



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 14-19

City Council

4/25/2019

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

PROPOSED ORDINANCE NO. 14-19 - AUTHORIZING A SPECIAL ASSESSMENT UPON HOSPITAL PROPERTY TO GENERATE FUNDS FOR INDIGENT HEALTH CARE

RECOMMENDATION:

That City Council adopt Proposed Ordinance No. 14-19 on second reading.

AN ORDINANCE RELATING TO FUNDING FOR THE PROVISION OF INDIGENT CARE SERVICES BY HOSPITALS LOCATED WITHIN THE CITY OF PENSACOLA; PROVIDING A SPECIAL NON-AD VALOREM ASSESSMENT AGAINST THE PROPERTY OF SUCH HOSPITALS FOR THE PURPOSE OF INCREASING FUNDING AVAILABLE FOR THE PROVISION OF SUCH SERVICES; PROVIDING DEFINITIONS; PROVIDING PROCEDURES FOR THE IMPLEMENTATION AND COLLECTION OF SPECIAL ASSESSMENTS CONFORMING TO THEIR REQUIREMENTS OF LAW; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER; AND PROVIDING AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

Representatives from Baptist Hospital and Sacred Heart Hospital requested that the City Council consider the imposition of special assessments on their real property located within the City of Pensacola to increase funding available to reimburse the hospitals for uncompensated charitable health care. In order to levy the requested special assessment, the City must adopt an ordinance that allows such a special assessment to be levied. Accordingly, the proposed ordinance provides a mechanism for levying the special assessment on their property being requested by the two hospitals.

Currently, there is a significant gap in the funds the two hospitals receive from the State of Florida and the Federal Government for indigent health care versus what they actually expend. The hospitals have advised that this gap can be decreased through a special assessment on properties within the city limits owned by Baptist Hospital and Sacred Heart Hospital. The assessment will be imposed as a set percentage of net outpatient service revenues for each hospital property subject to the special assessment. The hospitals will transmit the assessment in one lump sum to the City, which in turn would forward that same amount to the Agency for Health Care Administration, an agency of the State of Florida. The State would then use those funds to draw down a federal match of grant dollars equal to approximately 150% of the assessment dollars

collected. The total funds - the assessment amount and the federal grant dollars - then would be remitted to the hospitals by the State.

Due to deadline requirements of the State of Florida, the process to adopt the assessment ordinance and subsequent adoption of the resolution imposing the assessment rate must commence immediately, thus necessitating this Add-On item. The attached proposed ordinance has been prepared by the hospitals' attorneys for consideration by City Council. Representatives from Baptist Hospital and Sacred Heart Hospital will be in attendance at both the Agenda Conference and City Council meeting to answer questions regarding the request to the City Council.

PRIOR ACTION:

April 11, 2019 - The City Council voted to approve Proposed Ordinance No. 14-19 on first reading.

FUNDING:

N/A

FINANCIAL IMPACT:

There is no direct financial impact to the City. The special assessment will generate additional funds, estimated at several million dollars, from the federal government to pay for uncompensated care to indigent citizens.

CITY ATTORNEY REVIEW: Yes

4/5/2019

STAFF CONTACT:

Christopher L. Holley, City Administrator

ATTACHMENTS:

- 1) Proposed Ordinance No. 14-19

PRESENTATION: No