

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

5C-1

AGENDA ITEM SUMMARY

Meeting Date: October 20, 2026

☐ Consent
☐ Workshop

☒ Regular
☐ Public Hearing

Department: Office of Financial Management and Budget

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve on preliminary reading and permission to advertise for a public hearing on November 17, 2026 at 9:30 a.m.: AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AMENDING CHAPTER 2, ARTICLE III, OF THE PALM BEACH COUNTY CODE, PERTAINING TO THE PALM BEACH COUNTY LOCAL PROVIDER PARTICIPATION FUND ORDINANCE; PROVIDING FOR THE SAME; PROVIDING FOR REPEAL OF LAWS IN CONFLICT; PROVIDING FOR SAVINGS CLAUSE; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE OF LAWS AND ORDINANCES; PROVIDING FOR CAPTIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

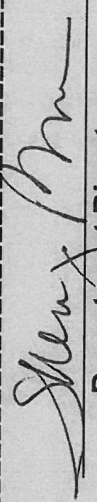
Summary: An Amendment to the Local Provider Participation Fund (LPPF) Ordinance is necessary to replace individual references to each hospital with a single reference to Institutional Health Care Providers which are defined as 'licensed private for-profit or not-for-profit hospital providers that provides inpatient hospital services, unless the Centers for Medicare and Medicaid Services (CMS) exempts the hospital through an approved or pending health care tax waiver. This change will remove the need to amend the ordinance every time a new hospital subject to the assessment is added. Additionally, the Amendment makes other clarifying and technical corrections to ensure the proper application and operation of the LPPF Ordinance. Countywide (RS)

Background and Policy Issues: Continued on page 3.

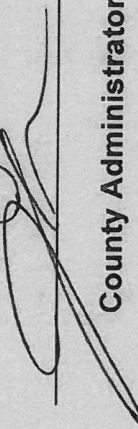
Attachments:

1. Proposed LPPF Ordinance: Strike-through Version
2. Proposed LPPF Ordinance: Clean Version
3. Business Impact Estimate

Recommended by:

 9/24/2026
Department Director Date

Approved by:

 10.2.26
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five-Year Summary of Fiscal Impact:

Fiscal Years	2027	2028	2029	2030	2031
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT					
#ADDITIONAL FTE					
POSITIONS (CUMULATIVE)					

Is item included in Current Budget? Yes ☐ No ☒
Is this item using Federal Funds? Yes ☐ No ☒
Is this item using State Funds? Yes ☐ No ☒

Budget Account No.: Fund ___ Department ___ Unit ___ RevSc ___

B. Recommended Sources of Funds/Summary of Fiscal Impact:

N/A

C. Departmental Fiscal Review:

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

ASD:dc 9/25/26
9/24 OFMB Gwq.25.26
Contract Dev. and Control 9/25/26

B. Legal Sufficiency:

9/30/26
Assistant County Attorney

C. Other Department Review:

N/A
Department Director

This summary is not to be used as a basis for payment)

Background and Policy Issues (continued from page 1): Hospitals in Palm Beach County (County) annually provide millions of dollars of uncompensated care to persons who qualify for Medicaid. The hospitals report that, on average, Medicaid typically only covers 60% of the costs of the health care services actually provided by hospitals to Medicaid-eligible persons, leaving hospitals with significant uncompensated costs. CMS Medicaid-managed care regulations under 42 C.F.R. part 438 govern how states may direct plan expenditures in connection with implementing delivery system and provider payment initiatives under Medicaid managed care contracts.

In November of 2017, CMS published guidance for states to obtain approval of state directed payments under 42 C.F.R. § 438.6(c). Overall, CMS has reviewed and approved more than 450 state directed payment arrangements. The State of Florida first received CMS approval of its proposal for its hospital Medicaid-shortfall directed payment arrangement on April 26, 2021. The non-federal share of the program will be obtained, in part, through the non-ad valorem assessments to be levied on each participating hospital in the County, as described in the LPPF Ordinance.

At the request of impacted hospitals, the Board of County Commissioners (BCC) adopted the LPPF Ordinance (R2021-024) on August 26, 2021, providing for non-ad valorem special assessments to be imposed by the County on all nonpublic hospitals within the County's jurisdiction (the Hospitals). The LPPF Ordinance requires the Hospitals to pay a uniform, non-ad valorem special assessment, set annually by resolution approved by the BCC. Funds collected through the LPPF Ordinance assessments are sent to the Florida Agency for Health Care Administration (AHCA) through intergovernmental transfers (IGTs), consistent with federal guidelines, as the non-federal share of increased Medicaid managed care payments facilitated under a hospital directed payment program (DPP) that was first approved by the State of Florida in 2021 and annually reapproved. Through the DPP, AHCA uses the IGTs to draw additional federal Medicaid dollars and transfers those additional dollars to Medicaid Managed Care Organizations (MCOs) to fund increased payments by MCOs to the local hospitals to provide services to Medicaid patients.

