

LEON COUNTY RESOLUTION NO. R22-

**A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF LEON COUNTY, FLORIDA, AUTHORIZING AND ADOPTING A NON-AD VALOREM ASSESSMENT WITHIN THE COUNTY LIMITS FOR THE PURPOSE OF BENEFITING ASSESSED PROPERTIES THROUGH ENHANCED MEDICAID PAYMENTS FOR LOCAL SERVICES; PROVIDING FOR THE SCOPE, BASIS, AND USE OF THE ASSESSMENT; PROVIDING FOR THE COMPUTATION OF THE ASSESSMENT AND ADOPTION OF THE NON-AD VALOREM ASSESSMENT ROLL; PROVIDING FOR THE TIMING AND METHOD OF COLLECTING THE ASSESSMENT; PROVIDING FOR A PUBLIC HEARING; PROVIDING FOR RESPONSIBILITY FOR ENFORCEMENT; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.**

RECITALS

WHEREAS, the private for-profit and not-for-profit hospitals in Leon County (the “Hospitals”) annually provide millions of dollars of uncompensated care to persons who qualify for Medicaid because Medicaid typically covers only about 60% of the costs of the health care services actually provided by Hospitals to Medicaid-eligible persons, leaving Hospitals with significant uncompensated costs (“Medicaid shortfall”); and

WHEREAS, the Medicaid directed payment program is a federally approved program that permits States to access federal funds through intergovernmental transfers (the “IGTs”) in order to direct the federal funds for managed care plan expenditures to hospitals for plan-covered services and offset hospitals’ Medicaid shortfall; and

WHEREAS, the State of Florida has received federal approval to establish the Statewide Medicaid Managed Care hospital directed payment program (the “DPP”) to help offset hospitals’ Medicaid shortfall and improve quality of care provided to Florida’s Medicaid population; and

WHEREAS, the only properties to be assessed are the real property sites of the Hospitals’ licensed facilities; and

WHEREAS, Leon County, Florida (the “County”) recognizes that one or more Hospitals’ licensed facilities within the County’s boundaries may be located upon real property leased from governmental entities and that such Hospitals may be assessed because courts do not make distinctions on the application of special assessments based on “property interests” but rather on the distinction of the classifications of real property being assessed; and

WHEREAS, the funding raised by the County special assessment will support, through IGTs consistent with federal guidelines, additional funding for Medicaid payments to Hospitals to address the Medicaid shortfall; and

1           WHEREAS, the County acknowledges that the Hospital properties assessed will benefit  
2 directly and especially from the special assessment as a result of the additional funding provided to the  
3 Hospitals; and

4  
5           WHEREAS, the County has determined that a logical relationship exists between the Medicaid  
6 services provided by the Hospitals, which will be supported by the special assessment, and the special  
7 and particular benefit to the real property of the Hospitals; and

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9           WHEREAS, the County has an interest in promoting access to health care for its low-income  
10 and under-insured residents; and

11  
12           WHEREAS, leveraging additional federal support through the IGTs to fund payments to the  
13 Hospitals for health care services provided to Medicaid eligible persons directly and specifically  
14 benefits the Hospitals' properties and supports the Hospitals' continued ability to provide those  
15 services; and

16  
17           WHEREAS, imposing a special assessment limited to those Hospital properties to help fund  
18 the provision of Medicaid services and the achievement of certain quality standards by the Hospitals  
19 to residents of the County is a valid public purpose that benefits the health, safety, and welfare of the  
20 citizens of the County; and

21  
22           WHEREAS, the special assessment ensures the financial stability and viability of the Hospitals  
23 providing such Medicaid services; and

24  
25           WHEREAS, the Hospitals are important contributors to the County's economy, and the  
26 financial benefit to these Hospitals directly and specifically supports their mission, as well as their  
27 ability to grow, expand, and maintain their facilities in concert with the population growth in the  
28 jurisdiction of the County; and

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

33  
34           WHEREAS, the County is proposing a properly apportioned special assessment by which all  
35 Hospitals will be assessed a uniform amount that is compliant with 42 C.F.R. § 433.68(d); and

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37           WHEREAS, on September 14, 2021, the Board of County Commissioners adopted Ordinance  
38 No. 2021-14, enabling the County to levy a uniform non-ad valorem special assessment, which is fairly  
39 and reasonably apportioned among the Hospitals' property interests within the County's jurisdictional  
40 limits, to establish and maintain a system of funding for IGTs to support the non-federal share of  
41 Medicaid payments, thus directly and specially benefitting Hospital properties.

