

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



JEFFREY R. CLEMENTS
Chief of Research
(904) 255-5137

117 West Duval Street
City Hall, Suite 425
Jacksonville, FL 32202
FAX (904) 255-5229

Bill Type and Number: Ordinance 2023-551

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

Date of Introduction: August 22, 2023

Committee(s) of Reference: NCSPHS, F

Date of Analysis: August 24, 2023

Type of Action: Establishment of special assessment, assessment rate and tax roll; providing public hearing date; authorizing execution of agreement

Bill Summary: The bill establishes the 2023 special assessments for Florida Agency for Health Care Administration (AHCA)-licensed hospitals in Jacksonville to contribute funding to the state's Directed Payment Program (DPP) through the Local Provider Participation Fund (LPPF) at 0.30% of each hospital's gross patient revenue. It sets the public hearings on the assessment for the September 12 and September 26 City Council meetings. The bill adopts a 2023 Assessment Roll and establishes the method of collection as an alternative method pursuant to Chapter 170, Florida Statutes. It authorizes the Mayor to execute the AHCA Letter of Agreement.

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 11 participating hospitals in Jacksonville are agreeable to paying the special assessment at a rate of 0.30% of gross patient revenue which would generate an estimated \$73.64 million to leverage \$48.66 million in additional Medicaid funding.

Policy Impact Area: Medicaid health care cost coverage

Fiscal Impact: None to the City. The special assessment is preliminarily estimated to produce \$73.64 million from the 11 hospital systems which would be used to leverage approximately \$48.66 million in additional Medicaid funding.

Analyst: Clements