



The surtax may be enacted either by an extraordinary vote of the county's governing body or voter approval in a county wide referendum. In addition, the surtax is subject to a rate limitation which states that a county shall not levy the following discretionary sales surtaxes (Local Government Infrastructure Surtax, Small County Surtax, Indigent Care Surtax, and County Public Hospital Surtax) in excess of a combined rate of 1 percent.

Miami-Dade County is required to contribute each year at least 80 percent of that percentage of the 1990-91 fiscal year county budget appropriated for the operation, administration, and maintenance of the county public general hospital. This required "maintenance of effort" by the Miami-Dade County Commission is equal to approximately \$89 million for fiscal year 1999-00. The term "county public general hospital" means a general hospital, as defined in s. 395.002, F.S., which is owned, operated, maintained, or governed by the county or its agency, authority, or public health trust.

The proceeds of the surtax must be deposited by the county into a special fund, set aside from other county funds, to be used only for the operation, maintenance, and administration of the county public general hospital. The funds must be remitted promptly by the county to the agency, authority, or public health trust created by law which administers or operates the county public general hospital.

Miami-Dade County is the only county eligible to levy the surtax. The county is levying the surtax at the maximum rate of 0.5 percent. For fiscal year 1999-2000, the surtax is estimated to generate revenue of \$127,918,846 to fund the operation of Jackson Memorial Hospital through the Public Health Trust. In addition to this revenue, the Miami-Dade County Commission's required maintenance of effort budget for fiscal year 1999-2000 is approximately \$89 million.

According to Ira C. Clark, the President and Chief Executive Officer of Jackson Memorial Hospital, while the county's maintenance of effort funding originally was spent on direct hospital and outpatient services when the surtax was enacted in 1991, "today's maintenance effort dollars are spent substantially on non-hospital services such as corrections health care, and nursing home care." This shift largely occurred after the Dade County Attorney's Office opined that the Miami-Dade County Commission could use "maintenance of effort" budget to fund certain health services such as corrections health care and nursing home care that for which the Public Health Trust was given the authority to fund but which are not traditional functions of Jackson Memorial Hospital.

The Public Health Trust of Miami-Dade County was created in 1973 by the Dade County Board of County Commissioners as an independent governing body for Jackson Memorial Hospital. Since its creation, the Trust has assumed responsibility for Corrections Health Care Services, two-county owned nursing homes, several community-based primary care centers and a number of high-school-based health clinics. The board of trustees of the Trust consists of 21 members and establishes priorities, sets policies and ratifies management recommendations regarding Jackson Memorial Hospital.

Jackson Memorial has traditionally been the provider of health care to indigent persons in Miami-Dade County. According to the Agency for Health Care Administration, in 1998 Jackson

Memorial Hospital provided 86% of the indigent care provided by hospitals in Miami-Dade County.

### III. Effect of Proposed Changes:

The CS does not change the allocation of the proceeds of the County Public Hospital Surtax from 100% of the proceeds being used exclusively for the operation, maintenance, and administration of the county public general hospital. However, the CS reallocates the “maintenance of effort” funding which the Miami-Dade County Commission must budget each year as a prerequisite to collecting the surtax. The CS would require that rather than 100% of these funds being remitted to the entity responsible for the county public general hospital, the percentage received for the county public general hospital would be reduced to 65%. The CS requires the remaining 35% to be remitted to a public health authority or agency that is independent from the public health trust, agency, or authority responsible for the county public general hospital. Hence, approximately \$31 million (based on the 1999-00 maintenance of effort budget of \$89,059,000 million) would be redirected from the Public Health Trust to some independent authority, yet to be created, for the provision of indigent health care services.

The independent agency receiving the 35 percent allocation of surtax proceeds is required to adopt and implement a health care plan for the provision of indigent health care services. The plan must include:

- A method to fund health care services for the indigent and medically poor. These services must include preventive care, indigent care and hospital care.
- The provision of services by physicians, clinics, community hospitals, mental health centers, alternative delivery sites, and at least one regional referral hospital, where appropriate.
- Reimbursement methodologies that address: the cost of services rendered to eligible patients; which hospitals render a disproportionate share of indigent care; incentives to promote the delivery of charity care to draw down federal funds where appropriate; and cost containment.
- Require that as a condition of using the allocation, any hospitals owned and operated by government entities must conduct its governing board meetings where the subject of the meeting is budgeting resources for charity care as provided by s. 286.011 (open meetings requirement).
- Innovative health care programs that provide cost-effective alternatives to traditional methods of service and delivery funding.

In addition, the benefits of the plan must be made available to all Miami-Dade County residents currently eligible to receive health care services as indigents or medically poor. Residents who participate in the plan must receive coverage for a 12 month period, or the period extending from the time of enrollment to the end of the current fiscal year, whichever is less.

To date, no authority independent of the Public Health Trust that operates Jackson Memorial Hospital has been created to provide indigent care to Miami-Dade County residents, nor has a health plan meeting been created that meets the specifications required by the CS.

The effective date of the CS is July 1, 2000.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

##### **B. Public Records/Open Meetings Issues:**

The CS requires hospitals owned and operated by government entities who receive surtax proceeds to provide public access to public meetings for any meeting of the governing board that considers the budgeting resources for the retention of charity care.

##### **C. Trust Funds Restrictions:**

None.

#### **V. Economic Impact and Fiscal Note:**

##### **A. Tax/Fee Issues:**

None.

##### **B. Private Sector Impact:**

To the extent any alternative method of providing indigent care involves contracts with private sector hospitals and health care providers, the private sector might benefit from the CS.

##### **C. Government Sector Impact:**

The CS requires the Miami-Dade County Commission to redirect approximately \$31 million of “maintenance of effort” money from the Public Health Trust to some independent public entity to be created for the provision of indigent health care services.

#### **VI. Technical Deficiencies:**

The language amending s. 212.055(5)(d), F.S., creates an internal inconsistency in the paragraph. The first sentence of the paragraph requires the county to continue to contribute “maintenance of effort” funding for the operation, administration, and maintenance of the county public general hospital. The amended language then states that 35% of the “maintenance of effort” funding shall

be allocated to an entity other than for the operation, administration, and maintenance of the county public general hospital.

The CS does not require the independent authority which is to receive the reallocated 35% of “maintenance effort” funding to be created by a date certain.

**VII. Related Issues:**

Through its home rule charter adopted pursuant to Article VIII, Section 11 of the Constitution of 1885, as amended, Miami-Dade County has the authority to create an alternative authority or agency for providing indigent health care without general or special law authorization from the Florida Legislature.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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