ORDINANCE NO. 2026-

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AMENDING CHAPTER 2, ARTICLE III, OF THE PALM BEACH COUNTY CODE, PERTAINING TO THE PALM BEACH COUNTY LOCAL PROVIDER PARTICIPATION FUND ORDINANE; PROVIDING FOR THE SAME; PROVIDING FOR REPEAL OF LAWS IN CONFLICT; PROVIDING FOR SAVINGS CLAUSE; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE OF LAWS AND ORDINANCES; PROVIDING FOR CAPTIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on August 26, 2021, the Palm Beach County Board of County Commissioners (BCC) adopted the Palm Beach County Local Provider Participation Fund (LPPF) Ordinance (R2021-024), providing for a non-ad valorem special assessment to be imposed by the County on all nonpublic hospitals within Palm Beach County’s jurisdiction (Hospitals); and

WHEREAS, Hospitals annually provide millions of dollars of uncompensated care to persons who qualify for Medicaid because Medicaid, on average, covers only 60% of the costs of the health care services actually provided by Hospitals to Medicaid-eligible persons, leaving hospitals with significant uncompensated costs ("Medicaid shortfall"); and

WHEREAS, the State of Florida received federal authority to establish the Statewide Medicaid Managed Care hospital-directed payment program (DPP) to offset hospitals' Medicaid shortfall and improve quality of care provided to Florida's Medicaid population; and

WHEREAS, impacted Hospitals asked Palm Beach County to enact an Ordinance imposing a special assessment on certain real property owned or leased by the Hospitals to help finance the non-federal share of the State's Medicaid program, in exchange for which each Hospital agreed to indemnify the County for any and all liability of any kind resulting from enactment, application, or enforcement of this Ordinance, or agreed not to object to or challenge the enactment, application, or enforcement of the Ordinance and Resolution in any administrative or legal action; and

WHEREAS, on July 2, 2021, the BCC amended R2021-024 with an emergency ordinance (2025-017) to add three newly licensed nonpublic hospitals within Palm Beach County to section 2-43(b) of the Palm Beach County Code of Ordinances.

WHEREAS, the LPPF Ordinance must be amended to replace individual references to each Hospital subject to the ordinance with a single reference to “Institutional Health Care Providers”

which are defined as “licensed private for-profit or not-for-profit hospital providers that provides inpatient hospital services, unless the Centers for Medicaid Services (CMS) exempts the hospital through an approved or pending health care tax waiver”; and

WHEREAS, the LPPF Ordinance must be amended to make other clarifying and technical corrections to ensure the proper application and operation of the LPPF Ordinance;

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF
COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:**

1 **SECTION 1. PALM BEACH COUNTY LOCAL PROVIDER PARTICIPATION FUND**

2 **ORDINANCE.** Section 2-43 of the Palm Beach County Code is hereby amended to read as follows:

3 (a) *Title.* This Section shall be titled the Palm Beach County Local Provider Participation Fund
4 Ordinance.

5 (b) *Applicability.* This Section shall be applicable to the Institutional Health Care Providers as
6 defined in subsection (c). ~~following properties where all nonpublic hospitals in the County are located;~~

7 ~~Bethesda Hospital East, 2815 S. Seacrest Blvd., Boynton Beach, Florida 33435-~~

8 ~~Boca Raton Regional Hospital, 800 Meadows Rd., Boca Raton, Florida 33486-~~

9 ~~Delray Medical Center, 5352 Linton Blvd., Delray Beach, Florida 33484~~

10 ~~Good Samaritan Medical Center, 1309 N. Flagler Dr., West Palm Beach, Florida 33401-~~

11 ~~JFK Medical Center, 5301 S. Congress Ave., Atlantis, Florida 33462-~~

12 ~~Jupiter Medical Center, 1210 S. Old Dixie Hwy., Jupiter, Florida 33458-~~

13 ~~Kindred Hospital The Palm Beaches, 5555 W. Blue Heron Blvd., Riviera Beach, Florida 33418-~~

14 ~~Palm Beach Gardens Medical Center, 3360 Burns Rd., Palm Beach Gardens, Florida 33410-~~

15 ~~Palms West Hospital, 13001 Southern Blvd., Loxahatchee, Florida 33470-~~

16 ~~Select Specialty Hospital — Palm Beach, 3060 Melaleuca Lane, Lake Worth, Florida 33461-~~

17 ~~St. Mary's Medical Center, 901 45th St., West Palm Beach, Florida 33407-~~

18 ~~Wellington Regional Medical Center, 10101 Forest Hill Blvd., Wellington, Florida 33414-~~

19 ~~West Boca Medical Center, 21644 State Rd. 7, Boca Raton, Florida 33428-~~

20 ~~NeuroBehavioral Hospitals of the Palm Beaches North, 901 45th Street, West Palm Beach, FL 33407~~

21 ~~NeuroBehavioral Hospitals of the Palm Beaches South, 4905 Park Ridge Blvd., Boynton Beach, FL~~
22 ~~33426-~~

23 ~~PAM Rehabilitation Hospital of Jupiter, 5075 Innovation Way, Jupiter, FL 33458~~

24 (c) *Definitions.* As used in this Section, unless some other meaning is plainly intended:

25 ~~Annual Final Assessment Resolution~~ means the resolution that provides the final proceeding

26 for the imposition of an Assessment, and establishes the rate for the non-ad valorem assessment for
27 a specific Fiscal Year.

28 *Assessed Property* means an Institutional Health Care Provider holding a right of possession
29 and right of use to real property in the County through an ownership or leasehold interest, thus making
30 the property subject to the Assessment.

31 *Assessment* means a non-ad valorem special assessment imposed by the County on
32 Institutional Health Care Providers located in the County limits to fund the non-federal share of
33 Medicaid and Medicaid managed care payments directed to hospitals providing Local Services in the
34 County.

35 *Assessment Coordinator* means the person appointed to administer the Assessment imposed
36 pursuant to this Article, or such person's designee.

37 *Assessment Resolution* means the resolution describing the Medicaid payments proposed for
38 funding from proceeds of the assessment, benefits to the assessed property, and the methods of
39 computation, payment, and collection of the Assessment.

40 *Board* means the Palm Beach County Board of County Commissioners.

41 *Charter* means the Charter of Palm Beach County, Florida.

42 *Comptroller* means the Palm Beach County Clerk of the Circuit Court and Comptroller, or
43 other such person as may be duly authorized to act on such person's behalf.

