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1                   A bill to be entitled  
2     An act relating to independent hospital districts;  
3     creating s. 189.0762, F.S.; defining the terms  
4     "independent hospital district" and "nonprofit  
5     entity"; authorizing the governing body of an  
6     independent hospital district to evaluate certain  
7     benefits of the potential conversion of the  
8     independent hospital district to a nonprofit entity  
9     under certain circumstances; specifying requirements  
10    for such evaluations; requiring that the evaluation be  
11    completed and the final report be presented to the  
12    governing body within a specified timeframe; requiring  
13    the report to be published on the independent hospital  
14    district's website; providing requirements for the  
15    report; requiring the governing body to make certain  
16    determinations within a specified timeframe; requiring  
17    the governing body to negotiate and complete an  
18    agreement with the board of county commissioners for  
19    each affected county before converting the independent  
20    hospital district to a nonprofit entity; requiring  
21    that such agreements be entered into within a  
22    specified timeframe; providing requirements for such  
23    agreements; prohibiting members of the board of county  
24    commissioners for counties party to such agreements  
25    from serving on the board of the successor nonprofit  
26    entity; allowing members of the governing body of the  
27    independent hospital district to serve on the board of  
28    the successor nonprofit entity; requiring members of  
29    the governing body and each board of county

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30 commissioners party to the agreement to disclose all  
31 conflicts of interest; requiring the evaluation, all  
32 agreements and disclosures, and any other supporting  
33 documents related to the conversion to be published on  
34 the websites of the independent hospital district and  
35 each county that is party to the agreement for a  
36 specified timeframe before the district and each  
37 county may vote on the proposed conversion; providing  
38 for the conversion of the independent hospital  
39 district to a nonprofit entity; providing public  
40 meeting requirements; requiring the independent  
41 hospital district to notify the Department of Health  
42 of the transfer of assets and liabilities to the  
43 nonprofit entity within a specified timeframe;  
44 providing for dissolution of the district upon the  
45 department's receipt of such notification; providing  
46 that an independent hospital district continues to  
47 exist if the governing body and the board of county  
48 commissioners for each affected county are unable to  
49 reach an agreement; providing an effective date.  
50

51 Be It Enacted by the Legislature of the State of Florida:

52  
53 Section 1. Section 189.0762, Florida Statutes, is created  
54 to read:

55 189.0762 Conversion of an independent hospital district to  
56 a nonprofit entity.-

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

58 (a) "Independent hospital district" means an entity created

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59 pursuant to a special act which operates one or more hospitals  
60 licensed under chapter 395 and which is governed by the  
61 governing body of a special district or by the board of trustees  
62 of a public health trust created under s. 154.07.

63 (b) "Nonprofit entity" means a Florida not-for-profit  
64 corporation operating under chapter 617.

65 (2) The governing body of an independent hospital district  
66 may elect, by a majority vote plus one, to commence an  
67 evaluation of the benefits to the residents of converting the  
68 independent hospital district to a nonprofit entity if the  
69 governing body of such district and each county within which any  
70 part of the district's boundaries are located execute an  
71 agreement that meets the requirements of subsection (4). In  
72 evaluating the benefits of converting the independent hospital  
73 district to a nonprofit entity, the governing body of the  
74 district must:

75 (a) Publish notice of and conduct a public hearing in  
76 accordance with s. 189.015(1) to provide the residents of such  
77 district the opportunity to publicly testify regarding the  
78 conversion of the independent hospital district. The public  
79 hearing must be held at a meeting other than a regularly noticed  
80 meeting of the independent hospital district or an emergency  
81 meeting of such district.

82 (b) Contract with an independent entity that has at least 5  
83 years of experience conducting comparable evaluations of  
84 hospital organizations similar in size and function to the  
85 independent hospital district to conduct the evaluation  
86 according to applicable industry best practices. The independent  
87 entity may not have any affiliation with or financial

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88 involvement in the district or with any member of the governing  
89 body of such district.

90 (c) Publish all documents considered by the governing body  
91 of the independent hospital district on the website of the  
92 district.

93 (3) The evaluation must be completed and the final report  
94 presented to the governing body of the independent hospital  
95 district no later than 180 days after the date of the vote taken  
96 by the governing body of such district to evaluate the  
97 conversion. The final report must be published on the website of  
98 the independent hospital district. The final report must include  
99 a statement signed by the presiding officer of the governing  
100 board of the independent hospital district and the chief  
101 executive officer of the independent entity conducting the  
102 evaluation that, upon each person's reasonable knowledge and  
103 belief, the contents and conclusions of the evaluation are true  
104 and correct.

105 (4) No later than 120 days after the date the governing  
106 body of the independent hospital district received the final  
107 report, the governing body of such district must determine, by  
108 majority vote plus one, whether the interests of the residents  
109 of the district are best served by converting the independent  
110 hospital district to a nonprofit entity. If the governing body  
111 of the independent hospital district determines conversion is in  
112 the best interest of the district, the independent hospital  
113 district must negotiate and complete an agreement with the board  
114 of county commissioners for each county in which any part of the  
115 district boundaries are located before conversion may occur.

