

1 Introduced by the Council President at the request of the Mayor and  
2 amended on the floor of Council:

3  
4  
5 **ORDINANCE 2021-456-E**

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

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

30 **WHEREAS**, the State of Florida (the "State") has received

1 federal authority to establish the Statewide Medicaid Managed Care  
2 Hospital Directed Payment Program (the "DPP") to offset Medicaid  
3 shortfalls for hospitals statewide and to improve the quality of  
4 care provided to Florida's Medicaid population; and

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

10 **WHEREAS**, the only properties to be assessed are the real  
11 property sites of such Florida Agency for Health Care  
12 Administration licensed Hospitals, as defined in Fla. Stat.  
13 395.002(12), located in the jurisdictional limits of the City of  
14 Jacksonville; and

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

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

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

31 **WHEREAS**, the City of Jacksonville has determined that a

1 logical relationship exists between the medical services provided  
2 by the Hospitals, which will be supported by the special  
3 assessment, and the special and particular benefit to the real  
4 property of the Hospitals; and

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

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

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

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

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

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

1       **WHEREAS**, the City of Jacksonville will only impose, upon each  
2 Hospital property, a properly apportioned assessment in an amount  
3 that is compliant with federal and state laws; and

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

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

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

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

1 benefitted.

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

12           **Section 4.           Manner of Assessments.** Pursuant to Sections  
13 170.02 and 170.03, *Florida Statutes*, the manner for assessing  
14 property shall be calculated using a uniform rate determined by  
15 number of patients and revenue, or another similar uniform  
16 calculation, applied to each assessed property. The final rate will  
17 be defined in the preliminary assessment roll filed each year. The  
18 special assessments will be levied and collected pursuant to any  
19 method authorized by law, including, but not limited to, Chapter  
20 170, *Florida Statutes* and Chapter 197, *Florida Statutes*.

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

31           **Section 6.           Lands to be Assessed.** Pursuant to Sections

1 170.03 and 170.201, *Florida Statutes*, the special assessments will  
2 be assessed only on the real property sites of such Florida Agency  
3 for Health Care Administration Licensed Hospitals, as defined in  
4 Fla. Stat. 395.002(12), located in Duval County.

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

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

13 **Title XIII - HEALTH CODE**

14 \* \* \*

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

16 **Sec. 491.101. - Purpose.**

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

22 **Sec. 491.102. - Assessments Authorized.**

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

1 (1) provide to the Florida Agency for Health Care  
2 Administration the non-federal share for Medicaid payments to be  
3 made directly or indirectly in support of hospitals serving  
4 Medicaid beneficiaries; and

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

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

17 (c) Creation and implementation of the assessment shall not  
18 result in any additional pecuniary obligation on the City of  
19 Jacksonville.

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

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

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

1 funded by the assessment.

2 (b) The amount of the assessment required of each assessed  
3 property may not exceed an amount that, when added to the amount of  
4 other required assessments, equals an amount of revenue that  
5 exceeds the maximum percent of the aggregate net patient revenue of  
6 all assessed hospitals in the City of Jacksonville permitted by  
7 federal law. Assessments for each assessed property will be derived  
8 from data contained in the Florida Hospital Uniform Reporting  
9 System, as available from the Florida Agency for Health Care  
10 Administration.

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

15 **Section 9. Effective Date.** This Ordinance shall become  
16 effective upon signature by the Mayor or upon becoming effective  
17 without the Mayor's signature.

18  
19 Form Approved:

20  
21 /s/ Trisha Bowles

22 Office of General Counsel

23 Legislation Prepared By: Trisha Bowles

24 GC-#1442791-v3-2021-456\_-\_Hospital\_Assessments.docx