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# HANDBOOK

**Ohio County Commissioners**

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## CHAPTER 50

# COUNTY HOSPITALS

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### 50.01 INTRODUCTION

As of July, 1992 only 12 counties had county general hospitals functioning under a board of county hospital trustees as provided in Section 339.02 of the Revised Code. The number has dwindled considerably over the past two decades as more counties leased their county hospital facilities to non-profit corporations for a nominal sum (ORC 339.09). Only a very few of the county hospitals remaining receive any county general fund money and most of them do not even receive special levy monies, but operate entirely on revenues from private pay and third party payors (insurance, Medicaid, Medicare, etc).

Many other counties, rather than establish a county hospital under Section 339.01 of the Revised Code have elected to establish a county hospital commission and to finance the construction of non-profit hospitals with public money to be operated by non-profit corporations as provided in Section 339.14 of the Revised Code. In this case, no board of county hospital trustees exists. The hospital is run entirely by the private non-profit corporation as long as it continues to operate a general hospital open to the public. Failure to operate as such is grounds for the county hospital commission and the commissioners to terminate the lease and lease to another non-profit corporation or operate the hospital as a county hospital under Sections 339.06 - .08 of the Revised Code (ORC 339.14). See section 50.07 below for more details.

County hospitals, as treated in this section, do not include county tuberculosis hospitals as authorized in Section 339.50 - .64 of the Revised Code.

In addition, Am. Sub. HB 224, effective October 4, 1984 further streamlined the administrative procedures of county hospitals making them nearly totally independent of the county commissioners in their day to day operation. The treatment of county hospitals

in this handbook will, therefore, be brief, with legal citations provided for the reader seeking more detail.

## **50.02 COUNTY HOSPITAL FACILITIES**

### **1. HOSPITAL FACILITY**

Any buildings, structures and other improvements, additions thereto and extensions thereof under jurisdiction of a county board of hospital trustees used or to be used in connection with one or more hospitals, emergency, intensive, intermediate, extended, long-term, or self-care, diagnostic and treatment, outpatient facilities, for or pertaining to the diagnosis, treatment, care, or rehabilitation of sick, ill, injured, inform, impaired, disabled or handicapped persons (ORC 339.01 and 140.01(E)).

### **2. BRANCHES**

The county hospital includes all of the county hospital's branches and facilities, wherever located (ORC 339.01).

### **3. OUTPATIENT HEALTH FACILITY**

Outpatient facilities located within or without the primary county hospital facility and in which medical care is given without admitting patients to a facility may be operated as part of the county hospital (ORC 339.01). (See section 53.03 numbers 10 and 11 for more on satellite facilities.)

## **50.03 POWERS AND DUTIES OF THE COMMISSIONERS RELATIVE TO THE COUNTY HOSPITAL**

Following are the major powers and duties of county commissioners relative to county hospitals:

1. To determine, by resolution, to establish a county hospital (ORC 339.02).
2. To purchase, acquire, lease, appropriate, and construct a county hospital or facilities thereof (ORC 339.01).
3. To appoint the members of the county hospital board of trustees (see section 52.04 for details). This is done in conjunction with the county probate judge senior in service and the judge, other than a probate judge, of the court of common pleas, senior in service. The board may be expanded to eight or 10 members at any time (ORC 339.02(C) and (D)).
4. To fill any vacancy on the board of hospital trustees for the remainder of the unexpired term, along with the appropriate judges (ORC 339.02(F)).

5. To remove any trustees from office for cause, impairing faithful, efficient and intelligent administration, or for conduct unbecoming to such office, after opportunity for a hearing before the appointing authority. This is also done in conjunction with the appropriate judges (ORC 339.01(F)).
6. To lease the county hospital to a non-profit corporation for purposes of administration pursuant to Section 339.09 of the Revised Code. Such lease must be to a non-sectarian Ohio corporation organized for charitable purposes and not for profit.

Unless there is another general hospital operating in the county under Section 3701.07 of the Revised Code, the initial lease or acquisition agreement under Sections 140.03, 140.05, 339.09 or 339.14 of the Revised Code requires adoption of a resolution by the commissioners and a majority vote of the county's electors. Such a vote may take place at a primary, general or special election. Commissioners must pass the authorizing resolution pursuant to Section 339.09 of the Revised Code and submit the question to the board of elections pursuant to Section 339.092 of the Revised Code at least 75 days prior to the election. The board of elections must publish a notice of the question in one or more newspapers of general circulation no later than 10 days prior to the election (ORC 339.092).

