

1 MINUTES OF MEETING OF NORTH LAKE COUNTY
2 HOSPITAL DISTRICT OF MAY 16, 2024
3

4 A meeting of the North Lake County Hospital District (NLCHD) was held on May 16,
5 2024 at 5:30 p.m. in the Lake County Commission Chambers, Administration Building,
6 315 W. Main Street, Tavares, Florida.
7

8 Ms. Barbara Price, Chairman, called the meeting to order.
9

10 Mr. Ken Bragg gave the Invocation and led the Pledge of Allegiance.
11

12 ADMINISTRATOR OF OATH

13 Ms. Meredith Kirste, Attorney for the NLCHD, swore in Mr. Mark Jordan.
14

15 ROLL CALL

16 Ms. Kirste called the roll to ascertain the trustees present for the meeting, with the
17 following members in attendance: Mr. Ricky Harper, Ms. Sue Hooper, Mr. Trueman
18 Hurley, Mr. Mark Jordan, Ms. Barbara Price, and Mr. Ralph Smith.
19

20 APPROVAL OF MINUTES

21 On a motion by Mr. Smith, seconded by Mr. Hurley, and carried unanimously by a vote of
22 6-0, the NLCHD Board approved the Minutes of January 18, 2024.
23

24 PRESENTATION OF FINANCIAL REPORT – AUDIT

25 Mr. Matt White, with Crippen and Co., reminded the trustees that Florida Statutes required
26 that the organization had a financial statement audit every year, and that the Board engaged
27 Purvis Gray to present their audit, audit opinion, and findings on those financial statements
28 and internal controls this year.
29

30 Mr. Tim Westgate, Audit Partner with Purvis Gray, stated that the audit was for the year
31 ended September 2023, and that with the Florida Statute requirements, they were also
32 submitting to the Florida Auditor General. He stated that page one of the report was their
33 independent auditor's report, and that the second paragraph indicated that in their opinion,
34 the financial statements presented fairly, noting that this was an unmodified and clean
35 opinion, as well as the highest level of assurance that they could have for an audit. He said
36 that the letter discussed what the audit was and had reminders that the Board management
37 was responsible for the financial statements, internal control over financial reporting, and
38 that his organization's responsibility was to issue that opinion based on their audit. He
39 elaborated that the letter also discussed the audit being conducted in accordance with
40 government auditing standards, and that there was an independent auditor's report on
41 internal control for financial reporting and on compliance and other matters based on the
42 audit. He mentioned that they looked at internal control for the purpose of designing their
43 audit, but that they did not issue an opinion on internal control; however, if during that
44 process they encountered material weaknesses, significant deficiencies, or noncompliance
45 matters, this was the location where the Board would find those. He commented that there
46 were no findings, and that it was standard language. He related that the following report
47 was the management letter issued in compliance with the rules of the Florida Auditor

1 General, and that if there were matters such as deteriorating financial conditions, inability
2 to meet payments which were coming due, or matters which his organization felt that they
3 needed to disclose to the Board in writing, then these items would be included. He said
4 that it was standard language, and that there were no such findings in that regard. He remarked
5 that there was a two page letter addressed to the Board that was a required communication
6 from the auditor, which was not required under the external reporting, and that it would
7 discuss if there were changes in the accounting policies and practices from year over year,
8 or if there were difficulties during the audit. He commented that there were no such
9 difficulties, and that everything they discussed during the audit process was adapted and in
10 compliance. He thanked the Board for the structure that had been set up and for the timely
11 cooperation throughout the audit process.

12
13 On a motion by Mr. Harper, seconded by Ms. Hooper, and carried unanimously by a vote
14 of 6-0, the NLCHD Board approved the financial report.

15
16 PRESENTATION OF QUARTERLY AUDITS

17 Mr. Farlen Halikman, Certified Public Accountant (CPA) with MSL P.A., said that his
18 organization was responsible for the audits to provide accountability that the providers'
19 submissions of indigent claims were eligible and appropriate for reimbursement, and that
20 the report was basically the standard reporting that they always issued. He pointed out that
21 AdventHealth Waterman had already exceeded their budget in the second quarter, noting
22 that in the first quarter of the fiscal year that had ended in September 2023 they had
23 submitted and were already reimbursed \$533,000 from their \$806,000 budget; therefore,
24 there was only about \$272,000 left for the rest of the year. He remarked that for the quarter
25 ending December 2023, the hospital submitted \$1,591,000 for combined inpatient and
26 outpatient, noting that they were already \$785,000 over their budget and were not eligible
27 to be paid unless the NLCHD adjusted their budget. He questioned what the NLCHD was
28 allowed to do with regards to rearranging funds from any providers that may come in under
29 budget with unspent funds, commenting that those funds might potentially be reallocated.

30
31 On a motion by Mr. Jordan, seconded by Mr. Smith, and carried unanimously by a vote of
32 6-0, the NLCHD Board approved the quarterly audit.

33
34 PRESENTATION REGARDING CHAPTER 2024-015

35 Mr. Halikman stated that the State of Florida changed the definition of "medical
36 indigency," and that when Representative Larry Metz originally designed House Bill (HB)
37 1299, the definition of indigency was 200 percent of the Federal poverty guideline. He
38 elaborated that effective on March 21, 2024, the State decided to change this because of
39 inflation, noting that they had been finding that indigents, particularly the elderly indigents,
40 were having to make choices between purchasing food and medicine. He specified that
41 this was adjusted to 300 percent of the Federal poverty guideline, and he opined that it was
42 telling the Board to use the State's definition of indigent; therefore, he opined that they
43 needed to adjust their eligibility to 300 percent, noting that it would make more people
44 eligible for the hospitals and clinics to submit as indigent claims. He said that they would
45 receive more indigent claims as a result of that rule change, and that he was unsure how
46 this would impact the Board's mission or consideration of the budget. He then recalled
47 that his organization did a training webinar in summer 2023 with all the providers, noting

1 that it was recorded. He stated that his organization was finding the same errors occurring,
2 and that errors were costly to the providers; furthermore, providers had much turnover
3 since the coronavirus disease 2019 (COVID-19). He stated that they discussed how to
4 avoid submitting ineligible claims and how to read the NLCHD map to ensure that
5 someone was really living in the district; however; they would have to do this again for the
6 300 percent item in summer 2024. He concluded that his organization was making sure
7 that the providers knew what they were doing, noting that this helped with accountability
8 for the whole process.

