

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Ordinance 2021-552

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: August 10, 2021

Committee(s) of Reference: NCSPHS, F

Date of Analysis: August 12, 2021

Type of Action: Authorizing special assessment rate and term; setting public hearing date; directing publication of initial assessment roll; designation of oversight agency; emergency passage on first reading requested

Bill Summary: The bill authorizes a special assessment on all Florida Agency for Health Care Administration-licensed hospitals located in the Consolidated City of Jacksonville which will be contributed as matching funds through the state to leverage additional federal Medicaid funding. The bill establishes an estimated special assessment rate (subject to later refinement) of 0.23% of gross patient revenue for each hospital. It sets the public hearing for the final assessment ordinance for the City Council meeting of September 28, 2021. The initial estimated assessment roll is adopted, publication and mailing of notices is authorized, and the Department of Finance and Administration is designated as the City's oversight agency for the assessment. Emergency passage on first reading is requested.

Background Information: The federal government and the states have created a mechanism by which hospitals may leverage expanded Medicaid funding by financing the non-federal share of the Medicaid program. The mechanism provides that hospitals may be charged a special assessment which will be placed into a fund that is transmitted to the state to pay the county/city's portion of the non-federal share of the Medicaid shortfall. The proposed assessment is based on a portion of their gross patient revenue. Historically, for every \$1 funded by the state, the federal government contributes \$1.82. The nine hospital systems in Jacksonville are agreeable to paying the special assessment (currently estimated at 0.23% of gross patient revenue) which would generate an estimated \$48.34 million to leverage \$115.5 million in additional Medicaid funding to cover a large portion of the \$150 million in uncompensated Medicaid-eligible services provided from October 2020 through September 2021.

Policy Impact Area: Medicaid health care cost coverage

Fiscal Impact: None to the City. The special assessment is preliminarily estimated to produce \$48.34 million from the 9 hospital systems which would be used to leverage \$115.5 million in additional Medicaid funding.

Analyst: Clements