

1 Introduced by the Council President at the request of the Mayor:
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4 **ORDINANCE 2021-552**

5 AN INITIAL ASSESSMENT ORDINANCE PURSUANT TO
6 CHAPTER 170, *FLORIDA STATUTES*, AND CHAPTER
7 715, *ORDINANCE CODE*, AUTHORIZING SPECIAL
8 ASSESSMENTS TO PRIVATE HOSPITAL PROPERTY AS
9 DESCRIBED HEREIN; PROVIDING THE AUTHORITY FOR
10 THE SPECIAL ASSESSMENT AND MAKING FINDINGS;
11 DESCRIBING THE NATURE OF THE PROGRAM OR
12 SERVICES TO BE PROVIDED; PROVIDING THE METHOD
13 OF APPORTIONMENT, DETERMINING THE SERVICE COST
14 TO BE ASSESSED, IDENTIFYING THE PROPERTIES TO
15 BE ASSESSED AND EXEMPTIONS; IDENTIFYING THE
16 SERVICE AREA; ESTABLISHING THE ESTIMATED
17 ASSESSMENT RATE AND TERM; SETTING A PUBLIC
18 HEARING FOR THE FINAL ASSESSMENT ORDINANCE;
19 DIRECTING THE NOTICE OF THE INITIAL ASSESSMENT
20 ROLL TO BE PUBLISHED AND MAILED AS REQUIRED BY
21 SECTION 715.204 AND 715.205 *ORDINANCE CODE* AND
22 170.07, *FLORIDA STATUTES*, RETAINING ALL RIGHTS
23 GRANTED BY CHAPTER 170, *FLORIDA STATUTES*;
24 PROVIDING FOR OVERSIGHT BY THE FINANCE AND
25 ACCOUNTING DEPARTMENT; REQUESTING ONE CYCLE
26 EMERGENCY; PROVIDING AN EFFECTIVE DATE.

27
28 **WHEREAS**, hospitals located within the Consolidated City of
29 Jacksonville (the "Hospitals") annually provide millions of dollars
30 of uncompensated care to persons who qualify for Medicaid because
31 Medicaid, on average, covers only 60% of the costs of the health

1 care services actually provided by the Hospitals to Medicaid
2 eligible persons, leaving the Hospitals with significant
3 uncompensated costs ("Medicaid shortfall"); and

4 **WHEREAS**, the State of Florida (the "State") has received
5 federal authority to establish the Statewide Medicaid Managed Care
6 Hospital Directed Payment Program to offset Medicaid shortfalls for
7 hospitals statewide and to improve the quality of care provided to
8 Florida's Medicaid population; and

9 **WHEREAS**, the impacted Hospitals have asked the City of
10 Jacksonville to impose a special assessment upon certain real
11 property owned by the Hospitals to help finance the non-federal
12 share of the State's Medicaid program to improve the quality of
13 care provided to Florida's Medicaid population; now, therefore

14 **BE IT ORDAINED** by the Council of the City of Jacksonville:

15 **Section 1. Authority and Findings.** This Initial
16 Assessment Ordinance is adopted pursuant to the authority granted
17 in Chapter 170, *Florida Statutes*, Chapter 715, *Ordinance Code*, and
18 home rule powers conferred upon municipalities and chartered
19 counties by Article VIII of the Florida Constitution and Chapters
20 125 and 166, *Florida Statutes*. Pursuant to Sections 170.201(1) and
21 170.01(2), *Florida Statutes*, and Section 715.201, *Ordinance Code*,
22 the City Council finds that providing municipal services at the
23 rate of assessment established herein to the real property
24 identified in the service area described herein provides a special
25 benefit to such property, which is different in type or degree from
26 benefits provided to the community as a whole. This Ordinance
27 shall serve as the resolution required to declare the terms of the
28 special assessments pursuant to Section 170.03, *Florida Statutes*,
29 the publication requirements under Section 170.07, *Florida*
30 *Statutes*, and shall serve as the Initial Assessment Ordinance
31 required by Section 715.202, *Ordinance Code*.

1 **Section 2. General Description of Services or Program to**
2 **be Funded by Special Assessment.** Pursuant to Sections 170.201(1)
3 and 170.03, *Florida Statutes*, and Section 715.202(a), *Ordinance*
4 *Code*, the nature of the proposed program to be funded by this
5 special assessment is to finance the non-federal share of the
6 State's Medicaid program thus stabilizing and improving quality of
7 care provided to Florida's Medicaid population ("Medical Services")
8 by assessing only the properties benefitted by this program.

