

**LEE COUNTY, FLORIDA
BUSINESS IMPACT ESTIMATE
PROPOSED COUNTY ORDINANCE**

NAME OF ORDINANCE: Ordinance Amending Lee County Ordinance No. 25-07, Relating to the Lee County Local Provider Participation Fund, as Codified at Chapter 24, Art. III of the Lee County Code of Ordinances

I. SUMMARY OF ORDINANCE

A. Statement of Purpose

Amends the Lee County Local Provider Participation Fund Ordinance (Ordinance No. 25-07).

B. Narrative Summary of Ordinance (Several Sentence Summary)

Amends Ordinance No. 25-07, which created the Lee County Local Provider Participation Fund, to recognize CMS health care tax waivers exempting certain hospitals from the assessment, authorize the funding of additional CMS-authorized supplemental and managed care quality incentive programs designated in an assessment resolution, and conform the scope of the assessment to federal and state requirements for health care-related assessments.

II. BUSINESS IMPACT ESTIMATE

A. Estimate of direct compliance costs that businesses may reasonably incur if the ordinance is enacted: This Ordinance amends the existing Local Provider Participation Fund and does not, by itself, levy an assessment or set an assessment rate, as those actions occur through a separate assessment resolution. Lee County hospitals incur approximately \$130 million in unreimbursed Medicaid service costs each year. Hospitals additionally incur \$95 million in charity care costs. Each facility's financial impact will vary based on factors such as Medicaid utilization or charity care volume. Any assessment will be set at a rate to generate the non-federal share necessary to draw down available federal match and will be imposed in a manner that comports with federal and state requirements for health care-related assessments.

B. Identification of any new charge or fee on businesses subject to the proposed ordinance or for which businesses will be financially responsible: 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. Estimate of the county's regulatory costs, including estimate of revenues from any new charges or fees that will be imposed on businesses to cover such costs: The County's administrative costs up to \$150,000 annually will be reimbursed from the assessments collected. 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 annual limitation on administrative costs.

D. Estimate of the number of businesses likely to be impacted by the ordinance: This Ordinance will apply to all hospitals operating in Lee County (eight or more facilities),

except any facility exempted from the assessment through an approved or pending CMS health care tax waiver.