

1 **Lee Memorial Health System**

2 **Enabling Act**

3
4 A bill to be entitled

5 An act relating to Lee County; amending chapter 2000-
6 439, Laws of Florida; deleting a reporting requirement;
7 revising provisions relating to powers of the system
8 board and system funds; providing general and special
9 powers of the Lee Memorial Health System; deleting a
10 provision relating to execution and enforcement of
11 liens;; severability, and effect; providing a process
12 for Lee Memorial Health System to convert to a non-
13 profit entity; and providing an effective date.

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15 Be It Enacted by the Legislature of the State of Florida:

16
17 Section 1. Sections 3, 4, 7, 10, 13, 15, 16, and 18 of
18 chapter 2000-439, Laws of Florida, are amended, and new sections
19 21 and 22 are added to that chapter to read:

20
21 Section 3. The operation and maintenance of the public health
22 system, and the construction of health system facilities provided
23 for in this act are declared to be a public purpose.

24 Section 4. The Lee Memorial Health System Board of Directors,
25 hereinafter called the system board, is hereby authorized to
26 establish and to provide for the operation and maintenance of a
27 public health care system comprised of hospitals; satellite
28 hospitals; clinics; or other facilities devoted to the provision
29 of health care services intended to improve the physical,
30 spiritual, emotional, or mental health of those persons utilizing
31 such services, or of services to prevent sickness, injury, or
32 disease, including those which are intended to promote a healthful
33 lifestyle, and such other facilities or services as the system
34 board shall deem appropriate to provide a full range of health
35 care services to the population the public health care system may
36 serve. The system board is authorized to construct and equip the
37 necessary buildings for the aforesaid purposes and to construct
38 extensions, additions, and improvements thereto from time to time,
39 and to lease as lessee or lessor, or purchase or sell any land or
40 any interest in land. The system board is authorized and empowered
41 to carry out its functions directly or indirectly through other
42 companies it controls through joint ventures or partnerships with
43 other public or private organizations.

44 Section 7. The system board shall elect annually from its
45 members a chair, vice-chair, secretary, and treasurer, who shall
46 be the officers of the system board. The system board shall cause
47 true and accurate minutes and records to be kept of all business

48 transacted by the system board and shall keep full, true, and
49 complete books of accounts and records, which minutes, records,
50 and books of account and the current line item budget shall at all
51 reasonable times be open and subject to inspection and copying
52 pursuant to the provisions of the constitution and laws of Florida.

53 A majority of the members of the system board shall constitute a
54 quorum of the system board for the purpose of conducting its
55 business and exercising its powers and for all other purposes.
56 Action may be taken by the system board upon an affirmative vote
57 of a majority of those system board members attending a system
58 board meeting at which a quorum is in attendance. All meetings of
59 the system board shall be open to the general public pursuant to
60 general law. At least once a year the system board shall cause
61 the financial records and accounts of the health care system to be
62 audited by a certified public accountant authorized to practice
63 public accounting in Florida and a certified public account audit
64 report to be prepared. ~~The audit, together with a copy of the~~
65 ~~health system's current annual budget, shall be filed annually~~
66 ~~with the Clerk of the Circuit Court of Lee County.~~

67
68 Section 10. The Lee Memorial Health System Board of Directors
69 shall have the authority to operate and conduct the business of
70 the public health system, and consistent therewith, shall have the
71 following powers:

72 (1) The system board is authorized to pay all expenses of
73 operation of the Lee Memorial Health System and all other
74 necessary expenses incurred, including the fees and
75 expenses of attorneys retained by the system board or the
76 chief executive officer of the Lee Memorial Health System,
77 in the transaction of the business of the public health
78 care system, and in carrying out and accomplishing the
79 purposes of this act.

80
81 (2) The Lee Memorial Health System may sue and be sued in the
82 name of Lee Memorial Health System; provided that in any
83 suit, a change in personnel of the system board shall not
84 abate the suit, which shall proceed as if such change had
85 not taken place. In all suits against the Lee Memorial
86 Health System, service of process shall be had on the chief
87 executive officer of the hospital, or in his absence on
88 any officer of the system board.

