

**CITY COUNCIL RESEARCH DIVISION  
LEGISLATIVE SUMMARY**



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**Bill Type and Number:** Ordinance 2021-581

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

**Date of Introduction:** September 14, 2021

**Committee(s) of Reference:** F

**Date of Analysis:** September 16, 2021

**Type of Action:** Establishing final assessment rate; request for one cycle emergency passage

**Bill Summary:** The bill establishes the final assessment roll, rate, and method of collection for the special assessment on licensed hospitals for the purpose of generating revenue for Medicaid matching purposes as tentatively approved via Ordinance 2021-552-E. It requests emergency approval on second reading after one committee cycle.

**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 at a rate of 0.24% of gross patient revenue) which would generate an estimated \$50.45 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 \$50.45 million from the 9 hospital systems which would be used to leverage between \$115 and \$120 million in additional Medicaid funding.

**Analyst:** Clements