

By the Committees on Fiscal Policy; Health, Aging and Long-Term Care; and Senators Mitchell, Geller, Childers, Cowin, Thomas, Kirkpatrick, Jones and Rossin

309-2140A-99

1 A bill to be entitled
 2 An act relating to rural hospital capital
 3 improvement; creating s. 395.6061, F.S.;
 4 providing a mechanism for the disbursement of
 5 funds to rural hospitals; providing application
 6 requirements; prescribing uses of the fund;
 7 providing duties of the Department of Health;
 8 providing rulemaking authority for the
 9 establishment of criteria for the disbursement
 10 of grant funds; amending s. 395.602, F.S.;
 11 redefining the term "rural hospital"; amending
 12 s. 409.9116, F.S.; providing for the date of
 13 applicability; providing an effective date.

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 15 Be It Enacted by the Legislature of the State of Florida:

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 17 Section 1. Section 395.6061, Florida Statutes, is
 18 created to read:

19 395.6061 Rural hospital capital improvement.--There is
 20 established a rural hospital capital improvement grant
 21 program.

22 (1) A rural hospital as defined in s. 395.602 may
 23 apply to the department for a grant. The grant application
 24 must provide information that includes:

25 (a) A statement indicating the problem the rural
 26 hospital proposes to solve with the grant funds;

27 (b) The strategy proposed to resolve the problem;

28 (c) The organizational structure, financial system,
 29 and facilities that are essential to the proposed solution;

30 (d) The projected longevity of the proposed solution
 31 after the grant funds are expended;

1 (e) Evidence of participation in a rural health
2 network as defined in s. 381.0406;

3 (f) Evidence that the rural hospital has difficulty in
4 obtaining funding or that funds available for the proposed
5 solution are inadequate;

6 (g) Evidence that the grant funds will assist in
7 maintaining or returning the hospital to an economically
8 stable condition or that any plan for closure or realignment
9 of services will involve development of innovative
10 alternatives for the discontinued services;

11 (h) Evidence of a satisfactory record-keeping system
12 to account for grant fund expenditures within the rural
13 county;

14 (i) A rural health network plan that includes a
15 description of how the plan was developed, the goals of the
16 plan, the links with existing health care providers under the
17 plan, indicators quantifying the hospital's financial
18 well-being, measurable outcome targets, and the current
19 physical and operational condition of the hospital.

20 (2) Each rural hospital as defined in s. 395.602 shall
21 receive a minimum of \$100,000 annually, subject to legislative
22 appropriation, upon application to the Department of Health,
23 for projects to acquire, repair, improve, or upgrade systems,
24 facilities, or equipment.

25 (3) Any remaining funds shall annually be disbursed to
26 rural hospitals in accordance with this section. The
27 Department of Health shall establish, by rule, criteria for
28 awarding grants for any remaining funds, which must be used
29 exclusively for the support and assistance of rural hospitals
30 as defined in s. 395.602, including criteria relating to the
31 level of uncompensated care rendered by the hospital, the

1 participation in a rural health network as defined in s.
2 381.0406, and the proposed use of the grant by the rural
3 hospital to resolve a specific problem. The department must
4 consider any information submitted in an application for the
5 grants in accordance with subsection (1) in determining
6 eligibility for and the amount of the grant, and none of the
7 individual items of information by itself may be used to deny
8 grant eligibility.

9 (4) The department shall ensure that the funds are
10 used solely for the purposes specified in this section.

11 Section 2. Paragraph (e) of subsection (2) of section
12 395.602, Florida Statutes, 1998 Supplement, is amended to
13 read:

14 395.602 Rural hospitals.--

15 (2) DEFINITIONS.--As used in this part:

16 (e) "Rural hospital" means an acute care hospital
17 licensed under this chapter, having 100 or fewer licensed beds
18 and an emergency room, located in an area defined as rural by
19 the United States Census, and which is:

20 1. The sole provider within a county with a population
21 density of no greater than 100 persons per square mile; or

22 2. An acute care hospital, in a county with a
23 population density of no greater than 100 persons per square
24 mile, which is at least 30 minutes of travel time, on normally
25 traveled roads under normal traffic conditions, from any other
26 acute care hospital within the same county; or

27 3. A hospital supported by a tax district or
28 subdistrict whose boundaries encompass a population of 100
29 persons or fewer per square mile; or

30 4. A hospital in a constitutional charter county with
31 a population of over 1 million persons that has imposed a

1 local option health service tax pursuant to law and in an area
2 that was directly impacted by a catastrophic event on August
3 24, 1992, for which the Governor of Florida declared a state
4 of emergency pursuant to chapter 125, and has 120 beds or less
5 that serves an agricultural community with an emergency room
6 utilization of no less than 20,000 visits and a Medicaid
7 in-patient utilization rate greater than 15 percent.

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9 Population densities used in this paragraph must be based upon
10 the most recently completed United States census.

11 Section 3. Subsection (7) of section 409.9116, Florida
12 Statutes, 1998 Supplement, is amended to read:

13 409.9116 Disproportionate share/financial assistance
14 program for rural hospitals.--

15 (7) This section only applies to hospitals that were
16 defined as statutory rural hospitals, or their
17 successor-in-interest hospital, prior to July 1, 1999 ~~1998~~.
18 Any additional hospital that is defined as a statutory rural
19 hospital, or its successor-in-interest hospital, on or after
20 July 1, 1999 ~~1998~~, is not eligible for programs under this
21 section unless additional funds are appropriated each fiscal
22 year specifically to the rural hospital disproportionate share
23 and financial assistance programs in an amount necessary to
24 prevent any hospital, or its successor-in-interest hospital,
25 eligible for the programs prior to July 1, 1999 ~~1998~~, from
26 incurring a reduction in payments because of the eligibility
27 of an additional hospital to participate in the programs.

28 Section 4. This act shall take effect July 1, 1999.

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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR
CS/SB 890

Revise the definition of "rural hospital" in s. 395.602, F.S., to include a hospital in a constitutional charter county with a population of over 1 million persons that has imposed a local option health service tax pursuant to law and in an area that was directly impacted by a catastrophic event on August 24, 1992, for which the Governor of Florida declared a state of emergency pursuant to chapter 125, F.S., and has 120 beds or less that serves an agricultural community with an emergency room utilization of no less than 20,000 visits and a Medicaid in-patient utilization rate greater than 15 percent.

Revises s. 409.9116, F.S., related to disproportionate share/financial assistance program for rural hospitals to include only hospitals defined as statutory rural hospitals prior to July 1, 1999, and to make ineligible for the program rural hospitals defined after July 1, 1999, unless additional funds are appropriated so that current rural hospitals do not incur a reduction in payments as a result of the eligibility of an additional hospital participating in the program.