89
90 (3) To the fullest extent permitted by the state law, the
91 system board may create, be a voting member of, choose
92 directors to serve on the boards of, be a partner in, or
93 participate in or control, any venture, corporation,
94 partnership, or other organization, public or private,
95 which the system board finds operates for the purposes

96 consistent with, and in furtherance of, the purposes and
97 best interests of the Lee Memorial Health System.

98

99 (4) The system board may make, or authorize its chief
100 executive officer to make, contracts of all kinds,
101 including, but not limited to, the sale or purchase of real
102 property and may enter into leases of real and personal
103 property of any kind or description, either as lessor or
104 lessee. Any such purchase of real property may be
105 obtained, subject to one or more existing mortgages or may
106 be purchased by installment sale or purchase money
107 financing provided that any such assumed mortgage,
108 installment sale, or new mortgage shall be non-recourse to
109 other property of the system board.

110
111 (5) The system board is authorized to accept gifts,
112 bequests, grants, endowments and conveyances from any
113 source.

114

115 (6) The system board is authorized and empowered, in order
116 to provide for and carry out the work of this act, to
117 borrow money from time to time and in accordance with the
118 constitution and law, and to issue the notes or bonds of
119 the Lee Memorial Health System upon such terms and upon

120 such rates of interest as the system board may deem
121 advisable, to the fullest extent permitted by general law.

122

123 (7) The system board may enter into any and all types of
124 derivative agreements as may be used by prudent borrowers,
125 lenders, or investors, which are intended to minimize the
126 risk of financial loss or maximize the financial return in
127 connection with its bonds, notes, or investments, or for
128 any other purpose, subject to the system board's investment
129 policy referenced in section 13 below.

130

131 (8) The system board may, or may authorize its chief
132 executive officer to, settle or compromise any claim, suit,
133 or action brought against the Lee Memorial Health System
134 or any of its subsidiaries, or affiliated organizations,
135 or any of its directors, officers, or employees when such
136 claim, suit, or action arises out of such directors',
137 officers', or employees' acts or omissions in the course
138 of employment or the performance of official duties,
139 consistent with the provisions of the Florida Waiver of
140 Sovereign Immunity Act, as such act may be in effect at
141 the time of such settlement or compromise. This subsection
142 shall not be construed as authorizing or requiring any

143 settlement in excess of those limits imposed by the
144 foregoing general act.

145
146 (9) The system board may take any other action consistent
147 with the efficient and effective operation of the public
148 health care system provided for by this act, consistent
149 with the constitution and laws of Florida.

150
151 Section 13. Funds of the Lee Memorial Health System may be
152 paid out ~~only~~ upon drafts, checks, wire transfers, electronic bank
153 transfers, or warrants signed or approved by persons duly
154 authorized by the system board to execute such instruments for
155 purposes consistent with this act. The system board may adopt
156 rules for the payment of lesser sums in cash, and a petty cash
157 fund or funds may be established for such purpose with the maximum
158 amount payable in cash in one transaction fixed by the system chief
159 executive officer. All funds of the system board shall be
160 deposited in banks which are qualified under state law to accept
161 deposits of public funds. In addition to any investment permitted
162 by general law, the system board is authorized and empowered to
163 invest any funds in its control or possession in accordance with
164 an investment policy approved by the system board consistent with
165 section 218.415, Florida Statutes, and shall include, among other
166 items, the investment objectives and permitted securities under

167 the policy. Such investment policy shall be designed to maximize
168 the financial return to the fund consistent with the risks
169 incumbent in each investment and shall be designed to preserve the
170 appropriate diversification of the portfolio. In addition, the
171 system board may invest its surplus funds as provided in Section
172 218.415, Florida Statutes, and in such other investments as are
173 authorized by the system board and permitted by the system board
174 investment policy. follows:

175
176 ~~—— (1) Without limitation in:~~

177
178 ~~(a) Bonds, notes, or other obligations of the United States~~
179 ~~or those guaranteed by the United States or for which the credit~~
180 ~~of the United States is pledged for the payment of the principal~~
181 ~~and interest or dividends thereof.~~

