

RESOLUTION NO. 2021-____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF CITRUS COUNTY, FLORIDA, AUTHORIZING AND ADOPTING A NON-AD VALOREM SPECIAL ASSESSMENT WITHIN THE COUNTY FOR THE PURPOSE OF BENEFITING ASSESSED PROPERTIES THROUGH ENHANCED MEDICAID PAYMENTS FOR LOCAL SERVICES; FINDING AND DETERMINING THAT CERTAIN REAL PROPERTY AND INTERESTS IN PROPERTY IS SPECIALLY BENEFITED BY THE ASSESSMENT; COLLECTING THE ASSESSMENT AGAINST THE REAL PROPERTY; ESTABLISHING THE METHOD OF COLLECTION; PROVIDING FOR CERTAIN OTHER AUTHORIZATIONS AND DELEGATIONS OF AUTHORITY AS NECESSARY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, hospitals in Citrus County's jurisdiction (the "Hospitals") annually provide millions of dollars of uncompensated care to uninsured persons and those who qualify for Medicaid because Medicaid, on average, covers only 60% of the costs of the health care services actually provided by Hospitals to Medicaid-eligible persons, leaving hospitals with significant uncompensated costs; and

WHEREAS, the State of Florida (the "State") received federal authority to establish the Statewide Medicaid Managed Care Hospital directed payment program (the "DPP") to offset hospitals' uncompensated Medicaid costs and improve quality of care provided to Florida's Medicaid population; and

WHEREAS, various health care providers or related groups have expressly requested Citrus County (the "County") impose a non-ad valorem assessment upon the real property interests of the Hospitals in Citrus County to assist in the financing of the non-federal share of the State's Medicaid program; and

WHEREAS, the only real property interests that will be subject to the non-ad valorem assessments authorized herein are those belonging to the Hospitals; and

WHEREAS, the County recognizes that one or more of the Hospitals within Citrus County's boundaries may be located upon real property leased from a governmental entity. Such leasehold interest of the Hospital may be assessed because courts do not make distinctions on the application of special assessments based on "property interests" but rather on the benefit derived by that interest from the assessment; and

WHEREAS, the funding raised by the County assessment will, through intergovernmental transfers ("IGTs") provided consistent with federal guidelines, support additional funding for Medicaid payments to Hospitals; and

WHEREAS, the County acknowledges that the Hospital properties assessed will benefit directly and especially from the assessment as a result of the above-described additional funding provided to said Hospitals; and

WHEREAS, the County has determined that a logical relationship exists between the services provided by the Hospitals, which will be supported by the assessment, and the special and particular benefit to the real property of the Hospitals; and

WHEREAS, the County does serve the public interest in promoting access to health care for its low-income and uninsured residents; and

WHEREAS, leveraging additional federal support through the above-described IGTs to fund Medicaid payments to the Hospitals for health care services directly and specifically benefits the Hospitals' property interests and supports their continued ability to provide those services; and

WHEREAS, imposing an assessment limited to Hospital properties to help fund the provision of these services and the achievement of certain quality standards by the Hospitals to residents of the County is a valid public purpose that benefits the health, safety, and welfare of the citizens of the County; and

WHEREAS, the assessment ensures the financial stability and viability of the Hospitals providing such services; and

WHEREAS, the Hospitals are important contributors to the County's economy, and the financial benefit to these Hospitals directly and specifically supports their mission, as well as their ability to grow, expand, and maintain their facilities in concert with the population growth in the jurisdiction of the County; and

WHEREAS, the Board finds the assessment will enhance the Hospitals' ability to grow, expand, maintain, improve, and increase the value of their Citrus County properties and facilities under all present circumstances and those of the foreseeable future; and

WHEREAS, the County is proposing a properly apportioned assessment by which all Hospitals will be assessed at a uniform rate that is compliant with 42 C.F.R. § 433.68(d); and

WHEREAS, on September 14, 2021, the Board of County Commissioners adopted Ordinance 2021-____, authorizing the County to levy a uniform non-ad valorem special assessment, which is fairly and reasonably apportioned among the Hospitals' property interests within the County's jurisdictional limits, to establish and maintain a system of funding for IGTs to support the non-federal share of Medicaid payments, thus directly and specially benefitting Hospital properties.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CITRUS COUNTY, FLORIDA:

Section 1. Definitions. As used in this Resolution, the following capitalized terms, not otherwise defined herein or in the Ordinance, shall have the meanings below, unless the context otherwise requires.

Assessed Property means the real property in the County to which an Institutional Health Care Provider holds a right of possession and right of use through an ownership or leasehold interest, thus making the property subject to the Assessment.

Assessment means a non-ad valorem special assessment imposed by the County on Assessed Property to fund a portion of the non-federal share of Medicaid and Medicaid managed care payments that will benefit hospitals providing Local Services in the County.

Assessment Coordinator means the person appointed to administer the Assessment imposed pursuant to this Article, or such person's designee.

Board means the Board of County Commissioners of Citrus County, Florida.

Comptroller means the Citrus County Comptroller, ex officio Clerk to the Board, or other such person as may be duly authorized to act on such person's behalf.

County means Citrus County, Florida.

Fiscal Year means the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law as the fiscal year for the County.

Institutional Health Care Provider means a private for-profit or not-for-profit hospital that provides inpatient hospital services.

Local Services means the provision of health care services to Medicaid, indigent, and uninsured members of the Citrus County community.

Non-Ad Valorem Assessment Roll means the special assessment roll prepared by the County.

Ordinance means the Citrus County Local Provider Participation Fund Ordinance codified in 2021-_____ of the Citrus County Code of Ordinances.

Tax Collector means the Citrus County Tax Collector.

