

By Senator Gruters

23-01356-22

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1 A bill to be entitled
2 An act relating to the conversion of a public health
3 care system; creating s. 155.42, F.S.; defining terms;
4 authorizing the governing body of a public health care
5 system to evaluate the potential conversion of the
6 public health care system to a nonprofit entity;
7 specifying requirements for such evaluation; requiring
8 such governing body to publish notice of its completed
9 evaluation in a specified manner; authorizing a public
10 health care system and local governing authority to
11 negotiate an agreement for such conversion; specifying
12 requirements for such agreement; authorizing the
13 governing body of the public health care system and
14 local governing authority to approve such conversion
15 subject to certain requirements; requiring members of
16 the governing body of the public health care system to
17 disclose whether they intend to serve on the board of
18 the successor nonprofit entity; requiring the public
19 health care system and local governing authority to
20 jointly submit a notice of completion of such
21 conversion to the Legislature after certain
22 requirements are met; providing that the public health
23 care system is dissolved as a matter of law on the
24 date that such notice is submitted to the Legislature;
25 providing an effective date.

26
27 Be It Enacted by the Legislature of the State of Florida:

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29 Section 1. Section 155.42, Florida Statutes, is created to

23-01356-22

20221260__

30 read:

31 155.42 Conversion of a public health care system.-

32 (1) For purposes of this section, the term:

33 (a) "Affected community" means those persons residing
34 within the geographic boundaries of the public health care
35 system.

36 (b) "Local governing authority" means the governing
37 authority of the county in which the public health care system
38 is primarily located and provides health care services.

39 (c) "Public health care system" means a county, district,
40 or municipal hospital or health care system created pursuant to
41 a special act.

42 (2) (a) The governing body of a public health care system
43 may elect, by a majority vote plus one, to evaluate the
44 potential conversion of the public health care system to a
45 nonprofit entity.

46 (b) If the governing body of a public health care system
47 elects to evaluate the potential conversion of the public health
48 care system as set forth in paragraph (a), the governing body
49 must evaluate the potential benefits to the affected community
50 of converting the public health care system to a nonprofit
51 entity and must:

52 1. Publish notice of and conduct a public hearing in
53 accordance with s. 189.015 to provide the affected community the
54 opportunity to publicly testify regarding the conversion of the
55 public health care system.

56 2. Contract with a certified public accounting firm or
57 other firm that has substantial expertise in the valuation of
58 the type of activities engaged in by the public health care

23-01356-22

20221260

59 system to render an independent valuation of the public health
60 care system. The certified public accounting firm or other firm
61 shall certify its valuation of the public health care system.

62 3. Make publicly available on the public health care
63 system's website all documents considered by the governing body
64 during its evaluation.

65 (c) After completing its evaluation, the governing body of
66 the public health care system shall publish notice of the
67 evaluation in the same manner as provided in s. 189.015(1).

68 (3) (a) Upon completing the evaluation of the benefits of
69 the conversion of the public health care system, if the
70 governing body of the public health care system determines that
71 it is in the best interest of the affected community to convert
72 the public health care system to a nonprofit entity, the public
73 health care system may negotiate an agreement with the local
74 governing authority which contains the terms and conditions by
75 which the nonprofit entity that is succeeding the public health
76 care system may acquire title and possession of property,
77 rights, and other appurtenances owned by the public health care
78 system and any other terms or conditions governing the
79 conversion.

80 (b) An agreement between the public health care system and
81 the local governing authority to convert the public health care
82 system to a nonprofit entity must be in writing and must include
83 all of the following terms and conditions:

84 1. A description of the terms and conditions of all
85 proposed agreements.

86 2. A description of the assets and liabilities, if any,
87 that will be transferred to the local governing authority upon

23-01356-22

20221260__

88 conversion of the public health care system.

89 3. The estimated total value of the assets and liabilities,
90 if any, that will be transferred to the local governing
91 authority upon conversion of the public health care system.

92 4. A description of the assets and liabilities, if any,
93 that will be transferred to the succeeding nonprofit entity upon
94 conversion of the public health care system.

95 5. The estimated total value of the assets and liabilities,
96 if any, that will be transferred to the succeeding nonprofit
97 entity upon conversion of the public health care system.

98 6. A provision that the remaining assets and liabilities,
99 if any, of the public health care system which are not
100 transferred to the local governing authority or the succeeding
101 nonprofit entity will be resolved upon conversion of the public
102 health care system.

103 7. An enforceable commitment that programs and services
104 provided by the public health care system will continue to be
105 provided to the affected community in perpetuity so long as the
106 nonprofit entity is in operation or, if otherwise agreed to by
107 the public health care system and the local governing authority,
108 until the nonprofit entity has otherwise met all obligations set
109 forth in the agreement.

110 8. A provision that transfers the rights and obligations
111 agreed to by the public health care system and the local
112 governing authority to the successor nonprofit entity upon
113 conversion of the public health care system.

114 9. A provision that prohibits a board member of the local
115 governing authority from serving on the board of the successor
116 nonprofit entity; however, the agreement may allow for members

23-01356-22

20221260__

117 of the governing body of the public health care system to serve
118 on the board of the successor nonprofit entity.

119 10. Any other terms or conditions mutually agreed upon by
120 the public health care system and the local governing authority.

121 (4) Upon completing the negotiation of the agreement as
122 provided in subsection (3), the governing body of the public
123 health care system and the local governing authority may elect,
124 by a majority vote plus one of each of the governing bodies, to
125 approve the conversion of the public health care system to a
126 nonprofit entity pursuant to the terms and conditions of the
127 agreement and subject to all of the following:

128 (a) The evaluations, agreements, disclosures, and all other
129 documents supporting the conversion must be published on the
130 websites of the public health care system and the local
131 governing authority and made publicly available for a period of
132 at least 20 days before the governing bodies of the public
133 health care system and the local governing authority may vote to
134 approve the conversion of the public health care system to a
135 nonprofit entity pursuant to the terms and conditions of the
136 agreement.

137 (b) The governing bodies of the public health care system
138 and the local governing authority may not vote to approve the
139 conversion of the public health care system unless the valuation
140 required in subparagraph (2) (b)2. was completed within the
141 preceding 18 months.

142 (5) A member of the governing body of the public health
143 care system must disclose whether he or she intends to serve on
144 the board of the successor nonprofit entity.

145 (6) After the assets and liabilities, if any, are

23-01356-22

20221260__

146 transferred to the succeeding nonprofit entity and all necessary
147 requirements to complete the conversion of the public health
148 care system to a nonprofit entity are met, the public health
149 care system and the local governing authority shall jointly
150 submit a notice of the completion of the conversion to the
151 President of the Senate and the Speaker of the House of
152 Representatives. The public health care system is deemed
153 dissolved as a matter of law effective on the date that such
154 notice is submitted to the Legislature.

155 Section 2. This act shall take effect July 1, 2022.