

Lee Health System Conversion to Nonprofit Entity



Lee Board of County
Commissioners

Workshop | July 30, 2024



AGENDA

- Overview of County Roles
- Lee Health Presentation
- Conversion Agreement
- Board Discussion



BoCC Direction



Do you want staff to work on a draft Conversion Agreement for Board consideration in August and October?



Should staff schedule a Board meeting on Tuesday, October 8 to consider this matter?



Is there additional input or direction the Board wants to provide?



Overview of County Roles

PRE-CONVERSION

- “An agreement between the system board and Lee County must be completed no later than 120 days after the date on which the public meeting is held to determine if conversion is in the best interests of Lee County residents.”
 - HB 227 (2023)

POST-CONVERSION

- Monitoring
- Enforcement
- Lee County Local Provider Participation Fund

Conversion Agreement

UNDER AMENDED ENABLING ACT

Primary Elements:

- “An enforceable commitment that programs and services provided by Lee Memorial Health System will continue to be provided to residents of Lee County in perpetuity...[unless] otherwise agreed to....”
- Description of assets & liabilities to be transferred
- Estimated total value of assets to be transferred
- Total value of liabilities to be assumed
- Other terms mutually agreed to by Board of Directors and Board of County Commissioners



TIMELINE

2 0 2 4

June 13

- Lee Health Board of Directors adopts resolution finding that “the best interests of Lee County residents are best served by Conversion.”

August 17

- Draft Conversion Agreement published

OPTION

Publish proposed agreement
NLT August 27

October 1

- BoCC considers Conversion Agreement

OPTION

BoCC Special Meeting
10/8 – 10/11

October 8

- Call BoCC Special Meeting

RECOMMENDED

(if proceeding)

October 11

- 120-day statutory period ends



Lee County Local Provider Participation Fund

County Facilitates Direct Payment Program Participation

- Among other potential supplemental payments
- Funding to hospitals that provide services to Medicaid patients
 - ✓ Unlocks federal matching dollars to help address Medicaid shortfall

- County ordinance
- Voluntary provider assessment levied annually by County
- Florida Agency for Health Care Administration collects IGTs
- IGTs & State funds matched with federal funds to provide supplement

LPPF Process

STEP 1

- Non-Governmental providers pay assessment to be deposited in a Local Provider Participation Fund (LPPF)

STEP 2

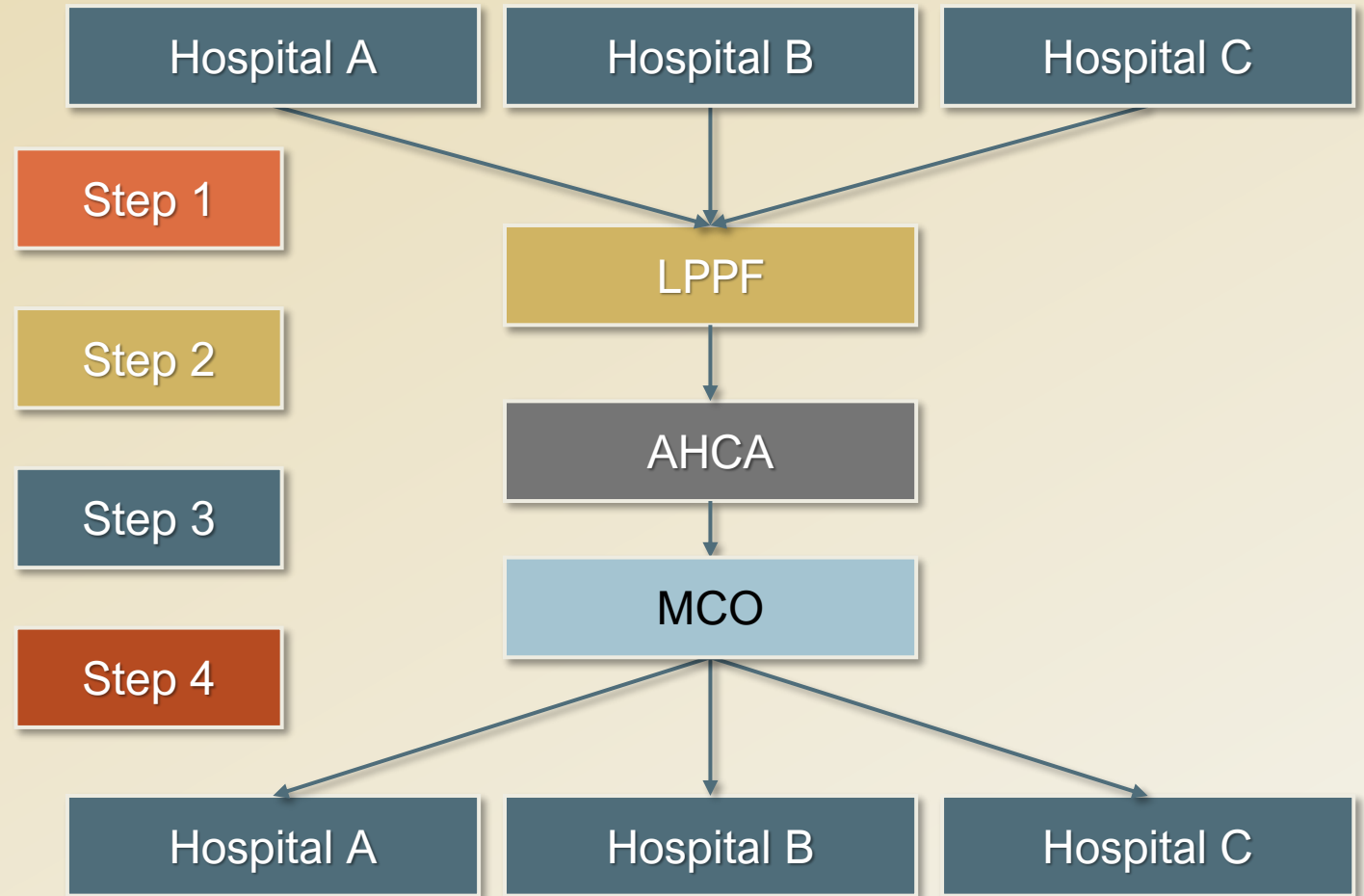
- Governmental entities send funds from LPPF to AHCA to support non-federal share of Directed Payment Program (DPP)

STEP 3

- AHCA sends Federal and Non-Federal funds to Managed Care Organization (MCO)

STEP 4

- MCO sends quarterly lump sum payments to hospitals based on utilization data



Lee Health Conversion

Questions regarding
Lee County's roles
in the process?

Lee Health
Presentation

“Mission Agreement” Considerations



Programs & Services



Monitoring & Oversight



Enforcement Mechanisms



Additional Issues

BoCC Direction



Do you want staff to work on the draft Mission Agreement for Board consideration in August and October?



Should staff schedule a Board meeting on Tuesday, October 8 to consider this matter?



Is there additional input or direction the Board wants to provide?