7. To designate the county home as a county hospital pursuant to Section 339.021 of the Revised Code, if the building and facilities are suitable for use as a hospital. In such case, the commissioners or their designees shall serve as ex officio members of the board of hospital trustees.
8. To approve the budget of the county hospital if the commissioners levy a tax for the county hospital or is requested to provide an appropriation to the county hospital (ORC 339.06).
  - a. The board of county hospital trustees is required to submit to the commissioners its proposed budget for the ensuing fiscal year by November 1 of each year.
  - b. The commissioners must approve the county hospital budget by December 1 of each year.
  - c. If the amount collected in taxes under Section 5705.22 of the Revised Code or the amount appropriated by the commissioners differs from the amount in the approved budget, the commissioners may require the board of hospital trustees to revise the hospital budget accordingly.
  - d. The board of hospital trustees is not required to file a tax budget with the commissioners unless the commissioners levy a tax for the county hospital

or the board of county hospital trustees requested that the commissioners make an appropriation to the county hospital.

9. To approve annually the bidding procedures for purchase of supplies and equipment adopted by the board of county hospital trustees in lieu of the competitive bidding procedures in Section 307.86 - .92 of the Revised Code (ORC 339.05).
10. To disapprove the establishment or operation of a satellite outpatient facility by the board of hospital trustees or hospital commission of another county. No board of hospital trustees or hospital commission may establish or operate a satellite facility in another county unless it notifies the commissioners of the county in which the satellite facility is to be located (ORC 339.01(C)). The commissioners in the county in which the proposed satellite is to be located then have 60 days to adopt a resolution denying the establishment of the satellite. If no resolution is adopted the trustees or commission may proceed with the satellite.
11. If the county commissioners provide a subsidy for uncompensated care to a board of hospital trustees or a hospital commission, the board or commission may not establish a satellite in another county without the permission of the commissioners providing the subsidy. The commissioners and the board of hospital trustees are prohibited from using funds generated by a tax levied under section 5705.191 to finance the acquisition, construction, repair, maintenance or operation of a facility located outside the county.

#### **50.04 MEMBERSHIP OF THE COUNTY HOSPITAL BOARD OF TRUSTEES (339.02)**

##### **1. NUMBER**

The board of county hospital trustees is to consist of six electors of the area served by the hospital, unless the commissioners elect to appoint eight or 10 trustees. In no case shall more than two of the members appointed be electors of the area served by the county hospital which is outside the county in which the hospital is located.

##### **2. BALANCE OF POLITICAL PARTIES**

The board of hospital trustees must be bipartisan, consisting of an equal number of members from each of the two political parties casting the highest number of votes for its respective candidate in the most recent gubernatorial election.

##### **3. TERM OF OFFICE**

The term of office is six years commencing the first Monday of March. In order to create overlapping terms when a new board is created, terms are to be varied according to the provisions of Section 339.02(C) of the Revised Code.

## **50.05 POWERS OF BOARD OF HOSPITAL TRUSTEES**

The detailed powers of the county board of hospital trustees are contained in Section 339.03 - .06 of the Revised Code. These duties include the power:

1. To take title to or lease land or facilities.
2. To make capital improvements, construct additions, purchase equipment, including leasing office space to physicians as long as the purpose reasonably relates to operation of the county hospital (OAG 79-050).
3. To issue revenue bonds pursuant to Section 140.06 or Section 339.15 of the Revised Code.
4. To issue revenue bonds pursuant to Section 133.06 of the Revised Code. (Both are outside the county debt limit pursuant to Section 133.05 of the Revised Code).
5. To establish branches or outpatient clinics in other counties upon approval of the commissioners of the county in which the branch or clinic is to be located (ORC 339.01(C)).
6. To adopt (with approval of the commissioners) an annual purchasing policy for supplies and equipment in lieu of the county bidding procedures contained in Sections 307.86 - .92 of the Revised Code. The county hospital, as any county contracting authority must receive competitive bids on any service contract exceeding the amount prescribed in statute. (Sentinel Security Systems v Medleff, 30 Opp 3d 86).
7. To deposit all operating monies due the board (including levy monies) in a bank account to be known as the hospital operating fund.
8. To operate without budget approval by the commissioners if no money is received from a levy or from county general fund appropriations. The board must, however, file an annual report of revenues and expenditures with the commissioners within 90 days after the end of the fiscal year, pursuant to Section 339.06 of the Revised Code.
9. To hire, discipline and discharge the hospital administration and all other employees. All county hospital employees are in the unclassified service (ORC 124.11(A)(20)).
10. To adopt the wage and salary schedule for all employees.

