

1                   A bill to be entitled  
2       An act relating to the University of Florida J. Hillis  
3       Miller Health Center; amending s. 1004.41, F.S.;  
4       correcting the name of one of the health center's  
5       colleges; specifying that the University of Florida Board  
6       of Trustees shall lease Shands Teaching Hospital and  
7       Clinics on the Gainesville campus to Shands Teaching  
8       Hospital and Clinics, Inc.; specifying the primary purpose  
9       of Shands Teaching Hospital and Clinics, Inc.; providing  
10      requirements for lease, contract, or agreement between the  
11      University of Florida Board of Trustees and Shands  
12      Teaching Hospital and Clinics, Inc.; authorizing the  
13      creation of corporate subsidiaries and affiliates;  
14      providing the right of control; providing for sovereign  
15      immunity; providing that Shands Jacksonville Medical  
16      Center, Inc., and its parent, Shands Jacksonville  
17      HealthCare, Inc., are private not-for-profit corporations  
18      organized primarily to support the health affairs mission  
19      of the University of Florida Board of Trustees; providing  
20      requirements for contract or agreement between the  
21      University of Florida Board of Trustees and the  
22      corporations; authorizing the creation of corporate  
23      subsidiaries and affiliates; providing the right of  
24      control; providing for sovereign immunity; providing an  
25      effective date.

26  
27   Be It Enacted by the Legislature of the State of Florida:  
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29           Section 1.   Section 1004.41, Florida Statutes, is amended  
30 to read:

31           1004.41   University of Florida; J. Hillis Miller Health  
32 Center.—

33           (1)   There is established the J. Hillis Miller Health  
34 Center at the University of Florida, including campuses at  
35 Gainesville and Jacksonville and affiliated teaching hospitals,  
36 which shall include the following colleges:

37           (a)   College of Dentistry.

38           (b)   College of Public Health and Health Professions.

39           (c)   College of Medicine.

40           (d)   College of Nursing.

41           (e)   College of Pharmacy.

42           (f)   College of Veterinary Medicine and related teaching  
43 hospitals.

44           (2)   Each college of the health center shall be so  
45 maintained and operated as to comply with the standards approved  
46 by a nationally recognized association for accreditation.

47           (3) (a)   The University of Florida Health Center Operations  
48 and Maintenance Trust Fund shall be administered by the  
49 University of Florida Board of Trustees. Funds shall be credited  
50 to the trust fund from the sale of goods and services performed  
51 by the University of Florida Veterinary Medicine Teaching  
52 Hospital. The purpose of the trust fund is to support the  
53 instruction, research, and service missions of the University of  
54 Florida College of Veterinary Medicine.

55           (b)   Notwithstanding the provisions of s. 216.301, and  
56 pursuant to s. 216.351, any balance in the trust fund at the end

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57 of any fiscal year shall remain in the trust fund and shall be  
58 available for carrying out the purposes of the trust fund.

59 (4) (a) The University of Florida Board of Trustees shall  
60 lease the hospital facilities of the health center known as ~~the~~  
61 Shands Teaching Hospital and Clinics on the Gainesville campus  
62 of the University of Florida and all furnishings, equipment, and  
63 other chattels or choses in action used in the operation of  
64 Shands Teaching Hospital and Clinics ~~the hospital~~, to Shands  
65 Teaching Hospital and Clinics, Inc., a private not-for-profit  
66 corporation organized ~~solely~~ for the primary purpose of  
67 supporting the University of Florida Board of Trustees' health  
68 affairs mission of community service and patient care, education  
69 and training of health professionals, and clinical research. In  
70 furtherance of that primary purpose, Shands Teaching Hospital  
71 and Clinics, Inc., shall operate Shands Teaching Hospital and  
72 Clinics ~~operating the hospital~~ and ancillary health care  
73 facilities as deemed ~~of the health center and other health care~~  
74 ~~facilities and programs determined to be necessary by the board~~  
75 ~~of Shands Teaching Hospital and Clinics, Inc. the nonprofit~~  
76 ~~corporation.~~ The rental for Shands Teaching Hospital and Clinics  
77 ~~the hospital facilities~~ shall be an amount equal to the debt  
78 service on bonds or revenue certificates issued solely for  
79 capital improvements to the hospital facilities or as otherwise  
80 provided by law.

81 (b) The University of Florida Board of Trustees shall  
82 provide in the lease or by separate contract or agreement with  
83 Shands Teaching Hospital and Clinics, Inc., ~~the not-for-profit~~  
84 ~~corporation~~ for the following:

85           1. Approval of the articles of incorporation of Shands  
86 Teaching Hospital and Clinics, Inc., ~~the not-for-profit~~  
87 ~~corporation~~ by the University of Florida Board of Trustees.

