

By the Committee on Health, Aging and Long-Term Care; and
Senator Sanderson

317-1655-01

1 A bill to be entitled
2 An act relating to hospitals and community
3 hospital education; amending ss. 381.0403,
4 409.908, F.S.; transferring the community
5 hospital education program from the Board of
6 Regents to the Department of Health;
7 prescribing membership of a committee reporting
8 on graduate medical education; amending s.
9 409.911, F.S.; redefining the term "charity
10 care" or "uncompensated charity care" for
11 purposes of the disproportionate share program;
12 amending s. 409.9117, F.S.; revising
13 eligibility criteria for payments under the
14 primary care disproportionate share program;
15 providing an effective date.

16
17 Be It Enacted by the Legislature of the State of Florida:

18
19 Section 1. Subsections (3), (4), (5), (6), (7), and
20 (9) of section 381.0403, Florida Statutes, are amended to
21 read:

22 381.0403 The Community Hospital Education Act.--
23 (3) PROGRAM FOR COMMUNITY HOSPITAL EDUCATION; STATE
24 AND LOCAL PLANNING.--

25 (a) There is established under the Department of
26 Health ~~Board of Regents~~ a program for statewide graduate
27 medical education. It is intended that continuing graduate
28 medical education programs for interns and residents be
29 established on a statewide basis. The program shall provide
30 financial support for primary care specialty interns and
31 residents based on policies recommended and approved by the

1 Community Hospital Education Council, herein established, and
2 the Department of Health ~~Board of Regents~~. Only those programs
3 with at least three residents or interns in each year of the
4 training program are qualified to apply for financial support.
5 Programs with fewer than three residents or interns per
6 training year are qualified to apply for financial support,
7 but only if the appropriate accrediting entity for the
8 particular specialty has approved the program for fewer
9 positions. Programs added after fiscal year 1997-1998 shall
10 have 5 years to attain the requisite number of residents or
11 interns. When feasible and to the extent allowed through the
12 General Appropriations Act, state funds shall be used to
13 generate federal matching funds under Medicaid, or other
14 federal programs, and the resulting combined state and federal
15 funds shall be allocated to participating hospitals for the
16 support of graduate medical education. The department may
17 spend up to \$75,000 of the state appropriation ~~for~~
18 administrative costs associated with the production of the
19 annual report as specified in subsection (9), and for
20 administration of the council.

21 (b) For the purposes of this section, primary care
22 specialties include emergency medicine, family practice,
23 internal medicine, pediatrics, psychiatry,
24 obstetrics/gynecology, and combined pediatrics and internal
25 medicine, and other primary care specialties as may be
26 included by the council and Department of Health ~~Board of~~
27 ~~Regents~~.

28 (c) Medical institutions throughout the state may
29 apply to the Community Hospital Education Council for
30 grants-in-aid for financial support of their approved
31 programs. Recommendations for funding of approved programs

1 shall be forwarded to the Department of Health ~~Board of~~
2 ~~Regents~~.

3 (d) The program shall provide a plan for community
4 clinical teaching and training with the cooperation of the
5 medical profession, hospitals, and clinics. The plan shall
6 also include formal teaching opportunities for intern and
7 resident training. In addition, the plan shall establish an
8 off-campus medical faculty with university faculty review to
9 be located throughout the state in local communities.

10 (4) PROGRAM FOR GRADUATE MEDICAL EDUCATION
11 INNOVATIONS.--

12 (a) There is established under the Department of
13 Health ~~Board of Regents~~ a program for fostering graduate
14 medical education innovations. Funds appropriated annually by
15 the Legislature for this purpose shall be distributed to
16 participating hospitals or consortia of participating
17 hospitals and Florida medical schools or to a Florida medical
18 school for the direct costs of providing graduate medical
19 education in community-based clinical settings on a
20 competitive grant or formula basis to achieve state health
21 care workforce policy objectives, including, but not limited
22 to:

- 23 1. Increasing the number of residents in primary care
24 and other high demand specialties or fellowships;
- 25 2. Enhancing retention of primary care physicians in
26 Florida practice;
- 27 3. Promoting practice in medically underserved areas
28 of the state;
- 29 4. Encouraging racial and ethnic diversity within the
30 state's physician workforce; and
- 31 5. Encouraging increased production of geriatricians.

1 (b) Participating hospitals or consortia of
2 participating hospitals and Florida medical schools or a
3 Florida medical school providing graduate medical education in
4 community-based clinical settings may apply to the Community
5 Hospital Education Council for funding under this innovations
6 program, except when such innovations directly compete with
7 services or programs provided by participating hospitals or
8 consortia of participating hospitals, or by both hospitals and
9 consortia. Innovations program funding shall provide funding
10 based on policies recommended and approved by the Community
11 Hospital Education Council and the Department of Health Board
12 ~~of Regents~~.

