West Volusia Hospital Authority

WVHA continues to object and dispute the validity of the County's right to allocate WVHA any part of the County's Medicaid Match allocation for the reasons stated in the enclosed "WVHA Position Statement—Medicaid Match Litigation" and forwarded to the County Manager and County Council on February 17, 2023, and in its pending Counterclaim. The enclosed payment is made under protest, specifically reserving WVHA's right to obtain a declaratory judgment on the question currently pending before the Court concerning the applicability of Fla. Stat. 409.915(5).

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The WVHA is a special taxing district established by the State of Florida to provide health care or access to health care for the qualified indigent residents who cannot otherwise access healthcare though any other governmental and private programs such as the Affordable Care Act, Social Security Disability, Veterans, Medicare, Medicaid or private insurance. The taxing district covers approximately 41% of the voters of Volusia County.

Instead of burdening taxpayers with the operational expense and liabilities of owning and operating hospital facilities, WVHA instead spends approximately $4 million dollars each year to reimburse for hospital and emergency room expenses of Health Card members, with no balance billing, at three privately owned and operated hospitals. In addition, WVHA contracts with a professional administrator to operate two primary care clinics in DeLand and Deltona and also a specialty care network which together provide Health Card members with less costly alternatives to hospital services.

Fully 88% of our $15.9 million budget goes directly to patient care for working poor residents in West Volusia County.

Currently at issue, WVHA is in litigation with the County to modernize their Medicaid Match Allocation to reflect the fact that WHVA no longer owns nor operates any hospitals and therefore does not receive Medicaid payments (as do the other two hospital districts in Volusia County).

Our research determined that only 4 out of 23 counties (17.4 percent) with active hospital districts assess their hospital districts any portion of their Medicaid Match assessment. WHVA did once own and operate its own Medicaid revenue generating hospitals. After selling those facilities in 2000, thereafter WVHA had a 20-year contractual relationship with Advent Health that expired September 30, 2020. It could have been argued until 2020 WVHA still **indirectly** benefited from the Medicaid program through that contract – but no longer.

The other four active hospital districts with a Medicaid Match Allocation are *Health Care District of Palm Beach County*, *Indian River HD*, North Broward HD and *South Broward HD*. All four of those hospital districts operate hospitals, similar to Volusia's Halifax Hospital Medical Center and Southeast Volusia Hospital Authority. Accordingly, each of the other hospital districts who ARE assessed by their counties also generate substantial Medicaid revenue through the provision of services to Medicaid patients. The ONLY exception to this rule is West Volusia Hospital Authority, which does not operate a hospital and therefore does NOT receive any Medicaid revenue.

Based on Volusia County's current Medicaid Match Allocation, WVHA is expected to pay a larger annual Medicaid contribution than Halifax Hospital Medical Center (47.38% for WVHA compared to 42.97% for Halifax, or approximately $2.9 million for WVHA compared to $2.6 million for Halifax, annually). Yet Halifax receives more than $200 million in Medicaid payment revenue each year -- $262 million in 2019, for example – whereas WVHA receives $0.

If the current litigation fails or the WVHA is forced to pay the new contribution, the impact of the currently disputed Medicaid Match Allocation will result in a $2,824,579.68 tax increase on West Volusia residents by 2024-25 when the 4 year phase-in period ends.

IN THE FIFTH DISTRICT COURT OF APPEAL
STATE OF FLORIDA

WEST VOLUSIA HOSPITAL AUTHORITY, Appellant, v. COUNTY OF VOLUSIA, Appellee. _____/	Case No.: 5D24-1670 L.T. No.: 2022-11920-CIDL

ON APPEAL FROM THE CIRCUIT COURT OF THE SEVENTH JUDICIAL CIRCUIT OF THE STATE OF FLORIDA IN AND FOR VOLUSIA COUNTY

INITIAL BRIEF OF APPELLANT

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STATEMENT OF THE CASE AND FACTS

This appeal challenges the trial court's entry of a Final Declaratory Judgment determining as a matter of law that Appellant West Volusia Hospital Authority ("WVHA") "is 'a special taxing district or authority … which benefits from the Medicaid program' and is subject to the County's proration of financial responsibility pursuant to § 409.915(5), Fla. Stat. (2023)." [R. 603-605].

The impact of the trial court's Final Declaratory Judgment is that WVHA must continue to pay annual assessments that are imposed on WVHA by the County of Volusia, under the cloak of authority the County asserts it possesses under § 409.915(5), Fla. Stat. For Fiscal Year 2022/2023, the County's assessment imposed on WVHA was $2,543,978.03. For Fiscal Year 2023/2024, the County's assessment on WVHA was $2,810,405.00. For Fiscal Year 2024/2025, the County's assessment on WVHA is $3,444,857.11. To be clear, WVHA has paid and continues to pay the County's assessments, under protest, while this matter was litigated before the trial court and is now pending on appeal.

The Medicaid program is jointly funded by the federal government and the states. [R. 9]. The Medicaid program covers the

poorest members of our community, who must qualify for Medicaid under strict low-income guidelines. [R. 184]. The Medicaid program directly pays the hospitals and other health care providers who treat Medicaid-qualified patients. [R. 184].

The State of Florida's portion of Medicaid funding is known as the "Medicaid Match." [R. 20]. The State charges each of Florida's counties an annual "contribution" to recoup a portion of the state's expenditures. [R. 10]. For example, in Fiscal Year 2022/2023 the State of Florida assessed the County of Volusia with a contribution of $7,430,590.00. [R. 10]. The State's authority to impose this contribution on the counties is plainly granted by Section 409.915, Fla. Stat., which is titled "County contribution to Medicaid." The statute provides: "Although the state is responsible for the full portion of the state share of the matching funds required for the Medicaid program, the state shall charge the counties an annual contribution in order to acquire a certain portion of these funds." § 409.915, Fla. Stat.