9
10 Mr. Harper asked if he had a demographic study for the district for how the percentage
11 changed the demographic group.

12
13 Mr. Halikman responded that data would be available through Claritas, which took age,
14 income and acuity information from the United States (U.S.) Census, noting that a
15 subscriber could run a query. He relayed his understanding that the information would be
16 able to tell them how much expansion in indigent care would be provided, as defined by
17 the State.

18
19 Mr. Harper inquired if this was data that the Board could review for the area that they were
20 servicing.

21
22 Mr. Halikman opined that it could be put together and that it could be submitted to Ms.
23 Kirste.

24
25 Mr. Jordan relayed his understanding that more people would qualify after increasing this
26 threshold, and he asked if the statute, which outlined the definition of “indigent,” required
27 any change to Chapter 2012-258, Laws of Florida, or if it was automatically recognized
28 within the NLCHD’s parameters.

29
30 Mr. Halikman indicated his understanding that this was correct.

31
32 Mr. Jordan relayed his understanding that just because there would be many more people
33 eligible for these funds, they may still be eligible for other types of payment such as
34 Medicare and Medicaid, which would disqualify them; therefore, not all of the new people
35 captured in the new cap would necessarily fall under this.

36
37 Mr. Halikman responded yes and no, adding that LifeStream Behavioral Center dealt with
38 substance abuse and mental health patients who did not have identification or Medicaid.
39 He relayed that a migrant farm worker would not have Medicaid, and that those individuals
40 would always be there. He said that if someone was making 250 percent of the Federal
41 poverty level and was possibly eligible for Medicaid, the hospital social workers needed to
42 help those individuals apply for Medicaid; however, many people did not or would not do
43 this. He stated that the NLCHD was the payer of last resort, and that he could report ideas
44 to Ms. Kirste.

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46
47

1 DISCUSSION OF THE BUDGET SCENARIO WORKSHEET

2
3 PRESENTATION REGARDING REQUIREMENTS ON SETTING MILLAGE AND
4 TIMELINES

5 Mr. White said that his intent was to review the truth in millage (TRIM) guidelines as it
6 pertained to dates, decisions and timelines. He mentioned that a document from TRIM
7 was included in the packet, which laid out the timelines, and he summarized that one of the
8 items that the Board was tasked with was setting the millage to raise funds for indigent care
9 at the discretion of the trustees; furthermore, in order to do so, these timelines had to be
10 followed. He explained that on July 1, 2024, the Lake County Property Appraiser would
11 certify the taxable value, essentially establishing what the base tax value was that the
12 Board's millage could be applied against. He continued that by August 4, 2024 or slightly
13 before, the NLCHD had to certify to them what the tentative millage may be. He then
14 mentioned that on or before October 3, 2024, a final millage must be established, and that
15 the process from there was outside of the trustees' purview. He opined that they were early
16 on the discussions because the following pieces of information had to be included for his
17 organization to be able to present a budget scenario to the Board: the underlying asset
18 values certified by the Property Appraiser on July 1, 2024; the needs of the community;
19 and the desires of the Board to fund those. He indicated his understanding that the current
20 meeting was to get a brief understanding of what the providers would be looking for, and
21 that the Board would discuss their considerations for this, noting that a tentative millage
22 could be set and would have to be advertised by August 4, 2024. He added that the
23 maximum millage was 1.00 mills, and that if a millage rate of 1.00 or less was agreed upon
24 by the Board at the current meeting, then this would be advertised by August 4, 2024. He
25 specified that if there was a stalemate or the Board decided not to go to a vote on this, then
26 the only people with the authority to set a millage was the Board; therefore, by not setting
27 one in advance, it would default to being advertised at 1.00 mills. He explained that the
28 reason for this was that this saved the decision making ability for the Board, and that if
29 they came down on the tentative millage, it became costly to increase it later; additionally,
30 if the Board did not make a decision on this, an advertised millage of 1.00 would be
31 established so that it protected the Board's rights to make those decisions as the timeframe
32 played out. He mentioned that there would be a meeting in August 2024 with more detailed
33 funding requests, and that there would be a mid-September 2024 meeting where the millage
34 would be further discussed; furthermore, by the end of September 2024 there would be a
35 meeting where the millage would be accepted as final. He commented that his organization
36 would be able to provide budget information in the September 2024 meetings because they
37 would have the taxable value, the tentative millage and the funding requests.

38
39 Mr. Jordan relayed his understanding that the Board would normally meet in August 2024,
40 and that established statutes indicated the TRIM process would stay the same. He asked
41 what the current meeting would do versus if they just met in August 2024.

42
43 Mr. White replied that at the will of the Board, there was some concern that advertising a
44 millage, which was not approved or discussed by the Board, by the July 1, 2024 date, did
45 not sit well; therefore, they scheduled this meeting in the previous and current years for the
46 Board to discuss this and come to a conclusion so that they felt in control of this.

1 Mr. Jordan asked for a clarification between tentative millage and proposed millage.

2

3 Mr. White explained that the proposed millage was what they would possibly have at the
4 current meeting, and that the tentative millage was under the TRIM regulations, noting that
5 the timeline did not discuss a proposed millage because it did not fit in the timeline of the
6 tentative millage. He added that based on the timing of the meetings, the proposed millage
7 would also become the tentative millage if there were no further meetings prior to the
8 certification date on August 4, 2024.

9

10 Mr. Jordan recalled that there were questions from previous minutes regarding how setting
11 a particular millage rate prevented any movement upward.

12

13 Mr. White clarified that the statutes allowed for it to move back up; however, once it was
14 officially advertised, there was a cost to re-advertise.

15

16 Mr. Jordan asked where the official advertisement date came from.

17

18 Mr. White replied that once the millage was advertised, it could be increased after the
19 August 4 date at the expense of the trustees.

20

21 Mr. Jordan asked if what the Board set at the current night would decide this.

22

23 Mr. White confirmed this based on the schedule of their meeting dates.

24

25 Mr. Jordan indicated his understanding that it would be more difficult to increase the
26 millage rate above what the Board might decide at the current meeting.

27

28 Mr. White said that this was correct, but noted that another meeting could potentially be
29 scheduled prior to the August 4, 2024 date.