182
183 ~~(b) State bonds pledging the full faith and credit of the~~
184 ~~state and revenue bonds additionally secured by the full faith and~~
185 ~~credit of the state.~~

186
187 ~~(c) Bonds of the several counties or districts in the state~~
188 ~~containing a pledge of the full faith and credit of the county or~~
189 ~~district involved.~~

190

191 ~~(d) Savings accounts in, or certificates of deposit of, any~~
192 ~~bank, savings bank, or savings and loan association incorporated~~
193 ~~under the laws of the United States doing business and situated in~~
194 ~~this state, the accounts of which are insured by the Federal~~
195 ~~Government or an agency thereof, in an amount that does not exceed~~
196 ~~15 percent of the net worth of the institution, provided such~~
197 ~~savings accounts and certificates of deposit are secured in the~~
198 ~~manner prescribed in chapter 280, Florida Statutes.~~

199
200 ~~(e) Obligations of the Federal Farm Credit Banks and~~
201 ~~obligations of the Federal Home Loan Bank and its district banks.~~

202
203 ~~(f) Obligations of the Federal Home Loan Mortgage~~
204 ~~Corporation including participation certificates.~~

205
206 ~~(g) Obligations guaranteed by the Government National~~
207 ~~Mortgage Association.~~

208
209 ~~(h) Commercial paper of prime quality of the highest letter~~
210 ~~and numerical rating as provided for by at least one nationally~~
211 ~~recognized rating service.~~

212
213 ~~(i) Time drafts or bills of exchange drawn on and accepted~~
214 ~~by a commercial bank, otherwise known as banker's acceptances,~~

215 ~~which are accepted by a member bank of the Federal Reserve System~~
216 ~~having total deposits of not less than \$400 million.~~

217
218 ~~(j) Short-term obligations not authorized elsewhere in this~~
219 ~~section, to be purchased individually or in pooled accounts or~~
220 ~~other collective investment funds, for the purpose of providing~~
221 ~~liquidity to any fund or portfolio.~~

222
223 ~~(k) Securities of, or other interest in, any open-end or~~
224 ~~closed-end management type investment company or investment trust~~
225 ~~registered under the Investment Company Act of 1940, 15 U.S.C. ss.~~
226 ~~80a-1 et seq., as amended from time to time, provided that the~~
227 ~~portfolio of such investment company or investment trust is limited~~
228 ~~to obligations of the United States Government or any agency or~~
229 ~~instrumentality thereof and to repurchase agreements fully~~
230 ~~collateralized by such United States Government obligations and~~
231 ~~provided that such investment company or investment trust takes~~
232 ~~delivery of such collateral either directly or through an~~
233 ~~authorized custodian investments permitted under this Act.~~

234
235 ~~(2) With no more than 25 percent of its funds in:~~

236
237 ~~(a) Bonds, notes, or obligations of any municipality or~~
238 ~~political subdivision or any agency or authority of this state, if~~

239 ~~such obligations are rated in any one of the three highest ratings~~
240 ~~by two nationally recognized rating services. However, if only~~
241 ~~one a nationally recognized rating service shall rate such~~
242 ~~obligations, then such rating service must have rated such~~
243 ~~obligations in any one of the two highest classifications~~
244 ~~heretofore mentioned.~~

246 ~~(b) Notes secured by first mortgages on Florida real~~
247 ~~property, insured or guaranteed by the Federal Housing~~
248 ~~Administration or the United States Department of Veterans~~
249 ~~Affairs.~~

251 ~~(c) Mortgage pass-through certificates, meaning~~
252 ~~certificates evidencing ownership of an undivided interest in~~
253 ~~pools of conventional mortgages on real property which is improved~~
254 ~~by a building or buildings used for residential purposes for one~~
255 ~~to four families when:~~

256 ~~1. Such real property is located in this state;~~

258 ~~2. Such mortgages are originated by one or more banks or~~
259 ~~savings and loan associations organized under the laws of this~~
260 ~~state, by national banks or federal savings and loan associations~~
261 ~~having their principal place of business in this state, or by a~~
262 ~~lender that is approved by the Secretary of the United States~~