In turn, the County of Volusia apportions nearly 80 percent of the amount it owes to the State among the three independent hospital taxing districts within the County's borders: (1) WVHA, (2)

Southeast Volusia Hospital District ("SEVD") and (3) Halifax Hospital Medical Center ("Halifax"). [R. 9-12].

WVHA's challenge to the County's authority is what is at stake in this appeal.

Independent Hospital Districts.

In Florida, over several decades the State has authorized the creation of a few dozen independent hospital taxing districts or authorities. [Appx. 4]. Although each district's enabling legislation varies, they generally possess a set of core features: the power to impose ad valorem taxes, and the authority to fund health care services or access to health care services in whatever manner its elected board decides. [Appx. 4].

West Volusia Hospital Authority.

WVHA is an independent special district established by the State to provide access to health care for the qualified indigent residents of the West Volusia County area. [R. 181]. WVHA's enabling legislation, Chapter 2004-421, Laws of Fla. ("Enabling Act"), grants the Authority broad discretion in pursuing its statutory purpose of providing access to health care for indigent residents, including the discretion to determine which residents are deemed

eligible for its programs and services. [R. 182]. For example, the Enabling Act provides:

> The board of commissioners shall provide for the health or mental health care of indigents and provide such other health or mental health related services for indigents **in such manner as the board selects**, including the purchase of institutional services from any private or publicly owned medical facility, **as the board determines** are needed for the general welfare of the residents of the district.

Ch. 2004-421, at § 5(2), Laws of Fla. (emphasis added). [R.465-478].

WVHA has exercised this broad discretion to establish programs that provide access to no-cost primary and hospital care, low co-pay specialty care, and low-cost prescriptions for working poor residents of West Volusia County. [R. 182]. Qualifying residents are issued a WVHA Health Card to access a unique network of low or no cost health care services. [R. 182]. Instead of burdening taxpayers with the operational expenses and liabilities of owning and operating hospital facilities, WVHA has exercised its broad policy discretion to appropriate millions of dollars each year to reimburse the hospital and emergency room expenses of Health Card members, with no balance billing, at three privately owned and operated hospitals:

AdventHealth DeLand, AdventHealth Fish Memorial, and HalifaxHealth/Health Medical Center of Deltona. [R. 183].

In addition, WVHA funds several community agencies that serve the health care and access to health care needs of West Volusia County's working poor residents. These agencies include, but are not limited to: The House Next Door (community-based mental health enrollment services); The Neighborhood Center (outreach services for access to health care); Halifax Healthy Communities/KidCare (facilitating access to alternative health care programs and education for children of low-income families); Community Legal Services of Mid-Florida (facilitating access to alternative health care programs for Health Card members); Rising Against All Odds (HIV/Aids outreach and enrollment services); and the Hispanic Health Initiative (health risk assessment, case management, educational services). [R. 183].

The Statutory Dispute.

For many years, the County of Volusia has assessed WVHA, Halifax, and SEVD for portions of the Medicaid Match allocation that the County remits to the State of Florida. [R. 10-13]. In making this

assessment, the County relies on Section 409.915(5), which provides, in its entirety, as follows:

> In any county in which a special taxing district or authority is located which benefits from the Medicaid program, the board of county commissioners may divide the county's financial responsibility for this purpose proportionately, and each such district or authority must furnish its share to the board of county commissioners in time for the board to comply with subsection (4). Any appeal of the proration made by the board of county commissioners must be made to the Department of Financial Services, which shall set the proportionate share for each party.

Section 409.915(5), Fla. Stat.

WVHA does not meet this threshold criterion of receiving "benefits from the Medicaid program," as it does not receive any Medicaid payments. By contrast, Halifax and SEVD receive ***nearly $300 million*** (combined) each year in Medicaid payments relating to medical treatment rendered at hospitals and related facilities owned or operated by Halifax and SEVD.[1] In Halifax's case, the district owns or operates multiple hospitals and other medical facilities. [R. 480].

[1] This information is reported by the Florida Agency for Healthcare Administration's website, which shows the Gross Medicaid Hospital Revenue for the County of Volusia's three hospital districts. [R. 480]. By contrast, WVHA's entire budget is less than $20 million per year. [R. 482-486]. The Court may take judicial notice of these public records, which were presented to the trial court, pursuant to Section 90.202(12), Fla. Stat.

In SEVD's case, the district maintains a Healthcare Services Agreement with Adventist Health Systems Sunbelt Healthcare Corporation ("AHS") d/b/a Southeast Volusia Healthcare Corporation ("SEVHC"). [R. 488-532]. Pursuant to Section 3.2 of the Healthcare Services Agreement, SEVHC agrees to a 1:1 credit in lieu of required payments from SEVD for any amounts paid by SEVD "for the Volusia County Medicaid Match Fee pursuant to Section 409.915(5), Florida Statutes and any successor provision or program." [R. 493-494]. Effectively, through this contractual provision, the operating hospital entity owned by AHS agrees to offset dollar-for-dollar 100% of the tax burden on SEVD's taxpayers to pay Volusia County's Medicaid Match assessment to SEVD. [R. 493-494].

More than twenty years ago, WVHA sold all of its hospitals and medical facilities that received Medicaid payments to a predecessor of Advent Health under a 20-year sale agreement. [R. 186]. Under the 20-year sale agreement, WVHA retained certain rights and decision-making power over the Advent Health facilities. [R. 186]. Until September 30, 2020, when WVHA's 20-year sale agreement terminated, it could be said that WVHA indirectly benefited from the

Medicaid program through the Medicaid payments made to the now wholly-owned and operated Advent Health facilities that were formerly owned and partially controlled by WVHA. [R. 186]. However, with the expiration of that agreement, there is now no basis whatsoever for the County to treat WVHA as an authority "***which benefits from*** the Medicaid program" under the language of Section 409.915(5), Fla. Stat.

The Origin of this Appeal.