44 *County* means Palm Beach County, Florida.

45 *Fiscal Year* means the period commencing on October 1 of each year and continuing through
46 the next succeeding September 30.

47 *Institutional Health Care Provider* means a licensed private for-profit or not-for-profit
48 hospital that provides inpatient hospital services, unless the Centers for Medicare and Medicaid
49 Services (CMS) exempts the hospital through an approved or pending health care tax waiver.

50 *Local Services* means the provision of inpatient and outpatient hospital services to Medicaid,
51 indigent, and uninsured members of the Palm Beach County community.

52 *Local Provider Participation Fund* means a separate account into which funds collected from
53 the Non-Ad Valorem assessment are deposited.

54 Medicaid payments mean funding received through the Directed Payment Program, and any
55 other supplemental or managed care quality incentive program or arrangement authorized by CMS
56 and expressly designated in an Assessment Resolution.

57 *Non-Ad Valorem Assessment Roll* means the special assessment roll prepared by the County.

58 *Ordinance* means the Palm Beach County Local Provider Participation Fund Ordinance.

59 *Tax Collector* means the Palm Beach County Tax Collector.

60 (d) *Purpose*. The non-ad valorem special assessment authorized by this Section shall be imposed,
61 levied, collected, and enforced against Assessed Properties located within the County.
62 Proceeds from the Assessment shall be used to benefit Assessed Properties through enhanced
63 Medicaid payments for Local Services. When imposed, the Assessment shall constitute a lien
64 upon the Assessed Properties equal in rank and dignity with the liens of all state, county,
65 district, or municipal taxes and other non-ad valorem assessments. Failure to pay may cause
66 foreclosure proceedings to commence, which could result in loss of title. The Assessment
67 shall be computed and assessed only in the manner provided in this Section.

68 (e) *Alternative method*. This Section shall be deemed to provide an additional and alternative
69 method, as specified in F.S. § 197.3631, for the assessment and collection of the non-ad
70 valorem special assessment described herein. The Section shall be regarded as supplemental
71 and additional to powers conferred by other laws and shall not be regarded as in derogation
72 of any powers now existing, or which may exist hereafter. This Section, being necessary for
73 the health, safety, and welfare of the inhabitants of the County, shall be liberally construed to
74 effect the purposes hereof.

75 (f) *Assessment*. Pursuant to F.S. § 125.01(r), the Board is authorized to create a non-ad valorem
76 special assessment that shall be imposed, levied, collected, and enforced against Assessed
77 Property to fund the non-federal share of Medicaid payments benefitting Assessed Properties
78 providing Local Services in the County. Funds generated as a result of the Assessment shall

79 be held in a separate account called the Local Provider Participation Fund and shall be
80 available to be used only to (1) provide to the Florida Agency for Health Care Administration
81 the non-federal share for Medicaid payments to be made directly or indirectly in support of
82 hospitals serving low income residents, including Medicaid beneficiaries and (2) reimburse
83 the County for administrative costs associated with the implementation of the Assessment
84 authorized by this Section, as further specified in the Assessment Resolution.

85 ~~The Assessment will be broad based, and the amount of the Assessment must be uniformly~~
86 ~~imposed on each Assessed Property.~~~~Assessment must comport with federal and state requirements~~
87 ~~for health care-related assessments.~~ The Assessment may not hold harmless any Institutional Health
88 Care Provider, as required under 42 U.S.C. § 1396b(w). The Assessment shall constitute a lien upon
89 the Assessed Properties equal in rank and dignity with the liens of all state, county, district, or
90 municipal taxes and other non-ad valorem assessments.

91 Creation and implementation of the Assessment will not result in any additional pecuniary
92 obligation on the County, Board, or County residents. The Assessment shall be imposed, levied,
93 collected, and enforced against only Assessed Properties, and the Assessment Resolution shall
94 provide that the County's administrative costs shall be reimbursed from the collected amounts. The
95 County's administrative costs shall not exceed three hundred thousand dollars (\$300,000.00). Any
96 reasonable expenses the County incurs to collect delinquent assessments, including any attorney's
97 fees incurred as a result of contracting with an attorney to represent the County in seeking and
98 enforcing the collection of delinquent assessments, are not subject to the limitation on administrative
99 costs.

100 (g) *Computation of assessment.* The annual Assessment shall be specified for each Assessed
101 Property. The Board shall set the Assessment in amounts that in the aggregate will generate
102 sufficient revenue to fund the non-federal share of Medicaid payments associated with Local
103 Services to be funded by the Assessment.

104 The amount of the Assessment required of each Assessed Property may not exceed an amount
105 that, when added to the amount of other required assessments, equals an amount of revenue that
106 exceeds the maximum percent of the aggregate net patient revenue of all Assessed Hospitals in the

107 ~~County-state~~ permitted by 42 C.F.R. § 433.68(f)(3)(i)(A). Assessments for each Assessed Property
108 will be derived from data contained in the hospital cost reports and/or the Florida Hospital Uniform
109 Reporting System, as available from the Florida Agency for Health Care Administration.

110 (h) *Assessment resolution.* The Assessment Resolution shall describe (a) the Medicaid payments
111 proposed for funding from proceeds of the Assessment; (b) the benefits to the Assessed
112 Properties associated with the Assessment; (c) the methodology for computing the assessed
113 amounts; and (d) the method of collection, including how and when the Assessment is to be
114 paid.

115 (i) *Non-ad valorem assessment roll.* The Assessment Coordinator shall prepare, or direct the
116 preparation of, the Non-Ad Valorem Assessment Roll, which shall contain the following:

117 (1) The names of the Assessed Properties; and

118 (2) The Assessment rate and amount of the Assessment to be imposed against each
119 Assessed Property based on the Assessment Resolution.

