

**RESOLUTION NO. #2024-22**

**AN ASSESSMENT RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PINELLAS COUNTY, FLORIDA, AUTHORIZING AND ADOPTING NON-AD VALOREM SPECIAL ASSESSMENTS WITHIN THE COUNTY LIMITS FOR THE PURPOSE OF BENEFITING ASSESSED PROPERTIES THROUGH SUPPLEMENTAL PAYMENT PROGRAMS FOR LOCAL SERVICES; FINDING AND DETERMINING THAT CERTAIN REAL PROPERTY IS SPECIALLY BENEFITED BY THE ASSESSMENT; COLLECTING THE ASSESSMENTS AGAINST THE REAL PROPERTY; ESTABLISHING A PUBLIC HEARING TO CONSIDER IMPOSITION OF THE PROPOSED ASSESSMENTS AND THE METHOD OF COLLECTION; AUTHORIZING AND DIRECTING THE PUBLICATION OF NOTICES IN CONNECTION THEREWITH; PROVIDING FOR CERTAIN OTHER AUTHORIZATIONS AND DELEGATIONS OF AUTHORITY AS NECESSARY; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, hospitals in Pinellas 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 supplemental payment programs to offset hospitals’ uncompensated Medicaid costs and charity care costs and improve quality of care provided to Florida’s Medicaid, indigent, and uninsured populations; and

**WHEREAS**, the State authorizes each program each year in the General Appropriations Act and further explains the Low Income Pool in § 409.908, Fla. Stat.; and

**WHEREAS**, Hospitals have asked Pinellas County (the “County”) to impose non-ad valorem special assessments upon certain real property interests held by the Hospitals to help finance the non-federal share of the supplemental payment programs; and

**WHEREAS**, the only real properties interests that will be subject to the non-ad valorem assessments authorized herein are those on which the Hospitals operate; and

**WHEREAS**, the County recognizes that one or more of the Hospitals 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 assessment will, through intergovernmental transfers (“IGTs”) provided consistent with federal guidelines, support additional funding for supplemental payments to Hospitals; and

**WHEREAS**, the County acknowledges that the Hospital properties assessed will benefit directly and especially from the assessments 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 assessments, and the special and particular benefit to the real property of the Hospitals; and

**WHEREAS**, the County has an 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 supplemental 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 assessments 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 assessments ensure 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 assessments will enhance the Hospitals’ ability to grow, expand, maintain, improve, and increase the value of their Pinellas County properties and facilities under all present circumstances and those of the foreseeable future; and

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

**WHEREAS**, on April 23, 2024, the Board of County Commissioners adopted the Pinellas County Local Provider Participation Fund Ordinance, enabling the County to levy uniform non-ad valorem special assessments, 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 supplemental payment programs, thus directly and specially benefitting Hospital properties.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PINELLAS 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.

*Assessments* means non-ad valorem special assessments imposed by the County on Assessed Property to fund the non-federal share of supplemental payment programs that will benefit hospitals providing Local Services in the County.

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

*Board* means the Board of County Commissioners of Pinellas County, Florida.

*Comptroller* means the Pinellas 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 Pinellas 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 Pinellas County community.

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

*Ordinance* means the Pinellas County Local Provider Participation Fund Ordinance.

*Tax Collector* means the Pinellas County Tax Collector.

**Section 2. Authority.** Pursuant to Article VIII, Section 1(g) of the Constitution of the State of Florida, Chapter 125 of the Florida Statutes, and the Pinellas County Local Provider

Participation Fund Ordinance, the Board is hereby authorized to impose special assessments against private for-profit and not-for-profit hospitals located within the County to fund the non-federal share of supplemental payment programs associated with Local Services.

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

When imposed, the Assessments 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 cause foreclosure proceedings, which could result in loss of title, to commence.

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

1. Provide to the Florida Agency for Health Care Administration the non-federal share for the Hospital Directed Payment Program authorized in the State budget for July 1, 2023, through June 30, 2024; and
2. Reimburse the County for administrative costs associated with the implementation of the Assessment in the amount of \$150,000.00, as authorized by the Ordinance.

Any balance remaining in the Local Provider Participation Fund after intergovernmental transfers for these programs will carry forward to support supplemental payment programs authorized in this Resolution and consistent with the Ordinance.

Alternatively, if additional amounts remain in the local provider participation fund at the end of the Fiscal Year, the Board is hereby authorized, at the request of Hospitals, 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.

If, after the Assessments 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 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 Assessments shall equal 3.20% of inpatient net patient revenue without Medicare and 1.27% of inpatient gross patient revenue without Medicare for each Assessed Property specified in the attached Non-Ad Valorem Assessment Roll (APPENDIX A). These rates support supplemental payment programs authorized in the state budget for July 1, 2023 through June 30, 2024.

The amount of the Assessments 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 state 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 assessments is to be collected pursuant to the Alternative Method outlined in §197.3631, Fla. Stat.

