ORDINANCE NO.: 2026-17

AN ORDINANCE REGARDING THE HERNANDO COUNTY LOCAL PROVIDER PARTICIPATION FUND ORDINANCE; AMENDING HERNANDO COUNTY CODE CHAPTER 15, ARTICLE II; PROVIDING FOR PROSPECTIVE APPLICATION; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF HERNANDO COUNTY:

Section 1. Amendment of Hernando County Code Chapter 15, Article II. Hernando County Code Chapter 15, Article II, "Hernando County Local Provider Participation Fund," is hereby amended to read as set forth in Exhibit "A," which is attached hereto and incorporated herein as fully as if set forth *in haec verba*.

Section 2. Prospective Application. This ordinance shall have prospective application only.

Section 3. Severability. It is declared to be the intent of the Board of County Commissioners that if any section, subsection, clause, sentence, phrase, or provision of this ordinance is for any reason held unconstitutional or invalid, the invalidity thereof shall not affect the validity of the remaining portions of this ordinance.

Section 4. Inclusion in the Code. It is the intention of the Board of County Commissioners of Hernando County, Florida, and it is hereby provided, that the provisions of this Ordinance, including Exhibit "A" hereto, shall become and be made a part of the Code of

Ordinances of Hernando County, Florida. To this end, the section of this Ordinance may be renumbered or relettered to accomplish such intention, and that the word "ordinance" may be changed to "section," "article," or any other appropriate designation.

Section 5. Conflicting Provisions Repealed. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 6. Effective Date. This ordinance shall take effect immediately upon receipt of official acknowledgment from the office of the Secretary of State of Florida that this ordinance has been filed with said office.

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF HERNANDO COUNTY, FLORIDA in Regular Session this 14 day of July 2026.

BOARD OF COUNTY COMMISSIONERS
HERNANDO COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS HERNANDO COUNTY FLORIDA SEAL

Attest: Paige Jeffers, Deputy Clerk
DOUGLAS CHORVAT, JR.
Clerk

By: Jerry Campbell
JERRY CAMPBELL
Chairman

Approved for Form and Legal Sufficiency

Jon Jouben
County Attorney

EXHIBIT "A"

ARTICLE II. HERNANDO COUNTY LOCAL PROVIDER PARTICIPATION FUND

Sec. 15-16. Title and authority.

(a) This Article shall be known and may be cited as the "Hernando County Local Provider Participation Fund Ordinance."

(b) Pursuant to Article VIII, Section 1(F) of the Constitution of the State of Florida and F.S. ch. 125, the board is hereby authorized to impose a special assessment against certain private for-profit and not-for-profit hospitals located within the county to fund the non-federal share of Medicaid payments associated with local services.

Sec. 15-17. Findings.

In enacting this article, the Hernando County Board of County Commissioners makes the following findings:

(a) The hospitals in Hernando 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 percent of the costs of the health care services actually provided by hospitals to Medicaid-eligible persons, leaving hospitals with significant uncompensated costs; and,

(b) The State of Florida (the "State") received federal authority to establish the Statewide Medicaid Managed Care hospital directed payment program (the "DPP") to offset hospitals' uncompensated Medicaid costs and improve quality of care provided to Florida's Medicaid population; and,

(c) The State is establishing a Medicaid quality incentive program that could benefit the hospitals; and,

(~~c~~d) Impacted hospitals have asked Hernando County (the "County") to impose an assessment upon certain real property owned by the hospitals to help finance the non-federal share of the State's Medicaid program; and,

(~~d~~e) The only properties to be assessed are the real property sites of such hospitals; and,

(~~e~~f) The County recognizes that one or more 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,

(~~f~~g) The funding raised by the County assessment will, through intergovernmental transfers ("IGTs") provided consistent with federal guidelines, support additional funding for Medicaid payments to Hospitals; and,

(~~g~~h) The county acknowledges that the assessed hospital properties will benefit directly and especially from the assessment as a result of the above-described additional funding provided to said hospitals; and,