11. To establish any fringe benefits as it deems appropriate including employee discounts for services and supplies.
12. To establish a schedule of charges for hospital services.
13. To pay for training of employees and for recruitment of physicians without approval of the commissioners.
14. To pay from hospital funds for the cost of property and liability insurance and bonds for employee liability.(16)
15. To become a self-insuring employer under Ohio's Workers' Compensation law, with approval of the administrator of the Ohio Bureau of Workers' Compensation, (ORC 4123.35(A)).
16. To acquire, lease or operate automatic data processing equipment. A county hospital is exempt from regulation by the county automatic data processing board (ORC 307.84).

#### **50.07 COUNTY HOSPITAL COMMISSION (ORC 339.14)**

In many counties where the commissioners have not established a county hospital under Section 339.01 of the Revised Code, the commissioners have established a county hospital commission under Section 339.14 to finance the construction of non-profit hospitals with public money to be operated by private non-profit corporations.

##### **50.071 MEMBERSHIP OF COUNTY HOSPITAL COMMISSION**

Membership appointed by the commissioners consists of not less than three members comprising:

1. Not less than three members appointed to represent the public.
2. One additional member for each participating hospital corporation
3. One member may be appointed for each non-participating charitable hospital corporation in the county.
4. One member may be appointed for any joint township hospital district.

All are to be electors of the county and serve six year terms without compensation.

##### **50.072 POWERS OF COUNTY HOSPITAL COMMISSION**

1. To accept conveyances of or interests in real estate, with consent of commissioners

2. To enter into an agreement pursuant to Sections 339.091 and 339.092 of the Revised Code with one or more Ohio corporations organized for charitable hospital purposes to lease to such organization real estate, improvements, buildings, fixtures and equipment for operation of a general hospital for a period not to exceed 50 years.
3. To sell such property to such a corporation pursuant to Section 140.05 of the Revised Code with unanimous consent of the commissioners provided that the purchase price represents no less than the actual cost to the county.
4. To request the commissioners to submit a bond issue to the electors pursuant to Section 140.01 of the Revised Code to cover the costs of hospital facilities.
5. To take title in the name of the county of all land conveyed pursuant to Section 339.14 of the Revised Code and have final approval of all plans and specifications for erection and equipping of hospital facilities contemplated under Section 339.14 and to employ architects and necessary supervisory personnel.

The county hospital commission has continued jurisdiction of the hospital facilities constructed under Section 339.14 of the Revised Code. The lessee is to be solely responsible for operation. However, if the lessee fails to administer, maintain and operate the leased facilities as a general hospital, admitting patients without regard to race, creed or color, the lease may be terminated, after an opportunity to answer written charges and upon consent of the commissioners. In such case, the control and management of the hospital facilities together with all additions and equipment revert to the county.

**50.073 CONSTRUCTION WITH HOSPITAL BONDS EXEMPT FROM COMPETITIVE BIDDING**

A county acting through the county commissioners or its hospital commission, when constructing hospital facilities is not required to use competitive bidding or other contracting procedures found in Section 307.86 of the Revised Code, where:

1. Such construction is financed by revenue bonds issued pursuant to Section 140.06 of the Revised Code which bonds are not to be repaid with tax monies, but through lease payments from a non-profit hospital agency, and
2. The lease between the county and the hospital agency pursuant to Section 140.05 of the Revised Code provides the method and procedures by which construction is to take place (OAG 76-023).

Construction of a hospital under Section 339.14 of the Revised Code is also not deemed to be public construction for purposes of the prevailing wage provisions of Ohio law and is therefore exempt from those provisions.