Section 2. Authority. Pursuant to Article VIII, Section 1(f) of the Constitution of the State of Florida, Chapter 125 of the Florida Statutes, and the Citrus County Local Provider Participation Fund Ordinance, the Board is hereby authorized to impose a special assessment against private for-profit and not-for-profit hospitals located within the County to fund the non-federal share of Medicaid payments associated with Local Services.

Section 3. Special Assessment. A non-ad valorem special assessment shall be imposed, levied, collected, and enforced against Assessed Properties located within the County. Proceeds from the Assessment shall be used to benefit Assessed Properties through a directed payment program that will benefit the Assessed Properties for Local Services.

When imposed, the Assessment shall constitute a lien upon the Assessed Properties owned by Hospitals and/or a lien upon improvements on the Property made by Hospital leaseholders equal in rank and dignity with the liens of all state, county, district, or municipal taxes and other non-ad valorem assessments. Payments made by Assessed Properties may not be passed along to patients of the Assessed Property as a surcharge or as any other form of additional patient charge. Failure to pay may result in the institution of foreclosure proceedings, which could result in loss of title, or such other remedies as which might be available to the County.

Section 4. Assessment Scope, Basis, and Use. Funds generated from the Assessment shall be used only to:

1. Provide to the Florida Agency for Health Care Administration of a portion of the non-federal share for Medicaid managed care hospital directed payments to be made directly or indirectly in support of hospitals serving Medicaid beneficiaries; and
2. Reimburse the County for administrative costs associated with the implementation of the Assessment authorized by the Ordinance. The County determines that the administrative costs of the program does equal \$150,000 for this initial year in addition to the additional costs which were incurred by the County in the implementation of the Assessment. Such amounts shall be deducted from the collected funds prior to transmittal to the Florida Agency for Health Care Administration.

If, at the end of the Fiscal Year, additional amounts remain in the local provider participation fund, the Board is hereby authorized either (a) to refund to Assessed Properties, in proportion to amounts paid in during the Fiscal Year, all or a portion of the unutilized local provider participation fund, or (b) if requested to do so by the Assessed Properties, to retain such amounts in the fund to transfer to the Agency in the next fiscal year for use as a portion of the non-federal share of Medicaid hospital payments.

If, after the Assessment funds are transferred to the Agency, the Agency returns some or all of the transferred funding to the County (including, but not limited to, a return of a portion of the non-federal share after a disallowance of matching federal funds), the Board is hereby authorized to refund to Assessed Properties, in proportion to amounts paid in during the Fiscal Year, the amount of such returned funds.

Section 5. Computation of Assessment. The Assessment shall equal 3.52% of net patient revenue for each Assessed Property specified in the attached Non-Ad Valorem Assessment Roll. The amount of the Assessment required of each Assessed Property may not exceed an amount that, when added to the amount of other hospital assessments levied by the state or local government, exceeds the maximum percent of the aggregate net patient revenue of all Assessed Hospitals in the County permitted by 42 C.F.R. § 433.68(f)(3)(i)(A). Assessments for each Assessed Property will be derived from data contained in cost reports and/or in the Florida Hospital Uniform Reporting System, as available from the Florida Agency for Health Care Administration.

Section 6. Timing and Method of Collection. The amount of the assessment is to be collected pursuant to the Alternative Method outlined in §197.3631, Fla. Stat.

The County shall provide Assessment bills by first class mail to the owner of each affected Hospital. The bill or accompanying explanatory material shall include: (1) a reference to this Resolution, (2) the total amount of the hospital's Assessment for the appropriate period, (3) the location at which payment will be accepted, (4) the date on which the Assessment is due, and (5) a statement that the Assessment constitutes a lien against assessed property and/or improvements equal in rank and dignity with the liens of all state, county, district or municipal taxes and other non-ad valorem assessments.

No act of error or omission on the part of the Comptroller, Property Appraiser, Tax Collector, Assessment Coordinator, Board, or their deputies or employees shall operate to release or discharge any obligation for payment of the Assessment imposed by the Board under the Ordinance and this resolution.

Section 7. Public Hearing. Per the notice provided on [Insert Date of Notice], the Board has heard and considered objections of all interested persons prior to rendering a decision on the Assessment and attached Non-Ad Valorem Assessment Roll. Prior to the conduct of the public hearing, the Board has received the Agreement for Imposition of Non-Ad Valorem Assessment from each of the Hospitals which are subject to the Non-Ad Valorem Assessment. The Board approves those Agreements and expressly provides that they have relied upon such Agreements in the imposition of the Assessments.

Section 8. Severability. If any clause, section, or provision of this resolution is declared unconstitutional or invalid for any reason or cause, the remaining portion hereof shall be in full force and effect and shall be valid as if such invalid portion thereof had not been incorporated herein.

Section 9. Effective Date. This Resolution to be effective immediately upon adoption. This Resolution duly adopted this 28th day of September, 2021.

DULY ADOPTED this 28th day of September, 2021.

BOARD OF COUNTY COMMISSIONERS
OF CITRUS COUNTY, FLORIDA

Scott Carnahan, Chair

ATTEST:

Angela Vick,
Clerk of the Circuit Court and Comptroller

ATTACHMENT - ASSESSMENT ROLL

1. Seven Rivers Regional Medical Center
6201 N Suncoast Blvd
Crystal River, FL 34428

[Parcel Number 17E17S31 22400]
Local Provider Participation Fund Assessment Amount - \$2,927,416

2. Citrus Memorial Hospital
502 W Highland Blvd
Inverness, FL 32652

[Parcel Number 20E19S170050 00960 0010]
Local Provider Participation Fund Assessment Amount - \$5,998,810