

RESOLUTION NO. 24-212

**AN ASSESSMENT RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF HERNANDO COUNTY, FLORIDA, AUTHORIZING AND ADOPTING A NON-AD VALOREM SPECIAL ASSESSMENT WITHIN THE COUNTY LIMITS FOR THE PURPOSE OF BENEFITING ASSESSED PROPERTIES THROUGH ENHANCED MEDICAID PAYMENTS FOR LOCAL SERVICES; FINDING AND DETERMINING THAT CERTAIN REAL PROPERTY IS SPECIALLY BENEFITED BY THE ASSESSMENT; COLLECTING THE ASSESSMENT AGAINST THE REAL PROPERTY; ESTABLISHING A PUBLIC HEARING TO CONSIDER IMPOSITION OF THE PROPOSED ASSESSMENT AND THE METHOD OF ITS 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 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% 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 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

**WHEREAS**, Hospitals have asked Hernando County (the “County”) to impose a non-ad valorem special assessment upon certain real property interests held by the Hospitals to help finance the non-federal share of the State’s Medicaid program; and

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

**WHEREAS**, the County acknowledges that the Hospital properties assessed will benefit directly and especially from the assessment 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 assessment, 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 Medicaid 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 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

**WHEREAS**, the assessment ensures 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 assessment will enhance the Hospitals' ability to grow, expand, maintain, improve, and increase the value of their Hernando County properties and facilities under all present circumstances and those of the foreseeable future; and

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

**WHEREAS**, on August 24, 2021, the Board of County Commissioners adopted Ordinance 2021-16, enabling the County to levy a uniform non-ad valorem special assessment, 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 Medicaid payments, thus directly and specially benefitting Hospital properties.

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

*Assessment* means a non-ad valorem special assessment imposed by the County on Assessed Property to fund the non-federal share of Medicaid and Medicaid managed care payments that will benefit hospitals providing Local Services in the County.

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

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

*Comptroller* means the Hernando 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 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 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 Hernando County community.

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

*Ordinance* means the Hernando County Local Provider Participation Fund Ordinance codified in Chapter 15, Article II of the Hernando County Code of Ordinances.

*Tax Collector* means the Hernando County Tax Collector.

**Section 2. Authority.** Pursuant to Article VIII, Section 1(f) of the Constitution of the State of Florida, Chapter 125 of the Florida Statutes, and the Hernando County Local Provider Participation Fund Ordinance, the Board is hereby authorized to impose a special assessment against 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.

**Section 3. Special Assessment.** The non-ad valorem special assessment discussed herein 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 a directed payment program that will benefit the Assessed Properties for Local Services.

When imposed, the Assessment 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 Assessment shall be used only to:

1. Provide to the Florida Agency for Health Care Administration the non-federal share of the Medicaid hospital directed payment program for payments to be made directly or indirectly in support of hospitals serving Medicaid beneficiaries; and
2. Reimburse the County for administrative costs associated with the implementation of the Assessment authorized by the Ordinance.

If, at the end of the Fiscal Year, additional amounts remain in the local provider participation fund, the Board is hereby authorized either (a) to retain such amounts in the fund to transfer to the Agency in the next fiscal year for use as the non-federal share of Medicaid hospital payments, or (b) if requested to do so by the Assessed Properties, 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 Assessment 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 Assessment shall equal 0.29% of net patient revenue for each Assessed Property specified in the Non-Ad Valorem Assessment Roll that is attached hereto as Exhibit "A". The amount of 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, 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 assessment is to be collected pursuant to the Alternative Method outlined in §197.3631, Fla Stat.

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

**Section 7. Public Hearing.** The Board has heard and considered objections of all interested persons prior to rendering a decision on the Assessment and attached Non-Ad Valorem Assessment Roll that is attached hereto as Exhibit "A".

**Section 8. 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.

**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. This Resolution duly adopted this 24th day of September, 2024.

ADOPTED at a public meeting in Brooksville, Hernando County, Florida in Regular Session on the 24th day of September, 2024 A.D.

(SEAL)

BOARD OF COUNTY COMMISSIONERS  
HERNANDO COUNTY, FLORIDA

Attest: Hilde Kuppe, Deputy Clerk  
Doug Chervat, Jr.  
Clerk

By: Elizabeth Narverud  
Chairperson

Approved for Form and Legal Sufficiency

[Signature]  
County Attorney's Office





**Intergovernmental Transfers Questionnaire**

IGT Provider Name:	Hernando County
Health Care Provider Name:	N/A
IGT Amount:	\$ 2,047,300.00
State Fiscal Year Ending:	6/30/2024

1. What type of governmental entity is your organization considered? (county, city, hospital taxing district, or other)

If other, please explain

2. Does your organization have a relationship with the provider for which you contribute IGTs as named in the preamble of the enclosed Letter of Agreement (LOA)?

If yes, please describe your relationship, including services provided to/by the provider to/by the organization and any other financial transactions between the provider and the organization.