120 The Non-Ad Valorem Assessment Roll shall be retained by the Assessment Coordinator and
121 shall be open to public inspection.

122 (j) *Notice by publication.* Upon completion of the Non-Ad Valorem Assessment Roll, the
123 Assessment Coordinator shall publish once in a newspaper of general circulation within the
124 County a notice stating that the Board, at a regular, adjourned, or special meeting on a certain
125 day and hour, not earlier than twenty (20) calendar days from such publication, will hear
126 objections of all interested persons to approve the aforementioned Non-Ad Valorem
127 Assessment Roll. Such notice shall include:

128 (1) The Assessment rate;

129 (2) The procedure for objecting to the Assessment rate;

130 (3) The method by which the Assessment will be collected; and

131 (4) A statement that the Non-Ad Valorem Special Assessment Roll is available for
132 inspection at the Office of the Assessment Coordinator.

133 (k) *Notice by mail.* In addition to the published notice required above, but only for the first fiscal

134 year in which an Assessment is imposed by the Board against Assessed Properties, the
135 Assessment Coordinator shall provide notice of the proposed Assessment by first class mail
136 to the Assessed Properties. Such notice shall include:

- 137 (1) The purpose of the Assessment;
- 138 (2) The Assessment rate to be levied against each Assessed Property;
- 139 (3) The unit of measurement applied to determine the Assessment;
- 140 (4) The total revenue to be collected by the County from the Assessment;
- 141 (5) A statement that failure to pay the Assessment will cause a tax certificate to be issued
142 against the property or foreclosure proceedings, either of which may result in a loss
143 of title to the property;
- 144 (6) A statement that all affected and/or interested parties have a right to appear at the
145 hearing and to file written objections with the Board within twenty (20) days of the
146 notice; and
- 147 (7) The date, time, and place of the hearing. Notice shall be mailed at least twenty (20)
148 calendar days prior to the hearing to each Assessed Property at such address as is
149 shown on the Assessment Roll. Notice shall be deemed mailed upon delivery thereof
150 to the possession of the United States Postal Service. The Assessment Coordinator
151 may provide proof of such notice by affidavit. Failure of the Assessed Property to
152 receive such notice, because of mistake or inadvertence, shall not affect the validity
153 of the Assessment Roll or release or discharge any obligation for payment of the
154 Assessment imposed by the Board pursuant to this Article.

155 (1) *Adoption of assessment resolution and non-ad valorem assessment roll.* At the time named
156 in the notice, the Board shall receive and consider any objections of interested persons. At the
157 date and time named in the notice, the Board may adopt the Assessment Resolution and Non-
158 Ad Valorem Assessment Roll which shall:

- 159 (1) Set the rate of the Assessment to be imposed;
- 160 (2) Approve the Non-Ad Valorem Assessment Roll, with such amendments as it deems

161 just and right; and

162 (3) Affirm the method of collection.

163 (m) *Annual final assessment resolution.* The Board may revise the Non-Ad Valorem Assessment

164 Roll during the Fiscal Year to modify the Assessment rate. However, the Board must adopt

165 an Annual Final Assessment Resolution during the Fiscal Year to memorialize the final rate

166 applicable for the Fiscal Year.

167 (n) *Effect of annual final assessment resolution.* The adoption of the Annual Assessment

168 Resolution or, where applicable, the Annual Final Assessment Resolution, shall be the final

169 adjudication of the issues presented (including, but not limited to, the method of

170 apportionment and Assessment, the Assessment rate, the initial rate of Assessment, the Non-

171 Ad Valorem Assessment Roll, and the levy and lien of the Assessments), unless proper steps

172 shall be initiated in a court of competent jurisdiction to secure relief within twenty (20) days

173 from the date of Board action on the Annual Final Assessment Resolution. The Non-Ad

174 Valorem Assessment Roll shall be delivered to the Tax Collector or such other official as the

175 Board by resolution shall designate.

176 (o) *Method of collection.* The amount of the assessment is to be collected pursuant to the

177 Alternative Method, as specified in the Assessment Resolution.

178 (p) *Refunds.* If, at the end of the Fiscal Year, additional amounts remain in the Local Provider

179 Participation Fund, the Board is hereby authorized to make refund to Assessed Properties in

180 proportion to amounts paid in during the Fiscal Year for all or a portion of the unutilized

181 Local Provider Participation Fund.

182 (q) *Enforcement.* In addition to other remedies available at law or equity, the enforcement of the

183 aforesaid Assessment shall be at the same time and in like manner as ad valorem taxes and

184 subject to all ad valorem tax enforcement procedures afforded to the official annual real

185 property tax notice. This Section is enforceable by all means provided by law, including but

186 not limited to suit in a court of competent jurisdiction by mandamus or other appropriate

187 proceedings or actions.

188 (r) *Indemnification.* The Hospitals that are subject to this Section have requested adoption of this
189 Section and have given assurances to the County that the objectives and procedures addressed
190 in this Section are proper and lawful. Accordingly, the Hospitals that are the subject of this
191 Section shall execute an agreement regarding liability and/or indemnification and hold
192 harmless prior to adoption of this Section. The County has sole discretion to determine an
193 acceptable form of these agreements.

194 (s) *Correction of errors and omissions.* No act of error or omission on the part of the Comptroller,
195 Property Appraiser, Tax Collector, Assessment Coordinator, Board, or their deputies or
196 employees shall operate to release or discharge any obligation for payment of the Assessment
197 imposed by the Board.

198 (t) *Limitations on surcharges.* Payments made by Assessed Properties under this Section may
199 not be passed along to patients of the Assessed Property as a surcharge or as any other form
200 of additional patient charge.