30

31 PRESENTATIONS FROM PROVIDERS

32

33 AdventHealth Waterman

34 Mr. Abel Biri, President and Chief Executive Officer (CEO) for AdventHealth Waterman,
35 opined that historically, the work of providing care for the uninsured in their district was
36 because of a non-adversarial relationship between the NLCHD, the hospitals, the clinics,
37 and the community. He opined that this was the case because they were all fundamentally
38 rooted in the belief that the singular job of the NLCHD was to provide care for those who
39 were unable to do so for themselves; however, he opined that over the past few years, it
40 had become evident that they no longer shared the intended purpose and priorities. He
41 opined that the hospitals, the clinics, and 60 percent of North Lake residents still believed
42 that they should collaborate to provide care and funding for the uninsured as dictated by
43 the Florida Legislature, though he opined that 50 percent of the Board members strictly
44 believed that delivering tax cuts was their primary responsibility. He indicated that the
45 mandate read “North Lake County Hospital District is an independent special district that
46 was created by the Florida Legislature to provide a means to pay for indigent care provided
47 by local hospitals and clinics,” noting that it did not say to defund the district to achieve

1 tax cuts. He opined that it did not provide a means to substitute one's feelings for the vote
2 of most residents in the referendum, and that for all intents and purposes, the Board was an
3 insurance company. He elaborated that they collected premiums by way of levying a tax
4 and provided coverage for the uninsured in the district, answering to the voters of the
5 district; additionally, like every insurance company which processed claims, they had
6 auditors selected by them to do due diligence on the appropriate dispensation of these
7 premiums. He opined that somewhere along the way, the Board had abdicated this
8 responsibility to care for the uninsured and moved that burden solely on the hospitals. He
9 said that he would respectfully direct the Board back to their mandate to provide for the
10 care of qualified uninsured residents within the district, and he posed the following
11 questions to those who continued to believe that the free clinics addressed all the needs:
12 did these clinics perform surgeries, endoscopy or catheter; did the clinics provide computed
13 tomography (CT) scans, magnetic resonance imaging (MRI), or nuclear medicine; did the
14 clinics provide cancer care, radiation, chemotherapy, or rehab services; and were these
15 clinics open 24/7 to respond to a stroke or a heart attack. He said that he challenged the
16 Board to answer these questions before they voted to defund again, and he hoped that this
17 relationship could have a reset. He indicated that he related to the Board as he did every
18 insurance company, which was fairly, honestly, and equitably, but also with mutual
19 expectation of respect and accountability. He indicated that his organization delivered a
20 service and that each insurance company paid when the bill was due, opining that the
21 NLCHD was the only payer which received a service but attempted to not pay. He clarified
22 that his organization did not come before the Board for a handout, but for reimbursement
23 for services that the NLCHD was responsible for covering that had been received at their
24 facilities. He opined that in the past few years, the Board had acted more like a benevolent
25 benefactor awarding and restricting funding as if this was an art gallery, noting that his
26 organization was not an art gallery; rather, they were the means by which the NLCHD
27 fulfilled the mission of this Board's existence. He hoped that the Board would take a
28 broader perspective on the responsibilities bestowed upon them.

29
30 UF Health Leesburg Hospital

31 Mr. Phil Braun, Vice President and General Counsel for University of Florida (UF) Health
32 Central Florida, indicated that his organization felt the same as their colleagues at
33 AdventHealth Waterman about this district and its importance to the people. He opined
34 that it was too early to set a tentative millage, noting that they did not have the Lake County
35 Property Appraiser's report, and said that he was unsure how they could set a millage if
36 they could not set a budget. He opined that despite the belief in the past that nobody wanted
37 to set a millage or did not set a millage, the Board at that time understood that they needed
38 the flexibility because of the timing of dates to set the true millage in the September budget
39 hearings. He opined that if the Board capped itself at the current time, then they would
40 lose this flexibility, and he wanted the Board to reconsider setting such a low millage rate
41 before they had property values, funding requests, and a budget. He relayed his
42 understanding that they may not need 1.00 mills, and that when they saw the submissions,
43 it had always been the case that there was an adjustment at the end of the process. He
44 opined that there would likely not be unused funds, at least not by the hospitals, and that
45 their submissions would not reflect what their actual need was because there were intensive
46 resources needed to qualify these individuals. He added that his organization had recently
47 taken the position that if they were not receiving the funding, then they did not want to

1 burden their system by qualifying people just to qualify them. He commented that if the
2 Board gave both hospitals \$4 million, then they would both qualify residents, indicating
3 that there was a need. He said that the funding was not for services that were not provided
4 and that it was not a handout, and that his organization did not make a margin on these
5 services; rather, it was to pay the cost of these services. He indicated that people were still
6 billed for the care, and he opined that people wanted to pay their bill. He commented that
7 what this funding had done and the reason that the statute was put in place was because
8 people did not always choose to receive healthcare, and that they may not have the means
9 to pay for it; therefore, if one did not, then this district helped with this. He hoped that the
10 Board would give them another opportunity to present the needs of the community.

11
12 Mr. Jordan thanked Mr. Braun and Mr. Biri for the visit they had.

13
14 LifeStream Behavioral Center, Inc.

15 Mr. Jacob Temple, Vice President of Acute Care Services for LifeStream Behavioral
16 Center, stated that the hospital was expecting to request the same amount as in the previous
17 year. He relayed that every 11 minutes someone died by suicide according for the Centers
18 for Disease Control and Prevention (CDC), and that LifeStream's efforts were to keep
19 those residents safe. He indicated that they were happy to partner with AdventHealth
20 Waterman and UF Health, noting that LifeStream received calls each day to take patients
21 out of their emergency room (ER) and place them into LifeStream's hospital so that other
22 patients could receive medical care; furthermore, LifeStream could also handle the Baker
23 Act, Marchman Act, etc.