(~~h~~i) The county has determined that a logical relationship exists between the services provided by the hospitals, which will be supported by the assessment, and the special and particular benefit to the real property of the hospitals; and,

(~~i~~j) The county has an interest in promoting access to health care for its low-income and uninsured residents; and,

(~~j~~k) Leveraging additional federal support through the above-described IGTs to fund Medicaid payments ~~to the hospitals~~ for health care services ~~persons~~ directly and specifically benefits the hospitals' properties and supports their continued ability to provide and improve the quality of those services; and,

(~~k~~l) Imposing an assessment 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,

(~~l~~m) The assessment ensures the financial stability and viability of the hospitals providing such services; and,

(~~m~~n) The hospitals are important contributors to the overall 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,

(~~n~~o) The county finds the assessment will enhance the hospitals' ability to grow, expand, maintain, improve, and increase the value of their facilities under all present circumstances and those of the foreseeable future; and,

(~~o~~p) The county is proposing a properly apportioned assessment by which all hospitals will be assessed a uniform amount that is compliant with 42 C.F.R. § 433.68(d); and,

(~~p~~q) This article enables the county to levy ~~uniform~~ non-ad valorem special assessments, which are fairly and reasonably apportioned among the hospitals' properties within the county's jurisdictional limits, to establish and maintain a system of funding for IGTs to support the non-federal share of Medicaid payments, thus directly, and specially benefitting, hospital properties.

Sec. 15-18. Purpose.

The non-ad valorem special assessment authorized by this article shall be imposed, levied, collected, and enforced against assessed properties located within the county. Proceeds from the assessment shall be used to benefit assessed properties through ~~enhanced~~ Medicaid payments for local services. When imposed, the assessment shall constitute a lien upon the assessed properties equal in rank and dignity with the liens of all state, county, district, or municipal taxes and other non-ad valorem assessments. Failure to pay may cause foreclosure proceedings to commence, which could result in loss of title. The assessment shall be computed and assessed only in the manner provided in this article.

Sec. 15-19. Alternative method.

This article shall be deemed to provide an additional and alternative method, as specified in F.S. § 197.3631, for the assessment and collection of the non-ad valorem special assessment described herein. The article shall be regarded as supplemental and additional to powers conferred by other laws and shall not be regarded as in derogation of any powers now existing, or which may exist in the future. This article, being necessary for the health, safety, and welfare of the inhabitants of the county, shall be liberally construed to effect the purposes hereof.

Sec. 15-20. Definitions.

When used in this article, the following terms shall have the following meanings, unless the context clearly requires otherwise:

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.

Assessment means a non-ad valorem special assessment imposed by the county on institutional health care providers located in the county limits to fund the non-federal share of Medicaid and Medicaid managed care payments or quality incentive payments that will benefit hospitals providing local services.

Assessment coordinator means the county administrator, or the county administrator's designee, who shall administer the assessment imposed pursuant to this article.

Assessment resolution means the resolution described in section 15-24 hereof, which shall be the final proceeding for the imposition of an assessment, establishing the rate for the non-ad valorem assessment for a specific fiscal year.

Board means the Board of County Commissioners of Hernando County, Florida.

Comptroller means the Hernando County Clerk of the Circuit Court and 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 Hernando 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 licensed private for-profit or not-for-profit hospital that provides inpatient hospital services, unless that hospital is subject to an approved or pending health care tax waiver from the Centers for Medicare and Medicaid Services (CMS).

Local services means the provision of healthcare services to Medicaid, indigent, and uninsured members of the Hernando County community.

Medicaid hospital directed payment program means the program authorized by the Centers for Medicare and Medicaid Services (CMS) allowing Florida to direct specific payments made by managed care plans to all hospital providers for Medicaid services.

