

1 Introduced by the Council President at the request of the Mayor:
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4 **ORDINANCE 2021-456**

5 AN ORDINANCE MAKING CERTAIN FINDINGS AND
6 AUTHORIZING HOSPITAL SPECIAL ASSESSMENTS TO
7 FINANCE THE NON-FEDERAL SHARE OF THE STATE OF
8 FLORIDA STATEWIDE MEDICAID MANAGED CARE
9 HOSPITAL DIRECTED PAYMENT PROGRAM; PROVIDING
10 THE NATURE OF IMPROVEMENTS; PROVIDING THAT THE
11 ASSESSMENTS WILL OFFSET NON-FEDERAL SHARE FOR
12 MEDICAID PAYMENTS MADE TO HOSPITALS SERVING
13 MEDICAID BENEFICIARIES; PROVIDING A METHOD OF
14 COMPUTATION; PROVIDING A PROCEDURE FOR
15 COLLECTION OF THE ASSESSMENTS; IDENTIFYING THE
16 LANDS TO BE ASSESSED; PROVIDING FOR
17 DETERMINATION OF COSTS; CREATING A NEW CHAPTER
18 491 (LOCAL PROVIDER PARTICIPATION FUND), TITLE
19 XIII (HEALTH CODE), *ORDINANCE CODE*; AND
20 PROVIDING AN EFFECTIVE DATE.
21

22 **WHEREAS**, the hospitals located within the City of
23 Jacksonville's jurisdiction (the "Hospitals") annually provide
24 millions of dollars of uncompensated care to persons who qualify
25 for Medicaid because Medicaid, on average, covers only 60% of the
26 costs of the health care services actually provided by the
27 Hospitals to Medicaid eligible persons, leaving the Hospitals with
28 significant uncompensated costs ("Medicaid shortfall"); and

29 **WHEREAS**, the State of Florida (the "State") has received
30 federal authority to establish the Statewide Medicaid Managed Care
31 Hospital Directed Payment Program (the "DPP") to offset Medicaid

1 shortfalls for hospitals statewide and to improve the quality of
2 care provided to Florida's Medicaid population; and

3 **WHEREAS**, the impacted Hospitals have asked the City of
4 Jacksonville to impose a special assessment upon certain real
5 property owned by the Hospitals to help finance the non-federal
6 share of the State's Medicaid program to improve the quality of
7 care provided to Florida's Medicaid population; and

8 **WHEREAS**, the only properties to be assessed are the real
9 property sites of such Florida Agency for Health Care
10 Administration licensed Hospitals, as defined in Fla. Stat.
11 395.002(12), located in the jurisdictional limits of the City of
12 Jacksonville; and

13 **WHEREAS**, the City of Jacksonville recognizes that one or more
14 Hospitals within the City of Jacksonville's boundaries may be
15 located upon real property leased from governmental entities and
16 that such Hospitals may be assessed because courts do not make
17 distinctions on the application of assessments based on property
18 interests but rather on the distinction of the classifications of
19 real property being assessed; and

20 **WHEREAS**, funding raised by the City of Jacksonville hospital
21 special assessment will, through intergovernmental transfers
22 ("IGTs") consistent with federal guidelines, support additional
23 funding for Medicaid payments to Hospitals to address the Medicaid
24 shortfall; and

25 **WHEREAS**, the City of Jacksonville acknowledges that the
26 Hospital properties assessed will receive a direct, special and
27 particular benefit from the assessment as a result of the above-
28 described additional funding provided to said Hospitals; and

29 **WHEREAS**, the City of Jacksonville has determined that a
30 logical relationship exists between the medical services provided
31 by the Hospitals, which will be supported by the special

1 assessment, and the special and particular benefit to the real
2 property of the Hospitals; and

3 **WHEREAS**, the City of Jacksonville has an interest in promoting
4 access to health care for its low-income and under-insured
5 residents; and

6 **WHEREAS**, leveraging additional federal support through the
7 above-described IGTs to fund payments to the Hospitals for health
8 care services provided to Medicaid eligible persons directly and
9 specifically benefits the Hospitals' properties and supports their
10 continued ability to provide those services; and

11 **WHEREAS**, imposing an assessment limited to Hospital properties
12 to help fund the provision of Medicaid services and the achievement
13 of certain quality standards by the Hospitals to residents of the
14 City of Jacksonville is a valid public purpose that benefits the
15 health, safety, and welfare of the citizens of the City of
16 Jacksonville; and