24
25 AdventHealth Waterman Community Primary Health Clinic

26 Ms. Edlyn Fernandez, Manager for AdventHealth Waterman Community Primary Health
27 Clinic, noted that they were located in the City of Eustis across from Lake Tech. She
28 commented that as of April 2024, they received over a 50 percent increase in referrals
29 compared to the previous year which showed the need in their North Lake market. She
30 added that they saw a 41 percent increase in new patient volume in the current year
31 compared to the previous year, and that this was at 200 percent of the Federal poverty level,
32 which was going up to 300 percent. She said that they already surpassed their proposed
33 number of patients that they expected to see in a year, and that they still had a few months
34 left, noting that they had currently seen 1,366 patients when they had only proposed 1,100.
35 She commented that in the previous cycle they also surpassed their patient volume
36 projection, and their clinic did not receive complete funding as the funding had been rolled
37 over. She said that she valued the Board's commitment to the community clinics, and she
38 asked that they consider her clinic's increased volume to cover the patients seen in the
39 current cycle. She related that they had a backlog of patients pending a Medicaid denial
40 letter, which allowed them to establish a patient; furthermore, they expected their value to
41 increase once those denials came in. She reiterated that the State had recently increased
42 the Federal poverty level to 300 percent, and said that they expected to see more patients
43 as a result. She explained that their clinic was meant to care for those in their time of need,
44 getting them back to feeling whole where they could get back on their feet, back to work
45 and back to being productive members within the community. She shared her appreciation
46 for the Board's past comments of support for clinics as they continued to serve as an
47 efficient primary medical home to the uninsured and indigent members of the community;

1 furthermore, they helped to reduce the patients' needs to use the ER for medical care that
2 the clinics could provide, which opened spots for truly urgent visits. She added that they
3 also worked to connect patients to resources in the community to address food, housing,
4 security and referrals to specialists collaboratively, noting that they worked diligently with
5 their community partners such as LifeStream Behavioral Center. She mentioned that their
6 patients needed labs, imaging, surgeries, cancer treatment, etc., and that those services were
7 provided by the local hospitals.

8
9 Community Health Centers, Inc.

10 Mr. Mark Dickinson, Vice President and Chief Financial Officer (CFO) for Community
11 Health Centers, said that through of the first two quarters of the current year, their indigent
12 patients were up about 20 percent, and that it had much to do with Medicaid unwinding,
13 noting that people who were on Medicaid during the pandemic were now uninsured. He
14 stated that he could not see a scenario where his organization would go to 300 percent of
15 the Federal poverty guidelines, and that they would likely stay at 200 percent because of
16 their federally qualified health center status. He indicated that he may request a small
17 increase in their budget over what they were currently being funded, and that they used all
18 the funding they received. He mentioned that they tried to work with their hospital partners
19 in Lake and Orange Counties to try to keep people out of the ER, and that they could
20 provide primary care needs much cheaper than an ER visit.

21
22 Community Medical Care Center

23 Ms. Tammy Youngren, Ministry Director for Community Medical Care Center in the City
24 of Leesburg, thanked the Board for their continued support over the years. She indicated
25 that their facility opened in October 2000, and that they always enjoyed a strong partnership
26 with UF Health Leesburg and believed that this was a cornerstone to their success. She
27 reviewed current activities as reported on their April 2024 statistics report, including the
28 following: 206 total patient encounters; 150 encounters eligible for reimbursement; and 56
29 encounters that did not qualify for reimbursement from the NLCHD, which included dental
30 visits and pending eligibilities, among other reasons. She commented that their current
31 patient visits had increased by 26 percent since the beginning of the year, and that they saw
32 23 new patients in April 2024. She mentioned that Community Medical Care Center relied
33 heavily on volunteers in all areas of their clinic, and that they currently had contracts with
34 34 active medical and dental professionals, and 22 active support volunteers. She
35 elaborated that their staff and volunteer physicians relied on their relationships with the
36 community, and that their patients needed diagnostics, procedures, surgeries and cancer
37 treatments, which were not provided in their clinics' scope. She mentioned that UF
38 Health's facilities and staff provided services to Community Medical Care Center's
39 patients who were approved for charity care at the hospital. She said that several of their
40 specialists provided services for patients in their offices, which included gastrointestinal
41 (GI), pulmonary, and podiatry, noting that they did not have the needed equipment in the
42 clinic to care for the patients. She stated that other specialists chose to see the patients in
43 the clinic, which included internal medicine, cardiology, hematology, oncology,
44 gynecology, pediatrics, ophthalmology, dermatology, and diabetes educator. She stated
45 that in addition to the NLCHD, they had built a network of community partners who
46 supported the clinic in funding, which included the following: UF Health Foundation and
47 collaboration with community clubs to provide mammograms and cancer screening

1 diagnostics; Perry Financial to provide mammograms; Harbor Hills Ladies; Florida Baptist
2 Convention and Waterman Communities unrestricted; First Presbyterian Church of
3 Wildwood for glasses; the Rogers Foundation, which provided funding for over 22 years
4 for countless items, including computers, exam tables, an electrocardiogram (EKG)
5 machine and lab equipment; the Lions Club of Lady Lake who provided funding for new
6 eye equipment; and many private individuals who sent help. She related that Community
7 Medical Care Center was located on the campus of the Christian Care Center, and that they
8 worked in conjunction with their sister ministries to provide additional services including
9 fresh start, job placement, benevolent center, food and clothing, pregnancy care center,
10 people helpers, and counseling services. She relayed examples of their patients, and said
11 that their clinic offered a hand up to their patients. She thanked the Board for their support
12 and for making it possible to have this network in place to make their communities healthier
13 and stronger.

14
15 LifeStream Primary Care Clinic

16 Mr. Temple commented that LifeStream Behavioral Center offered a primary care clinic,
17 and that they offered the whole continuum of care, including primary care and psychiatric
18 and substance use care. He stated that their goal was to keep their patients out of the
19 emergency room and to provide for their primary care needs, including hypertension and
20 diabetes, and to help them manage their overall health; therefore, they wanted to ask for
21 the same amount of funding as the previous year. He opined that they continued to be
22 creative to provide the same level of care because they knew that the NLCHD was being
23 asked for funding from several facilities, and noted that they partnered with others to
24 provide patients with all their care when they needed it most.

25
26 Ms. Price asked if there was anyone present representing St. Luke's Medical Clinic, and
27 seeing none, she opened discussion to the Board.

28
29 Mr. Jordan expressed appreciation for welcoming him onto the Board, and said that he
30 would strive to do his best to uphold the honor of having been appointed by Governor Ron
31 DeSantis to this Board and to uphold the oath he took to serve on the Board according to
32 the legislation thereof. He opined that they must first identify a need, and that this had
33 been done by the providers, noting that he had met with at least four of the different
34 providers that provided care and received funds from this Board. He opined that they had
35 to find out what the actual certification amount was for those actual values in ad valorem
36 tax, and that they could then decide what millage rate to set.