<u>*Medicaid payments* mean payments to fund the Directed Payment Program, and any other supplemental payment or quality incentive payment program authorized by CMS and expressly designated in an Assessment Resolution.</u>

Non-ad valorem assessment roll means the special assessment roll prepared by the county.

Ordinance means the Hernando County Local Provider Participation Fund Ordinance.

Property appraiser means the Hernando County Property Appraiser.

Property owner means the legal title holder(s) of an assessed property.

Tax collector means the Hernando County Tax Collector.

Sec. 15-21. Interpretation.

Unless the context indicates otherwise, the terms "hereof," "hereby," "herein," "hereto," "hereunder" and similar terms refer to this article. The term "hereafter" means after, and the term "heretofore" means before the effective date of the Ordinance.

Sec. 15-22. Scope of assessment.

(a) Pursuant to F.S. § 125.01, the board is hereby authorized to create a non-ad valorem special assessment that shall be imposed, levied, collected, and enforced against assessed property to fund the non-federal share of Medicaid payments benefitting assessed properties providing local services in the county. Funds generated as a result of the assessment shall be held in a separate account called the local provider participation fund and shall be available to be used only to (1) provide to the Florida Agency for Health Care Administration the non-federal share for Medicaid payments to be made directly or indirectly in support of hospitals serving Medicaid and low income patients and (2) reimburse the county for administrative costs associated with the implementation of the assessment authorized by this article, as further specified in the assessment resolution.

(b) The <u>assessments must comport with federal and state requirements for health care-related assessments</u> ~~assessment must be broad based, and the amount of the assessment must be uniformly imposed on each assessed property~~. The assessment may not hold harmless any institutional health care provider, as required under 42 U.S.C. § 1396b(w). The assessment shall constitute a lien upon the assessed properties equal in rank and dignity with the liens of all state, county, district, or municipal taxes and other non-ad valorem assessments.

(c) The creation and implementation of the assessment will not result in any additional pecuniary obligation on the county, board, or county residents; the assessment shall be imposed, levied, collected, and enforced against only assessed properties, and the assessment resolution shall provide that the county's administrative costs shall be reimbursed from the collected amounts. The County's administrative costs shall not exceed $150,000.00. Any reasonable expenses the county incurs to collect delinquent assessments, including any attorney's fees incurred by the county in seeking and enforcing the collection of delinquent assessments, are not subject to the limitation on administrative costs.

Sec. 15-23. Computation of assessment.

(a) The annual assessment shall be specified for each assessed property. The board shall set the assessment in amounts that in the aggregate will generate sufficient revenue to fund the non-federal share of Medicaid payments associated with local services to be funded by the assessment.

(b) The assessment 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, exceed the maximum percent of the aggregate net patient revenue of all assessed hospitals in the county permitted by 42 C.F.R. § 433.68(f)(3)(i)(A). Assessments for each assessed property will be derived from data contained in hospital cost reports and/or the Florida Hospital Uniform Reporting System, as available from the Florida Agency for Health Care Administration.

Sec. 15-24. Petition and assessment resolution.

(a) The board, subject to the provisions of this section and upon a petition requesting the imposition of the Assessment, signed by at least 51 percent of the property owners and institutional health care providers within the county, may levy assessments pursuant to this article.

 (1) For each fiscal year the petition shall set forth: (1) the boundaries or other description sufficient to identify the properties; (2) a brief description of the service requested to be provided; (3) a legal opinion, that is acceptable to the county attorney's office, from a duly licensed Florida attorney stating that the imposition of the mandatory payment is lawful; ~~and~~ (4) an executed release, in a form acceptable to the county attorney's office, wherein the property owners and institutional health care providers state, among other things, that it forever releases the county and its officers, employees, and agents from any and all liability relating to the imposition of the mandatory payment; and (5) a list of the exempt facilities. There shall be attached to the petition and made a part thereof a brief description of the property sufficient to identify the property involved. There shall also be filed with the petition an affidavit of corporate authority that establishes that those signing the petition are duly authorized to sign the petition and to subject the property to the levy and imposition of the mandatory payment as provided in this article.

