

**Business Impact Estimate Form (see F.S. § 125.66(3)(a))**

**For:**

AN ORDINANCE OF THE COUNTY OF PINELLAS, PROVIDING THAT THE PINELLAS COUNTY CODE BE AMENDED BY ADDING A SECTION TO BE NUMBERED CHAPTER 110, ARTICLE III; PROVIDING FOR THE ESTABLISHMENT OF A LOCAL PROVIDER PARTICIPATION FUND; PROVIDING FOR THE AUTHORIZATION OF NON-AD VALOREM SPECIAL ASSESSMENTS TO BE IMPOSED, LEVIED, COLLECTED, AND ENFORCED AGAINST REAL PROPERTY OWNED OR LEASED BY PRIVATE FOR-PROFIT AND NOT-FOR-PROFIT HOSPITALS TO FUND THE NON-FEDERAL SHARE OF MEDICAID PAYMENTS BENEFITTING HOSPITALS PROVIDING HEALTHCARE SERVICES TO MEDICAID, INDIGENT, AND UNINSURED MEMBERS OF THE PINELLAS COUNTY COMMUNITY; PROVIDING FOR THE PROCEDURE FOR ADOPTING THE ANNUAL NON-AD VALOREM SPECIAL ASSESSMENTS TO BE DEPOSITED INTO THE LOCAL PROVIDER PARTICIPATION FUND; PROVIDING FOR THE AUTHORIZED USES FOR LOCAL PROVIDER PARTICIPATION FUND PROCEEDS; PROVIDING FOR SEVERABILITY; PROVIDING FOR AREAS EMBRACED; PROVIDING FOR RESOLUTION OF CONFLICT OF LAWS; PROVIDING FOR INCLUSION IN THE CODE; AND PROVIDING FOR AN EFFECTIVE DATE.

This Ordinance is scheduled to be considered for adoption by the Pinellas County Commission on April 23, 2024 at 6:00PM at Pinellas County Communications – Palm Room, 333 Chestnut Street, Clearwater, Florida 33756

*\* Unless an attachment is expressly referenced, the content in this Form encompasses the entire Business Impact Estimate for the Ordinance.*

**1. Summary of the Ordinance, including a statement of the public purpose to be served by the Ordinance, such as serving the public health, safety, morals, and welfare of the County:** *[This Section does not need to be lengthy. The Recitals (“WHEREAS” Clauses), or the “Purpose” or “Legislative Intent” Sections of the Ordinance, may be helpful to reference.]*

The non-ad valorem special assessments authorized by this article 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 supplemental payments for Local Services. When imposed, the Assessments shall constitute liens 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, which could result in loss of title, to commence. The Assessments shall be computed and assessed only in the manner provided in this Ordinance.

WHEREAS, the hospitals in Pinellas County’s jurisdiction (the “Hospitals”) annually provide millions of dollars of uncompensated care to uninsured persons; and

WHEREAS, the hospitals in Pinellas County’s jurisdiction (the “Hospitals”) annually provide millions of dollars of uncompensated care to those who qualify for Medicaid because Medicaid, on average, historically covers only 61% 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") operates several supplemental payment programs designed to provide reimbursement to cover the Medicaid reimbursement shortfall and to provide resources to support charity care; and

WHEREAS, non-public Hospitals have asked Pinellas County (the "County") to impose assessments upon certain real property upon which Hospitals operate to help finance the non-federal share of the State's Medicaid program; and

WHEREAS, the only properties to be assessed are the real property sites of such Hospitals; and  
WHEREAS, the funding raised by the County assessments will, through intergovernmental transfers ("IGTs") provided consistent with federal guidelines, support additional funding for Medicaid supplemental payments to Hospitals; and

WHEREAS, the County acknowledges that the Hospital properties assessed can benefit directly and especially from the assessments as a result of the above-described additional funding; and

WHEREAS, the County has determined that a logical relationship exists between the services provided and the special and particular benefit to the real property upon which the Hospitals operate; 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 properties upon which Hospitals operate and supports their continued ability to provide those services; and

WHEREAS, imposing assessments limited to properties upon which Hospitals operate 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 support the financial stability and viability of the Hospitals providing such services; and

WHEREAS, 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

WHEREAS, the County finds the assessments will enhance the Hospitals' ability to grow, expand, maintain, improve, and increase the value of their 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 a uniform amount that is compliant with 42 C.F.R. § 433.68(d); and

WHEREAS, the County adopts this Ordinance enabling the County to levy uniform non-ad valorem special assessments, which are fairly and reasonably apportioned among the properties upon which Hospitals operate within the County's jurisdictional limits, to establish and maintain a system of funding for IGTs to support the non-federal share of Medicaid supplemental payments, thus directly and specially benefitting properties upon which Hospitals operate.

**2. An estimate of the direct economic impact of the Ordinance on private, for-profit businesses in the County, including the following, if any:**

(a) An estimate of direct compliance costs that businesses may reasonably incur if the Ordinance is enacted; [Because many ordinances do not require that direct costs be incurred for compliance, this estimate will often be “zero dollars.” Generally speaking, direct costs are clearly connected to a specific objective and readily ascertainable.]

(b) Identification of any new charge or fee on businesses subject to the Ordinance for which businesses will be financially responsible; [Because many ordinances do not result in the levy of any new charges or fees on businesses, there will often be nothing to identify here.] and

(c) An estimate of the County’s regulatory costs, including estimated revenues from any new charges or fees that will be imposed on businesses to cover such costs. [Because many ordinances entail regulatory costs, an estimate will often be warranted here. For example, the County may incur costs for any number of the following factors: implementation, outreach, construction/maintenance, monitoring, enforcement, and procurement. However, the estimate must only account for direct costs (briefly described above).]

*This ordinance provides for the structure to implement a non-ad valorem special assessment on hospital properties in alignment with the State Hospital Directed Payment Program guidance. The ordinance requires a resolution to be passed in order to implement the program each year. For 2023 program participation the estimated assessment is \$108,534,798 across 16 hospitals.*

*Pinellas County has received letters of support from 15 of the 16 hospitals with one abstaining due to national policy.*

The program will result in increased Medicaid revenues for the hospitals to close the Medicaid gap.

**3. A good faith estimate of the number of businesses likely to be impacted by the Proposed Ordinance:** [This Section is self-explanatory: All that is required is a good faith estimate of the number (note: not costs) of businesses likely to be impacted.]

Sixteen hospitals are included in the Pinellas County Region 5 Hospital Directed Payment Program area.

**4. Any additional information the BCC deems useful:** [This Section is not legally required.]

A resolution will be submitted for consideration in May 2024 to implement the program for 2023.