

ORDINANCE NO. 26-__

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF LEE COUNTY, FLORIDA, AMENDING LEE COUNTY ORDINANCE NO. 25-07, RELATING TO THE LEE COUNTY LOCAL PROVIDER PARTICIPATION FUND CODIFIED AT CHAPTER 24, ARTICLE III OF THE LEE COUNTY CODE OF ORDINANCES; AMENDING SECTIONS 24-148, 24-149, 24-151, AND 24-153 IN ORDER TO ACCOUNT FOR APPROVED OR PENDING CMS HEALTH CARE TAX WAIVERS EXEMPTING CERTAIN HOSPITALS FROM THE ASSESSMENT, AUTHORIZE THE FUNDING OF ADDITIONAL CMS-AUTHORIZED SUPPLEMENTAL OR MANAGED CARE QUALITY INCENTIVE PROGRAMS DESIGNATED IN AN ASSESSMENT RESOLUTION, AND ALIGN THE SCOPE OF THE ASSESSMENT WITH FEDERAL AND STATE REQUIREMENTS FOR HEALTH CARE-RELATED ASSESSMENTS; PROVIDING FOR APPLICABILITY; CONFLICTS OF LAW; SEVERABILITY; CODIFICATION AND SCRIVENER'S ERRORS; MODIFICATIONS THAT MAY ARISE FROM CONSIDERATION AT PUBLIC HEARING; AND AN EFFECTIVE DATE.

WHEREAS, the Board of County Commissioners of Lee County, Florida is the governing body in and for Lee County, Florida; and

WHEREAS, the Board of County Commissioners of Lee County, Florida is authorized, pursuant to Chapter 125, Florida Statutes, to enact Ordinances necessary in the exercise of its powers; and

WHEREAS, on April 1, 2025, the Board of County Commissioners of Lee County, Florida adopted Ordinance No. 25-07, codified at Chapter 24, Article III of the Lee County Code of Ordinances, creating the Lee County Local Provider Participation Fund and authorizing the imposition of a non-ad valorem special assessment against certain real property owned or leased by private for-profit and not-for-profit hospitals to fund the non-federal share of Medicaid payments associated with Local Services; and

WHEREAS, in 2025 Congress enacted federal legislation modifying the framework governing health care-related taxes and assessments, and the Centers for Medicare and Medicaid Services ("CMS") has issued further guidance and considered waiver requests submitted by the State of Florida seeking to exempt certain hospitals from health care-related provider assessments imposed by local jurisdictions; and

WHEREAS, in light of these federal developments, the County desires to amend Ordinance No. 25-07 to recognize CMS health care tax waivers exempting certain

hospitals from the Assessment, to authorize the funding of additional CMS-authorized supplemental and managed care quality incentive programs designated in an assessment resolution, and to conform the scope of the Assessment to current federal and state requirements for health care-related assessments; and

WHEREAS, the Board reaffirms its prior findings that the special assessment enhances 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 Board further reaffirms that the Assessment authorized under Ordinance No. 25-07, as amended hereby, remains fair and reasonably apportioned among the properties upon which certain Hospitals operate within the County's jurisdictional limits, continues to establish and maintain a system of funding for intergovernmental transfers to support the non-federal share of Medicaid payments and other authorized Supplemental Payments, and directly and specially benefits the properties upon which those Hospitals operate.

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

SECTION ONE: AMENDMENT TO CODE OF ORDINANCES, CHAPTER 24

Lee County Code of Ordinances Chapter 24 is amended as follows with strike through identifying deleted text and underline identifying new text.

CHAPTER 24 – SPECIAL ASSESSMENTS

ARTICLE III. LOCAL PROVIDER PARTICIPATION FUND

Sec. 24-147. - Title.

This Article III shall be known and may be cited as the "Lee County Local Provider Participation Fund Ordinance."

Sec. 24-148. - Authority.