13 (c) Participating hospitals or consortia of
14 participating hospitals and Florida medical schools or Florida
15 medical schools awarded an innovations grant shall provide the
16 Community Hospital Education Council and Department of Health
17 ~~Board of Regents~~ with an annual report on their project.

18 (5) FAMILY PRACTICE RESIDENCIES.--In addition to the
19 programs established in subsection (3), the Community Hospital
20 Education Council and the Department of Health Board of
21 ~~Regents~~ shall establish an ongoing statewide program of family
22 practice residencies. The administration of this program
23 shall be in the manner described in this section.

24 (6) COUNCIL AND DIRECTOR.--

25 (a) There is established the Community Hospital
26 Education Council, hereinafter referred to as the council,
27 which shall consist of 11 members, as follows:

28 1. Seven members must be program directors of
29 accredited graduate medical education programs or practicing
30 physicians who have faculty appointments in accredited
31 graduate medical education programs. Six of these members

1 must be board certified or board eligible in family practice,
2 internal medicine, pediatrics, emergency medicine,
3 obstetrics-gynecology, and psychiatry, respectively, and
4 licensed pursuant to chapter 458. No more than one of these
5 members may be appointed from any one specialty. One member
6 must be licensed pursuant to chapter 459.

7 2. One member must be a representative of the
8 administration of a hospital with an approved community
9 hospital medical education program;

10 3. One member must be the dean of a medical school in
11 this state; and

12 4. Two members must be consumer representatives.

13
14 All of the members shall be appointed by the Governor for
15 terms of 4 years each.

16 (b) Council membership shall cease when a member's
17 representative status no longer exists. Members of similar
18 representative status shall be appointed to replace retiring
19 or resigning members of the council.

20 (c) The Secretary of the Department of Health
21 ~~Chancellor of the State University System~~ shall designate an
22 administrator to serve as staff director. The council shall
23 elect a chair from among its membership. Such other personnel
24 as may be necessary to carry out the program shall be employed
25 as authorized by the Department of Health ~~Board of Regents~~.

26 (7) DEPARTMENT OF HEALTH ~~BOARD OF REGENTS~~;
27 STANDARDS.--

28 (a) The Department of Health ~~Board of Regents~~, with
29 recommendations from the council, shall establish standards
30 and policies for the use and expenditure of graduate medical
31 education funds appropriated pursuant to subsection (8) for a

1 program of community hospital education. The Department of
2 Health board shall establish requirements for hospitals to be
3 qualified for participation in the program which shall
4 include, but not be limited to:

5 1. Submission of an educational plan and a training
6 schedule.

7 2. A determination by the council to ascertain that
8 each portion of the program of the hospital provides a high
9 degree of academic excellence and is accredited by the
10 Accreditation Council for Graduate Medical Education of the
11 American Medical Association or is accredited by the American
12 Osteopathic Association.

13 3. Supervision of the educational program of the
14 hospital by a physician who is not the hospital administrator.

15 (b) The Department of Health ~~Board of Regents~~ shall
16 periodically review the educational program provided by a
17 participating hospital to assure that the program includes a
18 reasonable amount of both formal and practical training and
19 that the formal sessions are presented as scheduled in the
20 plan submitted by each hospital.

21 (c) In years that funds are transferred to the Agency
22 for Health Care Administration, the Department of Health ~~Board~~
23 ~~of Regents~~ shall certify to the Agency for Health Care
24 Administration on a quarterly basis the number of primary care
25 specialty residents and interns at each of the participating
26 hospitals for which the Community Hospital Education Council
27 and the board recommends funding.

28 (9) ANNUAL REPORT ON GRADUATE MEDICAL EDUCATION;
29 COMMITTEE.--The ~~Board of Regents, the~~ Executive Office of the
30 Governor, the Department of Health, and the Agency for Health
31 Care Administration shall collaborate to establish a committee