116 (5) An agreement between the governing body of the

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117 independent hospital district and each county in which any part  
118 of the district boundary is located must be completed no later  
119 than 120 days after the date of the public meeting at which the  
120 governing body of such district determines conversion of the  
121 independent hospital district is in the best interest of its  
122 residents. The agreement must be in writing, dispose of all  
123 assets and liabilities of the independent hospital district, and  
124 include:

125 (a) A description of each asset that will be transferred to  
126 each county.

127 (b) A description of each liability that will be  
128 transferred to each county.

129 (c) The estimated total value of the assets that will be  
130 transferred to each county.

131 (d) The estimated total value of the liabilities that will  
132 be transferred to each county.

133 (e) If the agreement is with more than one county, a  
134 description of the methodology used to allocate the assets and  
135 liabilities of the district between the counties.

136 (f) A description of all assets that will be transferred to  
137 the succeeding nonprofit entity.

138 (g) A description of all liabilities that will be assumed  
139 by the succeeding nonprofit entity.

140 (h) The estimated total value of the assets that will be  
141 transferred to the succeeding nonprofit entity.

142 (i) The total value of the liabilities to be assumed by the  
143 succeeding nonprofit entity.

144 (j) If any debts remain, how those debts will be resolved.

145 (k) An enforceable commitment that programs and services

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146 provided by the district will continue to be provided to all  
147 residents of the former district in perpetuity so long as the  
148 nonprofit entity is in operation, or if otherwise agreed to  
149 between the independent hospital district and the county or  
150 counties party to the agreement, until the nonprofit entity has  
151 otherwise met all obligations set forth in the agreement.

152 (l) A provision transferring the rights and obligations as  
153 agreed to between the governing body of the independent hospital  
154 district and the county or counties to the successor nonprofit  
155 entity.

156 (m) Any other terms mutually agreed to between the  
157 governing body of the independent hospital district and the  
158 county or counties.

159 (6) (a) No member of the board of county commissioners for  
160 any county that is a party to the agreement may serve on the  
161 board of the successor nonprofit entity.

162 (b) Members of the governing body of the independent  
163 hospital district may serve on the board of the successor  
164 nonprofit entity.

165 (7) The members of the governing body of the independent  
166 hospital district and of the board of county commissioners in  
167 each county party to the agreement must disclose all conflicts  
168 of interest as required by s. 112.313, including, but not  
169 limited to:

170 (a) Whether the conversion of the independent hospital  
171 district will result in a special private gain or loss to any  
172 member of the governing body of the independent hospital  
173 district or boards of county commissioners or to any senior  
174 executives of the independent hospital district.

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175 (b) If any member of the governing body of the independent  
176 hospital district will serve on the board of the successor  
177 nonprofit entity. Such intent to serve on the board of the  
178 successor nonprofit entity does not disqualify any member from  
179 voting on the proposed conversion.

180 (8) The evaluation, agreements, disclosures, and any other  
181 supporting documents related to the conversion of the  
182 independent hospital district must be published on the website  
183 of the independent hospital district and each county that is a  
184 party to the agreement for 45 days before the governing body of  
185 the independent hospital district and the board of county  
186 commissioners for each county may vote on the proposed  
187 conversion.

188 (9) (a) In a public meeting noticed as required by  
189 subsection (2), the governing body of the independent hospital  
190 district may approve, by majority vote plus one, the conversion  
191 of such district to a nonprofit entity and any agreements  
192 related to the conversion.

193 (b) The agreement negotiated under this section must be  
194 approved by each board of county commissioners for each affected  
195 county in a properly noticed public meeting.

196 (c) If the governing body of the independent hospital  
197 district and the board of county commissioners for each affected  
198 county approve the proposed agreement, a referendum of the  
199 qualified voters of the district must be conducted at the next  
200 general election as required under s. 100.031 for independent  
201 hospital districts that exercise ad valorem taxing powers. A  
202 referendum is not required for independent hospital districts  
203 that do not exercise ad valorem taxing powers.

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204       (d) If approved by the qualified electors of the  
205 independent hospital district voting in a referendum conducted  
206 in accordance with paragraph (c), the agreement between the  
207 independent hospital district and each board of county  
208 commissioners for each affected county shall go into full force  
209 and effect. The independent hospital district shall file a copy  
210 of the agreement with the department no later than 10 days after  
211 the date of the referendum approving the agreement and  
212 conversion.

213       (10) No later than 30 days after the complete transfer of  
214 assets and liabilities as provided in the agreement, the  
215 independent hospital district shall notify the department. The  
216 district shall be dissolved automatically upon receipt of the  
217 notice by the department.

218       (11) If the governing body of the independent hospital  
219 district and the board of county commissioners of each affected  
220 county are unable to reach an agreement that would result in the  
221 conversion of the independent hospital district to a nonprofit  
222 entity, the district shall continue to exist.

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