263 ~~Department of Housing and Urban Development for the participation~~
264 ~~in any mortgage insurance program under the National Housing Act~~
265 ~~and has its principal place of business in this state, or by any~~
266 ~~combination thereof; and~~

267
268 ~~3. Such mortgages are transferred or assigned to a~~
269 ~~corporate trustee acting for the benefit of the holders of such~~
270 ~~certificates.~~

271
272 ~~(d) Obligations of the Federal National Mortgage~~
273 ~~Association.~~

274
275 ~~(e) Group annuity contracts of the pension investment type~~
276 ~~with insurers licensed to do business in this state, except that~~
277 ~~amounts invested by the board with any one insurer shall not exceed~~
278 ~~3 percent of its assets.~~

279
280 ~~(f) Certain interest in real property and related personal~~
281 ~~property, including mortgages and related instruments on~~
282 ~~commercial or industrial real property, with provisions for equity~~
283 ~~or income participation or with provisions for convertibility to~~
284 ~~equity ownership; and interest in collective investment funds.~~
285 ~~Associated expenditures for acquisition and operation of assets~~

286 ~~purchased under this provision shall be included as a part of the~~
287 ~~cost of the investment.~~

288 ~~1. The title to real property acquired under this paragraph~~
289 ~~shall be vested in the name of the respective fund.~~

290
291 ~~2. For purposes of taxation of property owned by any fund,~~
292 ~~the provisions of section 196.199(2)(b), Florida Statutes, do not~~
293 ~~apply.~~

294
295 ~~3. Real property acquired under the provisions of this~~
296 ~~paragraph shall not be considered state lands or public~~
297 ~~lands and property as defined in chapter 253, Florida~~
298 ~~Statutes, and the provisions of that chapter do not apply~~
299 ~~to such real property.~~

300 ~~(g) General obligations backed by the full faith and credit~~
301 ~~of a foreign government which has not defaulted on similar~~
302 ~~obligations for a minimum period of 25 years prior to purchase of~~
303 ~~the obligation and has met its payments of similar obligations~~
304 ~~when due.~~

305
306 ~~(h) Obligations of agencies of the government of the United~~
307 ~~States, provided such obligations have been included in and~~
308 ~~authorized by the Florida Retirement System Total Fund Investment~~
309 ~~Plan established in section 215.475, Florida Statutes.~~

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~~(i) United States dollar denominated obligations by foreign governments, or political subdivisions or agencies thereof, or foreign corporations or foreign commercial entities.~~

~~(3) With no more than 50 percent of its funds in common stock, preferred stock, and interest bearing obligations of a corporation having an option to convert into common stock, provided:~~

~~(a) The corporation is organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia.~~

~~(b) The corporation is listed on any one or more of the recognized national stock exchanges in the United States and conforms with the periodic reporting requirements under the Securities Exchange Act of 1934.~~

~~The system board shall not invest more than 10 percent of the equity assets of its funds in the common stock, preferred stock, and interest bearing obligations having an option to convert into common stock, of any one issuing corporation; and the system board shall not invest more than 3 percent of the equity assets of any~~

334 ~~funds in such securities of any one issuing corporation except to~~
335 ~~the extent a higher percentage of the same issue is included in a~~
336 ~~nationally recognized market index, based on market values at least~~
337 ~~as broad as the Standard and Poor's Composite Index of 500~~
338 ~~Companies, or except upon a specific finding by the system board~~
339 ~~that such higher percentage is in the best interest of the system~~
340 ~~board. The system board may only sell listed options to reduce~~
341 ~~investment risks, to improve cash flow, or to provide alternative~~
342 ~~means for the purchase and sale of underlying investment~~
343 ~~securities. Reversing transactions may be made to close out~~
344 ~~existing option positions.~~

345
346 ~~(4) With no more than 80 percent of its funds, in interest-~~
347 ~~bearing obligations with fixed maturity of any corporation or~~
348 ~~commercial entity within the United States.~~

