

THE HEALTH CARE DISTRICT OF PALM BEACH COUNTY

History, Formation, Authority and Obligations

PRESENTED BY

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CRISIS IN HEALTH CARE

1985-1988 – Lack of:

Obstetricians

Emergency Neurosurgeons

Orthopedic Surgeons

INEQUALITY IN FUNDING & SERVICES

- (1) Three existing Independent Hospital Taxing Districts
- (2) Southeastern communities hospital districts (Boynton Beach to Boca Raton) generating triple the dedicated hospital revenue for Bethesda Hospital at 10% of the tax rate of the two Western communities hospital districts – Glades General Hospital located in Belle Glade and Everglades Memorial Hospital located in Pahokee.
- (3) Northeastern communities (Jupiter to Lantana) had no dedicated source of hospital care funding. Funding primarily by Palm Beach County (1/2 mill annually)
- (4) Palm Beach County wanted to reduce the amount it was spending on health care.

THE SOLUTION

- A first in the nation countywide Health Care District.
- Created by merging the three existing hospital taxing districts and the non-active dependent district.
- Supported by the Palm Beach County Legislative delegation.
- Approved by the Legislature in 1987.

THE MARCH 8, 1988 ELECTION

THE OPPOSITION

- Economic Council
- Two Palm Beach residents
- Local Union

The proposed Healthcare District was defeated by the Voters – 52% to 48%

THE COMPROMISE

- Reduction in the maximum millage rate from 3 mills to 2 mills
- Annual millage increase limited to $\frac{1}{4}$ of a mill
- 1988 Legislature approves amendments to the Health Care District Act

THE 1988 POLITICAL CAMPAIGN

- Palm Beach County embarked on an ambitious public awareness campaign including an eight page newspaper insert.
- Political Action Committee formed. Chaired by County Commissioner Carol Roberts and attorney Thomas Sheehan.
- Speakers bureau, hospital support, chamber of commerce and business support, editorial support and a direct mail campaign.

THE ELECTION LAWSUIT

- October 18, 1988, a lawsuit is filed to remove the proposed Health Care Act from the November 8, 1988 ballot, claiming:
 1. Improper for the County to spend money to, “tell People how to vote”,
 2. That the ballot language was misleading
- Emergency hearing- Trial Judge Richard Burke removed the Health Care Act from the ballot.
- Emergency Appeal – Fourth District Court of Appeals allowed the election on the Act to go forward.

THE BALLOT SUMMARY

Shall the Palm Beach County Health Care District be established to plan, fund and coordinate the effective delivery of quality health care services, including trauma care, indigent medical care, home health care, emergency, and other medical services through consolidation of districts into one comprehensive system and be authorized to levy annually an ad valorem tax not to exceed 2 mills for cost effective health care services for the people of Palm Beach County.

Yes _____

No _____

THE 1988 ELECTION RESULTS

On November 8, 1988, the citizens of Palm Beach County ***voted 61%*** (182,811) ***to 39%*** (118,018) ***in favor of the Palm Beach County Health Care Act.***

On March 8, 1988, the Fourth District Court of Appeal issued an opinion (540 So. 2d 147) ***holding that it was appropriate for the county to spend money to inform the electorate about the Health Care Act, and that the ballot language was not misleading.***

THE COMPOSITION OF THE BOARD

As an independent special taxing District, the ***County Commission could not appoint a majority of the board, or the taxes levied by the District would count against the County's ten mill cap.***

- The political compromise was 3 members appointed by the County.
- 3 members appointed by the Governor (initially via the former Hospital Districts)
- 1 member would be the Director of the Palm Beach County Health Department (a state employee).

IMPLEMENTING THE HEALTH CARE DISTRICT

Initial Board comprised of:

(1) Representatives of each of the 3 prior hospital districts
(new sub-districts)

- Dr. Fred Love of the southeast sub-district
- Sandra Chamble of the southwest sub-district
- J.S. Atkins of the northwest sub-district

County Commission appointed:

- County Commissioner Carol Roberts
- County Commissioner Carol Elmquist

The Northeast sub-district appointed:

- Thomas Sheehan

The Director of the Palm Beach County Health Department:

- Dr. James Howell

INITIAL STEPS

- ***February 7, 1989, first meeting of the Health Care District Board***
- Formation of Committees:
 - Eligibility Committee – ***develop guidelines by which individuals would be eligible for services paid for the District***
 - Finance Committee- establish the initial budget
 - Medical Advisory Committee- to assess the health care needs of the community
 - Trauma Committee- to develop the process for establishing a trauma system
- Hired Glen J. Torcivia as general counsel
- Hired a search firm for an executive director
- June 16, 1989, Doris Ausbrook selected as the first Executive Director.

LITIGATION WITH THE COUNTY **REGARDING OBLIGATIONS OF THE DISTRICT**

- County asserted that the Health Care District was required to pay for the care of individuals who were indigent and who were in the custody of Law Enforcement
- The District's position was that their "authority" to provide funding for the care for indigent individuals did not equal a "requirement" or "obligation" of the District to pay for such care.
- The District asserted that the District had the authority to determine those services for which it would or would not provide funding or reimbursement.
- The Court agreed with the District.