WVHA first challenged the County of Volusia's annual Medicaid Match assessment before and during the Volusia County Council's November 16, 2021 meeting. Nonetheless, the County Council voted to continue to assess WVHA for a substantial percentage of the County's financial responsibility for the Medicaid contribution to the State. When invoiced by the County for the Fiscal Year 2021/2022 assessment, the elected members of WVHA's Board of Commissioners exercised their discretion under the Enabling Act not to authorize payment of the invoices, on the grounds that the assessment was statutorily unjustified. The County then initiated litigation by filing a Complaint for Writ of Mandamus in the trial court in a prior case, Circuit Court Case No. 2022-10240-CIDL.

After the trial court provisionally issued a Writ of Mandamus without any hearing, WVHA filed a Response and Motion to Dismiss Complaint for Writ of Mandamus. [R. 180]. Procedurally, WVHA argued that the County improperly pled its request for relief in the form of a mandamus action, rather than a claim for declaratory relief. [R. 180]. WVHA urged the trial court to take up the question of statutory interpretation presented by § 409.915, Fla. Stat. [R. 180]. However, the trial court denied WVHA's Motion to Dismiss and issued a Final Writ of Mandamus on June 9, 2022. [R. 180-181]. In doing so, the trial court expressly did not reach the question of statutory interpretation. [R. 180-181]. WVHA timely filed a Notice of Appeal from the Final Writ of Mandamus, in Case No. 5D22-1650. [R. 58]. After briefing, the Fifth District Court of Appeal affirmed the Final Writ of Mandamus *per curiam* on June 27, 2023. [R. 125].

While that appeal was pending, the County of Volusia filed a second lawsuit against WVHA, seeking a mandamus order with respect to its assessment imposed on WVHA for Fiscal Year 2022/2023, initiating Case No. 2022-11920-CIDL (the trial court matter that is now before this Court). [R. 6-30]. In this second lawsuit, WVHA not only opposed WVHA's petition for writ of

mandamus (on the grounds that mandamus is not a proper remedy for challenging WVHA's discretionary decision-making), but also filed a Counterclaim for Declaratory Relief, presenting the question of statutory interpretation squarely before the trial court. [R. 168-227]. The County moved to dismiss WVHA's Counterclaim. [R. 228-241]. After hearing, the trial court granted the County's petition for writ of mandamus with respect to the County's assessment for Fiscal Year 2022/2023. [R. 256-257].

However, the trial court denied the County's motion to dismiss WVHA's Counterclaim, allowing that the question of statutory interpretation should proceed to an adjudication. [R. 258]. WVHA complied with the mandamus order by resuming its payment of the County's assessment invoices, under protest and without waiving its rights to litigate its Counterclaim. Both the County and WVHA then proceeded to file cross-motions for summary judgment on the issue of the statutory interpretation of § 409.915(5), Fla. Stat. [R. 283-443, 444-552]. After hearing, the trial court denied WVHA's motion for summary judgment and granted the County's motion for summary judgment on WVHA's counterclaim for declaratory relief. [R. 603-605]. WVHA timely filed its Notice of Appeal. [R. 606-611].

Accordingly, the statutory interpretation question with respect to Section 409.915, Fla. Stat., is now for the first time squarely before this Court.

SUMMARY OF THE ARGUMENT

For years the residents of WVHA have paid an inordinate and disproportionate amount of taxes because the County of Volusia has imposed a statutorily unauthorized assessment on WVHA. Now that WVHA is finally in a position where it can definitively state that it does not benefit from the Medicaid program within the meaning of § 409.915(5), Fla. Stat., WVHA seeks to make things right by challenging the County of Volusia's erroneous interpretation of Section 409.915(5), Fla. Stat., and giving its residents a well-deserved tax break.

The trial court erred as a matter of law by entering a Final Declaratory Judgment in the County's favor because a plain reading of Section 409.915(5) does not provide the County the right to impose on WVHA and its residents a portion of the County's financial responsibility to the State in a manner that includes WVHA. The plain language of sub-section (5) of the statute demonstrates that the County of Volusia has no right to impose its assessment on WVHA. The County – and now the trial court – have erroneously interpreted the statute, because WVHA is ***not*** "a special taxing district or authority … which benefits from the Medicaid

program." Unlike the other two hospital taxing districts in Volusia County – Halifax and SEVD – WVHA does not own or operate any medical facility that receives Medicaid funding. [R. 261, 604]. Halifax and SEVD substantially benefit from the Medicaid program by receiving nearly $300 million (combined) in Medicaid payments each year. [R. 480]. By contrast, WVHA receives $0.00 in payments from the Medicaid program. Yet by treating each of the three districts the same, the County is ignoring the plainly stated statutory limitation on the County's authority and requiring WVHA to tax its residents and help offset the expense of the Medicaid program even though WVHA receives none of the statutorily defined "benefit."

The trial court also erred as a matter of law by considering non-party affidavits submitted by the County in support of the County's motion for summary judgment. The affidavits were submitted to suggest how the trial court should interpret the statutory language of § 409.915(5), and it was inappropriate for the trial court to rely upon them for its determination of the meaning of a statute.

ARGUMENT

I. STANDARD OF REVIEW

In litigation concerning a declaratory judgment, the applicable standard of review depends on the nature of the adjudication in the trial court. An order in a declaratory judgment case is generally accorded a presumption of correctness on appeal. *Reform Party of Fla. v. Black*, 885 So. 2d 303, 310 (Fla. 2004). However, to the extent a trial court's decision rests on a question of law, the order is subject to full, or *de novo*, review. *See, e.g., Barnett v. Hibiscus Homeowners Association, Inc.*, 344 So. 3d 560, 565 (Fla. 1st DCA 2022); *Three Keys, Ltd. v. Kennedy Funding, Inc.*, 28 So. 3d 894, 903 (Fla. 5th DCA 2009); *Vill. of N. Palm Beach, Fla. v. S & H Foster's, Inc.*, 80 So. 3d 433, 436 (Fla. 4th DCA 2012) ("On review of a declaratory judgment, we defer to the trial court's factual findings if supported by competent, substantial evidence.... The court's conclusions of law are reviewed *de novo*.").