201 **SECTION 2. REPEAL OF LAWS IN CONFLICT.**

202 All local laws and ordinances in conflict with any provisions of this Ordinance are hereby
203 repealed to the extent of such conflict.

204 **SECTION 3. SAVINGS CLAUSE.**

205 Notwithstanding Section 3, Repeal of Laws in Conflict, all administrative and county orders,
206 fines, and pending enforcement issued pursuant to the authority and procedures established by
207 Ordinance R2021-024, as amended, shall remain in full force and effect.

208 **SECTION 4. SEVERABILITY CLAUSE.**

209 If any section, paragraph, sentence, clause, phrase or word of this Ordinance or the application
210 thereof, to any person or circumstance is for any reason held by a Court of competent jurisdiction to
211 be unconstitutional, inoperative, invalid or void, such holding shall not affect the remainder of this
212 Ordinance or the application of any other provisions of this Ordinance which can be given effect
213 without the invalid provision or application, and to this end, all the provisions of this Ordinance are
214 hereby declared to be severable.

215 **SECTION 5. INCLUSION IN THE CODE OF LAWS AND ORDINANCES.**

216 The provisions of this Ordinance shall become and be made a part of the Code of Laws and
217 Ordinances of Palm Beach County, Florida. The sections of this Ordinance may be renumbered or
218 re-lettered to accomplish such, and the word "ordinance" may be changed to "section", "article", or
219 other appropriate word.

220 **SECTION 6. CAPTIONS.**

221 The captions, section headings, and section designations used in this Ordinance are for
222 convenience only and shall have no effect on the interpretation of the provisions of this Ordinance.

223 **SECTION 7. EFFECTIVE DATE.**

224 The provisions of this Ordinance shall become effective upon filing with the Department of
225 State.

226
227

228 APPROVED and ADOPTED by the Board of County Commissioners of Palm Beach County, Florida, on this
229 the 20th day of October, 2026.

230 SHANNON RAMSEY-CHESSMAN
231 CLERK OF THE CIRCUIT
232 COURT & COMPTROLLER
233 AD INTERIM

PALM BEACH COUNTY, FLORIDA, BY ITS
BOARD OF COUNTY COMMISSIONERS

236 By: _____
237 Deputy Clerk

By: Sara Baxter, Mayor

239 APPROVED AS TO FORM AND
240 LEGAL SUFFICIENCY

242 By: _____
243 Assistant County Attorney

245 EFFECTIVE DATE: Filed with the Department of State of the ____ day of _____,

246 2026

ORDINANCE NO. 2026-

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AMENDING CHAPTER 2, ARTICLE III, OF THE PALM BEACH COUNTY CODE, PERTAINING TO THE PALM BEACH COUNTY LOCAL PROVIDER PARTICIPATION FUND ORDINANE; PROVIDING FOR THE SAME; PROVIDING FOR REPEAL OF LAWS IN CONFLICT; PROVIDING FOR SAVINGS CLAUSE; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE OF LAWS AND ORDINANCES; PROVIDING FOR CAPTIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on August 26, 2021, the Palm Beach County Board of County Commissioners (BCC) adopted the Palm Beach County Local Provider Participation Fund (LPPF) Ordinance (R2021-024), providing for a non-ad valorem special assessment to be imposed by the County on all nonpublic hospitals within Palm Beach County's jurisdiction (Hospitals); and

WHEREAS, Hospitals annually provide millions of dollars of uncompensated care to persons who qualify for Medicaid because Medicaid, on average, covers only 60% of the costs of the health care services actually provided by Hospitals to Medicaid-eligible persons, leaving hospitals with significant uncompensated costs ("Medicaid shortfall"); and

WHEREAS, the State of Florida received federal authority to establish the Statewide Medicaid Managed Care hospital-directed payment program (DPP) to offset hospitals' Medicaid shortfall and improve quality of care provided to Florida's Medicaid population; and

WHEREAS, impacted Hospitals asked Palm Beach County to enact an Ordinance imposing a special assessment on certain real property owned or leased by the Hospitals to help finance the non-federal share of the State's Medicaid program, in exchange for which each Hospital agreed to indemnify the County for any and all liability of any kind resulting from enactment, application, or enforcement of this Ordinance, or agreed not to object to or challenge the enactment, application, or enforcement of the Ordinance and Resolution in any administrative or legal action; and

WHEREAS, on July 2, 2021, the BCC amended R2021-024 with an emergency ordinance (2025-017) to add three newly licensed nonpublic hospitals within Palm Beach County to section 2-43(b) of the Palm Beach County Code of Ordinances.

WHEREAS, the LPPF Ordinance must be amended to replace individual references to each Hospital subject to the ordinance with a single reference to "Institutional Health Care Providers"

which are defined as “licensed private for-profit or not-for-profit hospital providers that provides inpatient hospital services, unless the Centers for Medicaid Services (CMS) exempts the hospital through an approved or pending health care tax waiver”; and

WHEREAS, the LPPF Ordinance must be amended to make other clarifying and technical corrections to ensure the proper application and operation of the LPPF Ordinance;

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF
COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:**

1 **SECTION 1. PALM BEACH COUNTY LOCAL PROVIDER PARTICIPATION FUND**

2 **ORDINANCE.** Section 2-43 of the Palm Beach County Code is hereby amended to read as follows:

3 (a) *Title.* This Section shall be titled the Palm Beach County Local Provider Participation Fund
4 Ordinance.

5 (b) *Applicability.* This Section shall be applicable to the Institutional Health Care Providers as
6 defined in subsection (c).

7 (c) *Definitions.* As used in this Section, unless some other meaning is plainly intended:

8 *Annual Final Assessment Resolution* means the resolution that provides the final proceeding
9 for the imposition of an Assessment, and establishes the rate for the non-ad valorem assessment for
10 a specific Fiscal Year.