 (2) Upon the county's receipt of a petition, the assessment coordinator shall transmit one copy to the county attorney's office. If the county attorney's office determines that the petition has been properly signed and complies with the requirements of this section, the assessment coordinator shall prepare an assessment resolution.

 (3) The assessment resolution shall describe (a) the Medicaid payments proposed for funding from proceeds of the assessment; (b) the benefits to the assessment properties associated with the assessment; (c) the methodology for computing the assessed

amounts; and (d) the method of collection, including how and when the assessment is to be paid.

Sec. 15-25. Non-ad valorem assessment roll.

The assessment coordinator shall prepare, or direct the preparation of, the non-ad valorem assessment roll, which shall contain the following: the names of the assessed properties, the assessment rate, and the amount of the assessment to be imposed against each assessed property based on the assessment resolution. The non-ad valorem assessment roll shall be retained by the assessment coordinator and shall be open to public inspection.

Sec. 15-26. Notice by publication.

Upon completion of the non-ad valorem assessment roll, the assessment coordinator shall publish once in a newspaper of general circulation within the county, a notice stating that the board, at a regular, adjourned, or special meeting, on a certain day and hour, not earlier than 20 calendar days from such publication, will hear objections of all interested persons to approve the aforementioned non-ad valorem assessment roll. Such notice shall include:

(a) The assessment rate;

(b) The procedure for objecting to the assessment rate;

(c) The method by which the assessment will be collected; and

(d) A statement that the non-ad valorem special assessment roll is available for inspection at the office of the assessment coordinator.

Sec. 15-27. Notice by mail.

(a) In addition to the published notice required by section 15-26, but only for the first fiscal year in which an assessment is imposed by the board against assessed properties, the assessment coordinator shall provide notice of the proposed assessment by first class mail to the assessed properties. Such notice shall include:

(1) The purpose of the assessment; and,

(2) The assessment rate to be levied against each assessed property; and,

(3) The unit of measurement applied to determine the assessment; and,

(4) The total revenue to be collected by the county from the assessment; and,

(5) A statement that failure to pay the assessment will cause a tax certificate to be issued against the property or foreclosure proceedings, either of which may result in a loss of title to the property; and,

(6) A statement that all affected and/or interested parties have a right to appear at the hearing and to file written objections with the board within 20 days of the notice; and,

(7) The date, time, and place of the hearing.

(b) Notice shall be mailed at least 20 calendar days prior to the hearing to each assessed property at such address as is shown on the assessment roll. Notice shall be deemed mailed upon delivery thereof to the possession of the United States Postal Service. The assessment coordinator may provide proof of such notice by affidavit. Failure of the assessed property to receive such notice, because of mistake or inadvertence, shall not affect the validity of the assessment roll or release or discharge any obligation for payment of the assessment imposed by the board pursuant to this article.

Sec. 15-28. Adoption of assessment resolution and non-ad valorem assessment roll.

At the time named in the notice, the board shall receive and consider any written objections of interested persons. All objections to the assessment resolution and non-ad valorem assessment roll shall be made in writing and filed with the assessment coordinator at or before the time or adjourned time of such hearing. At the date and time named in the notice, the board may adopt the assessment resolution and non-ad valorem assessment roll which shall:

(a) Set the rate of the assessment to be imposed; and,

(b) Approve the non-ad valorem assessment roll, with such amendments as it deems just and right; and,

(c) Affirm the method of collection.

Sec. 15-29. Revisions to the assessment roll.

The Board may revise the non-ad valorem assessment roll during the fiscal year to modify the assessment rate through the adoption of an additional assessment resolution, following the procedures described in sections 15-24 through 15-28, inclusive.

Sec. 15-30. Effect of the assessment resolution.