3. Please describe the source of the IGT funding for your organization, including whether the source is from a tax, a provider donation, or other funds. Provide the amount of funding from each source.

Source	Amount
Special assessment (for SFY 2025)	\$ 1,541,719
LPPF rollover balance	\$ 708,398

If other, please explain

a. Verify whether the funds are public funds as defined by 42 CFR § 433.51, and exclude any federal funds.

If no, please explain

4. Does your organization have taxing authority?

5. If the source of IGT funding is from taxes, please answer the following questions:

a. Is the tax a state, county, city, or hospital district tax?

County

If other, please explain

b. What entities are taxed?

Licensed non-public hospitals in Hernando County.

c. What is the tax structure (i.e. property tax, percentage of revenue, assessment, etc.)?

Special assessment

d. What is the amount or percent of the tax?

0.29% of Net Patient Revenue

e. Does at least 85% of the burden of the tax revenue fall on health care providers as defined in 42 CFR §433.55? (Provide the total tax revenue and the health care provider tax burden) If so, please answer the following questions:

	Amount
Tax Burden	\$ 1,541,719
Healthcare Provider Tax Burden	\$ 1,541,719
	100.00%

i) Is the tax broad based? A broad based tax can be defined as a tax that is imposed on at least all health care items or services in the class or providers of such items or services furnished by all non-Federal, non-public providers in the State, and is imposed uniformly, pursuant to 42 CFR § 433.68.

Yes

If no, please explain



ii) Is the tax uniform across all entities being taxed? Based on 42 CFR § 433.68, a health care-related tax will be considered to be imposed uniformly even if it excludes Medicaid or Medicare payments (in whole or in part), or both; or in the case of health care-related tax based on revenue or receipts with respect to a class of items or services, if it excludes either Medicaid or Medicare revenue with respect to a class of items or services, or both. The exclusion of Medicaid revenue must be applied uniformly to all providers being taxed.

If no, please explain

iii) Is the tax generally redistributive and a waiver of the broad-based or uniform tax requirement was granted in accordance with 42 CFR §433.68(e)?

If no, please explain

No waiver was requested

iv) Does the tax program comply with the hold harmless provisions included in 42 CFR § 433.68(f)?

If no, please explain

v) Does every tax paying entity receive a supplemental payment equal to or exceeding its tax cost?

If yes, please explain

The county is not involved in the distribution of funds following federal match. The county is not in a position to speak to the ultimate distribution to hospitals from the managed care organizations.

6. Please answer the following regarding provider funds received from the healthcare entity and/or other health care entities.

a. Are provider voluntary payments or in-kind services received by the organization as defined in 42 CFR § 433.52?

b. How much of the organization's revenue is received from provider-related donations (Provide the total revenue and the provider-related donation amounts)?

	Amount
Total Revenue	\$ -
Provider Related Donations	\$ -

c. Do individual provider donations exceed \$5,000 per year or \$50,000 per year for a health care organizational entity?

If yes, please list the provider and payment amount.

Provider Name	Funding Source	Amount
		\$ -
		\$ -
		\$ -

d. Does any portion of the provider donation constitute as a "bona fide donation" pursuant to 42 CFR § 433.54? 42 CFR § 433.54 requires donations will not be returned to the individual provider, the provider class, or related entity under a hold harmless provision.

e. Is there an agreement between the IGT provider and the health care entity? If so, please specify whether the agreement is written and provide the details.

Yes. Hernando County has obtained releases from certain hospitals, committing that those hospitals release any claims they have against the County for any challenges to the local special assessment that is the source of this IGT.

7. Were funds utilized for the IGT specifically appropriated by the organization's board?

If yes, provide the board minutes and date of the appropriation.

I Elizabeth Narverud certify that the statements and information contained in this submittal are true, accurate, and complete.



  
Signature of Officer or Administrator

Chairperson of Hernando County Board  
Title

9/24/2024  
Date

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY  
BY   
County Attorney's Office

## Directed Payment Program Letter of Agreement

**THIS LETTER OF AGREEMENT (LOA)** is made and entered into in duplicate on the 24<sup>th</sup> day of September 2024, by and between **Hernando County LPPF** (the "IGT Provider") on behalf of **Region 3**, and the State of Florida, Agency for Health Care Administration (the "**Agency**"), for good and valuable consideration, the receipt and sufficiency of which is acknowledged.

### DEFINITIONS

"Intergovernmental Transfers (IGTs)" means transfers of funds from a non-Medicaid governmental entity (e.g., counties, hospital taxing districts, providers operated by state or local government) to the Medicaid agency. IGTs must be compliant with 42 CFR Part 433 Subpart B.

"Medicaid" means the medical assistance program authorized by Title XIX of the Social Security Act, 42 U.S.C. §§ 1396 et seq., and regulations thereunder, as administered in Florida by the Agency.

"Directed Payment Program (DPP)," pursuant to the General Appropriation Act, Laws of Florida 2024-231, is the program that provides direct supplemental payments to eligible public and private entities that provide inpatient and outpatient services to Medicaid managed care recipients.