In this case, the trial court's final declaratory judgment mentions a factual component [R. 603-605, at ¶ 1], which would be subject to a competent substantial evidence standard of review. However, the crux of the trial court's adjudication centers on a matter

of law, namely the statutory interpretation of § 409.915(5), which is subject to a *de novo* standard of review. [R. 603-605, at ¶¶ 3-5].

The trial court's Final Declaratory Judgment concluded as follows:

> 1. Although there was a factual component to address in this matter, there are no genuine issues of material fact that would prevent the Court from entering summary final judgment pursuant to Rule 1.510, Fla. R. Civ. P.
>
> 2. It is undisputed that WVHA received no direct payments from the Medicaid program.
>
> 3. The Court considered the affidavit of Steven Mach and relied significantly on the affidavits of Dolores Guzman and Scott J. Davis.
>
> 4. The Court rejects WVHA's argument that it does not "benefit from" the Medicaid program within the meaning of the statute and the statutory definitions of the words "benefit" and "Medicaid." The Court agrees with the County's argument that "benefits from" can be interpreted to mean that WVHA financially benefits from the Medicaid program when Medicaid covers medical expenses of WVHA residents that WVHA would otherwise provide. The Court finds that WVHA generally "benefits from" and financially benefits from the Medicaid program.
>
> 5. Accordingly, the Court declares as a matter of law that WVHA is "a special taxing district or authority … which benefits from the Medicaid program" and is subject to the County's proration of financial responsibility pursuant to § 409.915(5), Fla. Stat. (2023).

[R. 603-605]. The trial court's legal determinations in paragraphs 4 and 5 are subject to *de novo* review, and to the extent that the court's consideration of the affidavits referenced in paragraph 3 informed the court's decisions stated in paragraphs 4 and 5, that aspect of the Final Declaratory Judgment is also subject to *de novo* review.

II. BECAUSE THE PLAIN AND UNAMBIGUOUS LANGUAGE OF SECTION 409.915(5), FLA. STAT. ESTABLISHES THAT WVHA IS NOT AN AUTHORITY "WHICH BENEFITS FROM THE MEDICAID PROGRAM," THE COURT SHOULD REVERSE THE TRIAL COURT AND DECLARE THAT THE COUNTY IS NOT AUTHORIZED TO ASSESS WVHA FOR ANY PORTION OF THE COUNTY'S FINANCIAL RESPONSIBILITY FOR MEDICAID MATCH FUNDING.

"A court's determination of the meaning of a statute begins with the language of the statute." *Halifax Hosp. Med. Ctr. v. State of Florida*, 278 So. 3d 545, 547 (Fla. 2019) (citing *Lopez v. Hall*, 233 So. 3d 451, 453 (Fla. 2018)). The first step in determining the meaning of a statute is to examine its plain language. *J.M. v. Gargett*, 101 So. 3d 352 (Fla. 2012); *State v. Hackley*, 95 So. 3d 92 (Fla. 2012). Courts must look first to the actual language of the statute itself. *Bennett v. St. Vincent's Medical Center, Inc.*, 71 So. 3d 828 (Fla. 2011). "If the statute is clear and unambiguous, we need not resort to rules of statutory interpretation; rather, we give the statute 'its plain and

obvious meaning'." *Holly v. Auld*, 450 So. 2d 217, 219 (Fla. 1984). Courts "endeavor[] to give effect to every word of a statute so that no word is construed as 'mere surplusage'." *Hardee County v. FINR II, Inc.*, 221 So. 3d 1162, 1165 (Fla. 2017) (quoting *Heart of Adoptions, Inc. v. J.A.*, 963 So. 2d 189, 198 (Fla. 2007)).

"Every statute must be read as a whole with meaning ascribed to every portion and due regard given to the semantic and contextual interrelationship between its parts." *Forsythe v. Longboat Key Beach Erosion Control Dist.*, 604 So. 2d 452, 455 (Fla. 1992) (quoting *Fleischman v. Dep't of Prof'l Regul.*, 441 So. 2d 1121, 1123 (Fla. 3d DCA 1983)).

The Florida Supreme Court has stated:

> We also adhere to Justice Joseph Story's view that "every word employed in [a legal text] is to be expounded in its plain, obvious, and common sense, unless the context furnishes some ground to control, qualify, or enlarge it." *Advisory Op. to Governor re Implementation of Amendment 4, the Voting Restoration Amendment*, 288 So. 3d 1070, 1078 (Fla. 2020) (quoting Joseph Story, Commentaries on the Constitution of the United States 157-58 (1833), quoted in Scalia & Garner, Reading Law at 69)).
>
> We thus recognize that the goal of interpretation is to arrive at a "fair reading" of the text by "determining the application of [the] text to given facts on the basis of how a reasonable reader, fully competent in the language, would have understood the text at the time it was issued."

> Scalia & Garner, Reading Law at 33. This requires a methodical and consistent approach involving "faithful reliance upon the natural or reasonable meanings of language" and "choosing always a meaning that the text will sensibly bear by the fair use of language." Frederick J. de Sloovère, Textual Interpretation of Statutes, 11 N.Y.U. L.Q. Rev. 538, 541 (1934), quoted in Scalia & Garner, Reading Law at 34.

Ham v. Portfolio Recovery Assocs., LLC, 308 So. 3d 942, 946–47 (Fla. 2020).

In this case, the language of Section 409.915(5) is clear, plain, and unambiguous, aided by the definitions of two key terms supplied within the same statute.

