provision shall be included as a part of the cost of the investment. 300

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301	1. The title to real property acquired under this
302	paragraph shall be vested in the name of the respective fund.
303	2. For purposes of taxation of property owned by any fund,
304	the provisions of section 196.199(2)(b), Florida Statutes, do
305	not apply.
306	3. Real property acquired under the provisions of this
307	paragraph shall not be considered state lands or public lands
308	and property as defined in chapter 253, Florida Statutes, and
309	the provisions of that chapter do not apply to such real
310	property.
311	(g) General obligations backed by the full faith and
312	credit of a foreign government which has not defaulted on
313	similar obligations for a minimum period of 25 years prior to
314	purchase of the obligation and has met its payments of similar
315	obligations when due.
316	(h) Obligations of agencies of the government of the
317	United States, provided such obligations have been included in
318	and authorized by the Florida Retirement System Total Fund
319	Investment Plan established in section 215.475, Florida
320	Statutes.
321	(i) United States dollar-denominated obligations by
322	foreign governments, or political subdivisions or agencies
323	thereof, or foreign corporations or foreign commercial entities.
324	(3) With no more than 50 percent of its funds in common
325	stock, preferred stock, and interest-bearing obligations of a
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326 corporation having an option to convert into common stock, 327 provided: 328 (a) The corporation is organized under the laws of the United States, any state or organized territory of the United 329 330 States, or the District of Columbia. 331 (b) The corporation is listed on any one or more of the 332 recognized national stock exchanges in the United States and 333 conforms with the periodic reporting requirements under the 334 Securities Exchange Act of 1934. 335 336 The system board shall not invest more than 10 percent of the 337 equity assets of its funds in the common stock, preferred stock, 338 and interest-bearing obligations having an option to convert 339 into common stock, of any one issuing corporation; and the 340 system board shall not invest more than 3 percent of the equity 341 assets of any funds in such securities of any one issuing 342 corporation except to the extent a higher percentage of the same 343 issue is included in a nationally recognized market index, based 344 on market values at least as broad as the Standard and Poor's 345 Composite Index of 500 Companies, or except upon a specific 346 finding by the system board that such higher percentage is in 347 the best interest of the system board. The system board may only sell listed options to reduce investment risks, to improve cash 348 349 flow, or to provide alternative means for the purchase and sale 350 of underlying investment securities. Reversing transactions may

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351 be made to close out existing option positions. 352 (4) With no more than 80 percent of its funds, in 353 interest-bearing obligations with fixed maturity of any 354 corporation or commercial entity within the United States. 355 356 For the purpose of determining the above investment limitations, the value of bonds shall be the par value thereof, and the value 357 358 of evidences of ownership and interest-bearing obligations 359 having an option to convert to ownership shall be the cost 360 thereof. Investments in any securities authorized by this 361 section may be under repurchase agreements or reverse repurchase 362 agreements. Investments made by the system board may be 363 designated to maximize the financial return to the fund 364 consistent with the risks incumbent in each investment and shall 365 be designed to preserve an appropriate diversification of the 366 portfolio. The system board is authorized to buy and sell 367 futures and options, provided the instruments for such purpose 368 are traded on a securities exchange or board of trade regulated 369 by the Securities and Exchange Commission or the Commodity 370 Futures Trading Commission, unless the system board by rule 371 authorizes a different market. The system board is authorized to 372 invest in domestic or foreign national principal contracts. 373 Section 18. The Lee Memorial Health System is authorized 374 to own and operate facilities and provide services and products in conformity with this act both within and beyond the 375

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376 boundaries of Lee County shall be entitled to a lien for all 377 reasonable charges for hospital, physician, and other health 378 care services provided by the Lee Memorial Health System to ill or injured persons, upon the proceeds of all causes of action, 379 380 suits, claims, counterclaims, and demands accruing to said 381 persons or to their legal representatives, and upon all 382 judgments, settlements, and settlement agreements rendered or 383 entered into by virtue thereof, on account of injuries giving rise to such causes of action, suits, claims, counterclaims, 384 385 demands, judgments, settlements, or settlement agreements, which 386 injuries shall have necessitated such hospital, physician, and 387 other services provided to such ill or injured persons. Lee 388 Memorial Health System shall perfect and be entitled to enforce 389 such lien as follows:

390 (1) In order to perfect the lien provided for herein, the 391 Lee Memorial Health System chief executive officer or an 392 employee or employees of the Lee Memorial Health System 393 authorized by the chief executive officer shall, before or 394 within 10 days after such ill or injured person shall have been 395 discharged from a Lee Memorial Health System hospital, file in 396 the office of the Lee County Clerk of Circuit Court, a verified 397 written notice of lien setting forth the name and address of the 398 ill or injured person as they may appear in the records of said 399 health system hospital, the name and location of said hospital, 400 the name and address of the employee or other authorized person