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43           **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY**  
44 **COMMISSIONERS OF LEON COUNTY, FLORIDA, that:**

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1 **Section 1. Definitions.**

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

5  
6 *AHCA* means the State of Florida, Agency for Health Care Administration.

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8 *Assessed Property(ies)* means all parcels of land subject to the Assessment which an Institutional  
9 Health Care Provider holds a right of possession and right of use, either through fee ownership or  
10 leasehold interest, and which receives a special benefit from the directed payment in an amount up to  
11 the uncompensated Medicaid costs.

12  
13 *Assessment* means the non-ad valorem assessment imposed by the County on the Assessed  
14 Property(ies) located in the County limits to fund the non-federal share of Medicaid and Medicaid  
15 managed care payments directed to hospitals providing Local Services in the County.

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17 *Board* means the Leon County Board of County Commissioners.

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19 *Comptroller* means the Leon County Clerk of Circuit Court and Comptroller, ex officio Clerk to  
20 the Board, or other such person as may be duly authorized to act on such person's behalf.

21  
22 *County* means Leon County, Florida.

23  
24 *Fiscal Year* means the period commencing on October 1 of each year and continuing through the  
25 next succeeding September 30, or such other period as may be prescribed by law as the fiscal year for  
26 the County.

27  
28 *Institutional Health Care Provider(s)* means a private for-profit or not-for-profit entity licensed by  
29 AHCA under Part I, chapter 395, Florida Statutes, to operate a hospital.

30  
31 *Local Services* means the provision of inpatient and outpatient hospital services to Medicaid,  
32 indigent, and uninsured members of the Leon County community.

33  
34 *Non-Ad Valorem Assessment Roll* means the assessment roll prepared by the County.

35  
36 *Ordinance* means Leon County Local Provider Participation Fund Ordinance No. 2021-14, to  
37 be codified in Chapter 8, Article VIII of the Code of Laws of Leon County, Florida.

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39 **Section 2. Authority.**

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41 Pursuant to Article VIII, Section 1(g) of the Constitution of the State of Florida, Chapter 125  
42 of the Florida Statutes, and the Ordinance, the Board is hereby authorized to impose a special  
43 assessment against the Assessed Properties located within the County to fund the non-federal share of  
44 Medicaid payments associated with Local Services.  
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1 **Section 3. Special Assessment.**

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3 The non-ad valorem assessment discussed herein shall be imposed, levied, collected, and  
4 enforced against Assessed Properties located within the County. Proceeds from the Assessment shall  
5 be used to benefit Assessed Properties through a directed payment program that will benefit the  
6 Assessed Properties for Local Services.

7  
8 When imposed, the Assessment shall constitute a lien upon the Assessed Properties owned by  
9 Institutional Health Care Providers and/or a lien upon improvements on the Assessed Property made  
10 by Institutional Health Care Provider leaseholders equal in rank and dignity with the liens of all state,  
11 county, district, or municipal taxes and other non-ad valorem assessments. Payments made by  
12 Institutional Health Care Providers may not be passed along to patients of the Institutional Health Care  
13 Provider as a surcharge or as any other form of additional patient charge. Failure to pay may cause  
14 foreclosure proceedings, which could result in loss of title, to commence.

15  
16 **Section 4. Assessment Scope, Basis, and Use.**

17 Funds generated from the Assessment shall be used only to:

- 18  
19  
20 1. Provide to AHCA the non-federal share for Medicaid managed care hospital directed  
21 payments to be made directly or indirectly in support of Institutional Health Care  
22 Providers serving Medicaid beneficiaries; and  
23  
24 2. Reimburse the County for administrative costs associated with the implementation of  
25 the Assessment authorized by the Ordinance.

26  
27 If, at the end of the Fiscal Year, additional amounts remain in the local provider participation  
28 fund, the Board is hereby authorized either (a) to refund to Institutional Health Care Providers, in  
29 proportion to amounts paid in during the Fiscal Year, all or a portion of the unutilized local provider  
30 participation fund, or (b) if requested to do so by the Institutional Health Care Providers, to retain such  
31 amounts in the fund to transfer to AHCA in the next fiscal year for use as the non-federal share of  
32 Medicaid hospital payments.

33  
34 If, after the Assessment funds are transferred to AHCA, AHCA returns some or all of the  
35 transferred funding to the County (including, but not limited to, a return of the non-federal share after  
36 a disallowance of matching federal funds), the Board is hereby authorized to refund to the Institutional  
37 Health Care Providers, in proportion to amounts paid in during the Fiscal Year, the amount of such  
38 returned funds.