Section 409.915(5) states in its entirety:

> In any county in which a special taxing district or authority is located ***which benefits from the Medicaid program***, the board of county commissioners may divide the county's financial responsibility for this purpose proportionately, and each such district or authority must furnish its share to the board of county commissioners in time for the board to comply with subsection (4). Any appeal of the proration made by the board of county commissioners must be made to the Department of Financial Services, which shall set the proportionate share for each party.

§ 409.915(5), Fla. Stat. (emphasis added).

The crux of the statutory interpretation question here is the first clause of the statute's first sentence: "In any county in which a

special taxing district or authority is located ***which benefits from the Medicaid program***...." (emphasis added). This clause contains two terms, "benefits" and "Medicaid program," which are defined in the same statute.

> 409.901 Definitions; ss. 409.901-409.920. — As used in ss. 409.901-409.920, except as otherwise specifically provided, the term:
>
> * * *
>
> (4) "Benefit" means any benefit, assistance, aid, obligation, promise, debt, liability, or the like, related to any covered injury, illness, or necessary medical care, goods, or services.
>
> * * *
>
> (16) "Medicaid program" means the program authorized under Title XIX of the federal Social Security Act which provides for payments for medical items or services, or both, on behalf of any person who is determined by the Department of Children and Families, or, for Supplemental Security Income, by the Social Security Administration, to be eligible on the date of service for Medicaid assistance.

These definitions should resolve the controversy before this Court. The term "benefit" is defined as some type of economic or financial amount received from the Medicaid program that is "***related to any covered injury, illness, or necessary medical care, goods, or services.***" "Benefit" is not defined as mere coverage under the

Medicaid program, nor as the medical treatment itself and certainly not as some generalized benefit to residents of a special tax district or authority. Instead, the statute plainly defines the term benefit as an economic or financial amount received from the Medicaid program for providing some medical treatment or service.

In the trial court, the County eschewed the relevant statutory definitions in favor of resorting to dictionary definitions of the term "benefits." [R. 301-302]. But in doing so, the County violates a fundamental rule of statutory construction, that the statutory definition of a term takes precedence and controls over all other definitions. *W. Fla. Reg'l Med. Ctr., Inc. v. See*, 79 So. 3d 1, 9 (Fla. 2012). The legislature's inclusion of a statutory definition for a term obviates the need for the court to resort to an extraneous source, such as a dictionary, to determine the meaning of the word in context. *Storey Mountain, LLC v. George*, 357 So. 3d 709, 716 n.3 (Fla. 4th DCA 2023). And where the legislature has used particular words to define a term, the courts do not have the authority to redefine the term. *D.M. v. Dobuler*, 947 So. 2d 504 (Fla. 3d DCA 2006). In fact, when a statute contains the definition of a word or phrase, that meaning must be ascribed to the word or phrase

whenever repeated in the same statute unless a contrary intent clearly appears. *Nicholson v. State*, 600 So. 2d 1101 (Fla. 1992). Only when the legislature fails to define a term "it is appropriate to refer to dictionary definitions in order to ascertain the plain meaning of the statutory provisions at issue." *Greenfield v. Daniels*, 51 So. 3d 421, 426 (Fla. 2010).

Here, a plain reading of the statute reveals that WVHA is not an authority which benefits from the Medicaid program in the manner defined by the statute. WVHA does not receive any "benefits" of the type defined in the statute itself from the Medicaid program. [R. 603-605 at ¶ 2]. Unlike SEVD and Halifax, WVHA does not receive any payments from the Medicaid program for medical items or services. It is undisputed that WVHA does not own or operate a hospital or any other facility that receives Medicaid revenues. [R. 261, 604]. Where, as here, a district or authority (like WVHA) does not benefit from the Medicaid program, the board of county commissioners has no right to divide the County of Volusia's financial responsibility in a manner

that includes WVHA, and this Court should reverse the trial court's determination to the contrary.[2]

III. THE COUNTY'S PROFFERRED READING OF THE STATUTE REQUIRES AN IMPROPER RE-WRITING THE STATUTE THAT IS CONTRARY TO WELL-ESTABLISHED CANONS OF STATUTORY INTERPRETATION.

The County's interpretation of the clause at issue fundamentally requires a re-writing of Section 409.915(5) as follows:

> In any county in which a special taxing district or authority is located ~~which~~ ***whose residents benefit***[~~s~~] from the Medicaid program, the board of county commissioners may divide the county's financial responsibility for this purpose proportionately….

That is not the language of the statute we have, but the language of a re-written statute the County wishes to have.

The legislature drafted Section 409.915(5) using specific language, limiting the circumstances under which counties may divide their financial responsibility, and it must be read as such. Had the legislature intended to grant the County of Volusia wide authority to divide its financial responsibility, it could have, and would have. Certainly, the legislature could have omitted the entire first clause of

[2] The interpretation of Section 409.915(5) appears to be an issue of first impression. The undersigned has been unable to find any recorded opinion in which an appellate court has interpreted Section 409.915(5) when faced with the same or any similar dispute.

the statute, leaving only "The board of county commissioners may divide the county's financial responsibility for this purpose proportionately…," thereby granting counties unfettered authority. Instead, the legislature limited the right of a county to divide the county's financial responsibility ***only*** to those special taxing districts or authorities which ***benefit*** from the **Medicaid program.**

The County's argument ignores well-established rules of statutory interpretation that courts simply cannot, and will not, read into the statute provisions that are not there. *Furst v. Rebholz as Trustee of Rod Rebholz Revocable Trust*, 302 So. 3d 423 (Fla. 2d DCA 2020). Courts must not add words to a statute, but also must not disregard words in a statute. *Advisory Op. to Governor re: Implementation of Amend. 4, The Voting Restoration Amend.*, 288 So. 3d 1070, 1080 (Fla. 2020) ("[J]ust as we do not 'add words' to a constitutional provision, we are similarly 'not at liberty to . . . ignore words that were expressly placed there at the time of adoption of the provision.' " (quoting *Pleus v. Crist*, 14 So. 3d 941, 945 (Fla. 2009))).