1 that shall produce an annual report on graduate medical
2 education. The committee shall be comprised of 11 members:
3 five members shall be deans of the medical schools or their
4 designees; the Governor shall appoint two members, one of whom
5 must be a representative of the Florida Medical Association
6 who has supervised or currently supervises residents or
7 interns and one of whom must be a representative of the
8 Florida Hospital Association; the Secretary of Health Care
9 Administration shall appoint two members, one of whom must be
10 a representative of a statutory teaching hospital and one of
11 whom must be a physician who has supervised or is currently
12 supervising residents or interns; and the Secretary of Health
13 shall appoint two members, one of whom must be a
14 representative of a statutory family practice teaching
15 hospital and one of whom must be a physician who has
16 supervised or is currently supervising residents or interns.
17 With the exception of the deans, members shall serve 4-year
18 terms. In order to stagger the terms, the Governor's
19 appointees shall serve initial terms of 4 years, the Secretary
20 of Health's appointees shall serve initial terms of 3 years,
21 and the Secretary of Health Care Administration's appointees
22 shall serve initial terms of 2 years. A member's term shall be
23 deemed terminated when the member's representative status no
24 longer exists. Once the committee is appointed, it shall elect
25 a chair to serve for a 1-year term.~~To the maximum extent~~
26 ~~feasible, the committee shall have the same membership as the~~
27 ~~Graduate Medical Education Study Committee, established by~~
28 ~~proviso accompanying Specific Appropriation 191 of the~~
29 ~~1999-2000 General Appropriations Act.~~The report shall be
30 provided to the Governor, the President of Senate, and the
31 Speaker of the House of Representatives by January 15

1 annually. Committee members shall serve without compensation.
2 ~~From the funds provided pursuant to subsection (3), the~~
3 ~~committee is authorized to expend a maximum of \$75,000 per~~
4 ~~year to provide for administrative costs and contractual~~
5 ~~services.~~The report shall address the following:

6 (a) The role of residents and medical faculty in the
7 provision of health care.

8 (b) The relationship of graduate medical education to
9 the state's physician workforce.

10 (c) The costs of training medical residents for
11 hospitals, medical schools, teaching hospitals, including all
12 hospital-medical affiliations, practice plans at all of the
13 medical schools, and municipalities.

14 (d) The availability and adequacy of all sources of
15 revenue to support graduate medical education and recommend
16 alternative sources of funding for graduate medical education.

17 (e) The use of state and federal appropriated funds
18 for graduate medical education by hospitals receiving such
19 funds.

20 Section 2. All statutory powers, duties, and functions
21 and the records, personnel, property, and unexpended balances
22 of appropriations, allocations, or other funds of the
23 Community Hospital Education Program are transferred from the
24 Board of Regents to the Department of Health by a type two
25 transfer as defined in section 20.06, Florida Statutes.

26 Section 3. Paragraph (a) of subsection (1) of section
27 409.908, Florida Statutes, is amended to read:

28 409.908 Reimbursement of Medicaid providers.--Subject
29 to specific appropriations, the agency shall reimburse
30 Medicaid providers, in accordance with state and federal law,
31 according to methodologies set forth in the rules of the

1 agency and in policy manuals and handbooks incorporated by
2 reference therein. These methodologies may include fee
3 schedules, reimbursement methods based on cost reporting,
4 negotiated fees, competitive bidding pursuant to s. 287.057,
5 and other mechanisms the agency considers efficient and
6 effective for purchasing services or goods on behalf of
7 recipients. Payment for Medicaid compensable services made on
8 behalf of Medicaid eligible persons is subject to the
9 availability of moneys and any limitations or directions
10 provided for in the General Appropriations Act or chapter 216.
11 Further, nothing in this section shall be construed to prevent
12 or limit the agency from adjusting fees, reimbursement rates,
13 lengths of stay, number of visits, or number of services, or
14 making any other adjustments necessary to comply with the
15 availability of moneys and any limitations or directions
16 provided for in the General Appropriations Act, provided the
17 adjustment is consistent with legislative intent.

18 (1) Reimbursement to hospitals licensed under part I
19 of chapter 395 must be made prospectively or on the basis of
20 negotiation.

21 (a) Reimbursement for inpatient care is limited as
22 provided for in s. 409.905(5), except for:

23 1. The raising of rate reimbursement caps, excluding
24 rural hospitals.

25 2. Recognition of the costs of graduate medical
26 education.

27 3. Other methodologies recognized in the General
28 Appropriations Act.

29

30 During the years funds are transferred from the Department of
31 Health ~~Board of Regents~~, any reimbursement supported by such

1 funds shall be subject to certification by the Department of
2 Health ~~Board of Regents~~ that the hospital has complied with s.
3 381.0403. The agency is authorized to receive funds from state
4 entities, including, but not limited to, the Department of
5 Health, ~~the Board of Regents~~, local governments, and other
6 local political subdivisions, for the purpose of making
7 special exception payments, including federal matching funds,
8 through the Medicaid inpatient reimbursement methodologies.
9 Funds received from state entities or local governments for
10 this purpose shall be separately accounted for and shall not
11 be commingled with other state or local funds in any manner.
12 Notwithstanding this section and s. 409.915, counties are
13 exempt from contributing toward the cost of the special
14 exception reimbursement for hospitals serving a
15 disproportionate share of low-income persons and providing
16 graduate medical education.