Pursuant to Article VIII, Section 1(g) of the Constitution of the State of Florida, Chapter 125, Fla. Stat., and Article I, Section 1.1 of the Lee County Charter, 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. 24-149. - 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 a state, county, district, or municipal taxes and other non-ad valorem assessments. Failure to pay the Assessment may result in foreclosure proceedings and loss of title. The Assessment shall be computed and assessed only in the manner provided in this Ordinance.

Sec. 24-150. - Alternative Method.

This Ordinance shall be deemed to provide an additional and alternative method, as specified in § 197.3631, Florida Statutes, for the assessment and collection of the non-ad valorem special assessment described herein. The Ordinance 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 hereafter. This Ordinance, being necessary for the health, safety, and welfare of the inhabitants of the County, shall be liberally construed to effect the purposes hereof.

Sec. 24-151. - Definitions.

When used in this Ordinance, 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 Assessed Property to fund the non-federal share of Supplemental 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.

Assessment Resolution means the resolution described in Section 24-155 hereof approving the Non-Ad Valorem Assessment Roll for a Fiscal Year.

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

Charter means the home rule charter of Lee County, Florida.

Comptroller means the Lee County Clerk of the Circuit Court and Comptroller, or other such person as may be duly authorized to act on such person's behalf.

County means Lee County, Florida.

Directed Payment Programs means the Statewide Medicaid Managed Care hospital directed payment program and other hospital directed payment programs established by the State of Florida and approved by the Centers for Medicaid and Medicare Services to offset Institutional Health Care Providers' uncompensated Medicaid costs and improve the quality of care provided to Florida's Medicaid population.

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 the Centers for Medicare and Medicaid Services (CMS) exempts the hospital through an approved or pending health care tax waiver.

Local Services means the provision of health care services to Medicaid, indigent, and uninsured members of the Lee County community and surrounding area.

Local Provider Participation Fund means a separate account into which funds collected from the Non-Ad Valorem assessment are deposited.

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

Ordinance means the Lee County Local Provider Participation Fund Ordinance.

Supplemental Payments mean the Medicaid payments made to Medicaid providers in addition to the Medicaid reimbursement base rate received for services provided, including but not limited to the Statewide Medicaid Managed Care hospital directed payment program ("DPP"), ~~and~~ the Low-Income Pool ("LIP") program, and any other supplemental or managed care quality incentive program or arrangement authorized by CMS and expressly designated in an assessment resolution.

Tax Collector means the Lee County Tax Collector.

Sec. 24-152. - 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. 24-153. - Scope of Assessment.

Pursuant to § 125.01, Florida Statutes, 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 Supplemental 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 Supplemental Payment Programs, funding from which is made directly or indirectly in support of hospitals serving Medicaid, low income, and uninsured patients and (2) reimburse the County for administrative costs associated with the implementation of the Assessment authorized by this Ordinance, as further specified in the Assessment Resolution.

The Assessment must comport with federal and state requirements for health care-related assessments~~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). As set forth in Section 24-149, 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. In addition to other remedies available at law or equity, the enforcement of the aforesaid Assessment shall be at the same time and in like manner as ad valorem taxes and subject to all ad valorem tax enforcement procedures afforded to the official annual real property tax notice.

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 annually. Any reasonable expenses the County incurs to collect delinquent assessments or defense of claims that arise in the event the objectives and procedures of this article are challenged, including any attorney's fees incurred as a result of contracting with an attorney to represent the county in seeking and enforcing the collection of delinquent assessments or in defense of such claims, are not subject to the limitation on administrative costs.

Sec. 24-154. - Computation of Assessment.

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 Supplemental Payment Programs associated with Local Services to be funded by the Assessment.

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 the County, 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 hospital cost reports and/or the Florida Hospital Uniform Reporting System, as available from the Florida Agency for Health Care Administration.

Sec. 24-155. - Assessment Resolution.

The Assessment Resolution shall describe (a) the Supplemental Payment Programs 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. 24-156. - 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:

- a) The names and addresses of the Assessed Properties; and
- b) The Assessment rate and 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. The foregoing shall not be construed to require that the Assessment Roll be in printed form if the amount of the Assessment for each Assessed Property can be determined by use of a computer terminal available to the public.

Sec. 24-157. - 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. 24-158. - Notice by Mail.

In addition to the published notice required by Section 24-157, 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:

- a) The purpose of the Assessment;
- b) The Assessment rate to be levied against each Assessed Property;
- c) The unit of measurement used to determine the Assessment;
- d) The total revenue to be collected by the County from the Assessment;
- e) 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;
- f) 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
- g) The date, time, and place of the hearing.

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. 24-159. - 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;
- 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. 24-160. - 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 24-154 through 24-159.

Sec. 24-161. - Effect of the Assessment Resolution.

The adoption of the Annual Assessment Resolution or, where applicable, the Annual Final 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) calendar days from the date of Board action on the Annual Final 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.

Sec. 24-162. - Method of Collection.

The amount of the Assessment is to be collected pursuant to the Alternative Method, as specified in the Assessment Resolution.

Sec. 24-163. - Refunds.

If, at the end of the Fiscal Year, additional amounts remain in the Local Provider Participation Fund, the Board is hereby authorized, upon a Board vote, to make a 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. 24-164. - 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. 24-165. - Correction of Errors and Omissions.

No act of error or omission on the part of the County, 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. 24-166. - 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.

SECTION TWO: APPLICABILITY.

It is hereby intended that this Ordinance shall constitute a uniform law applicable in all unincorporated areas of Lee County, Florida, and to all incorporated areas of Lee County where there is no existing conflict of law or municipal ordinance.

SECTION THREE: CONFLICTS OF LAW.

In all instances where Florida law, as evidenced by the Florida Administrative Code, Florida Statutes, applicable case law or otherwise, mandates standards or requirements that are stricter than the provisions of this Ordinance, or where a matter is addressed by Florida law that is not addressed by this Ordinance, then said law shall govern. In situations where this Ordinance addresses a matter in a manner that is stricter than that of Florida law, the provisions of this Ordinance shall control.

SECTION FOUR: SEVERABILITY.

If any provision of this ordinance is deemed invalid or unconstitutional by a court of competent jurisdiction, it is the Board's intention that such portion will become a separate provision and will not affect the remaining provisions of the ordinance. The Board further declares that this ordinance would have been adopted if such unconstitutional provision was not included.

SECTION FIVE: CODIFICATION AND SCRIVENER'S ERRORS.

The Board intends that this ordinance will be made part of the Lee County Code; and that sections of this ordinance can be renumbered or relettered and that the word "ordinance" can be changed to "section", "article" or some other appropriate word or phrase to accomplish codification, and regardless of whether this ordinance is ever codified, the ordinance can be renumbered or relettered and typographical errors that do not affect the intent can be corrected with the authorization of the County Manager or his designee, without the need for a public hearing.

SECTION SIX: MODIFICATIONS THAT MAY ARISE FROM CONSIDERATION AT PUBLIC HEARING.

It is the intent of the Board of County Commissioners that the provisions of this Ordinance may be modified as a result of consideration that may arise during Public Hearing(s). Such modifications shall be incorporated into the final version.

SECTION SEVEN: EFFECTIVE DATE.

In accordance with the provisions of § 125.66, Fla. Stat., this ordinance will take effect upon its filing with the Office of the Secretary of the Florida Department of State.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Commissioner _____ made a motion to adopt the foregoing ordinance, seconded by Commissioner _____. The vote was as follows:

Kevin Ruane	_____
Cecil L. Pendergrass	_____
David Mulicka	_____
Brian Hamman	_____
Trish Petrosky	_____

DULY PASSED AND ADOPTED this 2nd day of June, 2026.

ATTEST:
KEVIN C. KARNES
CLERK OF CIRCUIT COURT

BOARD OF COUNTY COMMISSIONERS
OF LEE COUNTY, FLORIDA

BY: _____
Deputy Clerk

BY: _____
Cecil L. Pendergrass, Chair

APPROVED AS TO FORM FOR THE
RELIANCE OF LEE COUNTY ONLY

By: _____
Office of the County Attorney