11 *Assessed Property* means an Institutional Health Care Provider holding a right of possession
12 and right of use to real property in the County through an ownership or leasehold interest, thus making
13 the property subject to the Assessment.

14 *Assessment* means a non-ad valorem special assessment imposed by the County on
15 Institutional Health Care Providers located in the County limits to fund the non-federal share of
16 Medicaid and Medicaid managed care payments directed to hospitals providing Local Services in the
17 County.

18 *Assessment Coordinator* means the person appointed to administer the Assessment imposed
19 pursuant to this Article, or such person's designee.

20 *Assessment Resolution* means the resolution describing the Medicaid payments proposed for
21 funding from proceeds of the assessment, benefits to the assessed property, and the methods of
22 computation, payment, and collection of the Assessment.

23 *Board* means the Palm Beach County Board of County Commissioners.

24 *Charter* means the Charter of Palm Beach County, Florida.

25 *Comptroller* means the Palm Beach County Clerk of the Circuit Court and Comptroller, or
26 other such person as may be duly authorized to act on such person's behalf.

27 *County* means Palm Beach County, Florida.

28 *Fiscal Year* means the period commencing on October 1 of each year and continuing through
29 the next succeeding September 30.

30 *Institutional Health Care Provider* means a licensed private for-profit or not-for-profit
31 hospital that provides inpatient hospital services, unless the Centers for Medicare and Medicaid
32 Services (CMS) exempts the hospital through an approved or pending health care tax waiver.

33 *Local Services* means the provision of inpatient and outpatient hospital services to Medicaid,
34 indigent, and uninsured members of the Palm Beach County community.

35 *Local Provider Participation Fund* means a separate account into which funds collected from
36 the Non-Ad Valorem assessment are deposited.

37 *Medicaid payments* mean funding received through the Directed Payment Program, and any
38 other supplemental or managed care quality incentive program or arrangement authorized by CMS
39 and expressly designated in an Assessment Resolution.

40 *Non-Ad Valorem Assessment Roll* means the special assessment roll prepared by the County.

41 *Ordinance* means the Palm Beach County Local Provider Participation Fund Ordinance.

42 *Tax Collector* means the Palm Beach County Tax Collector.

43 (d) *Purpose.* The non-ad valorem special assessment authorized by this Section shall be imposed,
44 levied, collected, and enforced against Assessed Properties located within the County.
45 Proceeds from the Assessment shall be used to benefit Assessed Properties through Medicaid
46 payments for Local Services. When imposed, the Assessment shall constitute a lien upon the
47 Assessed Properties equal in rank and dignity with the liens of all state, county, district, or
48 municipal taxes and other non-ad valorem assessments. Failure to pay may cause foreclosure
49 proceedings to commence, which could result in loss of title. The Assessment shall be
50 computed and assessed only in the manner provided in this Section.

51 (e) *Alternative method.* This Section shall be deemed to provide an additional and alternative
52 method, as specified in F.S. § 197.3631, for the assessment and collection of the non-ad
53 valorem special assessment described herein. The Section shall be regarded as supplemental

54 and additional to powers conferred by other laws and shall not be regarded as in derogation
55 of any powers now existing, or which may exist hereafter. This Section, being necessary for
56 the health, safety, and welfare of the inhabitants of the County, shall be liberally construed to
57 effect the purposes hereof.

58 (f) *Assessment.* Pursuant to F.S. § 125.01(r), the Board is authorized to create a non-ad valorem
59 special assessment that shall be imposed, levied, collected, and enforced against Assessed
60 Property to fund the non-federal share of Medicaid payments benefitting Assessed Properties
61 providing Local Services in the County. Funds generated as a result of the Assessment shall
62 be held in a separate account called the Local Provider Participation Fund and shall be
63 available to be used only to (1) provide to the Florida Agency for Health Care Administration
64 the non-federal share for Medicaid payments to be made directly or indirectly in support of
65 hospitals serving low income residents, including Medicaid beneficiaries and (2) reimburse
66 the County for administrative costs associated with the implementation of the Assessment
67 authorized by this Section, as further specified in the Assessment Resolution.

68 The Assessment must comport with federal and state requirements for health care-related
69 assessments. The Assessment may not hold harmless any Institutional Health Care Provider, as
70 required under 42 U.S.C. § 1396b(w). The Assessment shall constitute a lien upon the Assessed
71 Properties equal in rank and dignity with the liens of all state, county, district, or municipal taxes and
72 other non-ad valorem assessments.

73 Creation and implementation of the Assessment will not result in any additional pecuniary
74 obligation on the County, Board, or County residents. The Assessment shall be imposed, levied,
75 collected, and enforced against only Assessed Properties, and the Assessment Resolution shall
76 provide that the County's administrative costs shall be reimbursed from the collected amounts. The
77 County's administrative costs shall not exceed three hundred thousand dollars (\$300,000.00). Any
78 reasonable expenses the County incurs to collect delinquent assessments, including any attorney's
79 fees incurred as a result of contracting with an attorney to represent the County in seeking and
80 enforcing the collection of delinquent assessments, are not subject to the limitation on administrative
81 costs.

82 (g) *Computation of assessment.* The annual Assessment shall be specified for each Assessed
83 Property. The Board shall set the Assessment in amounts that in the aggregate will generate
84 sufficient revenue to fund the non-federal share of Medicaid payments associated with Local
85 Services to be funded by the Assessment.