The County shall provide Assessments 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 Assessments for the appropriate period, (3) the location at which payment will be accepted, (4) the date on which the Assessments are due, and (5) a statement that the Assessments constitute 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 Assessments imposed by the Board under the Ordinance and this resolution.

**Section 7. Public Hearing.** Per the notice provided on of before April 17, 2024, the Board has heard and considered objections of all interested persons prior to rendering a decision on the Assessments and attached Non-Ad Valorem Assessment Roll.

**Section 8. Responsibility for Enforcement.** The County and its agent, if any, shall maintain the duty to enforce the prompt collection of the Assessments by the means provided herein. The duties related to collection of assessments may be enforced at the suit of any holder of obligations in a court of competent jurisdiction by mandamus or other appropriate proceedings or actions.

**Section 9. 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 10. Effective Date.** This Resolution to be effective immediately upon adoption.

Commissioner       Scott       offered the foregoing resolution and moved its adoption, which was seconded by Commissioner       Flowers       and upon roll call the vote was:

AYES: Peters, Scott, Eggers, Flowers, Justice, Latvala, and Long.

NAYES: None.

ABSENT AND NOT VOTING: None.

**APPROVED AS TO FORM**

By:       Cody J. Ward        
Office of the County Attorney

# APPENDIX A

## NON-AD VALOREM ASSESSMENT ROLL FOR FISCAL YEAR 2023

Pinellas DPP Year 3 (10/1/22-9/30/2023) Funding Summary

Hospital Name	Hospital System	County	2022 Inpatient Net Patient Revenue without Medicare <sup>1</sup>	FY2023 Assessment of IP NPR <sup>2</sup>	2022 Inpatient Gross Patient Revenue without Medicare <sup>1</sup>	FY2023 Assessment of IP GPR <sup>2</sup>	Total FY2023 Special Assessment <sup>3</sup>
				3.20%		1.27%	
Adventhealth North Pinellas	AdventHealth	Pinellas	\$ 33,026,769	\$ 1,056,857	\$ 130,278,314	\$ 1,654,535	\$ 2,711,392
Baycare Alliant Hospital	BayCare Health System	Pinellas	7,388,114	236,420	21,708,390	275,697	\$ 512,117
Mease Countryside Hospital	BayCare Health System	Pinellas	25,773,275	824,745	99,261,025	1,260,615	\$ 2,085,360
Mease Hospital Dunedin	BayCare Health System	Pinellas	121,076,925	3,874,462	333,571,920	4,236,363	\$ 8,110,825
Morton Plant Hospital	BayCare Health System	Pinellas	207,658,872	6,645,084	608,013,054	7,721,766	\$ 14,366,850
St Anthonys Hospital	BayCare Health System	Pinellas	105,143,734	3,364,599	399,307,333	5,071,203	\$ 8,435,802
Encompass Rehabilitation Hospital of Largo	Encompass Health	Pinellas	4,846,899	155,101	8,197,969	104,114	\$ 259,215
Largo Medical Center	HCA	Pinellas	121,636,578	3,892,370	1,042,362,241	13,238,000	\$ 17,130,370
Northside Hospital	HCA	Pinellas	46,798,744	1,497,560	499,059,012	6,338,049	\$ 7,835,609
Palms of Pasadena Hospital	HCA	Pinellas	17,937,649	574,005	171,870,007	2,182,749	\$ 2,756,754
St Petersburg General Hospital	HCA	Pinellas	23,101,415	739,245	344,485,346	4,374,964	\$ 5,114,209
All Children's Hospital	Johns Hopkins Medicine	Pinellas	322,499,761	10,319,992	983,935,170	12,495,977	\$ 22,815,969
Kindred Hospital St. Petersburg	Kindred Healthcare	Pinellas	9,608,754	307,480	59,266,574	752,685	\$ 1,060,165
Bayfront Health St Petersburg	Orlando Health	Pinellas	94,426,079	3,021,635	900,434,554	11,435,519	\$ 14,457,154
Windmoor Healthcare, Inc.	UHS	Pinellas	12,274,229	392,775	38,600,917	490,232	\$ 883,007
<b>Total</b>			<b>\$ 1,153,197,797</b>	<b>\$ 36,902,330</b>	<b>\$ 5,640,351,826</b>	<b>\$ 71,632,468</b>	<b>\$ 108,534,798</b>

**Footnotes:**

- 1 - Special assessment basis amounts taken from the 2022 Florida Hospital Uniform Reporting System (FHURS). Amounts exclude any Medicare revenue.
- 2 - Assessment is calculated by taking the basis in the preceding column multiplied by the assessment % shown in grey. This amount represents the uniform assessment percentage to be applied to all hospital in Pinellas County. For FY2023, the assessment has been divided into two parts: one assessment of inpatient net patient revenue (excluding Medicare), and one assessment of inpatient gross patient revenue (excluding Medicare).
- 3 - For FY2023 the total assessment represents the combination of the assessment on net patient revenues and the assessment on gross patient revenues.