



## **Business Impact Estimate**

In accordance with Section 125.66(3)(a), F.S., a Business Impact Estimate (BIE) is required to be: 1) prepared before enacting certain ordinances and 2) posted on Hillsborough County's website no later than the date the notice of proposed enactment/notice of intent to consider the proposed ordinance, is advertised in the newspaper (which, per Section 125.66(2), F.S., is ten (10) days before the Public Hearing).

### **Proposed Ordinance Title/Reference:**

**AN ORDINANCE OF THE HILLSBOROUGH COUNTY BOARD OF COUNTY COMMISSIONERS ESTABLISHING A LOCAL PROVIDER PARTICIPATION FUND; AUTHORIZING IMPOSITION OF AN ANNUAL NON-AD VALOREM SPECIAL ASSESSMENT 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 HILLSBOROUGH COUNTY COMMUNITY; SPECIFYING THE PROCEDURE FOR ADOPTING THE ANNUAL NON-AD VALOREM SPECIAL ASSESSMENT TO BE DEPOSITED INTO THE LOCAL PROVIDER PARTICIPATION FUND; SPECIFYING AUTHORIZED USES FOR THE FUND PROCEEDS; PROVIDING FOR INCLUSION IN THE HILLSBOROUGH COUNTY CODE AND PROVIDING AN EFFECTIVE DATE.**

The following types of ordinances are exempt from the BIE requirement under Section 125.66(3)(c), F.S. As such, if one or more boxes are checked below, Hillsborough County believes that a BIE is not required by state law for the proposed ordinance referenced above. Hillsborough County reserves the right to revise this BIE following an initial posting.

- The proposed ordinance is required for compliance with Federal or State law or regulation.
- The proposed ordinance relates to the issuance or refinancing of debt.
- The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget.
- The proposed ordinance is required to implement a contract or an agreement, including, but not limited to, any Federal, State, local, or private grant, or other financial assistance accepted by the local government.
- The proposed ordinance is an emergency ordinance.

- The ordinance relates to procurement.
- The proposed ordinance is enacted to implement the following:
  - a. Part II of Chapter 163, Florida Statutes, relating to growth policy, county and municipal planning, and land development regulation, including zoning, development orders, development agreements and development permits
  - b. Sections 190.005 and 190.046, Florida Statutes, regarding community development districts
  - c. Section 553.73, Florida Statutes, relating to the Florida Building Code; or
  - d. Section 633.202, Florida Statutes, relating to the Florida Fire Prevention Code.

***Consistent with the posting requirement set forth in Section 125.66(3)(a), F.S., the County hereby publishes the following BIE information for this proposed ordinance on its website for public viewing and consideration on this 22nd day of October, 2023:***

**1. Summary of the proposed ordinance (must include statement of the public purpose, such as serving the public health, safety, morals, and welfare):**

Ordinance 22-15 enables the County to impose and collect a non-ad valorem special assessment levied solely on property owned or leased by hospitals to fund the Hospital Directed Payment Program (DPP). The DPP offers an opportunity to leverage federal dollars to increase Medicaid managed care payments to hospitals providing care to Medicaid patients. The DPP is a supplemental program that is meant to bridge the difference between Medicaid reimbursement rates and the actual costs of providing the care. Revenue generated through the special assessment is placed into a Local Provider Participation Fund and is matched with federal funds to provide Florida’s hospitals with the supplemental Medicaid reimbursement. Last year, every hospital operating within Hillsborough County requested the County enact an ordinance to provide the annual imposition and collection of the special assessment and have stated that costs associated with the assessment will not be passed along to their patients.

Hospitals (i) will benefit directly and especially from the assessment as a result of the additional Medicaid funding, (ii) a logical relationship exists between the services provided and the special and particular benefit to the hospitals, (iii) leveraging additional federal support through the DPP to fund Medicaid payments to the hospitals for health care services directly and specifically adds value to the hospitals and supports the hospitals continued ability to provide those services, and (iv) the assessment will ensure the financial stability and viability of the hospitals providing the services.

**2. Estimate of direct economic impact of the proposed 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;**
- (b) Any new charge or fee imposed by the proposed ordinance or for which businesses will be financially responsible; and**
- (c) An estimate of the County's regulatory costs, including estimated revenues from any new charges or fees to cover such costs.**

Last year, following the adoption of Board Resolution R22-107, the assessment collected approximately \$103 million from all the hospitals in Hillsborough County and generated approximately \$210 million for those same hospitals through enhanced Medicaid payments.

- (a) Last year the Hospitals' cost was \$24,900 per bed.
- (b) Hospitals are responsible for the full cost of the assessment and are prohibited by the Ordinance from passing along any costs associated with the assessment to their patients.
- (c) The assessment includes reimbursement to the County up to \$150,000 annually for administrative costs associated with the development, implementation, and administration.

**3. A good faith estimate of the number of businesses likely to be impacted by the ordinance:**

The Ordinance applies to all hospitals operating in Hillsborough County, to which there are currently 12 unique hospitals operating in Hillsborough County.

**4. Additional information the governing body deems useful (if any): N/A**