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40 **Section 5. Computation of Assessment; Adoption of Non-Ad Valorem Assessment Roll.**

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42 The amount of the Assessment required of each Assessed Property may not exceed an amount  
43 that, when added to the amount of other hospital assessments levied by the state or local government,  
44 exceeds the maximum percent of the aggregate net patient revenue of all assessed Institutional Health  
45 Care Providers in the County permitted by 42 C.F.R. § 433.68(f)(3)(i)(A). Assessments for each  
46 Assessed Property will be derived from data contained in the respective Institutional Health Care

1 Provider's cost reports and/or in the Florida Hospital Uniform Reporting System, as available from the  
2 Florida Agency for Health Care Administration.

3  
4 Leon County hereby approves and adopts the Non-Ad Valorem Assessment Roll, which is  
5 attached hereto as Exhibit A and incorporated herein as if fully set forth below. The Assessment for  
6 each Assessed Property shall equal 0.18% of the respective Institutional Health Care Provider's gross  
7 patient revenue as specified in the Non-Ad Valorem Assessment Roll.

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9 **Section 6. Timing and Method of Collection.**

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11 The amount of the assessment is to be collected pursuant to the Alternative Method outlined in  
12 Section 197.3631, Florida Statutes.

13  
14 The County shall provide Assessment bills by first class mail to each affected Institutional  
15 Health Care Provider. The bill or accompanying explanatory material shall include: (1) a reference to  
16 this Resolution, (2) the total amount of the Institutional Health Care Provider's Assessment for the  
17 appropriate period, (3) the location at which payment will be accepted, (4) the date on which the  
18 Assessment is due, and (5) a statement that the Assessment constitutes a lien against the Assessed  
19 Property and/or improvements equal in rank and dignity with the liens of all state, county, district or  
20 municipal taxes and other non-ad valorem assessments.

21  
22 No act of error or omission on the part of the Comptroller, Property Appraiser, Tax Collector,  
23 Assessment Coordinator, Board, or their deputies or employees shall operate to release or discharge  
24 any obligation for payment of the Assessment imposed by the Board under the Ordinance and this  
25 Resolution.

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27 **Section 7. Public Hearing.**

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29 Per the notice provided on August 19, 2022, the Board has heard and considered any objections  
30 of all interested persons prior to rendering a decision on the Assessment and attached Non-Ad Valorem  
31 Assessment Roll.

32  
33 **Section 8. Responsibility for Enforcement.**

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35 The County and its agent, if any, shall maintain the duty to enforce the prompt collection of the  
36 Assessment by the means provided herein. The duties related to collection of assessments may be  
37 enforced at the suit of any holder of obligations in a court of competent jurisdiction by mandamus or  
38 other appropriate proceedings or actions.

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40 **Section 9. Severability.**

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

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1 **Section 10. Effective Date.**

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3 This Resolution shall be effective immediately upon adoption.

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5 DONE, ADOPTED AND PASSED by the Board of County Commissioners of Leon County,  
6 Florida, this 13th day of September, 2022.

7  
8 LEON COUNTY, FLORIDA

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10  
11 By: \_\_\_\_\_  
12 Bill Proctor, Chair  
13 Board of County Commissioners

14  
15 ATTESTED BY:  
16 Gwendolyn Marshall Knight, Clerk of Court  
17 & Comptroller, Leon County, Florida

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19  
20 By: \_\_\_\_\_

21  
22  
23 APPROVED AS TO FORM:  
24 Chasity H. O’Steen, County Attorney  
25 Leon County Attorney’s Office

26  
27  
28 By: \_\_\_\_\_  
29

**EXHIBIT A**

**INSTITUTIONAL HEALTH CARE PROVIDER  
LEON COUNTY LOCAL PROVIDER PARTICIPATION FUND ASSESSMENT  
NON-AD VALOREM ASSESSMENT ROLL**

<b>PARCEL ID</b>	<b>MAILING ADDRESS</b>	<b>ENTITY</b>	<b>ASSESSMENT AMOUNT</b>
112105 C0171	2626 Capital Medical Blvd. Tallahassee, FL 32308	HCA Florida Capital Hospital	\$4,067,693
1116202330000	2634 Capital Circle NE #J Tallahassee, FL 32308	Eastside Psychiatric Hospital	\$15,661
1128170000010	1675 Riggans Road Tallahassee, FL 32308	Encompass Health Rehabilitation Hospital of Tallahassee	\$53,271
1129202120000	4714 Gettysburg Road Mechanicsburg, PA 17055	Select Specialty Hospital - Tallahassee	\$167,087
1130208020000	1300 Miccosukee Road Tallahassee, FL 32308	Tallahassee Memorial Hospital	\$5,323,208