86 The amount of the Assessment required of each Assessed Property may not exceed an amount
87 that, when added to the amount of other required assessments, equals an amount of revenue that
88 exceeds the maximum percent of the aggregate net patient revenue of all Assessed Hospitals in the
89 state permitted by 42 C.F.R. § 433.68(f)(3)(i)(A). Assessments for each Assessed Property will be
90 derived from data contained in the hospital cost reports and/or the Florida Hospital Uniform
91 Reporting System, as available from the Florida Agency for Health Care Administration.

92 (h) *Assessment resolution.* The Assessment Resolution shall describe (a) the Medicaid payments
93 proposed for funding from proceeds of the Assessment; (b) the benefits to the Assessed
94 Properties associated with the Assessment; (c) the methodology for computing the assessed
95 amounts; and (d) the method of collection, including how and when the Assessment is to be
96 paid.

97 (i) *Non-ad valorem assessment roll.* The Assessment Coordinator shall prepare, or direct the
98 preparation of, the Non-Ad Valorem Assessment Roll, which shall contain the following:

99 (1) The names of the Assessed Properties; and

100 (2) The Assessment rate and amount of the Assessment to be imposed against each
101 Assessed Property based on the Assessment Resolution.

102 The Non-Ad Valorem Assessment Roll shall be retained by the Assessment Coordinator and
103 shall be open to public inspection.

104 (j) *Notice by publication.* Upon completion of the Non-Ad Valorem Assessment Roll, the
105 Assessment Coordinator shall publish once in a newspaper of general circulation within the
106 County a notice stating that the Board, at a regular, adjourned, or special meeting on a certain
107 day and hour, not earlier than twenty (20) calendar days from such publication, will hear
108 objections of all interested persons to approve the aforementioned Non-Ad Valorem

109 Assessment Roll. Such notice shall include:

110 (1) The Assessment rate;

111 (2) The procedure for objecting to the Assessment rate;

112 (3) The method by which the Assessment will be collected; and

113 (4) A statement that the Non-Ad Valorem Special Assessment Roll is available for

114 inspection at the Office of the Assessment Coordinator.

115 (k) *Notice by mail.* In addition to the published notice required above, but only for the first fiscal

116 year in which an Assessment is imposed by the Board against Assessed Properties, the

117 Assessment Coordinator shall provide notice of the proposed Assessment by first class mail

118 to the Assessed Properties. Such notice shall include:

119 (1) The purpose of the Assessment;

120 (2) The Assessment rate to be levied against each Assessed Property;

121 (3) The unit of measurement applied to determine the Assessment;

122 (4) The total revenue to be collected by the County from the Assessment;

123 (5) A statement that failure to pay the Assessment will cause a tax certificate to be issued

124 against the property or foreclosure proceedings, either of which may result in a loss

125 of title to the property;

126 (6) A statement that all affected and/or interested parties have a right to appear at the

127 hearing and to file written objections with the Board within twenty (20) days of the

128 notice; and

129 (7) The date, time, and place of the hearing. Notice shall be mailed at least twenty (20)

130 calendar days prior to the hearing to each Assessed Property at such address as is

131 shown on the Assessment Roll. Notice shall be deemed mailed upon delivery thereof

132 to the possession of the United States Postal Service. The Assessment Coordinator

133 may provide proof of such notice by affidavit. Failure of the Assessed Property to

134 receive such notice, because of mistake or inadvertence, shall not affect the validity

135 of the Assessment Roll or release or discharge any obligation for payment of the
136 Assessment imposed by the Board pursuant to this Article.

137 (l) *Adoption of assessment resolution and non-ad valorem assessment roll.* At the time named
138 in the notice, the Board shall receive and consider any objections of interested persons. At the
139 date and time named in the notice, the Board may adopt the Assessment Resolution and Non-
140 Ad Valorem Assessment Roll which shall:

141 (1) Set the rate of the Assessment to be imposed;

142 (2) Approve the Non-Ad Valorem Assessment Roll, with such amendments as it deems
143 just and right; and

144 (3) Affirm the method of collection.

145 (m) *Annual final assessment resolution.* The Board may revise the Non-Ad Valorem Assessment
146 Roll during the Fiscal Year to modify the Assessment rate. However, the Board must adopt
147 an Annual Final Assessment Resolution during the Fiscal Year to memorialize the final rate
148 applicable for the Fiscal Year.

149 (n) *Effect of annual final assessment resolution.* The adoption of the Annual Assessment
150 Resolution or, where applicable, the Annual Final Assessment Resolution, shall be the final
151 adjudication of the issues presented (including, but not limited to, the method of
152 apportionment and Assessment, the Assessment rate, the initial rate of Assessment, the Non-
153 Ad Valorem Assessment Roll, and the levy and lien of the Assessments), unless proper steps
154 shall be initiated in a court of competent jurisdiction to secure relief within twenty (20) days
155 from the date of Board action on the Annual Final Assessment Resolution. The Non-Ad
156 Valorem Assessment Roll shall be delivered to the Tax Collector or such other official as the
157 Board by resolution shall designate.

158 (o) *Method of collection.* The amount of the assessment is to be collected pursuant to the
159 Alternative Method, as specified in the Assessment Resolution.

160 (p) *Refunds.* If, at the end of the Fiscal Year, additional amounts remain in the Local Provider
161 Participation Fund, the Board is hereby authorized to make refund to Assessed Properties in

162 proportion to amounts paid in during the Fiscal Year for all or a portion of the unutilized
163 Local Provider Participation Fund.

164 (q) *Enforcement.* In addition to other remedies available at law or equity, the enforcement of the
165 aforesaid Assessment shall be at the same time and in like manner as ad valorem taxes and
166 subject to all ad valorem tax enforcement procedures afforded to the official annual real
167 property tax notice. This Section is enforceable by all means provided by law, including but
168 not limited to suit in a court of competent jurisdiction by mandamus or other appropriate
169 proceedings or actions.