88           2. ~~and the~~ Governance of Shands Teaching Hospital and  
89 Clinics, Inc., ~~the not-for-profit corporation~~ by a board of  
90 directors appointed, subject to removal, and chaired by the  
91 President of the University of Florida, or his or her designee,  
92 and vice chaired by the Vice President for Health Affairs of the  
93 University of Florida or his or her designee.

94           3.2. ~~The~~ Use of hospital facilities and personnel in  
95 support of community service and patient care, ~~the~~ research  
96 programs, ~~and of the teaching roles~~ role of Shands Teaching  
97 Hospital and Clinics ~~the health center.~~

98           4.3. ~~The~~ Continued recognition of the collective  
99 bargaining units and collective bargaining agreements as  
100 currently composed and recognition of the certified labor  
101 organizations representing those units and agreements.

102           5.4. ~~The~~ Use of hospital facilities and personnel in  
103 connection with research programs conducted by Shands Teaching  
104 Hospital and Clinics ~~the health center.~~

105           6.5. Reimbursement to Shands Teaching Hospital and  
106 Clinics, Inc., ~~the hospital~~ for indigent patients, state-  
107 mandated programs, underfunded state programs, and costs to  
108 Shands Teaching Hospital and Clinics, Inc., ~~the hospital~~ for  
109 support of the teaching and research programs of the health  
110 center. Such reimbursement shall be appropriated to either the  
111 health center or Shands Teaching Hospital and Clinics, Inc., ~~the~~

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112 ~~hospital~~ each year by the Legislature after review and approval  
113 of the request for funds.

114 7. Audit of the financial statements of Shands Teaching  
115 Hospital and Clinics, Inc., in accordance with generally  
116 accepted accounting principles as prescribed by the Governmental  
117 Accounting Standards Board for a separate corporation affiliated  
118 with a government entity that holds a voting majority interest  
119 of the affiliated corporation's governing board. The financial  
120 statements shall be provided to the University of Florida Board  
121 of Trustees for attachment to its audited financial statement  
122 which is provided to the Auditor General. The University of  
123 Florida may obtain additional financial information from Shands  
124 Teaching Hospital and Clinics, Inc., upon request by the Auditor  
125 General.

126 (c) The University of Florida Board of Trustees may, with  
127 the approval of the Legislature, increase the Shands Teaching  
128 Hospital and Clinics ~~hospital~~ facilities or remodel or renovate  
129 them ~~if, provided that~~ the rental paid by Shands Teaching  
130 Hospital and Clinics, Inc., ~~the hospital~~ for such new,  
131 remodeled, or renovated facilities is sufficient to amortize the  
132 costs thereof over a reasonable period of time or fund the debt  
133 service for any bonds or revenue certificates issued to finance  
134 such improvements.

135 (d) The University of Florida Board of Trustees may ~~is~~  
136 ~~authorized to~~ provide to Shands Teaching Hospital and Clinics,  
137 Inc., ~~the not-for-profit corporation leasing the hospital~~  
138 ~~facilities~~ and its not-for-profit subsidiaries and affiliates,  
139 comprehensive general liability insurance, including

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professional liability, from a self-insurance trust program established pursuant to s. 1004.24.

(e) Shands Teaching Hospital and Clinics, Inc., in support of the health affairs mission of the University of Florida Board of Trustees and with the board's prior approval, may create or have created either for-profit or not-for-profit subsidiaries and affiliates, or both. The University of Florida Board of Trustees, which may act through the president of the university or his or her designee, may control Shands Teaching Hospital and Clinics, Inc. For purposes of sovereign immunity pursuant to s. 768.28(2), Shands Teaching Hospital and Clinics, Inc., shall be conclusively deemed a corporation primarily acting as an instrumentality of the state.

(f) ~~(e)~~ In the event that the lease of Shands Teaching Hospital and Clinics ~~the hospital facilities~~ to Shands Teaching Hospital and Clinics, Inc., ~~the not-for-profit corporation~~ is terminated for any reason, the University of Florida Board of Trustees shall resume management and operation of Shands Teaching Hospital and Clinics ~~the hospital facilities~~. In such event, the University of Florida Board of Trustees may use ~~is authorized to utilize~~ revenues generated from the operation of Shands Teaching Hospital and Clinics ~~the hospital facilities~~ to pay the costs and expenses of operating the hospital facility for the remainder of the fiscal year in which such termination occurs.