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preparing the notice of lien, the date of admission to said 401 402 hospital and the date of discharge from said hospital, the 403 amount claimed to be due for hospital, physician, and other 404 services provided, and to the best knowledge of the person 405 preparing the notice of lien, the names and addresses of all 406 persons, firms, or corporations who may be claimed by such ill 407 or injured person or by the legal representative of such person, 408 to be liable on account of such illness or injuries. When the 409 notice of lien is filed, a copy thereof shall be sent by United States Postal Service to the ill or injured person, to said 410 411 person's attorney, if known, and to all persons, firms, or 412 corporations named in such notice of lien. The filing and 413 mailing of the notice of lien in accordance with this section 414 shall be notice thereof to all persons, firms, or corporations 415 who may be liable on account of such illness or injuries, and to 416 any other persons, firms, or corporations that may have an 417 interest in the aforesaid causes of action, suits, claims, 418 counterclaims, demands, judgments, settlements, or settlement 419 agreements, whether or not they are named in the notice of lien, 420 and whether or not a copy of the notice of lien shall have been 421 received by them. 422 (2) The Lee County Clerk of Circuit Court shall endorse on

423 the written notice of lien the date and hour of filing and shall
424 record said notice of lien in the Official Records of Lee
425 County. The Clerk of Circuit Court shall be entitled to a fee

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426	from the Lee Memorial Health System for filing and recording the
427	notice of lien that shall be the same fee as provided by general
428	law for the filing and recording of other instruments.
429	(3) No release or satisfaction of any cause of action,
430	suit, claim, counterclaim, demand, judgment, settlement, or
431	settlement agreement shall be valid or effectual as against the
432	lien of Lee Memorial Health System unless the lienholder shall
433	join therein or execute a release of its lien prior to the
434	payment of any proceeds thereof. Any acceptance of a release or
435	satisfaction of any cause of action, suit, claim, counterclaim,
436	demand, judgment, settlement, or settlement agreement in the
437	absence of a release or satisfaction of the lien of Lee Memorial
438	Health System shall prima facie constitute an impairment of such
439	lien and the lienholder shall be entitled to a cause of action
440	for damages against any and all persons, firms, or corporations
441	giving or accepting such release or satisfaction, or paying or
442	accepting the proceeds from the same. In such action, Lee
443	Memorial Health System may recover the full amount of its
444	charges for such hospital, physician, or other health care
445	services; regardless of the amount of proceeds paid or received
446	in impairment of its lien. Satisfaction of a judgment rendered
447	in favor of Lee Memorial Health System in such action shall
448	operate as a satisfaction of the lien. The action by the
449	lienholder shall be brought in the court in Lee County having
450	jurisdiction of the amount of the lienholder's claim. If Lee

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451 Memorial Health System shall prevail in such action, it shall be entitled to recover from the defendant or defendants, in 452 453 addition to costs otherwise allowable by law, all reasonable 454 attorney fees and expenses. 455 (4) No person shall be entitled to recover or receive 456 damages based on the expense of hospital, physician, or other 457 health care services provided by Lee Memorial Health System 458 unless that person shall affirmatively show that Lee Memorial 459 Health System's charges have been paid. Provided, however, that 460 in any action, suit, or counterclaim brought on account of 461 illness or injury, the plaintiff or counterclaimant may include 462 as an item of damages the expense of such hospital, physician, 463 or other health care services provided by Lee Memorial Health 464 System, if prior to trial he or she shall have notified Lee 465 Memorial Health System in writing of the pendency of such 466 action, suit, or counterclaim; whereupon the lienholder shall 467 have the right, without leave of court, to intervene in the case 468 and prove the amount of its charges for such hospital, 469 physician, or other health care services. Any judgment rendered 470 in favor of the plaintiff or counterclaimant shall provide that 471 the amount proved by the lienholder to be due shall be deducted 472 from the damages awarded and paid to the Lee Memorial Health 473 System. 474 (5) The provisions of this section shall not be applicable 475 to accidents or injuries within the purview of the workers'

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476	compensation laws of Florida.
477	Section 20. The Lee Memorial Health System shall have and
478	exercise all powers necessary, incidental, or convenient to
479	carry out and effectuate any and all purposes for which the Lee
480	Memorial Health System is organized under the provisions of this
481	act.
482	Section 21. The provisions of this act shall be construed
483	liberally in order to carry out its purpose effectively. Any of
484	the enumerated powers herein shall not be construed as a
485	limitation against any remaining powers but shall be construed
486	as cumulative.
487	Section 2. If any section, paragraph, sentence, clause,
488	phrase, or other part of this act is declared unconstitutional,
489	or if this act is declared inapplicable in any case, such
490	declaration does not affect the remainder of the act or the
491	applicability of the act in any other case.
492	Section 3. This act shall take effect upon becoming a law.
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