The County's interpretation does not sensibly comport with the statutory language and greatly expands the specific definition of "benefit" supplied by the legislature. In applying the aforesaid case

law to the matter at hand, where the provisions of Section 409.915(5) are clear, plain, and unambiguous, there is no room for the County's alternative statutory interpretation of these provisions. The County's interpretation (now approved by the trial court) is not only unfair to WVHA and its residents but also contrary to the principles of statutory construction, which require a clear and direct connection between the benefits received and the financial responsibility imposed.

IV. THE TRIAL COURT COMMITTED REVERSIBLE ERROR BY IGNORING THE STATUTORY DEFINITIONS AND SUBSTITUTING THE COUNTY'S PREFERRED, BROADER DEFINITION OF THE TERM "BENEFIT."

In its Final Declaratory Judgment, the trial court held that it "agrees with the County's argument that 'benefits from' can be interpreted to mean that WVHA *financially benefits* from the Medicaid program when Medicaid covers medical expenses of WVHA residents that WVHA would otherwise provide. The Court finds that WVHA generally 'benefits from' and *financially benefits* from the Medicaid program." [R. 604, at para. 4] (emphasis in original). To persuade the trial court to reach its erroneous conclusion, the County asserted that WVHA "benefits" from the Medicaid program because some

residents of WVHA's tax district qualify for coverage under the Medicaid program. [R. 297-298]. But this reasoning is circular and flawed in at least two respects.

First, the trial court assumed that WVHA would necessarily be the payor of health care services obtained by a resident if Medicaid did not pay for those services. However, that is not necessarily true, and in fact is contrary to the broad discretion given WVHA in its Enabling Act. [*See* pp. 3-5, *supra*]. WVHA decides how it defines which residents are "indigent" and eligible for its services, and how it wants to provide access to healthcare to so-defined "indigent" residents. *Id.* If the Medicaid program disappeared overnight, that might change how WVHA exercises its discretion for determining eligibility for its access to healthcare programs, but it would not *necessarily* change what WVHA does. The point is, WVHA's board decides how to implement its role, pursuant to the discretion that the Florida Legislature granted it in WVHA's Enabling Act.

Second, the trial court misses the mark by engaging in circular reasoning – it is not whether WVHA's *residents* benefit from the Medicaid program, but whether WVHA is an authority "which benefits from" the Medicaid program, as stated in the statute. This

distinction is critical because it delineates the scope of financial responsibility. The statutory language clearly indicates that the financial burden should be placed on districts that directly receive Medicaid revenues, not on those that merely have residents who qualify for coverage under the Medicaid program. By focusing on the financial aspect, the statute ensures that only those districts that received direct financial benefits from Medicaid are subject to a county's Medicaid Match assessment. By conflating the two – WVHA and its residents – the trial court's reasoning comes full circle: if some residents who live in WVHA's tax district "benefit" from having Medicaid coverage, then WVHA must be said to also be an authority "which benefits from the Medicaid program." However, no such equivalence is mandated either by the statute or by logic. Again, the statute refers to *districts or authorities "which benefit"* from the Medicaid program, not whether some *residents* benefit from the Medicaid program.

Taking the interpretation put forth by the County in prior filings in this litigation to its logical conclusion, any taxing district whose residents or taxpayers benefit (as broadly defined by the County) generally, or even tangentially, from the existence of the Medicaid

program would be subject to this Medicaid Match financial responsibility. For example, the County could impose an assessment on the Volusia County Municipal Service District, or the Spring Hill Community Redevelopment Agency, or the East Volusia Mosquito Control District, on the basis that some residents of those special taxing districts, like WVHA's residents, receive health care coverage under the Medicaid program. Each of those districts, like WVHA, serve the health, safety, and welfare needs of Volusia County residents. Therefore the County could argue that those agencies and probably every other tax district in Volusia County financially benefit from the Medicaid program. As such, counties, without limitation, could divide their responsibility and subject residents of any taxing district it chooses to unjustified and disproportionate taxation. This broad interpretation undermines the legislative intent behind Section 409.915(5), Fla. Stat., which was designed to ensure that only those districts directly benefiting from the Medicaid program bear the financial responsibility. The County's expansive reading of the statute would lead to an inequitable distribution of financial burdens, placing undue strain on any taxing district it selects regardless of whether the district receives direct Medicaid funding.

Contrary to the County's arguments, a plain reading of Section 409.915(5) and its accompanying statutory definitions establishes that WVHA is not a district or authority "*which benefits from* the Medicaid program." For this reason the County is not authorized, and should not be allowed by this Court, to continue assessing WVHA for any portion of the County's financial responsibility for Medicaid Match funding. This Court should declare that because WVHA is not a district or authority "which benefits from the Medicaid program" as defined within the statute itself, Section 409.915(5) does not allow the County of Volusia to divide the county's financial responsibility in a manner that includes WVHA.

V. THE TRIAL COURT'S RELIANCE ON OPINION AFFIDAVITS TO HELP IT INTERPRET THE MEANING OF A STATUTE CONSTITUTES REVERSIBLE ERROR.

In its Final Declaratory Judgment, the trial court noted that it "considered the affidavit of Steven Mach and relied significantly on the affidavits of Dolores Guzman and Scott J. Davis." [R. 604]. The trial court's reliance on affidavits the County submitted with its Motion for Summary Judgment [R. 306-405] was misplaced and constitutes reversible error.

Simply stated, the affidavits were inapposite to the issue of statutory interpretation that was before the trial court. The trial court's reliance (or "consideration") of the affidavits violates the court's duty to treat the statutory interpretation issue as a matter a law. Determining the meaning of a statute through statutory interpretation settles a question of law. *See Devin v. City of Hollywood,* 351 So. 2d 1022, 1026 (Fla. 4th DCA 1976). As such, issues concerning statutory construction and interpretation involve legal determinations to be made by the trial judge through the arguments advanced by counsel. *Lee Cty. v. Barnett Banks, Inc.*, 711 So. 2d 34, 34 (Fla. 2d DCA 1997).