(a) The adoption of an assessment resolution shall be the final adjudication of the issues presented (including, but not limited to, the method of apportionment and assessment, the assessment rate, the initial rate of assessment, the non-ad valorem assessment roll, and the levy and lien of the assessments), unless proper steps shall be initiated in a court of competent jurisdiction to secure relief within 20 days from the date of board action on the assessment resolution. The non-ad valorem assessment roll shall be delivered to the tax collector or such other official as the board by resolution shall designate.

(b) For each year in which the majority of the board does not vote to use the uniform method to collect the assessments:

(1) The resolutions and assessment rolls shall be recorded in the Official Records of Hernando County, Florida, and shall constitute notice to the owners of any affected property, and their successors in title, of the pendency of a special assessment lien upon the affected property.

(2) The assessments shall be payable at the time and in the manner stated in the assessment resolution. The assessments shall remain liens, coequal with the lien of all

state, county, district and municipal taxes, superior in dignity to all other liens, title and claims, until paid. Any assessment not paid when due and payable shall have added thereto a penalty at the rate of one percent per month until paid.

(3) Upon the failure of any assessment, or installment thereof, to be paid within one year of the date due and payable, the board shall cause the necessary legal proceedings to be brought by the county attorney's office to foreclose the entire balance of the special assessment lien including penalties, court costs and reasonable attorney's fees assessed as part of the foreclosure proceeding. The foreclosure proceeding shall be prosecuted to a sale and conveyance of the property involved in such proceeding as now provided by law in suits to foreclose mortgages.

Sec. 15-31. Method of collection.

The amount of the assessment is to be collected pursuant to the method that is specified in the assessment resolution.

Sec. 15-32. Refunds.

If, at the end of the fiscal year, additional amounts remain in the local provider participation fund, the board is hereby authorized to make refund to assessed properties in proportion to amounts paid in during the fiscal year for all or a portion of the unutilized local provider participation fund.

Sec. 15-33. Responsibility for enforcement.

The county and its agent, if any, shall maintain the duty to enforce the prompt collection of the assessment 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.

Sec. 15-34. Correction of errors and omissions.

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 assessment imposed by the board under the provision of this chapter.

Sec. 15-35. Limitations on surcharges.

Payments made by assessed properties under this article may not be passed along to patients of the assessed property as a surcharge or as any other form of additional patient charge.

Sec. 15-36. Limitations on assessments.

This assessment is authorized only based on the approval by CMS, and related authorization by Florida Legislature, of the directed payment program that will benefit the assessed properties. If at any time, due to action at the federal, state or local level, there is no longer a~~n enhanced~~ Medicaid payment benefitting the assessed properties, the board's authority to collect assessments under this article shall cease. If, at any time, the assessments are no longer compliant with federal and state requirements for health care-related assessments ~~broad-based~~, the board's authority to collect assessments under this article shall be ineffective. If, at any time, the assessments are no longer broad-based, the board's authority to collect assessments under this article shall be ineffective. If at any time one or more of the property owners and institutional health care providers objects to the assessment, the ~~board's authority to collect the assessments under this article shall cease~~ board shall consider the objection and may determine, in its discretion, whether to continue to impose and collect, modify, or terminate the assessment for the applicable program year.

Sec. 15-37. Hold harmless and indemnification.

The property owners and institutional health care providers that are the subject of this article have requested adoption of this article and have given assurances to the county that the objectives and procedures addressed in this article are proper and lawful. Accordingly, the property owners and institutional health care providers that are the subject of this article shall hold the county and its officers, employees, and agents harmless from any claim arising from the adoption and implementation of this article, and shall indemnify the county and its officers, employees and agents from any and all claims, suits, damages, disallowances, or other proceedings, including but not limited to original proceedings, appeals, or any proceeding before any administrative body or tribunal, and the costs and attorney or expert fees associated with the defense thereof, that may arise in the event that the objectives and procedures of this article are challenged by any person, entity, or government agency. A release of liability agreement shall be submitted, on a form approved by the office of the county attorney as to legal sufficiency, with the petition pursuant to section 15-24(a).