17 **WHEREAS**, the assessment ensures the financial stability and
18 viability of the Hospitals providing Medicaid services; and

19 **WHEREAS**, the Hospitals are important contributors to the City
20 of Jacksonville's overall economy, and the financial benefit to
21 these Hospitals directly and specifically supports their mission,
22 as well as their ability to grow, expand, and maintain their
23 facilities in concert with the population growth in the
24 jurisdiction of the City of Jacksonville; and

25 **WHEREAS**, the City of Jacksonville finds the special assessment
26 will enhance the Hospitals' ability to grow, expand, maintain,
27 improve and increase the value of their properties and facilities
28 under all present circumstances and those of the foreseeable
29 future; and

30 **WHEREAS**, the City of Jacksonville will only impose, upon each
31 Hospital property, a properly apportioned assessment in an amount

1 that is compliant with federal and state laws; and

2 **WHEREAS**, this Ordinance will enable the City of Jacksonville
3 to levy a special assessment, which is fairly and reasonably
4 apportioned among the Hospitals' properties within the City of
5 Jacksonville's jurisdictional limits, to establish and maintain a
6 system of funding for IGTs to support the non-federal share of
7 Medicaid payments that will directly and specially benefit Hospital
8 properties; now, therefore

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

10 **Section 1. Authority and Findings.** This Initial Special
11 Assessment Ordinance is adopted pursuant to the authority granted
12 in Chapter 170, *Florida Statutes*, and home rule powers conferred
13 upon municipalities and chartered counties by Article VIII of the
14 *Florida Constitution* and Chapters 125 and 166, *Florida Statutes*.
15 Pursuant to Section 170.201, *Florida Statutes*, the City Council
16 finds that providing enhanced municipal services at the rate of
17 assessment established herein to the real properties described
18 herein provides a direct and special benefit to such properties,
19 which is different in type or degree from benefits provided to the
20 community as a whole. This Ordinance shall serve as the resolution
21 required to declare special assessments pursuant to Sections 170.03
22 and 170.201, *Florida Statutes*, and shall serve as the Initial
23 Assessment Ordinance.

24 **Section 2. Nature of Improvements and General Description**
25 **of Improvement.** Pursuant to Sections 170.201 and 170.03, *Florida*
26 *Statutes*, the nature of the proposed improvement is to finance the
27 non-federal share of the State's Medicaid program thus stabilizing
28 and improving quality of care provided to Florida's Medicaid
29 population ("Medical Services") by special assessing only property
30 benefitted.

31 **Section 3. Portion Paid by Special Assessments.** Pursuant

1 to Section 170.201 and 170.03, *Florida Statutes*, the funding raised
2 by the City of Jacksonville hospital special assessment will,
3 through intergovernmental transfers ("IGTs") consistent with
4 federal guidelines, provide the complete non-federal share for
5 Medicaid payments to be made directly or indirectly in support of
6 hospitals serving Medicaid beneficiaries; and may reimburse the
7 City of Jacksonville for administrative costs associated with the
8 implementation of the assessment, as further specified in the
9 implementing ordinances.

10 **Section 4. Manner of Assessments.** Pursuant to Sections
11 170.02 and 170.03, *Florida Statutes*, the manner for assessing
12 property shall be calculated using a uniform rate determined by
13 number of patients and revenue, or another similar uniform
14 calculation, applied to each assessed property. The final rate will
15 be defined in the preliminary assessment roll filed each year. The
16 special assessments will be levied and collected pursuant to any
17 method authorized by law, including, but not limited to, Chapter
18 170, *Florida Statutes* and Chapter 197, *Florida Statutes*.

19 **Section 5. When Assessments Paid, Involvement of General**
20 **Fund.** Pursuant to Sections 170.03 and 170.201, *Florida Statutes*,
21 the special assessments will be remitted to the City at least
22 thirty (30) days before the total allocation is due to be paid to
23 the Agency for Health Care Administration. This date will be
24 identified more precisely in the preliminary rate assessment roll
25 ordinance, the total allocation is currently anticipated to be due
26 on or around the end of October. The special assessments will
27 cover the complete cost and there will be no impact or resources
28 used from the General Fund.

