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CITY COUNCIL AGENDA ITEM REPORT

DATE: May 8, 2024

SUBMITTED BY: Tamara Melton, Legal

ITEM TYPE: Ordinance

AGENDA SECTION: BUSINESS/ADVERTISING, PETITIONS, HEARINGS & COMMUNICATIONS

SUBJECT: ORDINANCE 4045 - FIRST READING
AN ORDINANCE OF THE CITY OF BRADENTON ESTABLISHING A LOCAL PROVIDER PARTICIPATION FUND; AUTHORIZING IMPOSITION OF ANNUAL NON-AD VALOREM SPECIAL ASSESSMENTS TO BE 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 AND MEDICAID MANAGED CARE PAYMENTS BENEFITTING HOSPITALS PROVIDING HEALTHCARE SERVICES TO MEDICAID, INDIGENT, AND UNINSURED MEMBERS OF THE CITY OF BRADENTON COMMUNITY; SPECIFYING THE PROCEDURE FOR ADOPTING THE ANNUAL NON-AD VALOREM SPECIAL ASSESSMENTS TO BE DEPOSITED INTO THE LOCAL PROVIDER PARTICIPATION FUND; SPECIFYING AUTHORIZED USES FOR THE FUND PROCEEDS; AND PROVIDING AN EFFECTIVE DATE.

SUGGESTED ACTION: No action is required at first reading. The second reading and public hearing are scheduled for May 22, 2024.

Is this item Quasi-Judicial?

No

Does this item require a public hearing?

No

EXPLANATION:

Every year, millions of dollars' worth of uncompensated care are given to uninsured patients and Medicaid-eligible individuals by private, for-profit and not-for-profit hospitals under the jurisdiction of the City of Bradenton. Medicaid typically pays for only 60% of the actual costs of the medical services that hospitals provide to Medicaid-eligible patients, leaving hospitals with sizable uncompensated costs.

The federal government granted the State of Florida the authority to create Medicaid programs, such as a Medicaid Managed Care hospital directed payment program, in order to reduce hospital expenses for charity care and uncompensated Medicaid costs.

In-patient hospitals that are affected have requested that the City of Bradenton apply special assessments to certain real estate that they own or lease in order to assist in recovery of funding the non-federal portion of the State's Medicaid program.

In order to establish and maintain a system of funding for intergovernmental transfers (IGTs) to support the non-federal share of Medicaid payments, this Ordinance will authorize the City to levy uniform non-ad valorem special assessments. These assessments will be fairly and reasonably distributed among the Hospital Properties within the City's jurisdictional limits, thereby directly and specifically benefiting such Hospital Properties.

FINANCIAL IMPACT:

The City's administrative expenses to oversee the program will be covered by funds collected from the assessments.

ATTORNEY REVIEW/RECOMMENDATION:

Special Counsel Christopher Roe and City Attorney Scott Rudacille drafted the ordinance.

SUGGESTED MOTION:

No action is required at first reading. The second reading and public hearing are scheduled for May 22, 2024.

ATTACHMENTS:

[Ordinance 4045](#)