(5) (a) Shands Jacksonville Medical Center, Inc., and its parent, Shands Jacksonville HealthCare, Inc., are private not-for-profit corporations organized primarily to support the

168 health affairs mission of the University of Florida Board of  
169 Trustees in community service and patient care, education and  
170 training of health affairs professionals, and clinical research.  
171 Shands Jacksonville Medical Center, Inc., is a teaching hospital  
172 affiliated with the University of Florida Board of Trustees and  
173 is located, in part, on the Jacksonville Campus of the  
174 University of Florida. Shands Jacksonville Medical Center, Inc.,  
175 and Shands Jacksonville HealthCare, Inc., in support of the  
176 health affairs mission of the University of Florida Board of  
177 Trustees and with its prior approval, may create or have created  
178 either for-profit or not-for-profit subsidiaries or affiliates,  
179 or both.

180 (b) The University of Florida Board of Trustees shall  
181 provide by contract or other agreement with Shands Jacksonville  
182 Medical Center, Inc., and Shands Jacksonville HealthCare, Inc.,  
183 for the following:

184 1. Approval of the articles of incorporation of Shands  
185 Jacksonville Medical Center, Inc., and of Shands Jacksonville  
186 HealthCare, Inc., by the University of Florida Board of  
187 Trustees, which may act through the president of the university  
188 or his or her designee. In approving the articles of  
189 incorporation of Shands Jacksonville Medical Center, Inc., and  
190 of Shands Jacksonville HealthCare, Inc., the President of the  
191 University of Florida, or his or her designee, may act as the  
192 chair of the board of directors or the president of the  
193 university or his or her designee or members of the University  
194 of Florida Board of Trustees may act as members of the board of

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195 directors of Shands Jacksonville Medical Center, Inc., or Shands  
196 Jacksonville HealthCare, Inc.

197 2. Governance of Shands Jacksonville Medical Center, Inc.,  
198 and of Shands Jacksonville HealthCare, Inc., by boards of  
199 directors appointed, subject to removal, and chaired by the  
200 President of the University of Florida, or his or her designee.  
201 One director of each board may be so appointed after being  
202 nominated by the mayor of the City of Jacksonville subject to  
203 the applicable standards for directors of such board. If there  
204 is a vice chair of the board of directors of Shands Jacksonville  
205 Medical Center, Inc., or Shands Jacksonville HealthCare, Inc.,  
206 the Vice President for Health Affairs of the University of  
207 Florida or his or her designee or the designee of the president  
208 of the university shall hold that position.

209 3. Use of the Shands Jacksonville Medical Center, Inc.,  
210 hospital facilities and personnel in support of community  
211 service and patient care, research programs, and the teaching  
212 roles of the health center of the University of Florida Board of  
213 Trustees.

214 4. Reimbursement to Shands Jacksonville Medical Center,  
215 Inc., for indigent patients, state-mandated programs,  
216 underfunded state programs, and costs to the not-for-profit  
217 corporation for support of the teaching and research programs of  
218 the health center. Such reimbursement shall be appropriated to  
219 either the health center or the not-for-profit corporation each  
220 year by the Legislature after review and approval of the request  
221 for funds.



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222        5. Audit of the financial statements of Shands  
223        Jacksonville Medical Center, Inc., and Shands Jacksonville  
224        HealthCare, Inc., in accordance with generally accepted  
225        accounting principles as prescribed by the Governmental  
226        Accounting Standards Board for a separate corporation affiliated  
227        with a government entity that holds a voting majority interest  
228        of the affiliated corporation's governing board. The financial  
229        statements shall be provided to the University of Florida Board  
230        of Trustees for attachment to its audited financial statement  
231        which is provided to the Auditor General. The University of  
232        Florida may obtain additional financial information from Shands  
233        Jacksonville Medical Center, Inc., and Shands Jacksonville  
234        HealthCare, Inc., upon request by the Auditor General.

235        (c) The University of Florida Board of Trustees, which may  
236        act through the president of the university or his or her  
237        designee, may control Shands Jacksonville Medical Center, Inc.,  
238        and Shands Jacksonville HealthCare, Inc.

239        (d) For purposes of sovereign immunity pursuant to s.  
240        768.28(2), Shands Jacksonville Medical Center, Inc., and Shands  
241        Jacksonville HealthCare, Inc., shall be conclusively deemed  
242        corporations primarily acting as instrumentalities of the state.

243        (e) ~~(f)~~ The University of Florida Board of Trustees ~~may is~~  
244        ~~authorized to~~ provide to Shands Jacksonville HealthCare, Inc.,  
245        and Shands Jacksonville Medical Center, Inc., and any of their  
246        ~~its~~ not-for-profit subsidiaries and affiliates and any successor  
247        corporation that acts in support of the board of trustees,  
248        comprehensive general liability coverage, including professional

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249 liability, from the self-insurance programs established pursuant  
250 to s. 1004.24.

251       Section 2.   This act shall take effect July 1, 2011.