349
350 ~~For the purpose of determining the above investment limitations,~~
351 ~~the value of bonds shall be the par value thereof, and the value~~
352 ~~of evidences of ownership and interest-bearing obligations having~~
353 ~~an option to convert to ownership shall be the cost thereof.~~
354 ~~Investments in any securities authorized by this section may be~~
355 ~~under repurchase agreements or reverse repurchase agreements.~~
356 ~~Investments made by the system board may be designated to maximize~~
357 ~~the financial return to the fund consistent with the risks~~

358 ~~incumbent in each investment and shall be designed to preserve an~~
359 ~~appropriate diversification of the portfolio. The system board is~~
360 ~~authorized to buy and sell futures and options, provided the~~
361 ~~instruments for such purpose are traded on a securities exchange~~
362 ~~or board of trade regulated by the Securities and Exchange~~
363 ~~Commission or the Commodity Futures Trading Commission, unless the~~
364 ~~system board by rule authorizes a different market. The system~~
365 ~~board is authorized to invest in domestic or foreign national~~
366 ~~principal contracts.~~

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369 Section 15. For the purpose of providing funds to be used
370 in connection with the Lee Memorial Health System, including the
371 acquisition of land or any interest in land, the system board,
372 at its discretion, is authorized to issue general obligation
373 bonds in amounts necessary to pay the cost thereof. Said bonds
374 shall be issued only after their issuance shall have been
375 approved by a majority of the votes cast at an election of the
376 qualified electors residing in Lee County. Notwithstanding the
377 provisions of any other law, the election concerning the
378 issuance of bonds may be held on the same day as an election
379 held in said county for any other purpose, whether such other
380 election be a primary, general, or special election. The system
381 board may submit the question of issuing bonds authorized by

382 this act at one election and others thereof at one or more
383 subsequent elections. The ballots used at any such election
384 shall state the maximum amount of bonds proposed to be issued.
385 In the event that at any election the issuance of bonds under
386 the authority of this act should not be approved, or if any such
387 election be invalid or ineffective for any reason, the system
388 board may call another election at any time for the same
389 purpose. Except as otherwise provided herein, any election
390 concerning the issuance of bonds as aforesaid shall be called
391 and held and the result thereof canvassed, declared, and
392 recorded in the manner prescribed by chapter 100, Florida
393 Statutes.

394 Section 16. When any bonds have been issued pursuant to
395 section 15 hereof, there shall be levied and assessed annually, so
396 long as any of said bonds or the interest thereon remain unpaid,
397 an ad valorem tax upon all taxable property, not exempt by law, in
398 Lee County, which tax shall be sufficient in amount to pay the
399 interest on said bonds as it becomes due and the principal thereof
400 at maturity. Such tax shall be levied, assessed, and collected by
401 the same officers and in the same manner as other county ad valorem
402 taxes are levied, assessed, and collected.

403

404 ~~Section 18. Lee Memorial Health System shall be entitled~~
405 ~~to a lien for all reasonable charges for hospital, physician, and~~

406 ~~other health care services provided by the Lee Memorial Health~~
407 ~~System to ill or injured persons, upon the proceeds of all causes~~
408 ~~of action, suits, claims, counterclaims, and demands accruing to~~
409 ~~said persons or to their legal representatives, and upon all~~
410 ~~judgments, settlements, and settlement agreements rendered or~~
411 ~~entered into by virtue thereof, on account of injuries giving rise~~
412 ~~to such causes of action, suits, claims, counterclaims, demands,~~
413 ~~judgments, settlements, or settlement agreements, which injuries~~
414 ~~shall have necessitated such hospital, physician, and other~~
415 ~~services provided to such ill or injured persons. Lee Memorial~~
416 ~~Health System shall perfect and be entitled to enforce such lien~~
417 ~~as follows:~~

418 ~~(1) In order to perfect the lien provided for herein, the~~
419 ~~Lee Memorial Health System chief executive officer or an~~
420 ~~employee or employees of the Lee Memorial Health System~~
421 ~~authorized by the chief executive officer shall, before or~~
422 ~~within 10 days after such ill or injured person shall have~~
423 ~~been discharged from a Lee Memorial Health System hospital,~~
424 ~~file in the office of the Lee County Clerk of Circuit~~
425 ~~Court, a verified written notice of lien setting forth the~~
426 ~~name and address of the ill or injured person as they may~~
427 ~~appear in the records of said health system hospital, the~~
428 ~~name and location of said hospital, the name and address~~
429 ~~of the employee or other authorized person preparing the~~