170 (r) *Indemnification.* The Hospitals that are subject to this Section have requested adoption of this
171 Section and have given assurances to the County that the objectives and procedures addressed
172 in this Section are proper and lawful. Accordingly, the Hospitals that are the subject of this
173 Section shall execute an agreement regarding liability and/or indemnification and hold
174 harmless prior to adoption of this Section. The County has sole discretion to determine an
175 acceptable form of these agreements.

176 (s) *Correction of errors and omissions.* No act of error or omission on the part of the Comptroller,
177 Property Appraiser, Tax Collector, Assessment Coordinator, Board, or their deputies or
178 employees shall operate to release or discharge any obligation for payment of the Assessment
179 imposed by the Board.

180 (t) *Limitations on surcharges.* Payments made by Assessed Properties under this Section may
181 not be passed along to patients of the Assessed Property as a surcharge or as any other form
182 of additional patient charge.

183 **SECTION 2. REPEAL OF LAWS IN CONFLICT.**

184 All local laws and ordinances in conflict with any provisions of this Ordinance are hereby
185 repealed to the extent of such conflict.

186 **SECTION 3. SAVINGS CLAUSE.**

187 Notwithstanding Section 3, Repeal of Laws in Conflict, all administrative and county orders,
188 fines, and pending enforcement issued pursuant to the authority and procedures established by
189 Ordinance R2021-024, as amended, shall remain in full force and effect.

190 **SECTION 4. SEVERABILITY CLAUSE.**

191 If any section, paragraph, sentence, clause, phrase or word of this Ordinance or the application
192 thereof, to any person or circumstance is for any reason held by a Court of competent jurisdiction to
193 be unconstitutional, inoperative, invalid or void, such holding shall not affect the remainder of this
194 Ordinance or the application of any other provisions of this Ordinance which can be given effect
195 without the invalid provision or application, and to this end, all the provisions of this Ordinance are
196 hereby declared to be severable.

197 **SECTION 5. INCLUSION IN THE CODE OF LAWS AND ORDINANCES.**

198 The provisions of this Ordinance shall become and be made a part of the Code of Laws and
199 Ordinances of Palm Beach County, Florida. The sections of this Ordinance may be renumbered or
200 re-lettered to accomplish such, and the word "ordinance" may be changed to "section", "article", or
201 other appropriate word.

202 **SECTION 6. CAPTIONS.**

203 The captions, section headings, and section designations used in this Ordinance are for
204 convenience only and shall have no effect on the interpretation of the provisions of this Ordinance.

205 **SECTION 7. EFFECTIVE DATE.**

206 The provisions of this Ordinance shall become effective upon filing with the Department of
207 State.

208
209
210 APPROVED and ADOPTED by the Board of County Commissioners of Palm Beach County, Florida, on this
211 the 20th day of October, 2026.

212 SHANNON RAMSEY-CHESSMAN
213 CLERK OF THE CIRCUIT
214 COURT & COMPTROLLER
215 AD INTERIM
216
217

PALM BEACH COUNTY, FLORIDA, BY ITS
BOARD OF COUNTY COMMISSIONERS

218 By: _____
219 Deputy Clerk

By: Sara Baxter, Mayor

220
221 APPROVED AS TO FORM AND
222 LEGAL SUFFICIENCY

223

224 By: _____

225 Assistant County Attorney

226

227 EFFECTIVE DATE: Filed with the Department of State of the ____ day of _____,

228 2026

BUSINESS IMPACT ESTIMATE

Meeting Date: November 17, 2026 - BCC Public Hearing	
<u>Proposed Ordinance Title/Reference:</u>	AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AMENDING CHAPTER 2, ARTICLE III, OF THE PALM BEACH COUNTY CODE, PERTAINING TO THE PALM BEACH COUNTY LOCAL PROVIDER PARTICIPATION FUND ORDINANE; PROVIDING FOR THE SAME; PROVIDING FOR REPEAL OF LAWS IN CONFLICT; PROVIDING FOR SAVINGS CLAUSE; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE OF LAWS AND ORDINANCES; PROVIDING FOR CAPTIONS; AND PROVIDING FOR AN EFFECTIVE DATE.
<u>Summary of Proposed Ordinance and Statement of Public Purpose to be Served:</u>	This amendment to the Palm Beach County Local Provider Participation Fund (LPPF) Ordinance will replace individual references to each hospital with a single reference to Institutional Health Care Providers which are defined as "licensed private for-profit or not-for-profit hospital providers that provides inpatient hospital services, unless the Centers for Medicare and Medicaid Services (CMS) exempts the hospital through an approved or pending health care tax waiver." This change will remove the need to amend the ordinance every time a new hospital subject to the assessment is added. Additionally, the amendment makes other clarifying and technical corrections to ensure the proper application and operation of the LPPF Ordinance.
<u>Estimate of Direct Economic Impact on Private/For Profit Businesses:</u>	a. Estimate of Direct Business Compliance Costs: There are no business compliance costs associated with this text amendment. b. New Charges/Fees on Businesses Impacted: All of the private hospitals subject to the LPPF Ordinance, first adopted in 2021, will be subject to an annual special assessment. Assessed hospitals will recoup uncompensated Medicaid costs after the assessments are collected and sent to the Florida Agency for Healthcare Administration. These funds are then matched at the federal level before being sent back to the hospitals through Managed Care Organizations (MCOs). The annual assessment rate is set by resolution of the BCC. This ordinance does not make any changes to the foregoing process. c. Estimate of Regulatory Costs: This amendment will not impose any regulatory fees.
<u>Good Faith Estimate of Number of Businesses Likely Impacted:</u>	No businesses are expected to be impacted by this amendment.
<u>Any Additional Information:</u>	N/A