### A. GENERAL PROVISIONS

1. Per House Bill 5001, the General Appropriations Act of State Fiscal Year 2024-2025, passed by the 2024 Florida Legislature, the Hernando County LPPF and the Agency agree that the Hernando County LPPF will remit IGT funds to the Agency in an amount not to exceed the total of **\$2,047,300.00**. The Hernando County LPPF and the Agency have agreed that these IGT funds will only be used for the DPP program.
2. The Hernando County LPPF will return the signed LOA to the Agency.
3. The Hernando County LPPF will pay IGT funds to the Agency in an amount not to exceed the total of **\$2,047,300.00**. The Hernando County LPPF will transfer payments to the Agency in the following manner:
  - a. Per Florida Statute 409.908, annual payments for the months of July 2024 through June 2025 are due to the Agency no later than October 31, 2024, unless an alternative plan is specifically approved by the agency.
  - b. The Agency will bill the Hernando County LPPF when payment is due.
4. The Hernando County LPPF and the Agency agree that the Agency will maintain necessary records and supporting documentation applicable to health services covered by this LOA in accordance with public records laws and established retention schedules.
  - a. AUDITS AND RECORDS
    - i. Hernando County LPPF agrees to maintain books, records, and documents

(including electronic storage media) pertinent to performance under this LOA in accordance with generally accepted accounting procedures and practices, which sufficiently and properly reflect all revenues and expenditures of funds provided.

- ii. Hernando County LPPF agrees to assure that these records shall be subject at all reasonable times to inspection, review, or audit by state personnel and other personnel duly authorized by the Agency, as well as by federal personnel.
- iii. Hernando County LPPF agrees to comply with public record laws as outlined in section 119.0701, Florida Statutes.

b. RETENTION OF RECORDS

- i. The Hernando County LPPF agrees to retain all financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to performance under this LOA for a period of six (6) years after termination of this LOA, or if an audit has been initiated and audit findings have not been resolved at the end of six (6) years, the records shall be retained until resolution of the audit findings.
- ii. Persons duly authorized by the Agency and federal auditors shall have full access to and the right to examine any of said records and documents.
- iii. The rights of access in this section must not be limited to the required retention period but shall last as long as the records are retained.

c. MONITORING

- i. Hernando County LPPF agrees to permit persons duly authorized by the Agency to inspect any records, papers, and documents of the Hernando County LPPF which are relevant to this LOA.

d. ASSIGNMENT AND SUBCONTRACTS

- i. The Hernando County LPPF agrees to neither assign the responsibility of this LOA to another party nor subcontract for any of the work contemplated under this LOA without prior written approval of the Agency. No such approval by the Agency of any assignment or subcontract shall be deemed in any event or in any manner to provide for the incurrence of any obligation of the Agency in addition to the total dollar amount agreed upon in this LOA. All such assignments or subcontracts shall be subject to the conditions of this LOA and to any conditions of approval that the Agency shall deem necessary.

- 5. This LOA may only be amended upon written agreement signed by both parties. The Hernando County LPPF and the Agency agree that any modifications to this LOA shall be in the same form, namely the exchange of signed copies of a revised LOA.
- 6. Hernando County LPPF confirms that there are no pre-arranged agreements (contractual or otherwise) between the respective counties, taxing districts, and/or the providers to re-direct any portion of these aforementioned supplemental payments in order to satisfy non-Medicaid, non-uninsured, and non-underinsured activities.

7. Hernando County LPPF agrees the following provision shall be included in any agreements between Hernando County LPPF and local providers where IGT funding is provided pursuant to this LOA. Funding provided in this agreement shall be prioritized so that designated IGT funding shall first be used to fund the Medicaid program and used secondarily for other purposes.
8. This LOA covers the period of July 1, 2024, through June 30, 2025, and shall be terminated September 30, 2025, which includes the states certified forward period.
9. This LOA may be executed in multiple counterparts, each of which shall constitute an original, and each of which shall be fully binding on any party signing at least one counterpart.

<b>DPP Local Intergovernmental Transfers</b>	
<b>Program / Amount</b>	<b>State Fiscal Year 2024-2025</b>
Estimated IGTs	\$2,047,300.00
<b>Total Funding Not to Exceed</b>	<b>\$2,047,300.00</b>

IN WITNESS WHEREOF, the parties have caused this page Letter of Agreement to be executed by their undersigned officials as duly authorized.

**HERNANDO COUNTY LPPF**

**STATE OF FLORIDA, AGENCY FOR  
HEALTH CARE ADMINISTRATION**

SIGNED BY: 

SIGNED BY: \_\_\_\_\_

NAME: Elizabeth Narveruel

NAME: Tom Wallace

TITLE: Chairperson

TITLE: Deputy Secretary for Health Care  
Finance and Data

DATE: 9-24-2024

DATE: \_\_\_\_\_