37
38 Ms. Hooper opined that the economy was devastating to many people, and that this needed
39 to be taken into consideration before raising the millage rate on their properties.

40
41 Mr. Smith welcomed Mr. Jordan to the Board, and said that he knew Governor DeSantis
42 very well, opining that he was a great governor. He related that they had been appointed
43 to administer this funding, and recalled that when this district was first organized, the
44 millage rate was either 1.00 or zero; however, because of Representative Metz, the Board
45 was now allowed to approve a millage from zero to 1.00. He opined that it was the duty
46 of this Board to look at the details, and that Mr. Ed Jimenez, former CEO for UF Health
47 Shands, had told him that hospitals should not be supported by ad valorem tax, which is

1 what was being discussed. He also opined that hospitals had much funding, and that the
2 clinics relied on funding from the NLCHD much more, noting that he was more
3 sympathetic to their needs. He wondered what the percentage of funding was that the
4 NLCHD provided to the clinics and if they had other fundraising mechanisms, and relayed
5 his understanding that the Life's Choices Women's Clinic raised about \$1 million per year
6 without any government assistance. He mentioned that the Board would be setting a
7 number at the meeting, and that the number could go up or down in August 2024, noting
8 that in the previous year, they believed that the amount could only go down.

9
10 Mr. White commented that the document provided in truth in millage (TRIM) stated that
11 the amount could go up if the Board paid to re-advertise the adjusted rates.

12
13 Ms. Price remarked that she had called Mr. Carey Baker, Lake County Property Appraiser,
14 who had said that once the amount was set, the Board could go down but not up.

15
16 Mr. Smith relayed his understanding that after July 1, 2024 the amount could not go up.
17 He inquired if the Board would be able to set a higher amount in August 2024, opining that
18 this needed to be clarified.

19
20 Ms. Price opined that it could not, and stated that the Lake County Property Appraiser
21 would send out the proposed TRIM notices to the public, which would be seen by the
22 public. She commented that she had never seen the millage rate go up from the TRIM
23 notice.

24
25 Ms. Kirste related that according to the TRIM notice in the packet, if the tentatively adopted
26 millage rate was greater than the proposed rate used for the TRIM notice, each taxpayer in
27 the jurisdiction must receive notification of the increase by first class mail at the taxing
28 authority's expense. She clarified that the amount could go up; however, it would be very
29 costly to send a letter to all the taxpayers.

30
31 Mr. Smith opined that this funding was not an entitlement that any of the clinics or hospitals
32 had, and that it was the taxpayers' funds. He also opined that the Board was elected by
33 taxpayers, not hospital CEOs or boards, and that they were not an insurance company,
34 although there were some similarities. He recalled that the millage rate was zero in one
35 year because the NLCHD had \$5 million left over from the previous year, and that in the
36 prior year the millage rate was 0.15 mills. He opined that since it was going to be costly
37 to go higher, the amount should not be set very low. He also opined that the Board should
38 also consider the people in the community, who would be paying about \$100 per person in
39 north Lake County.

40
41 Mr. Smith made a motion to set the tentative millage rate at 0.40 mills.

42
43 Mr. Jordan commented that according to Florida Statutes, the rate could not be more than
44 1.00 mill, opining that it could go down to zero, which was in the parameters of this Board's
45 decision. He questioned why the Board would want to have a self-imposed limitation on
46 the ability to do what the legislation had asked them to do.

1 Mr. Smith remarked that the legislation had asked them to set the millage rate between zero
2 and 1.00, and that the Board had the discretion to do that, opining that the Board was not
3 dictated to by the Governor or the legislators on what to do.

4
5 Mr. Jordan relayed that the Board could choose to not limit this amount at the current
6 meeting, and that it could be set at 1.00 mills and go down at a future meeting, noting that
7 it would not be expensive to do.

8
9 Ms. Price stated that she was opposed to 1.00 mills, and that she looked at this from two
10 different points of view. She explained that she had a son in the medical profession, and
11 that she heard stories of the need and abuse of medical attention. She related that she had
12 friends with extreme financial issues because of the economy and could not pay their bills,
13 and that the most she could support was 0.60 mills.

14
15 Mr. Jordan clarified that he was not implying that he wanted to charge the full millage rate;
16 however, he opined that the Board should hear the needs first, and then the millage rate
17 could be based on that. He said that the amount of 1.00 mills was legislatively there, and
18 opined that calling this special meeting to establish something else would only restrict the
19 Board. He opined that the Board needed to find out what the needs were and what the
20 certification number was, noting that the home values were not yet available. He relayed
21 that once this information was obtained from the providers and the certification number
22 was obtained in July 2024, then the Board could decide what the millage should be to meet
23 that funding amount and to provide it for the purpose of this legislation.

24
25 Mr. Smith commented that if the Board wanted to spend more of the taxpayers' funding,
26 they had the option to go higher; however, he hoped that there would not be a need to. He
27 noted that this amount was three times more than the final millage was the previous year,
28 opining that this was significant. He opined that the clinics would receive what they could
29 justify, and that the hospitals would receive what was left over. He also opined that
30 valuations had gone up from the prior year, and that 1.00 mills would have been \$20
31 million, which was about \$100 per person. He opined that requiring people by law to pay
32 \$100 per person through direct or indirect taxation was unjustified, and that one of the
33 reasons Lake County had so many indigent people may be because they were being taxed
34 too much.

35
36 Ms. Price seconded the motion.

37
38 Mr. Hurley related that he had joined the Board in the previous year, thinking that he could
39 do some good for the community; however, he immediately started hearing that the
40 hospitals made so much money that they could pay their executives exorbitant salaries and
41 raise much funding to build new facilities. He asked if the hospitals really needed the
42 funding from the NLCHD.

