

**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.)

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

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BILL: SB 586

INTRODUCER: Senator Stargel

SUBJECT: Responsibilities of Health Care Providers

DATE: February 3, 2016

REVISED: \_\_\_\_\_

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

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**I. Summary:**

SB 586 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 designates certain hospitals as “provider hospitals” and requires physicians in those hospitals to follow additional practice parameters when providing cesarean sections paid for by the state.

The bill has no fiscal impact on state government.

**II. Present Situation:**

**Obstetrical Departments in Hospitals**

Hospitals are required to report the services that will be provided by the hospital as a requirement of licensure. These services are listed on the hospital’s license. A hospital must notify the Agency for Health Care Administration (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.<sup>1</sup> The list of services is also used for the AHCA’s inventory of hospital emergency services. Currently there are 144 hospitals in Florida that offer emergency obstetrical services.<sup>2</sup>

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<sup>1</sup> See ss. 408.806(2)(c) and 395.1041(2), F.S.

<sup>2</sup> AHCA, Florida Health Finder Search, facility/provider type: Hospitals and advanced search: Emergency Services: Obstetrics, (search conducted Jan. 28, 2016), *available at*

<http://www.floridahealthfinder.gov/facilitylocator/FacilitySearch.aspx> (last visited Jan. 28, 2016).

## Provider Hospitals

Section 383.336, F.S., defines the term “provider hospital” and creates certain requirements for such hospitals. A provider hospital is defined 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.<sup>3</sup> Physicians in such hospitals are required to comply with additional practice parameters designed to reduce the number of unnecessary cesarean sections performed within the hospital.<sup>4</sup> These additional parameters must be followed by physicians for cesarean sections that are partially or fully paid for by the state.

The statute 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 being implemented, and Department of Health rules regarding provider hospitals were repealed by ss. 9-10 of ch. 2012-31, Laws of Florida.

## Closure of an Obstetrical Department in Bartow, Florida

In June of 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.<sup>5</sup> Although many obstetrical physicians could continue to see patients in their offices, they would no longer be able to deliver babies at the hospital.<sup>6</sup> 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.”<sup>7</sup>

### III. Effect of Proposed Changes:

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

**Section 2** creates s. 395.0192, F.S., to require hospitals to give at least a 120 day advanced notice to each obstetrical physician with clinical privileges at that hospital if the hospital intends to close its obstetrical department or cease providing obstetrical services.

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<sup>3</sup> Section 383.336(1), F.S.

<sup>4</sup> 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. See s. 383.336(2), F.S.

<sup>5</sup> Jennifer Starling, *Community Unites Against OB Closure*, THE POLK DEMOCRAT, July 12, 2007, available at <http://ufdc.ufl.edu/UF00028292/00258/1x?vo=12> (last visited Jan. 28, 2016).

<sup>6</sup> 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 Jan. 28, 2016).

<sup>7</sup> Id.

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

**Section 3** provides an effective date of July 1, 2016.

**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:

The bill may have a positive fiscal impact for obstetrical physicians who receive this notice to allow them adequate time to ensure that they obtain privileges at another hospital. 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.

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

<sup>9</sup> Section 408.813(3)(b), F.S.

**VIII. Statutes Affected:**

This bill creates section 395.0192 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.

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

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