

1 Introduced by the Council President at the request of the Mayor and
2 amended by the Neighborhoods, Community Services, Public Health and
3 Safety Committee:
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6 **ORDINANCE 2021-552-E**

7 AN INITIAL ASSESSMENT ORDINANCE PURSUANT TO
8 CHAPTER 170, *FLORIDA STATUTES*, AND CHAPTER
9 715, *ORDINANCE CODE*, AUTHORIZING SPECIAL
10 ASSESSMENTS TO PRIVATE HOSPITAL PROPERTY AS
11 DESCRIBED HEREIN; PROVIDING THE AUTHORITY FOR
12 THE SPECIAL ASSESSMENT AND MAKING FINDINGS;
13 DESCRIBING THE NATURE OF THE PROGRAM OR
14 SERVICES TO BE PROVIDED; PROVIDING THE METHOD
15 OF APPORTIONMENT, DETERMINING THE SERVICE COST
16 TO BE ASSESSED, IDENTIFYING THE PROPERTIES TO
17 BE ASSESSED AND EXEMPTIONS; IDENTIFYING THE
18 SERVICE AREA; ESTABLISHING THE ESTIMATED
19 ASSESSMENT RATE AND TERM; SETTING A PUBLIC
20 HEARING FOR THE FINAL ASSESSMENT ORDINANCE;
21 DIRECTING THE NOTICE OF THE INITIAL ASSESSMENT
22 ROLL TO BE PUBLISHED AND MAILED AS REQUIRED BY
23 SECTION 715.204 AND 715.205 *ORDINANCE CODE* AND
24 170.07, *FLORIDA STATUTES*, RETAINING ALL RIGHTS
25 GRANTED BY CHAPTER 170, *FLORIDA STATUTES*;
26 PROVIDING FOR OVERSIGHT BY THE FINANCE AND
27 ADMINISTRATION DEPARTMENT; REQUESTING ONE
28 CYCLE EMERGENCY; PROVIDING AN EFFECTIVE DATE.
29

30 **WHEREAS**, hospitals located within the Consolidated City of

1 Jacksonville (the "Hospitals") annually provide millions of dollars
2 of uncompensated care to persons who qualify for Medicaid because
3 Medicaid, on average, covers only 60% of the costs of the health
4 care services actually provided by the Hospitals to Medicaid
5 eligible persons, leaving the Hospitals with significant
6 uncompensated costs ("Medicaid shortfall"); and

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

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

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

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

1 the publication requirements under Section 170.07, *Florida*
2 *Statutes*, and shall serve as the Initial Assessment Ordinance
3 required by Section 715.202, *Ordinance Code*.

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

12 **Section 3. Method of Apportionment; Service Cost to be**
13 **Assessed; Properties to be Assessed and Exemptions.** Pursuant to
14 Sections 170.02 and 170.03, *Florida Statutes*, and Sections
15 715.202(b) and 715.202(c), *Ordinance Code*, the method for assessing
16 properties shall be by an annual rate applied to each property.
17 The current estimated rate is 0.24% of gross patient revenue,
18 although the Hospitals realize that this figure is an estimate and
19 is subject to change. The cost, or total estimated cost, is
20 currently estimated to be \$115,494,788.00. The service cost
21 associated with the program is \$150,000.00. The properties to be
22 assessed are described in **Revised Exhibit 1**, labeled as "Revised
23 Exhibit 1, Rev Assessment, August 16, 2021 - NCSPHS", attached
24 hereto. There are no exempt properties included in the service
25 area.

26 **Section 4. Service Area.** Pursuant to Section 170.03,
27 *Florida Statutes*, and Section 715.202(e), *Ordinance Code*, the
28 service area where Hospitals shall be assessed is limited to
29 hospitals licensed by the Florida Agency for Health Care
30 Administration (the "AHCA") as "hospitals" in accordance with the
31 section 395.002(12), *Florida Statutes*, which are more specifically

1 described in **Exhibit 1**, attached hereto. This service area is
2 hereby adopted as the AHCA Licensed Hospitals Special Assessment
3 Area.

4 **Section 5. Establishment of Estimated Assessment Rate and**
5 **Term.** Pursuant to Section 170.03, *Florida Statutes*, and Section
6 715.202(f), *Ordinance Code*, the estimated special assessment rate
7 shall be equal to 0.23% of the gross patient revenue for each
8 Hospital property. This figure will cover the shortfall based on
9 utilization from October 2020-September 2021. All Hospitals
10 recognize that this figure may change depending on the final
11 figures from AHCA. The term for this special assessment shall be
12 annual, to be assessed and collected each year, until withdrawn.

13 **Section 6. Public Hearing for Final Assessment Ordinance.**
14 Pursuant to Section 170.07, *Florida Statutes*, and Sections
15 715.202(h) and 715.302, *Ordinance Code*, the City Council hereby
16 sets the date, time and place of a public hearing to consider the
17 adoption of the Final Assessment Ordinance as September 28, 2021,
18 5:00 p.m., in Council Chambers, 117 West Duval Street,
19 Jacksonville, Florida 32202. The Office of General Counsel is
20 directed to prepare the Final Assessment Ordinance for introduction
21 at City Council on September 14, 2021, with final action and public
22 hearing scheduled for September 28, 2021.

23 **Section 7. Initial Assessment Roll.** Pursuant to Section
24 170.06, *Florida Statutes* and Section 715.202(i)(1) and Section
25 715.203, *Ordinance Code*, the estimated Initial Assessment Roll is
26 attached hereto as **Revised Exhibit 2**, labeled as "Revised Exhibit
27 2, Rev Assessment Roll, August 16, 2021 - NCSPHS". The Initial
28 Assessment Roll is an estimate based on the currently available
29 data from AHCA, which may require adjustment prior to the Final
30 Assessment Roll once AHCA finalizes the figures.

31 **Section 8. Publication of Notice and Mailing of Notices.**

1 The City Council hereby directs the Mayor, on behalf of the City of
2 Jacksonville, to:

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

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

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

14 **Section 10. Oversight.** The Department of Finance and
15 Administration shall provide oversight.

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

22 **Section 12. Effective Date.** This Ordinance shall become
23 effective upon signature by the Mayor or upon becoming effective
24 without the Mayor's signature.

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27 Form Approved:

28
29 /s/ Paige H. Johnston

30 Office of General Counsel

31 Legislation Prepared By: Trisha Bowles