29 **Section 6. Lands to be Assessed.** Pursuant to Sections
30 170.03 and 170.201, *Florida Statutes*, the special assessments will
31 be assessed only on the real property sites of such Florida Agency

1 for Health Care Administration Licensed Hospitals, as defined in
2 Fla. Stat. 395.002(12), located in Duval County.

3 **Section 7. Total Costs.** Pursuant to Sections 170.03 and
4 170.201, *Florida Statutes*, the total cost for the project will be
5 determined by AHCA, or will be estimated based on projected figures
6 determined based on historic records and statistical forecasts.

7 **Section 8. Creating a new Chapter 491 (Local Provider**
8 **Participation Fund), Title XIII (Health Code), Ordinance Code.**
9 Chapter 491 (Local Provider Participation Fund), Title XIII (Health
10 Code), *Ordinance Code*, is hereby created and shall read as follows:

11 **Title XIII - HEALTH CODE**

12 * * *

13 **Chapter 491 - Local Provider Participation Fund**

14 **Sec. 491.101. - Purpose.**

15 The special assessments authorized by this Chapter shall be
16 imposed, levied, collected, and enforced against assessed
17 properties located within the City of Jacksonville to benefit the
18 assessed properties through enhanced Medicaid payments for local
19 services.

20 **Sec. 491.102. - Assessments Authorized.**

21 (a) The City of Jacksonville is hereby authorized to create a
22 special assessment that shall be imposed, levied, collected, and
23 enforced against assessed property to fund the non-federal share of
24 Medicaid payments benefitting assessed properties providing local
25 services in the City of Jacksonville. Funds generated as a result
26 of the special assessment shall be held in a separate account
27 called the local provider participation fund and shall be available
28 to be used only to:

29 (1) provide to the Florida Agency for Health Care
30 Administration the non-federal share for Medicaid payments to be
31 made directly or indirectly in support of hospitals serving

1 Medicaid beneficiaries; and

2 (2) reimburse the City of Jacksonville for
3 administrative costs associated with the implementation of the
4 assessment, as further specified in the implementing ordinances.

5 (b) The assessment shall be broad based, and the amount of
6 the assessment shall be uniformly imposed on each assessed
7 property. The assessment may not hold harmless any institutional
8 health care provider, as required by federal law. As permitted by
9 law, assessment shall constitute a lien upon the assessed
10 properties equal in rank and dignity with the liens of all state,
11 City of Jacksonville, district, or municipal taxes and other non-ad
12 valorem assessments. Enforcement of the assessment shall be by any
13 remedy authorized by law.

14 (c) Creation and implementation of the assessment shall not
15 result in any additional pecuniary obligation on the City of
16 Jacksonville.

17 (d) Any reasonable expenses the City of Jacksonville incurs
18 to collect delinquent assessments, including any attorney's fees
19 incurred as a result of contracting with an attorney to represent
20 the City of Jacksonville in seeking and enforcing the collection of
21 delinquent assessments, are authorized as administrative costs,
22 subject to any limitation in federal or state law.

23 **Sec. 491.103.- Computation of Assessment.**

24 (a) The annual assessment shall be specified for each
25 assessed property in the implementing ordinances. The City of
26 Jacksonville shall set the assessment in amounts that in the
27 aggregate will generate sufficient revenue to fund the non-federal
28 share of Medicaid payments associated with local services to be
29 funded by the assessment.

30 (b) The amount of the assessment required of each assessed
31 property may not exceed an amount that, when added to the amount of

1 other required assessments, equals an amount of revenue that
2 exceeds the maximum percent of the aggregate net patient revenue of
3 all assessed hospitals in the City of Jacksonville permitted by
4 federal law. Assessments for each assessed property will be derived
5 from data contained in the Florida Hospital Uniform Reporting
6 System, as available from the Florida Agency for Health Care
7 Administration.

8 **Sec. 491.104. Procedures.** The assessments authorized in this
9 Chapter may be imposed and collected pursuant to any method
10 authorized by law, including, but not limited to, Chapter 170,
11 *Florida Statutes* and Chapter 197, *Florida Statutes*.

12 **Section 9. Effective Date.** This Ordinance shall become
13 effective upon signature by the Mayor or upon becoming effective
14 without the Mayor's signature.

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16 Form Approved:

17
18 /s/ Trisha D. Bowles

19 Office of General Counsel

20 Legislation Prepared By: Trisha Bowles