430 ~~notice of lien, the date of admission to said hospital and~~
431 ~~the date of discharge from said hospital, the amount~~
432 ~~claimed to be due for hospital, physician, and other~~
433 ~~services provided, and to the best knowledge of the person~~
434 ~~preparing the notice of lien, the names and addresses of~~
435 ~~all persons, firms, or corporations who may be claimed by~~
436 ~~such ill or injured person or by the legal representative~~
437 ~~of such person, to be liable on account of such illness or~~
438 ~~injuries. When the notice of lien is filed, a copy thereof~~
439 ~~shall be sent by United States Postal Service to the ill~~
440 ~~or injured person, to said person's attorney, if known,~~
441 ~~and to all persons, firms, or corporations named in such~~
442 ~~notice of lien. The filing and mailing of the notice of~~
443 ~~lien in accordance with this section shall be notice~~
444 ~~thereof to all persons, firms, or corporations who may be~~
445 ~~liable on account of such illness or injuries, and to any~~
446 ~~other persons, firms, or corporations that may have an~~
447 ~~interest in the aforesaid causes of action, suits, claims,~~
448 ~~counterclaims, demands, judgments, settlements, or~~
449 ~~settlement agreements, whether or not they are named in~~
450 ~~the notice of lien, and whether or not a copy of the notice~~
451 ~~of lien shall have been received by them.~~

452 ~~(2) The Lee County Clerk of Circuit Court shall endorse on~~
453 ~~the written notice of lien the date and hour of filing and~~

454 ~~shall record said notice of lien in the Official Records~~
455 ~~of Lee County. The Clerk of Circuit Court shall be~~
456 ~~entitled to a fee from the Lee Memorial Health System for~~
457 ~~filing and recording the notice of lien that shall be the~~
458 ~~same fee as provided by general law for the filing and~~
459 ~~recording of other instruments.~~

460 ~~(3) No release or satisfaction of any cause of action, suit,~~
461 ~~claim, counter claim, demand, judgment, settlement, or~~
462 ~~settlement agreement shall be valid or effectual as against~~
463 ~~the lien of Lee Memorial Health System unless the~~
464 ~~lienholder shall join therein or execute a release of its~~
465 ~~lien prior to the payment of any proceeds thereof. Any~~
466 ~~acceptance of a release or satisfaction of any cause of~~
467 ~~action, suit, claim, counterclaim, demand, judgment,~~
468 ~~settlement, or settlement agreement in the absence of a~~
469 ~~release or satisfaction of the lien of Lee Memorial Health~~
470 ~~System shall prima facie constitute an impairment of such~~
471 ~~lien and the lienholder shall be entitled to a cause of~~
472 ~~action for damages against any and all persons, firms, or~~
473 ~~corporations giving or accepting such release or~~
474 ~~satisfaction, or paying or accepting the proceeds from the~~
475 ~~same. In such action, Lee Memorial Health System may~~
476 ~~recover the full amount of its charges for such hospital,~~
477 ~~physician, or other health care services; regardless of~~

478 ~~the amount of proceeds paid or received in impairment of~~
479 ~~its lien. Satisfaction of a judgment rendered in favor of~~
480 ~~Lee Memorial Health System in such action shall operate as~~
481 ~~a satisfaction of the lien. The action by the lienholder~~
482 ~~shall be brought in the court in Lee County having~~
483 ~~jurisdiction of the amount of the lienholder's claim. If~~
484 ~~Lee Memorial Health System shall prevail in such action,~~
485 ~~it shall be entitled to recover from the defendant or~~
486 ~~defendants, in addition to costs otherwise allowable by~~
487 ~~law, all reasonable attorney fees and expenses.~~

