

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;  
20      authorizing the creation of corporate subsidiaries and  
21      affiliates; providing requirements for lease, contract, or  
22      agreement between the University of Florida Board of  
23      Trustees and the corporations; 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 ~~operating~~ the hospital and  
72 ancillary health care facilities as deemed ~~of the health center~~  
73 ~~and other health care facilities and programs determined to be~~  
74 necessary by the board of Shands Teaching Hospital and Clinics,  
75 Inc. ~~the nonprofit corporation~~. The rental for the hospital  
76 facilities shall be an amount equal to the debt service on bonds  
77 or revenue certificates issued solely for capital improvements  
78 to the hospital facilities or as otherwise provided by law.

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

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

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

92 3.2. ~~The~~ Use of hospital facilities and personnel in  
93 support of community service and patient care, ~~the~~ research  
94 programs, ~~and of the teaching~~ roles ~~role~~ of the health center.

95 4.3. ~~The~~ Continued recognition of the collective  
96 bargaining units and collective bargaining agreements as  
97 currently composed and recognition of the certified labor  
98 organizations representing those units and agreements.

99 5.4. ~~The~~ Use of hospital facilities and personnel in  
100 connection with research programs conducted by the health  
101 center.

102 6.5. Reimbursement to Shands Teaching Hospital and  
103 Clinics, Inc., ~~the hospital~~ for indigent patients, state-  
104 mandated programs, underfunded state programs, and costs to  
105 Shands Teaching Hospital and Clinics, Inc., ~~the hospital~~ for  
106 support of the teaching and research programs of the health  
107 center. Such reimbursement shall be appropriated to either the  
108 health center or Shands Teaching Hospital and Clinics, Inc., ~~the~~  
109 ~~hospital~~ each year by the Legislature after review and approval  
110 of the request for funds.

111        7. Audit of the financial statements of Shands Teaching  
112 Hospital and Clinics, Inc., in accordance with generally  
113 accepted accounting principles as prescribed by the Governmental  
114 Accounting Standards Board for a separate corporation affiliated  
115 with a government entity that holds a voting majority interest  
116 of the affiliated corporation's governing board. The financial  
117 statements shall be provided to the University of Florida Board  
118 of Trustees for attachment to its audited financial statement  
119 which is provided to the Auditor General. The University of  
120 Florida may obtain additional financial information from Shands  
121 Teaching Hospital and Clinics, Inc., upon request by the Auditor  
122 General. This subparagraph applies equally to any not-for-profit  
123 subsidiary of Shands Teaching Hospitals and Clinics, Inc., which  
124 directly delivers health care services and also qualifies as an  
125 instrumentality of the state under the governance control and  
126 the primary purpose standards specified in this section.

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

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139 and any successor corporation that acts in support of the board  
140 of trustees, comprehensive general liability insurance,  
141 including professional liability, from a self-insurance trust  
142 program established pursuant to s. 1004.24.

143 (e) Shands Teaching Hospital and Clinics, Inc., in support  
144 of the health affairs mission of the University of Florida Board  
145 of Trustees and with the board's prior approval, may create or  
146 have created either for-profit or not-for-profit subsidiaries  
147 and affiliates, or both. The University of Florida Board of  
148 Trustees, which may act through the president of the university  
149 or his or her designee, may control Shands Teaching Hospital and  
150 Clinics, Inc. For purposes of sovereign immunity pursuant to s.  
151 768.28(2), Shands Teaching Hospital and Clinics, Inc., and any  
152 not-for-profit subsidiary which directly delivers health care  
153 services and whose governing board is chaired by the president  
154 of the university or his or her designee and is controlled by  
155 the University of Florida Board of Trustees, which may act  
156 through the president of the university or his or her designee  
157 and whose primary purpose is the support of the University of  
158 Florida Board of Trustees' health affairs mission, shall be  
159 conclusively deemed a corporation primarily acting as an  
160 instrumentality of the state.

161 (f)-(e) In the event that the lease of Shands Teaching  
162 Hospital and Clinics ~~the hospital facilities~~ to Shands Teaching  
163 Hospital and Clinics, Inc., ~~the not-for-profit corporation~~ is  
164 terminated for any reason, the University of Florida Board of  
165 Trustees shall resume management and operation of Shands  
166 Teaching Hospital and Clinics ~~the hospital facilities~~. In such

167 event, the University of Florida Board of Trustees may use ~~is~~  
168 ~~authorized to utilize~~ revenues generated from the operation of  
169 Shands Teaching Hospital and Clinics ~~the hospital facilities~~ to  
170 pay the costs and expenses of operating the hospital facility  
171 for the remainder of the fiscal year in which such termination  
172 occurs.