43
44 Mr. Andrew Wampler, Vice President of Finance for Central Florida UF Health, answered
45 that they did need it, and noted that their margins had actually been negative since COVID-
46 19 because of many things that they did not have control over. He explained that costs
47 kept going up to keep up staffing levels, and that during COVID-19, many regular nurses

1 who lived in Lake County went to other places to make more as travel nurses. He relayed
2 that when this happened, they had to bring in travel nurses, and that it cost much funding
3 to just keep their doors open. He stated that they had to raise their payments to attract
4 nurses back to their own facilities, and that since their payer mix was 80 percent Medicare
5 with another five percent from Medicaid and self-pay or governmental payments, they
6 could not negotiate that payment. He elaborated that they were told what Medicare was
7 going to pay them, and that they could not go to them and explain that their costs had gone
8 up for labor and supplies as they did with Blue Cross and Blue Shield of Florida; therefore,
9 he opined that they needed these funds. He explained that those funds could help them
10 continue to buy and replace equipment, such as heating, ventilation and air conditioning
11 (HVAC) systems and other items that were broken, noting that he had a large stack of items
12 on his desk that they were holding because they did not have enough funds to continue to
13 fix those items that were breaking as well as invest in new items. He mentioned that all
14 the residents of Lake County as well as indigent patients benefited, and opined that they
15 needed this funding to continue to provide services for all of Lake County.

16
17 Mr. Hurley commented that the mandate on this district by the State Legislature was that
18 the NLCHD would reimburse the hospitals and clinics for indigent care, and that even
19 though people spoke of how poor everybody was and how difficult the economy was, the
20 district was only taxing homeowners, opining that homeowners should be able to afford \$7
21 to \$8 per month, which was not enough to break anybody. He opined that it made no sense
22 at all to set a tentative millage rate less than 1.00 mills, and that this did not mean that the
23 Board would pass that for the final millage; however, it did mean that the Board had the
24 capability to ask for what the providers needed once it was known. He mentioned that the
25 millage rate could always come down but not go up, and opined that it would not make
26 sense to set the millage rate at a low number before knowing the numbers. He opined that
27 it should be set at 1.00 mills tentatively, and that the Board could then go down to what
28 was needed.

29
30 Ms. Price questioned why UF Health and other hospitals were building free standing
31 emergency room (ER) clinics, if hospitals were in such need.

32
33 Mr. Harper opined that they saw the needs of the community, payers and nonpayers, and
34 were trying to provide those services, and that it may be due to the funding of the indigent
35 that they could be financially in a position to help other people in that community. He
36 opined that they were building on the foundation from 10 years prior when the NLCHD
37 was put in place.

38
39 Ms. Price pointed out that Mr. Wampler had a pile of papers on his desk for new machines;
40 however, they were building new facilities. She opined that they needed to replace the
41 necessary machinery in their already existing facilities instead of building more facilities.

42
43 Mr. Harper opined that if they were supposed to receive \$1 million and they had to cut
44 \$750,000 out of it, there were many other items that would be cut, such as services for the
45 residents in the City of Eustis or services at the main hospital. He also opined that hospitals
46 were having to make decisions based on a very large scope, and that the Board was making

1 choices on funding indigent healthcare to support the community as a whole. He suggested
2 that Ms. Price could go serve on their Board.

3
4 Mr. Smith opined that this funding was not being taken from taxpayers strictly for indigent
5 care, and that it was being taken to subsidize other items. He commented that he had seen
6 YouTube videos about this, including one showing the former CEO of Leesburg Regional
7 Hospital, and opined that this was a deceptive practice. He relayed that hospitals were
8 required by law to take care of indigent needs because they were non-profits, which was
9 their business model, and that the NLCHD provided funding for indigent care as necessary
10 for the taxpayers, which included homeowners and commercial and personal property
11 owners, noting that the hospital tax was on all of it. He commented that a \$100 per person
12 tax on average multiplied by 200,000 people was \$20 million, and that once they had the
13 real numbers, the Board could make decisions. He mentioned that he was willing to do
14 about 0.40 mills, noting that Ms. Price had offered 0.60 mills and had seconded the 0.40,
15 and he inquired if the Board wanted to make an alternative suggestion.

16
17 Ms. Price opened the floor for public comment.

18
19 Mr. Braun questioned if Mr. Smith was referring to the hospitals subsidizing for other
20 things, such as providing care to the people in the community, noting that this was what
21 they were doing.

22
23 Mr. Smith remarked that the NLCHD was paying for indigent care and not for everyone in
24 the community.

25
26 Mr. Braun explained that when the NLCHD subsidized the hospital for the services they
27 provided in indigent care, it reimbursed funds they would not have otherwise received, and
28 opined that they would then have less funding to provide better care to the whole county.
29 He opined that they were subsidizing enough to provide care to everybody, and that the big
30 picture was to have vibrant healthy hospitals and healthcare in a community. He opined
31 that paying the hospitals for providing some indigent care helped and was an economic
32 driver, noting that they could hire nurses and employees. He also opined that having
33 hospitals was like having schools, and that if the community did not have it, then the
34 community would not thrive. He opined that no one would want to live there if there were
35 not urgent care centers and places to take sick children in the middle of the night, and that
36 if one did not want to live in a community with good healthcare, they could live in the
37 panhandle of the State of Florida and not have to pay taxes for it. He opined that the
38 funding provided that difference that helped them continue to grow, and that they would
39 not build a new facility if it was going to sit empty and not provide for a need in the
40 community. He opined that the bigger picture included supporting healthcare in the
41 community, and that even though there were many ways to do it, this was an important
42 way.

43
44 Mr. Jordan commented that the legislature had stated that the provision of such indigent
45 care was found and declared to be a public purpose and necessary for the preservation of
46 the public health of the residents of the district. He opined that this included economic
47 growth, noting that the nurses and doctors that worked in hospitals paid taxes. He also

1 opined that the 85 percent from Medicare and Medicaid came from government entities for
2 indigent care, which came from taxation, opining that they were not as efficient as the
3 NLCHD funding because there was not as much oversight. He related that the NLCHD
4 was audited every year, and that the reports were heard in the current meeting; therefore,
5 he opined that the Board should trust in the expertise of those auditors.