LITIGATION WITH THE COUNTY REGARDING OBLIGATIONS OF THE DISTRICT

- The opinion of Court held, “The Court understands the County’s argument that the District’s exclusion of indigent and medically needy residents who happen to be under arrest could be read to conflict with the intent of the Health Care Act, that is, to “provide a source of funding for indigent and medically needy residents of Palm Beach County.” ***However, the key modifier in that quoted provision is that the District may be “a source” – the Act does not state the District is “the source.”*** The District’s and hospitals’ assignee’s evidence that the County continued to fund other programs relating to indigent health care supports this conclusion. More importantly, as the District argued, the Act must be read in its entirety. ***The plain language of Section 3, which obligates the District to provide services “as feasible ... to the extent of the district’s limited financial responses,” unambiguously contemplates that the District is not necessarily the source of last resort with respect to indigent health care.”***

LITIGATION WITH THE COUNTY REGARDING OBLIGATIONS OF THE DISTRICT

- The District had long determined those services for which it would pay and those for which it would not pay (exclusions from service)
- The Court further wrote, “that the District has the power to determine through its guidelines who is, and is not, eligible for reimbursement from the District.”
- The Court also referred to the 1995 Interlocal Agreement with the County, which stated, “the County hereby agrees and acknowledges that, during the term hereof, no further health care or health care related obligations of the County of any kind shall be transferred to, delegated to, or otherwise required of the District by the County.
- Takeaway - the District has the authority to determine those services it will pay for and which services it will not.

1995 INTERLOCAL AGREEMENT WITH THE COUNTY

- Forty (40) year term
- The District operates and manages the Healey Center (formerly “The Palm Beach County Home and General Care Facility)
- The County pays a fixed amount to the District to operate the Healey Center
- The District pays the Medicaid Match
- The County pays the District \$15 million/year
- “The County agreed that, during the term hereof, no further health care or health care related obligations of the County of any kind shall be transferred to, delegated to, or otherwise required of the District by the County.”

AUTHORITY VS. OBLIGATION

- That the intent of the Act was to provide the broadest possible authority to you, the District Board, to set the policies of the District and to establish the programs that you deem are in the public interest. This intent is reflected in Section 2 of the Act:
 - Section 2. Intent.—The Legislature recognizes that it is in the public interest to provide a source of funding for indigent and medically needy residents of Palm Beach County (the “County”) and to maximize the health and well-being of Palm Beach County residents by providing comprehensive planning, funding and coordination of health care service delivery. Program elements should include, but not be limited to, preventive health services, community nursing services, ambulatory care, outpatient services, hospital services, trauma health services, and rehabilitative services, as feasible. All programs should be coordinated to maximize the delivery of quality health care. The most effective and efficient method to provide comprehensive health care services is through a countrywide health care district.
 - The District is provided with the power: “(31) to do all things necessary to carry out the purposes of this Act”.

AUTHORITY

- Broad authority
 - **Section 2. Intent:** *Program elements should include*, but not be limited to, preventive health services, community nursing services, ambulatory care, outpatient services, hospital services, trauma health services, and rehabilitative services, ***as feasible***.
 - **Section 6. District Board Powers.**– The District Board is vested with the authority and responsibility to provide for the comprehensive planning and delivery of adequate health care facilities, including, but not limited to, hospitals, and services for the citizens of the County, particularly medically needy citizens.

OBLIGATION OF THE DISTRICT

- Maintains the presence of at least one hospital in the Glades.
- **Section 6. District Board Powers.–**
 - (1) To plan, set policy guidelines for, fund, establish, construct, lease, operate, and maintain such health care facilities as shall be necessary for the use of the people of the County, ***including the continued presence of at least one hospital in the Glades area***, subject to and limited by the future financial resources and constraints of the District.

LIMITATION OF AUTHORITY

The District may not construct a hospital, except in the Glades.

SCHOOL HEALTH

- Authority to provide but not an obligation
 - **Section 6. District Board Powers:** The District Board is vested with the authority and responsibility to provide for the comprehensive planning and ***delivery of adequate health care facilities***, including, but not limited to, hospitals, and services for the citizens of the County, particularly medically needy citizens.
 - (17) To cooperate with, or contract with, other governmental agencies or private individuals or entities as may be necessary, convenient, incidental, or proper in connection with any of the powers, duties, or purposes authorized by this act.
 - (29) To plan, coordinate, supervise, manage, and take such other action as appropriate to implement ***the school health programs as established by the District.***

SCHOOL HEALTH

- The School Health Services Act, F.S. 381.0056 provides that the local County health department and local School Board shall jointly develop a school health plan.
- The Health Care District has entered into several contracts with the School Board relative to the School Nurse program.

RELATIONSHIP WITH THE DEPARTMENT OF HEALTH

- Authority to fund the Department of Health
- No obligation to fund the Department of Health
- Discretionary with the District Board as to the amount, if any, of funding
- Discretionary with the District Board as to any limitations on said funding
- Restrictions of said funding, as well as the imposition of reporting, or other requirements, on the Department of Health is within the discretion of the District Board.

RELATIONSHIP WITH THE DEPARTMENT OF HEALTH

- The Director of the Department of Health does not have a conflict of interest in serving on the Health Care District Board.
- The Director may participate in discussions, and may vote regarding funding of the Department of Health and the imposition of any conditions on said funding.
- The Director must be sensitive to their responsibilities as both the Director of the Department of Health and as a member of the Health Care District Board.

CONCLUSION

In summary, you have been provided the authority by the Legislature and the people of Palm Beach County, to provide for the Health Care needs of the people of Palm Beach County.

How you exercise that authority is within your wise discretion.