

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Fiscal Policy

BILL: SB 634

INTRODUCER: Senator Stargel

SUBJECT: Responsibilities of Health Care Facilities

DATE: April 17, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Looke</u>	<u>Stovall</u>	<u>HP</u>	Favorable
2.	<u>Brown</u>	<u>Pigott</u>	<u>AHS</u>	Recommend: Favorable
3.	<u>Pace</u>	<u>Hrdlicka</u>	<u>FP</u>	Favorable

I. Summary:

SB 634 requires a hospital to notify obstetrical physicians at least 120 days before closing its obstetrical department or ceasing to provide obstetrical services.

The bill also repeals s. 383.336, F.S., which requires provider hospitals and physicians in those hospitals to follow additional practice parameters when providing cesarean sections paid for by the state. The section also requires provider hospitals to establish a peer review board to review all cesarean sections performed by the hospital and paid for by the state.

The bill has no fiscal impact on state government.

II. Present Situation:

Obstetrical Departments in Hospitals

A license issued by the Agency for Health Care Administration (AHCA) is required to operate a hospital. Hospitals are required to report the services which will be provided by the hospital as a requirement of licensure, and these services are listed on the hospital's license. A hospital must notify the AHCA of any change of service that affects information on the hospital's license by submitting a revised licensure application between 60 and 120 days in advance of the change.¹ The list of services is also used for the AHCA's inventory of hospital emergency services. According to the AHCA's website, there are currently over 140 hospitals in Florida that offer emergency obstetrical services.²

¹ AHCA, *Senate Bill 380 Analysis* (December 20, 2013) (on file with Senate Committee on Health Policy). See also ss. 408.806(2)(c) and 395.1041(2), F.S.

² Report generated by floridahealthfinder.gov on March 12, 2015 (on file with the Senate Committee on Health Policy).

Provider Hospitals

Currently, s. 383.336, F.S., defines the term “provider hospital” as a hospital in which 30 or more births occur annually that are paid for partly or fully by state funds or federal funds administered by the state.³ Physicians in such hospitals are required to comply with additional practice parameters⁴ when performing cesarean sections partially or fully paid for by the state. The additional practice requirements are designed to reduce the number of unnecessary cesarean sections performed within the hospital. The section also requires provider hospitals to establish a peer review board consisting of obstetric physicians and other persons with credentials to perform cesarean sections within the hospital. The board is required to review, on a monthly basis, all cesarean sections performed within the hospital that were partially or fully funded by the state.

These provisions are not currently implemented and Department of Health rules regarding provider hospitals were repealed by ss. 9 and 10, ch. 2012-31, L.O.F.

Closure of an Obstetrical Department in Bartow, Florida

In June 2007, Bartow Regional Medical Center in Polk County announced to patients and physicians that it would close its obstetrics department at the end of July of the same year.⁵ Although many obstetrical physicians could continue to see patients in their offices, they would no longer be able to deliver babies at the hospital.⁶ Physicians and the local community protested the short timeframe for ceasing to offer obstetrical services. According to the Florida Medical Association and several physicians who worked at the hospital, the short notice “endangered pregnant women who [were] too close to delivery for obstetricians at other hospitals to want them as patients.”⁷

III. Effect of Proposed Changes:

Section 1 repeals s. 383.336, F.S., relating to provider hospitals.

Section 2 amends s. 395.1051, F.S., to require a hospital to give advance notice of at least 120 days to each obstetrical physician with clinical privileges at the hospital if the hospital intends to close its obstetrical department or cease providing obstetrical services.

³ Section 383.336(1), F.S.

⁴ These parameters are established by the Office of the State Surgeon General in consultation with the Board of Medicine and the Florida Obstetric and Gynecologic Society and are required to address, at a minimum, the feasibility of attempting a vaginal delivery, dystocia, fetal distress, and fetal malposition.

⁵ Jennifer Starling, *Community Unites Against OB Closure*, The Polk County Democrat, July 12, 2007, available at <http://ufdc.ufl.edu/UF00028292/00258/1x?vo=12> (last visited April 14, 2015).

⁶ Robin W. Adams, *Bartow Hospital Plan Criticized*, The Ledger, July 11, 2007, available at <http://www.theledger.com/article/20070711/NEWS/707110433?p=1&tc=pg&tc=ar> (last visited April 14, 2015).

⁷ Id.

Although specific penalties are not listed for violating the notification provisions, the AHCA has authority to fine a health care facility up to \$500 for a non-designated violation,⁸ including the violation of any provision of that health care facility's authorizing statute.⁹

Section 3 provides an effective date of July 1, 2015.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

SB 634 may have a positive fiscal impact for obstetrical physicians who receive the notice to allow them adequate time to ensure that they obtain privileges at another hospital. Advance notice will also allow the patient to adequately plan for delivery at another location. The bill may have a negative fiscal impact on hospitals that fail to comply due to potential administrative fines.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

⁸ A non-designated violation is any violation that is not designated as class I-IV. See s. 408.813(3), F.S.

⁹ Section 408.813(3)(b), F.S.

VIII. Statutes Affected:

This bill substantially amends section 395.1051 of the Florida Statutes.

This bill repeals section 383.336 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