6
7 Mr. Halikman mentioned that he did not live in Lake County, but he had been a healthcare
8 auditor for 40 years, opining that he understood the economics of how it worked. He
9 pointed out that there was a cost to caring for the indigent, and that it would be paid for.
10 He relayed that UF Health in the City of Leesburg took a loss in the prior year, and that out
11 of the six hospitals he audited in the State of Florida, none of them made a profit in the
12 prior year, noting that two of them were very close to declaring bankruptcy. He commented
13 that since COVID-19, no healthcare providers had done well; however, the cost was going
14 to be paid for. He explained that UF Health Leesburg Hospital and AdventHealth
15 Waterman would have to increase their contracts with the insurance companies, who would
16 then go to those who paid for their services, such as the local plumber, the local law firm,
17 and every other employer in town, and raise their premiums, which would then be paid in
18 part by their employees. He opined that the \$100 per household would then turn into \$130
19 per household for the working people who were paying those premiums to their employers
20 to pay the insurance companies, which would draw funds out of the community because
21 the insurance companies would be spending those funds in other cities and states, and it
22 would not stay in Lake County. He related that the funds that the NLCHD provided stayed
23 in Lake County and changed hands many times before it left north Lake County, and he
24 said that as someone who understood the economy of healthcare, there was some real value
25 to that. He opined that this funding was important as it gave hospitals the ability to draw
26 down on the Low Income Pool (LIP) program, noting that it was a draw down on a federal
27 funding match.

28
29 Mr. Braun commented that there was legislation that allowed for this, and recalled that they
30 had previously asked to be allowed to leverage this funding against federal funding. He
31 related that the program was not as lucrative as it had been previously as it changed from
32 year to year, and opined that it would go up in the coming year. He explained that for the
33 funds the hospitals received from the NLCHD, they were able to draw down a percentage
34 of federal funding that matched.

35
36 Mr. Halikman clarified that they received 45 cents per \$1.00 or 45 percent more; therefore,
37 every \$1.00 they sent to the City of Tallahassee came back as \$1.45.

38
39 Mr. Braun opined that it was a good return, and elaborated that there were caps based on
40 ratios, which were calculated each year; however, they had almost always used the majority
41 of the funds provided by the NLCHD to leverage those funds, which would go back into
42 the local economy. He mentioned that they had done an economic study in the past that
43 showed that they provided millions of dollars in economic benefits to the community for
44 having a hospital there, and opined that there were two very good hospitals in north Lake
45 County. He opined that there were many communities with the population size of Lake
46 County that did not have the healthcare that was available there, and that people did not
47 have to drive or take an ambulance to the City of Orlando to receive care, noting that their

1 facilities could handle many of the strokes without having to be sent somewhere else. He
2 also opined this was part of the reason people raised families there, and that it was what
3 kept him there as he was a locally raised person who had wanted to stay and give back to
4 the community. He mentioned that they had employees who spent funds in the community
5 and gave much of their time and other resources back to the community, opining that the
6 whole cycle was very important to economic development.

7
8 Mr. Halikman reiterated that for every \$1.00 that came from this district to the providers'
9 hands, the hospitals could leverage between 30 to 45 percent of additional funds coming
10 from outside of Lake County.

11
12 Mr. Smith inquired if the LIP program applied to the clinics as well as the hospitals.

13
14 Mr. Halikman relayed that the hospitals and LifeStream received LIP funding.

15
16 Mr. Jordan explained that LIP funding began when there was the Medicaid expansion,
17 which the State of Florida did not participate in, and that the current Governor worked out
18 a deal with the federal government to receive funding based on the Medicaid population.
19 He relayed his understanding that their Medicaid population was about 56 percent, and that
20 there were Intergovernmental Transfers (IGTs) that were sent up to the City of Tallahassee
21 for the additional 40 to 45 percent federal match. He opined that it skirted around the
22 Medicaid expansion without replacing what the expansion would do, and noted that he
23 received the LIP report showing what the hospitals and the federally qualified health
24 centers received. He opined that it was much funding that was brought back from the
25 federal government because of the match from the local governments, and that north Lake
26 County received a very good benefit from Community Health Centers because all of their
27 match came from Orange County, which was then spent in north Lake County.

28
29 Mr. Smith relayed his understanding that the hospitals in south Lake County had a funding
30 mechanism a few years prior that was stopped, and that the care had not diminished. He
31 questioned why there was not more special districts being created in the State of Florida,
32 especially if the hospitals could receive 45 percent returns, and opined that it would be
33 good if this model worked and actually created a net benefit to taxpayers.

34
35 Mr. Jordan replied that there were federally qualified health centers (FQHCs) all through
36 the State of Florida participating in the LIP program, and that they all had to obtain IGTs
37 to leverage that funding. He explained that it may come from a County's General Fund
38 instead of a Hospital District Board; however, there was local government funding being
39 sent up to the State of Florida so that more funding could come from the federal
40 government.

41
42 Mr. Harper relayed his understanding that in some Counties there was an allocation
43 towards indigent needs, and that the NLCHD was just doing it in a different format.

44
45 Mr. Jordan commented that there were a number of FQHCs in Orange County, which did
46 not have a hospital taxing district; however, the County had general revenues that were set
47 for indigent care.

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Mr. Harper added that it became a line item at the County level.

Mr. Jordan remarked that Lake County did not do that; however, having the NLCHD helped bring funding from the federal government.

Mr. Braun related that Orange County gave much funding to Orlando Health, and that they used that IGT match, noting that it could be looked up to see what was sent to the State of Florida. He remarked that South Lake's taxing district had owned part of the hospital and had the ability to use the funds for anything, not just indigent care; furthermore, that board was appointed, not elected. He opined that the NLCHD was a better way, and that more areas should do it this way because of the following reasons: there was accountability; there were elected officials; the Board had the ability to raise and lower the millage; and the hospitals had to provide care to the indigent to obtain it. He mentioned that there were some places that used p-cards and reimbursed the hospitals more like an insurance company would, including west Volusia County. He opined that everybody who had healthcare did this in some way because the Health Care Responsibility Act (HCRA) said that this was the County's responsibility, and opined that there was not a better way to do it; additionally, the Board would not be able to control the millage rate. He opined that it sometimes was hidden in the budget of larger Counties, and that with the NLCHD, it was out in the open with public debate. He relayed that the South Lake's taxing district sold their shares of the hospital and placed it in a foundation, and that the foundation received IGT funding currently.

Mr. Hurley opined that if the Board started with 1.00 mills and ended up with 0.20 mills, then they would be happy.

Ms. Price pointed out that there was already a motion on the floor.

Mr. Smith mentioned that he had texted Mr. Baker and asked him what he expected the valuations to increase by in the current year, noting that the response indicated that it would be about 10 percent. He opined that a millage rate of 1.00 mills would generate about \$22 million, and that 0.40 mills would generate about \$8.8 million.