9 **Section 3. Method of Apportionment; Service Cost to be**
10 **Assessed; Properties to be Assessed and Exemptions.** Pursuant to
11 Sections 170.02 and 170.03, *Florida Statutes*, and Sections
12 715.202(b) and 715.202(c), *Ordinance Code*, the method for assessing
13 properties shall be by an annual rate applied to each property.
14 The current estimated rate is 0.23% of gross patient revenue,
15 although the Hospitals realize that this figure is an estimate and
16 is subject to change. The cost, or total estimated cost, is
17 currently estimated to be \$115,494,788.00. The service cost
18 associated with the program is \$150,000.00. The properties to be
19 assessed are described in **Exhibit 1, attached hereto**. There are no
20 exempt properties included in the service area.

21 **Section 4. Service Area.** Pursuant to Section 170.03,
22 *Florida Statutes*, and Section 715.202(e), *Ordinance Code*, the
23 service area where Hospitals shall be assessed is limited to
24 hospitals licensed by the Florida Agency for Health Care
25 Administration (the "AHCA") as "hospitals" in accordance with the
26 section 395.002(12), *Florida Statutes*, which are more specifically
27 described in **Exhibit 1, attached hereto**. This service area is
28 hereby adopted as the AHCA Licensed Hospitals Special Assessment
29 Area.

30 **Section 5. Establishment of Estimated Assessment Rate and**
31 **Term.** Pursuant to Section 170.03, *Florida Statutes*, and Section

1 715.202(f), *Ordinance Code*, the estimated special assessment rate
2 shall be equal to 0.23% of the gross patient revenue for each
3 Hospital property. This figure will cover the shortfall based on
4 utilization from October 2020-September 2021. All Hospitals
5 recognize that this figure may change depending on the final
6 figures from AHCA. The term for this special assessment shall be
7 annual, to be assessed and collected each year, until withdrawn.

8 **Section 6. Public Hearing for Final Assessment Ordinance.**

9 Pursuant to Section 170.07, *Florida Statutes*, and Sections
10 715.202(h) and 715.302, *Ordinance Code*, the City Council hereby
11 sets the date, time and place of a public hearing to consider the
12 adoption of the Final Assessment Ordinance as September 28, 2021,
13 5:00 p.m., in Council Chambers, 117 West Duval Street,
14 Jacksonville, Florida 32202. The Office of General Counsel is
15 directed to prepare the Final Assessment Ordinance for introduction
16 at City Council on September 14, 2021, with final action and public
17 hearing scheduled for September 28, 2021.

18 **Section 7. Initial Assessment Roll.** Pursuant to Section

19 170.06, *Florida Statutes* and Section 715.202(i)(1) and Section
20 715.203, *Ordinance Code*, the estimated Initial Assessment Roll is
21 **attached hereto as Exhibit 2.** The Initial Assessment Roll is an
22 estimate based on the currently available data from AHCA, which may
23 require adjustment prior to the Final Assessment Roll once AHCA
24 finalizes the figures.

25 **Section 8. Publication of Notice and Mailing of Notices.** The

26 City Council hereby directs the Mayor, on behalf of the City of
27 Jacksonville, to:

28 (a) Publish notice as required by Section 170.05, *Florida*
29 *Statutes*, and Section 715.204, *Ordinance Code*.

30 (b) Mail notices as required by Section 170.07, *Florida*
31 *Statutes*, and Section 715.205, *Ordinance Code*.

1 **Section 9. Retaining All Rights Granted by Chapter 170, Florida**
2 **Statutes.** The City of Jacksonville hereby retains all rights
3 granted to municipalities by Chapter 170, *Florida Statutes*, for the
4 special assessments authorized herein, including priority of lien,
5 interest and foreclosure; provided, however, that any legal
6 proceeding to enforce payment of such special assessments shall
7 require City Council approval.

8 **Section 10. Oversight.** The Department of Finance and
9 Administration shall oversee the Enhanced Municipal Services
10 Agreement described herein.

11 **Section 11. Requesting one cycle emergency passage**
12 **pursuant to Council Rule 4.901 Emergency.** One cycle emergency
13 passage of this Ordinance is requested. The nature of the
14 emergency is that this Ordinance must be adopted in compliance with
15 the necessary legal requirements for special assessments prior to
16 the October AHCA deadline for remittance of the funds to the State.

17 **Section 12. Effective Date.** This Ordinance shall become
18 effective upon signature by the Mayor or upon becoming effective
19 without the Mayor's signature.

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22 Form Approved:

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24 /s/ Mary E. Staffopoulos

25 Office of General Counsel

26 Legislation Prepared By: Trisha Bowles