



Memorandum

File #: 2019-24

City Council

4/25/2019

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

RESOLUTION NO. 2019-24 - INDIGENT HEALTH CARE SPECIAL ASSESSMENT

RECOMMENDATION:

That City Council adopt Resolution No. 2019-24.

AN ASSESSMENT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA, AUTHORIZING, LEVYING, AND IMPOSING A NON-AD VALOREM ASSESSMENT WITHIN THE AREAS OF THE CITY LIMITS DESCRIBED HEREIN FOR THE PURPOSE OF SUPPORTING THE PROVISION OF CHARITY HEALTH CARE BY THE CITY'S HOSPITALS TO INDIGENT MEMBERS OF THE NORTHWEST FLORIDA COMMUNITY; FINDING AND DETERMINING THAT CERTAIN REAL PROPERTY IS SPECIALLY BENEFITED BY THE INCREASED SUPPORT FOR CHARITY CARE; MAKING CERTAIN OTHER FINDINGS IN RELATION THERETO; ESTABLISHING THE METHOD OF ASSESSING AND COLLECTING THE ASSESSMENT AGAINST THE REAL PROPERTY; SPECIFYING THE MAXIMUM ANNUAL ASSESSMENT AMOUNT AND THE MAXIMUM ASSESSMENT LIEN TO BE LEVIED AGAINST THE SPECIALLY BENEFITED REAL PROPERTY; CONFIRMING THE ASSESSMENT RESOLUTION; PROVIDING FOR CERTAIN OTHER AUTHORIZATIONS AND DELEGATIONS OF AUTHORITY IN RELATION THERETO; PROVIDING FOR SEVERABILITY; 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. Proposed Ordinance No. 14-19 was approved on first reading at the April 11, 2019 City Council meeting and is being presented to adoption on second reading at the April 25, 2019 City Council meeting. 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. The attached resolution will be the mechanism that will allow for the special assessment to be levied against properties that are owned by these two hospitals within the City of Pensacola limits. 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 - City Council approved 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

4/15/2019

STAFF CONTACT:

Christopher L. Holley, City Administrator

ATTACHMENTS:

- 1) Resolution No. 2019-24

PRESENTATION: No