Mr. Harper relayed his understanding that the NLCHD had an \$8 million budget in 2023, and opined that it could be 20 percent more in 2024; therefore, he opined that the Board needed to have the numbers in front of them before a decision was made.

Mr. Smith remarked that the Board would just be setting a number at the current meeting, and that he would not agree to 1.00 mills. He said that he would be willing to raise his offer to 0.45 mills, which he opined would give the NLCHD about \$10 million, and that the Board could work it down from there or stay there.

Mr. Smith amended the motion to be 0.45 mills.

Ms. Price seconded the motion.

1 Mr. Jordan relayed his understanding that if there was a split vote or there was no selection
2 made, it would default to 1.00 mills.

3
4 On a motion by Mr. Smith, seconded by Ms. Price, which failed by a roll-call vote of 3-3,
5 the NLCHD Board did not approve to set the tentative millage at 0.45 mills.

6
7 Mr. Harper, Mr. Hurley, and Mr. Jordan voted no.

8
9 On a motion by Mr. Harper, seconded by Mr. Hurley, which failed by a roll-call vote of 3-
10 3, the NLCHD Board did not approve to set the tentative millage at 1.00 mills.

11
12 Ms. Price, Ms. Hooper, and Mr. Smith voted no.

13
14 On a motion by Ms. Price, seconded by Mr. Smith, which failed by a roll-call vote of 3-3,
15 the NLCHD Board did not approve to set the tentative millage at 0.60 mills.

16
17 Mr. Harper, Mr. Hurley, and Mr. Jordan voted no.

18
19 Ms. Kirste remarked that the Board could continue or call it a tie, noting that the tentative
20 millage would be 1.00 mills until the Board received more information.

21
22 Mr. Smith opined that it was criminal to submit 1.00 mills; furthermore, he opined that the
23 previous Board had been more in favor of the taxpayers than corporate interests. He also
24 opined that the Lake County Sheriff's Office (LCSO) was \$40 million underfunded, and
25 that if the NLCHD was disbanded legislatively because of these types of reactions, it would
26 leave \$22 million that could be assessed through the County ad valorem taxes for the real
27 duties and functions of government, such as protecting the citizenry through the LCSO.
28 He opined that there was a ceiling of what should be taken from people; additionally, he
29 opined that the NLCHD tax was \$100 per person, not \$100 per household, which would be
30 \$400 for a family of four. He commented that if that funding had to be taken, then he
31 would want it to go toward what he opined as legitimate functions of government, such as
32 law enforcement, highways, sidewalks, and schools. He opined that subsidizing hospitals
33 for indigent care when they were already required by law to provide care to the indigent
34 because of their non-profit status, was dishonest and immoral.

35
36 Ms. Price agreed, and opined that hospitals paid very little in taxes but were willing to tax
37 the hardworking residents of Lake County. She also opined that even though it was a
38 minimal tax, people were suffering, and that it was worse in the current year, reiterating
39 that she was not in favor of 1.00 mills.

40
41 Mr. Jordan related that the implication that these funds could go somewhere else was
42 outside the purview of this Board, and that it would be up to the Board of County
43 Commissioners (BCC). He commented that the legislation that created the NLCHD was
44 established at the State, which he opined was where this would be remedied if it was not
45 to be continued. He stated that he had committed himself to the oath he had made, and
46 hoped that a lesser tax would be settled on later. He remarked that what the Board was
47 supposed to do was to find out what the need was, find out what the taxable value amount

1 from Mr. Baker was, and set a millage based on that amount; furthermore, concerns about
2 what this meant to each member of the Board personally was outside of this Board's
3 purview as it was for the State Legislation to decide. He opined that higher taxes were not
4 always necessary, and that this was not the first way to solve an issue; however, he opined
5 that there was an issue. He also opined that there were difficulties with everyone no matter
6 what their level of income was, and that having worked in healthcare, including in many
7 of these facilities, he understood what it was like to take an oath and treat patients whether
8 or not they could pay or be respectful because it was his duty notwithstanding his opinions.
9 He opined that the principle was that it was regulated by the law; furthermore, he opined
10 that even though the NLCHD may not need 1.00 mills, there was no reason to constrain
11 the millage rate, which could be significantly lower. He pointed out that the Board would
12 not know what that amount should be until the request was made, opining that it was
13 foolhardy to usurp the law to say something that did not need to be said unless one was
14 trying to demonstrate something outside of this Board.

15
16 Mr. Hurley indicated that he did not want to be branded as a criminal or immoral because
17 he was trying to do what the State Legislature mandated the NLCHD to do, and opined that
18 if Mr. Smith did not want to do what he had been elected to do on the Board, then he should
19 resign.

20
21 Mr. Smith opined that Mr. Hurley and Mr. Jordan were good people, and that the term
22 immoral may have been too extreme; however, he opined that they had a lack of
23 understanding. He opined that the hospitals did not want to give up the funding whether
24 they needed it or not and would argue to justify it. He also opined that this was what
25 corporations did, and that even though they were not bad people, they were businessmen.
26 He opined that the job of the NLCHD was not to support them or listen to their arguments,
27 and that the NLCHD was there to serve the citizens that elected the Board members. He
28 also opined that the function of government was not to support outside interests, and stated
29 that until a hospital was deemed a government entity, he could not give up that principle.
30 He opined that the Board was not benevolent or giving because the NLCHD was simply
31 taking funding from taxpayers and transferring it to the hospitals, and said that he would
32 look out for the taxpayers.

33
34 Mr. Hurley opined that the funding came from the same taxpayers who elected the Board
35 members, and that the Board members were elected to do this. He also opined that if the
36 taxpayers did not want the Board to take their funding, then they should not have voted for
37 the NLCHD to be in existence.

38
39 Mr. Smith commented that about four years ago, the residents voted for three Board
40 members who were openly not in favor of the NLCHD, and that he had run unopposed
41 because no one else stepped up to run, opining that this election carried more weight than
42 the election of about eight years ago.

43
44 Ms. Price asked if there were any other motions.

45
46 Mr. Hurley made a motion to adjourn.

47

1 Mr. Smith seconded the motion.

2

3 ADJOURNMENT

4 The meeting adjourned at 7:31 p.m.

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8

9 Barbara Price, Chairman

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