

NOTICE: PROPOSED AMENDED USF SYSTEM REGULATION

DATE: September 24, 2012

Regulation No: USF13.002

Title: Direct Support Organizations

Summary:

Florida Board of Governors (BOG) Regulation 1.001 provides that “Each board of trustees is authorized to promulgate university regulations in accordance with the Regulation Development Procedure adopted by the Board of Governors,” (7-21-05). Such regulations must be consistent with law and the regulations and strategic plan of the Board of Governors.

Florida Statute §1004.29 authorizes state universities to establish university health services support organizations (UHSSOs) to enable a university’s academic health sciences center to enter into “arrangements with other entities as providers in other integrated health care systems or similar entities.”

Under that law, a UHSSO must comply with Florida Board of Governors (BOG) requirements regarding use of university property, facilities or personal services--in the same manner as required of a direct support organization (DSO). In addition, the University’s Board of Trustees Chair may appoint representatives to the UHSSO’s Board; the University President serves on that Board and, importantly, neither the State of Florida nor the University creating the UHSSO has any responsibility for acts, debts, liabilities and obligations incurred or assumed by that UHSSO.

USF Regulation 13.002 now only addresses DSOs and further implements the law and BOG Regulation 9.011, by addressing presentation of Articles of Incorporation and Bylaws, preparation and reporting of annual budgets, review and approval of expenditure plans, annual financial audits and auditability by outside auditors, and the process for revocation of certification (or decertification) in its sole discretion when the DSO is no longer serving the best interests of the USF System. Proposed amendments to USF Regulation 13.002 would extend all those same protections and requirements now in place for direct support organizations (DSOs) to any created university health services support organization (UHSSO) as well; making it consistent with the current BOG Regulation.

The proposed amendments were approved by the USF Health Workgroup (9-20-12) and the full Board of Trustees (9-24-12). However, BOT action on this Regulation will not be effective until thirty (30) days from this public notice/input per the BOG Regulation Development Procedure.

End of Summary.

Full text of the proposed amended Regulation follows:

PROPOSED AMENDED UNIVERSITY OF SOUTH FLORIDA SYSTEM REGULATION

Number: USF13.002

Subject: Direct Support Organizations and Health Services Support Organizations

1 (1) An organization seeking to receive, hold, invest and administer property and to make
2 expenditures to, or for, the benefit of the University of South Florida System (“USF System”) may
3 request approval by the University of South Florida Board of Trustees (“Board”) to become a
4 direct-support organization, as provided in Section 1004.28, Florida Statutes. An organization
5 seeking to enter into arrangements with other entities as providers in other integrated health care
6 systems or similar entities for the benefit of the USF System may request approval by the Board to
7 become a health services support organization, as provided in Section 1004. 29, Florida Statutes. In
8 no case shall the USF System have any responsibility for acts, debts, liabilities, and obligations
9 incurred or assumed by a health services support organization.

10 (2) Upon approval by the ~~at~~ Board, a direct-support organization or health services support
11 organization (“Support Organization[s]”) shall be certified and authorized to use the property,
12 facilities and personnel services of the USF System to the extent permissible by applicable law, the
13 conditions prescribed by regulations, and internal management memoranda of the USF System.

14 (3) The Articles of Incorporation and Bylaws of a ~~direct-S~~upport Organization of the USF
15 System and all amendments of such Articles or Bylaws shall be recommended and presented by the
16 President of the USF System (“President”) to the Board for review and approval.

17 (4) Operating budgets of ~~direct-S~~upport Organizations shall be prepared at least annually,
18 approved by the organization’s governing board, and presented by the President to the Board for
19 review and approval.

20 | (54) Expenditure plans of ~~direct-S~~support Organizations shall be reviewed and approved
21 | quarterly by the President or designee; said designee shall be a vice president, provost or other duly
22 | authorized senior officer of the USF System reporting directly to the President and having
23 | operational responsibility on behalf of the USF System for the ~~direct-S~~support Organization.

24 | (65) ~~Direct-s~~Support Organizations shall provide for an annual financial audit and
25 | management letter as prescribed by, and in accordance with, applicable law, regulations (including
26 | USF Regulation 13.002, Direct-Support Organizations and Health Services Support Organizations)
27 | and internal management memoranda. The letter shall be forwarded to the Board for review,
28 | oversight and approval.

30 | (76) The Board is authorized to revoke certification of an organization as a ~~direct-S~~support
31 | ~~o~~rganization of the USF System if it determines, in its sole discretion, that the organization is no
32 | longer serving the best interest of the USF System. If certification is revoked, the Board shall
33 | determine the disposition of the Support ~~o~~rganization's assets and liabilities in accordance with
34 | applicable laws, the Support ~~o~~rganization's Articles of Incorporation and Bylaws.

36 | *Authority: Art. IX, Sec. 7, Fla. Constitution; BOG Regulation 9.011; 1004.28, ~~F.S.,~~ 1004.29, F.S. History:*
37 | *New 11-20-03, Formerly 6C4-13.002, F.A.C., Amended 9-10-09, 10-24-12.*

AUTHORITY TO ADOPT/AMEND/REPEAL REGULATION(S):

Art. IX, Sec. 7, Fla. Constitution, BOG Regulation 1.001.

UNIVERSITY OFFICIAL INITIATING PROPOSED AMENDMENT OF REGULATION:

R.B. Friedlander, Deputy General Counsel.

**WRITTEN COMMENTS CONCERNING THESE PROPOSED REGULATIONS MAY
BE SUBMITTED WITHIN 14 DAYS AFTER THE POSTING DATE OF THIS NOTICE
TO:**

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