

**LEE COUNTY, FLORIDA
BUSINESS IMPACT ESTIMATE
PROPOSED COUNTY ORDINANCE**

NAME OF ORDINANCE: Ordinance Creating the Lee County Local Provider Participation Fund

I. SUMMARY OF ORDINANCE

A. Statement of Purpose

Establishes the Lee County Local Provider Participation Fund.

B. Narrative Summary of Ordinance (Several Sentence Summary)

The proposed ordinance establishes the Lee County Local Provider Participation Fund (LPPF) in connection with the State of Florida's Medicaid hospital-Medicaid Supplemental Payments, including but not limited to the state Hospital Directed Payment Program and the Low-Income Pool Program. It would authorize the County to levy and collect hospital-supported special assessments on private for-profit or not-for-profit hospitals that provide inpatient services within the County.

By enabling additional federal funding through intergovernmental transfers (IGTs), the special assessment will directly benefit the assessed hospitals. This will enhance their financial stability, ensuring that they can continue providing essential healthcare services to Medicaid recipients. Furthermore, the initiative will support the growth, maintenance, and improvement of hospital facilities in line with the County's population growth.

II. BUSINESS IMPACT ESTIMATE

A. Estimate of direct compliance costs that businesses may reasonably incur if the ordinance is enacted: Lee County hospitals incur approximately \$130 million in unreimbursed Medicaid service costs each year. Hospitals additionally incur \$95 million in charity care costs. Each facility's financial impact will vary based on factors such as Medicaid utilization or charity care volume. The assessment imposed will be a broad-based and uniform assessment set at a rate to generate the non-federal share necessary to draw down available federal match.

B. Identification of any new charge or fee on businesses subject to the proposed ordinance or for which businesses will be financially responsible: Hospitals are responsible for the full cost of the assessment and are prohibited by the Ordinance from passing along any costs associated with the assessment to their patients.

C. Estimate of the county's regulatory costs, including estimate of revenues from any new charges or fees that will be imposed on businesses to cover such costs: The County's administrative costs up to \$150,000 annually will be reimbursed from the assessments collected. Any reasonable expenses the County incurs to collect delinquent assessments or defense of claims that arise in the event the objectives and procedures of this article are challenged, including any attorney's fees incurred as a result of contracting with an attorney to represent the county in seeking and enforcing the collection of delinquent assessments or in defense of such claims, are not subject to the annual limitation on administrative costs.

D. Estimate of number of businesses likely to be impacted by the ordinance: This Ordinance will apply to all hospitals operating in Lee County (eight or more facilities).