When opinions or affidavits are involved concerning the interpretation of a statute, Florida courts routinely state that expert opinions on statutory interpretation are not permitted and should not be considered. That is because, again, statutory construction is a legal determination to be made by the trial court, with the assistance of counsel's legal arguments, not by way of expert opinion, and thus, an expert should not be allowed to testify concerning the interpretation of a statute. *See Briggs v. Jupiter Hills Lighthouse Marina*, 9 So. 3d 29, 32 (Fla. 4th DCA 2009) ("A trial judge may not

rely on expert testimony to determine the meaning of terms which were questions of law to be decided by the trial court." (internal quotation marks omitted)); *In re Estate of Williams*, 771 So. 2d 7, 8 (Fla. 2d DCA 2000) ("[O]pinion testimony as to the legal interpretation of Florida law is not a proper subject of expert testimony."); *Lee Cty.*, 711 So. 2d at 34 (Fla. 2d DCA 1997) (same); *T.J.R. Holding Co., Inc. v. Alachua Cty.*, 617 So. 2d 798, 800 (Fla. 1st DCA 1993) (holding that trial court erred in relying on expert testimony to determine the meaning of statutory terms); *Williams v. State Dept. of Transp.*, 579 So. 2d 226, 231 (Fla. 1st DCA 1991) (holding trial court committed reversable error by allowing expert to testify, over objection, on questions of law); *Lindsay v. Allstate Ins. Co.*, 561 So. 2d 427, 428 (Fla. 2d DCA 1990) (finding no abuse of discretion by the trial court in excluding expert testimony on statutory interpretation and holding that it is improper for a trial court to rely on expert testimony to determine the meaning of terms in legislative enactments); *Thundereal Corp. v. Sterling*, 368 So. 2d 923, 928 (Fla. 1st DCA 1979) (holding that the opinion testimony of expert lawyers on legal questions are conclusions of law that cannot be used as evidence because such questions are exclusively within the province of the

court); *Devin*, 351 So. 2d at 1026 (explaining it constitutes reversible error for a trial judge to rely upon expert testimony to determine questions of law).

Bottom line, the affidavits submitted in support of the County's Motion should have been disregarded as uninstructive on a question of statutory interpretation. In *City of St. Petersburg v. Austin*, 355 So. 2d 486 (Fla. 2d DCA 1978), the City "filed an affidavit of an English professor opining that the word 'may' as used in [a City ordinance] expresses permissiveness and should not be construed as must or shall." *Id.* at 487. The appellate court held: "[a]s did the trial court, we reject the opinion of the English professor and find no material issue of fact was created by his affidavit. Statutory interpretation is a matter of law to be determined by the trial court." *Id.* at 488. *See also Citibank, N.A. v. Olsak*, 208 So. 3d 227, 229 (Fla. 3d DCA 2016) ("it bears noting that witnesses, even witnesses qualified as experts, generally are precluded from providing testimony in the form of legal conclusions.") (citing *Town of Palm Beach v. Palm Beach Cty.*, 460 So. 2d 879, 882 (Fla. 1984)).

Likewise, the three affidavits submitted by the County, suggesting how the Court should interpret "benefits from" as used in

§ 409.915(5), are inconsequential and it was inappropriate for the trial court to rely upon them in its Final Declaratory Judgment.

VI. THE COUNTY'S ERRONEOUS INTERPRETATION OF SECTION 409.915(5) RESULTS IN WVHA BECOMING THE ONLY HOSPITAL DISTRICT IN THE ENTIRE STATE OF FLORIDA BEING FORCED TO PAY A MEDICAID MATCH ASSESSMENT WITHOUT RECEIVING ANY PAYMENTS FROM THE MEDICAID PROGRAM.

WVHA's position on this issue is supported by recent research concerning the practical application of Section 409.915, Fla. Stat., throughout the State of Florida. In its Complaint, the County of Volusia portrayed that its "right" to impose a Medicaid Match assessment on WVHA was in effect a *fait accompli*, commonly imposed by counties on independent hospital districts within each county's jurisdiction. However, research obtained through Public Records Requests served on every active independent hospital district in the State reveals that the County's position in this litigation is unique. [R. 534-552]. This research yields the following insights:

> 1. The County of Volusia is one of only four (4) counties that impose a Medicaid Match assessment on the independent hospital districts located within a county's borders. By contrast, nineteen (19) counties do not impose any Medicaid Match assessment on the independent hospital districts within their borders. [R. 536, at ¶¶ 8-9].

> 2. A total of seven (7) hospital districts (including the three in Volusia) are located in the four counties that impose a Medicaid Match assessment. By contrast, twenty (20) hospital districts are located in the nineteen (19) counties that do not impose a Medicaid Match assessment. [R. 536-537, at ¶¶ 8-11].
>
> 3. Six (6) of the seven (7) hospital districts that are assessed by their counties own or operate hospitals, which means they generate Medicaid revenue through the provision of services to Medicaid patients. The ***only*** exception to this rule is West Volusia Hospital Authority, which does not own or operate a hospital and therefore does not receive Medicaid revenue. [R. 536-537, at ¶¶ 9-11].

This research reveals that the County of Volusia's assessment of WVHA is far from a common practice – it is in fact ***uncommon***, and it is ***unprecedented*** with respect to a district such as WVHA that does not own or operate a hospital. The research exposes the fallacy that the County's assessment imposed on WVHA is an ordinary and commonplace operation of the statute. Instead, WVHA's position – which adheres to ordinary principles of statutory construction – mandates that the Court declare the County is not entitled to impose a Medicaid Match funding assessment on WVHA pursuant to Section 409.915(5), Fla. Stat.

