



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 2019-22

City Council

4/25/2019

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

SUPPLEMENTAL BUDGET RESOLUTION NO. 2019-22 - INDIGENT HEALTH CARE SPECIAL ASSESSMENT

RECOMMENDATION:

That City Council adopt Supplemental Budget Resolution No. 2019-22.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2019; PROVIDING FOR 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 an Add-On item at the April 11, 2019 City Council Meeting to approve the Proposed Ordinance. The second reading of this ordinance will be held at the April 25, 2019 City Council Meeting.

PRIOR ACTION:

April 11, 2019 - City Council approved Proposed Ordinance No. 14-19 on first reading.

FUNDING:

N/A

FINANCIAL IMPACT:

Based on estimations from the two hospitals, combined assessments will total approximately \$14.5 million. Adoption of the supplemental budget resolution will appropriate the assessment funds.

CITY ATTORNEY REVIEW: Yes

4/15/2019

STAFF CONTACT:

Christopher L. Holley, City Administrator

ATTACHMENTS:

- 1) Supplemental Budget Resolution No. 2019-22
- 2) Supplemental Budget Explanation No. 2019-22

PRESENTATION: No