488 ~~(4) No person shall be entitled to recover or receive damages~~
489 ~~based on the expense of hospital, physician, or other~~
490 ~~health care services provided by Lee Memorial Health System~~
491 ~~unless that person shall affirmatively show that Lee~~
492 ~~Memorial Health System's charges have been paid. Provided,~~
493 ~~however, that in any action, suit, or counterclaim brought~~
494 ~~on account of illness or injury, the plaintiff or~~
495 ~~counterclaimant may include as an item of damages the~~
496 ~~expense of such hospital, physician, or other health care~~
497 ~~services provided by Lee Memorial Health System, if prior~~
498 ~~to trial he or she shall have notified Lee Memorial Health~~
499 ~~System in writing of the pendency of such action, suit, or~~
500 ~~counterclaim; whereupon the lienholder shall have the~~
501 ~~right, without leave of court, to intervene in the case~~

502 ~~and prove the amount of its charges for such hospital,~~
503 ~~physician, or other health care services. Any judgment~~
504 ~~rendered in favor of the plaintiff or counterclaimant shall~~
505 ~~provide that the amount proved by the lienholder to be due~~
506 ~~shall be deducted from the damages awarded and paid to the~~
507 ~~Lee Memorial Health System.~~

508 ~~The provisions of this section shall not be applicable to~~
509 ~~accidents or injuries within the purview of the workers'~~
510 ~~compensation laws of Florida.~~

511
512 Section 18. Conversion to Nonprofit Entity.

513 (1) For purposes of this section, "nonprofit
514 entity" means a Florida not-for-profit corporation
515 operating under chapter 617, Florida Statutes.

516 (2) The system board may elect, by a majority
517 vote of the members present and voting, to commence an
518 evaluation of the benefits to the residents of Lee County
519 of converting Lee Memorial Health System to a nonprofit
520 entity if the system board and the Lee County Board of
521 County Commissioners execute an agreement that meets the
522 requirements of subsection (5). In evaluating the
523 benefits of converting Lee Memorial Health System to a
524 nonprofit entity, the system board must:

525 a) Publish notice of and conduct a public meeting in accordance
526 with s. 189.015(1), Florida Statutes, to provide the
527 residents of Lee County with the opportunity to publicly
528 testify regarding the conversion. The public hearing must be
529 held at a meeting other than a regularly noticed meeting or
530 an emergency meeting of the system board.

531 b) Contract with an independent entity that has at least five
532 years of experience conducting comparable evaluations of
533 hospital organizations similar in size and function to Lee
534 Memorial Health System to conduct the evaluation according
535 to applicable industry best practices. The independent
536 entity may not have any current affiliation with or
537 financial involvement in Lee Memorial Health System or with
538 any current member of the system board.

539 c) Publish all documents considered by the system board on the
540 Lee Memorial Health System website.

541 (3) The evaluation must be completed and a final report
542 presented to the system board no later than 180 days after the
543 date on which the vote is taken by the system board to evaluate
544 the conversion. The final report shall be published on the Lee
545 Memorial Health System website. The final report must include a
546 statement signed by the Chair of the system board and the Chief
547 Executive Officer of the independent entity conducting the

548 evaluation that, based on each person's reasonable knowledge and
549 belief, the contents and conclusions of the evaluation are true
550 and correct.

551 (4) No later than 120 days after the date on which the
552 system board receives the final report, the system board must
553 determine, by a majority vote, whether the interests of Lee
554 County residents are best served by converting to a nonprofit
555 entity. If the system board determines that conversion is in the
556 best interests of Lee County residents, Lee Memorial Health
557 System must negotiate and draft a proposed agreement ~~to~~with the
558 Lee County Board of County Commissioners before conversion may
559 occur.

560 (5) An agreement between the system board and Lee County
561 must be completed no later than 120 days after the date on which
562 the public meeting is held to determine if conversion is in the
563 best interests of Lee County residents. The agreement must be in
564 writing, dispose of all assets and liabilities of Lee Memorial
565 Health System, and include:

566 a) A description of each asset that will be transferred to Lee
567 County.

568 b) A description of each liability that will be transferred to
569 Lee County.