WVHA's factual and legal position is distinct from the two other hospital districts in Volusia County – and the few others statewide that are assessed by their counties for Medicaid Match assessments – because WVHA does not own or operate a hospital that receives revenue from the Medicaid program. As a result, WVHA currently bears an unfairly heavy burden to generate enough ad valorem tax revenue to pay the County's Medicaid Match assessment. This burden is in turn shouldered by property owners within WVHA's taxing district, who are subject to a relatively higher rate of taxation, first to pay for all of the services that WVHA funds for residents served by WVHA's programs, and second to also cover the costs of the County's Medicaid Match assessment, without any offsetting Medicaid revenue to draw from.

VII. BECAUSE SECTION 409.915(5) DOES NOT APPLY TO WVHA AS A MATTER OF LAW, ANY APPEAL TO THE DEPARTMENT OF FINANCIAL SERVICES WOULD HAVE BEEN "POINTLESS" UNDER SETTLED FLORIDA LAW.

In its Final Declaratory Judgment, the trial court did not address one of the County's arguments in the proceedings below,[3] namely that WVHA was somehow required to make an appeal to the

[3] WVHA chooses to address this argument here, preemptively, in the event the County revisits this argument in its Answer Brief.

Department of Financial Services (DFS) concerning WVHA's position that Section 409.915(5) is not applicable to the authority. Significantly, WVHA did not challenge the ***amount*** of the County's proration but whether the County is entitled to divide "***the county's financial responsibility"*** to WVHA at all. DFS does not have the statutory authority or jurisdiction to address the question at hand: whether Section 409.915(5) applies to WVHA. Therefore, any appeal to the DFS would have been pointless and a waste of time, effort, and resources.

Section 409.915(5) states in relevant part:

> ***Any appeal of the proration*** made by the board of county commissioners must be made to the Department of Financial Services, ***which shall set the proportionate share for each party.***

§ 409.915(5), Fla. Stat. (emphasis added). As a procedural matter, WVHA now appeals the trial court's Final Declaratory Judgment, which approves the County's authority to impose its assessment on WVHA, ***not*** the ***amount*** of the proration itself. WVHA did not challenge the amount of the proration itself, but instead whether the County has the authority to assess WVHA at all.

As Section 409.915(5) provides, entities which take issue with the proration, meaning the amount a county has assessed to the entity, must appeal that proration amount to the DFS. As the statute dictates, this is so the DFS can "set the proportionate share." There is certainly no plain reading of Section 409.915(5) that forces a conclusion that an entity that disagrees with anything other than the proration amount must appeal to the DFS. Accordingly, because WVHA is not appealing the proration and is not seeking for DFS to "set the proportionate share," an appeal to the DFS was not required.

Moreover, the assertion that WVHA was somehow required to submit to the jurisdiction of an agency that it believes has no authority over it, is, as the Supreme Court has stated, pointless. In *Gulf Pines Memorial Park v. Oaklawn Memorial Park, Inc.*, 361 So. 2d 695 (Fla. 1978), the Florida Supreme Court addressed a similar situation and held:

> For one thing, the question of "need" for a cemetery would never be reached, if, as Oaklawn claims, Chapter 76–251 is either unconstitutional or ***inapplicable***. Since the administrative hearing officer lacks jurisdiction to consider constitutional issues, *Department of Revenue v. Young American Builders*, 330 So. 2d 864 (Fla. 1st DCA 1976), it is pointless to require applicants to endure the time and expense of full administrative proceedings to demonstrate "need" before obtaining a judicial

> determination as to the validity of the statutory prerequisite.

Id. at 699. (emphasis added)

This Court has reached a similar conclusion when answering:

> the question of whether a taxing agency can obtain a declaratory judgment when in doubt as to the meaning or application of a tax statute or ordinance without the need to first exhaust the full panoply of administrative remedies associated with tax collection lawsuits.

Orange County v. Expedia, Inc., 985 So. 2d 622, 624 (Fla. 5th DCA 2008). In that case, this Court held as follows:

> We believe the plaintiffs' distinction is sound. The administrative remedies referenced by the defendants relate to disputes arising in the context of a tax collection proceeding. The present dispute presents a threshold legal question, the answer to which may render such collection proceedings moot. Thus, in the present context, it is illogical to require the parties to submit to the cumbersome, expensive process associated with a tax collection action when such process may prove to be entirely unnecessary.

Id. at 629.

Likewise, any issue about the amount of the proration would never be reached, where Section 409.915(5) is inapplicable. Here too, it would have been pointless for WVHA to endure the cumbersome, expensive process of a full administrative proceeding regarding proration, before obtaining a judicial determination as to the

applicability of the statutory prerequisite. Undoubtedly, given that Section 409.915(5) does not apply to WVHA, any such appeal to the DFS would prove to be entirely unnecessary.

CONCLUSION

This Court, in exercising its *de novo* review of the proceedings below, should determine that the trial court erred as a matter of law in entering its Final Declaratory Judgment, because a plain reading of Section 409.915(5) does not provide the County with the authority to impose a Medicaid Match assessment on WVHA. To the contrary, WVHA is not a district which benefits from the Medicaid program within the meaning of the statute, and its definition of terms. The County of Volusia's effort to re-write the statute to bring WVHA within the statutory ambit is unjustified. WVHA respectfully asks this Court to interpret the statute as written and apply the plain language of Section 409.915(5), Fla. Stat., to reverse the Final Declaratory Judgment, and remand for entry of judgment in favor of WVHA.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on October 4, 2024, a true and correct copy of the foregoing was filed via the Florida Courts E-Filing Portal which will electronically serve a copy to the following:

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CERTIFICATE OF COMPLIANCE

I HEREBY CERTIFY that this Brief complies with the font requirements of Florida Rule of Appellate Procedure 9.045 and the word limitation requirements of Florida Rule of Appellate Procedure Rule 9.210. This brief contains 8,427 words.

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