173 (5) (a) Shands Jacksonville Medical Center, Inc., and its  
174 parent, Shands Jacksonville HealthCare, Inc., are private not-  
175 for-profit corporations organized primarily to support the  
176 health affairs mission of the University of Florida Board of  
177 Trustees in community service and patient care, education and  
178 training of health affairs professionals, and clinical research.  
179 Shands Jacksonville Medical Center, Inc., is a teaching hospital  
180 affiliated with the University of Florida Board of Trustees and  
181 is located, in part, on the Jacksonville Campus of the  
182 University of Florida. Shands Jacksonville Medical Center, Inc.,  
183 and Shands Jacksonville HealthCare, Inc., in support of the  
184 health affairs mission of the University of Florida Board of  
185 Trustees and with its prior approval, may create or have created  
186 either for-profit or not-for-profit subsidiaries or affiliates,  
187 or both.

188 (b) The University of Florida Board of Trustees shall  
189 provide in the lease or by separate contract or agreement with  
190 Shands Jacksonville Medical Center, Inc., and Shands  
191 Jacksonville HealthCare, Inc., for the following:

192 1. Approval of the articles of incorporation of Shands  
193 Jacksonville Medical Center, Inc., and of Shands Jacksonville  
194 HealthCare, Inc., by the University of Florida Board of

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195 Trustees, which may act through the president of the university  
196 or his or her designee. In approving the articles of  
197 incorporation of Shands Jacksonville Medical Center, Inc., and  
198 of Shands Jacksonville HealthCare, Inc., the president of the  
199 university, or his or her designee, may act as the chair of the  
200 board of directors, or the president of the university or his or  
201 her designee or members of the University of Florida Board of  
202 Trustees may act as the approving body of Shands Jacksonville  
203 Medical Center, Inc., or Shands Jacksonville HealthCare, Inc.

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

216 3. Use of the Shands Jacksonville Medical Center, Inc.,  
217 hospital facilities and personnel in support of community  
218 service and patient care, research programs, and the teaching  
219 roles of the health center of the University of Florida Board of  
220 Trustees.

221 4. Reimbursement to Shands Jacksonville Medical Center,  
222 Inc., for indigent patients, state-mandated programs,



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underfunded state programs, and costs to the not-for-profit corporation for support of the teaching and research programs of the health center. Such reimbursement shall be appropriated to either the health center or the not-for-profit corporation each year by the Legislature after review and approval of the request for funds.

5. Audit of the financial statements of Shands Jacksonville Medical Center, Inc., and Shands Jacksonville HealthCare, Inc., in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board for a separate corporation affiliated with a government entity that holds a voting majority interest of the affiliated corporation's governing board. The financial statements shall be provided to the University of Florida Board of Trustees for attachment to its audited financial statement which is provided to the Auditor General. The University of Florida may obtain additional financial information from Shands Jacksonville Medical Center, Inc., and Shands Jacksonville HealthCare, Inc., upon request by the Auditor General. This subparagraph applies equally to any not-for-profit subsidiary which directly delivers health care services and also qualifies as an instrumentality of the state under the governance control and primary purpose standards specified in this section.

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

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250        (d) For purposes of sovereign immunity pursuant to s.  
251 768.28(2), Shands Jacksonville Medical Center, Inc., Shands  
252 Jacksonville HealthCare, Inc., and any not-for-profit subsidiary  
253 which directly delivers health care services and whose governing  
254 board is chaired by the President of the University of Florida  
255 or his or her designee and is controlled by the University of  
256 Florida Board of Trustees, which may act through the president  
257 of the university or his or designee and whose primary purpose  
258 is the support of the University of Florida Board of Trustees'  
259 health affairs mission, shall be conclusively deemed  
260 corporations primarily acting as instrumentalities of the state.

261        (e) ~~(f)~~ The University of Florida Board of Trustees may ~~is~~  
262 ~~authorized to~~ provide to Shands Jacksonville HealthCare, Inc.,  
263 and Shands Jacksonville Medical Center, Inc., and any of their  
264 ~~its~~ not-for-profit subsidiaries and affiliates and any successor  
265 corporation that acts in support of the board of trustees,  
266 comprehensive general liability coverage, including professional  
267 liability, from the self-insurance programs established pursuant  
268 to s. 1004.24.

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