570 c) The estimated total value of the assets that will be

- 571 transferred to Lee County.
- 572 d) The estimated total value of the liabilities that will be
573 transferred to Lee County.
- 574 e) A description of all assets that will be transferred to the
575 succeeding nonprofit entity.
- 576 f) A description of all liabilities that will be assumed by the
577 succeeding nonprofit entity.
- 578 g) The estimated total value of the assets that will be
579 transferred to the succeeding nonprofit entity.
- 580 h) The total value of the liabilities to be assumed by the
581 succeeding nonprofit entity.
- 582 i) If any debts remain, how those debts will be resolved.
- 583 j) An enforceable commitment that programs and services
584 provided by Lee Memorial Health System will continue to be
585 provided to residents of Lee County in perpetuity so long as
586 the succeeding nonprofit entity is in operation or, if
587 otherwise agreed to, until the succeeding nonprofit entity
588 has otherwise met all obligations set forth in the
589 agreement.
- 590 k) A provision transferring the rights and obligations as
591 agreed to by the system board and Lee County to the
592 succeeding nonprofit entity.

593 1) Any other terms mutually agreed to by Lee Memorial Health
594 System and Lee County.

595 (6) A current member of the Lee County Board of County
596 Commissioners may not serve on the board of the succeeding
597 nonprofit entity.

598 (7) A current or former member of the system board may
599 serve on the board of the succeeding nonprofit entity.

600 (8) The members of the system board and the Lee County
601 Board of County Commissioners must disclose all conflicts of
602 interest as required by s. 112.313, Florida Statutes, including,
603 but not limited to:

604 a) Whether the conversion will result in a special private gain
605 or loss to any member of the system board ~~or~~ the Lee
606 County Board of County Commissioners.

607 b) If any current member of the system board will serve on the
608 board of the succeeding nonprofit entity. Such intent to
609 serve on the board of the succeeding nonprofit entity does
610 not disqualify any member from voting on the proposed
611 conversion.

612 (9) The evaluation, agreements, disclosures, and any other
613 supporting documents related to the conversion of Lee Memorial
614 Health System must be published on the websites of Lee Memorial

615 Health System and Lee County for 45 days before the system board
616 and the Lee County Board of County Commissioners may vote on
617 the proposed agreement identified in subsection (5) to convert Lee
618 Memorial Health System to a nonprofit entity.

619 (10) (a) In a public meeting noticed as required pursuant to
620 subsection (2), the system board may approve, by a majority vote
621 plus one, the agreement identified under subsection (5), which
622 approval shall constitute approval of the conversion of Lee
623 Memorial Health System to a nonprofit entity subject to the
624 terms of the agreement.

625 (b) The agreement identified under subsection (5) must be
626 approved by the Lee County Board of County Commissioners in a
627 properly noticed public meeting.

628 (c) If the system board and the Lee County Board of County
629 Commissioners approve the agreement, Lee Memorial Health System
630 shall file a copy of the agreement with the Florida Department of
631 Economic Opportunity no later than 10 days after the date of
632 approval by the Lee County Board of County Commissioners.

633 (11) No later than 30 days after the complete transfer of
634 assets and liabilities as provided in the agreement under
635 subsection (5), Lee Memorial Health System shall notify the
636 Florida Department of Economic Opportunity. The Lee Memorial

637 Health System independent special district shall be dissolved
638 automatically upon receipt of the notice by the department.

639 (12) If the system board and the Lee County Board of County
640 Commissioners fail to approve for any reason an agreement that
641 would result in the conversion of Lee Memorial Health System to a
642 nonprofit entity, Lee Memorial Health System shall continue to
643 exist as an independent special district.

644
645 Section 221. The provisions of this act shall be construed
646 liberally in order to carry out its purpose effectively. Any of
647 the enumerated powers herein shall not be construed as a limitation
648 against any remaining powers but shall be construed as cumulative.

649
650
651 Section 2. If any section, paragraph, sentence, clause,
652 phrase, or other part of this act is declared unconstitutional, or
653 if this act is declared inapplicable in any case, such declaration
654 does not affect the remainder of the act or the applicability of
655 the act in any other case.

656
657 Section 3. This act shall take effect upon becoming a
658 law.