17 (b) Reimbursement for hospital outpatient care is
18 limited to \$1,500 per state fiscal year per recipient, except
19 for:

- 20 1. Such care provided to a Medicaid recipient under
21 age 21, in which case the only limitation is medical
22 necessity.
- 23 2. Renal dialysis services.
- 24 3. Other exceptions made by the agency.

25
26 The agency is authorized to receive funds from state entities,
27 including, but not limited to, the Board of Regents, local
28 governments, and other local political subdivisions, for the
29 purpose of making payments, including federal matching funds,
30 through the Medicaid outpatient reimbursement methodologies.
31 Funds received from state entities and local governments for

1 this purpose shall be separately accounted for and shall not
2 be commingled with other state or local funds in any manner.

3 (c) Hospitals that provide services to a
4 disproportionate share of low-income Medicaid recipients, or
5 that participate in the regional perinatal intensive care
6 center program under chapter 383, or that participate in the
7 statutory teaching hospital disproportionate share program may
8 receive additional reimbursement. The total amount of payment
9 for disproportionate share hospitals shall be fixed by the
10 General Appropriations Act. The computation of these payments
11 must be made in compliance with all federal regulations and
12 the methodologies described in ss. 409.911, 409.9112, and
13 409.9113.

14 (d) The agency is authorized to limit inflationary
15 increases for outpatient hospital services as directed by the
16 General Appropriations Act.

17 Section 4. Paragraph (d) of subsection (1) of section
18 409.911, Florida Statutes, is amended to read:

19 409.911 Disproportionate share program.--Subject to
20 specific allocations established within the General
21 Appropriations Act and any limitations established pursuant to
22 chapter 216, the agency shall distribute, pursuant to this
23 section, moneys to hospitals providing a disproportionate
24 share of Medicaid or charity care services by making quarterly
25 Medicaid payments as required. Notwithstanding the provisions
26 of s. 409.915, counties are exempt from contributing toward
27 the cost of this special reimbursement for hospitals serving a
28 disproportionate share of low-income patients.

29 (1) Definitions.--As used in this section and s.
30 409.9112:

31

1 (d) "Charity care" or "uncompensated charity care"
2 means that portion of hospital charges reported to the Agency
3 for Health Care Administration for which there is no
4 compensation, other than restricted or unrestricted revenues
5 provided to a hospital by local governments or tax districts
6 regardless of the method of payment, for care provided to a
7 patient whose family income for the 12 months preceding the
8 determination is less than or equal to 200 ~~150~~ percent of the
9 federal poverty level, unless the amount of hospital charges
10 due from the patient exceeds 25 percent of the annual family
11 income. However, in no case shall the hospital charges for a
12 patient whose family income exceeds four times the federal
13 poverty level for a family of four be considered charity.

14 Section 5. Paragraph (c) of subsection (2) of section
15 409.9117, Florida Statutes, is amended to read:

16 409.9117 Primary care disproportionate share
17 program.--

18 (2) In the establishment and funding of this program,
19 the agency shall use the following criteria in addition to
20 those specified in s. 409.911, payments may not be made to a
21 hospital unless the hospital agrees to:

22 (c) Coordinate and provide primary care services free
23 of charge, except copayments, to all persons with incomes up
24 to 100 percent of the federal poverty level who are not
25 otherwise covered by Medicaid or another program administered
26 by a governmental entity, and to provide such services based
27 on a sliding fee scale to all persons with incomes up to 200
28 percent of the federal poverty level who are not otherwise
29 covered by Medicaid or another program administered by a
30 governmental entity, except that eligibility may be limited to
31

1 persons who reside within a more limited area, as agreed to by
2 the agency and the hospital.

3 Section 6. This act shall take effect July 1, 2001.

4

5 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
6 COMMITTEE SUBSTITUTE FOR
7 Senate Bill 2092

8 The Committee Substitute amends s. 409.911, F.S., relating to
9 the Medicaid disproportionate share program, to revise the
10 definition of "charity care" or "uncompensated charity care"
11 for purposes of the Medicaid disproportionate share program to
12 mean that portion of hospital charges reported to the Agency
13 for Health Care Administration for which there is no
14 compensation other than restricted or unrestricted revenues
15 provided to a hospital by local governments or tax districts
16 regardless of the method of payment for care provided to a
17 patient whose family income for the 12 months preceding the
18 determination is less than or equal to 200 percent rather than
19 150 percent of the federal poverty level, unless the amount of
20 hospital charges due from the patient exceeds 25 percent of
21 the annual family income.

22 The Committee Substitute transfers by a type-two transfer
23 defined in s. 20.06, F.S., the Community Hospital Education
24 Program from the Board of Regents to the Department of Health.

25

26

27

28

29

30

31