

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1633 Hospices

SPONSOR(S): Jennings and others

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Elder & Long-Term Care Committee	_____	Walsh	Liem
2) Health Care Appropriations Committee	_____	_____	_____
3) Health & Families Council	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

HB 1633 removes the requirement that a hospice be operated as a not-for-profit corporation.

The effective date is July 1, 2005.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

The bill does not appear to implicate any of the House Principles.

B. EFFECT OF PROPOSED CHANGES:

Hospices are licensed under pt. VI of Chapter 400, F.S. Under s. 400.601(3), F.S., hospice is defined as “a centrally administered corporation not for profit, as defined in Chapter. 617, F.S.,¹ providing a continuum of palliative and supportive care for the terminally ill patient and his or her family.”

An exception to the definition is found in s. 400.602(5), F.S., which allows a hospice that was incorporated on or before July 1, 1978 to be transferred to a for-profit or not-for-profit entity. Section 400.602(6), F.S., further permits any licensed hospice entity to obtain a license for up to two additional hospices.

All entities desiring a license to provide hospice services must first obtain a certificate of need (CON) from the Agency for Health Care Administration (AHCA). Under s. 408.043(2), F.S., the need for a new or expanded hospice must be determined on the basis of the need for, and availability of, hospice services in the community.

- The formula on which the CON is based must discourage regional monopolies and promote competition.
- The inpatient hospice care component of a hospice which is a freestanding facility, or a part of a facility, which is primarily engaged in providing inpatient care and related services and is not licensed as a health care facility must also be required to obtain a CON.
- Provision of hospice care by any current provider of health care is a significant change in service and therefore requires a CON for such services.

Florida has 42 licensed hospices, most of which are operated as not-for-profit corporations. One company, VITAS, has operated for-profit hospices in Florida since the 1980s under the exceptions in s. 400.602(5) and (6), F.S. VITAS currently operates five hospices in Florida.

This bill amends the definition of hospice in s. 400.601, F.S., to remove the requirement that a hospice be not-for-profit as defined in Chapter 617, F.S., the “Florida Not For Profit Corporation Act.”

C. SECTION DIRECTORY:

Section 1: Amends s. 400.601, F.S.; removes requirement that a hospice be a not-for-profit corporation.

Section 2: Provides an effective date of July 1, 2005.

¹ A corporation not for profit is defined in s. 617.01401(5), F.S., as a corporation, no part of the income or profit of which is distributable to its members, directors, or officers.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

For-profit corporations will be able to compete for a certificate of need to become a hospice.

While the actual number of licensed hospices will continue to be regulated by the certificate-of-need process, the changes in this bill likely will increase competition among prospective providers and could limit the capabilities of not-for-profit hospice charitable organizations.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES