

By Senator Bradley

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1 A bill to be entitled
2 An act relating to the availability of health care
3 services; repealing s. 154.245, F.S., relating to the
4 issuance of certificates of need by the Agency for
5 Health Care Administration; amending s. 159.27, F.S.;
6 revising the term "health care facility"; amending s.
7 189.08, F.S.; removing a requirement that a special
8 district notify a local general-purpose government of
9 its plans to build, improve, or expand a public
10 facility that requires a certification of need;
11 creating s. 381.4066, F.S.; establishing local health
12 councils as public or private nonprofit agencies
13 serving the counties of certain districts; providing
14 for council members to be appointed by county
15 commissions; providing that appointees must represent
16 health care providers, health care purchasers, and
17 nongovernmental health care consumers; requiring a
18 certain schedule to be provided to county commissions
19 regarding council appointments; providing terms;
20 establishing health service planning districts;
21 establishing duties of local health councils;
22 requiring local health councils to enter into
23 memoranda of agreement with certain regional planning
24 councils and local governments in their districts;
25 specifying a requirement for the memoranda of
26 agreement; authorizing local health councils to employ
27 personnel or contract for staffing services;
28 authorizing local health councils to accept and
29 receive funds, grants, and services from governmental
30 agencies and from private or civic sources; requiring
31 an annual accounting of receipts and disbursement of
32 funds; providing legislative intent regarding funding

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33 of local health councils; authorizing fees and
34 allowing fees to be collected from certain facilities
35 at the time of licensure renewal and prorated;
36 requiring the agency to adopt by rule fees for
37 hospitals, nursing homes, and other facilities;
38 providing penalties and authorizing fines; delegating
39 to the agency the responsibility for planning health
40 care services in the state; requiring the agency to
41 develop and maintain a comprehensive health care
42 database; requiring the Department of Health to
43 contract with local health councils for certain
44 services; specifying that certain funds must be
45 distributed according to an allocation plan the
46 department develops; authorizing the department to
47 withhold funds or cancel contracts if certain
48 standards are not met; amending s. 395.1055, F.S.;
49 removing a requirement that hospitals must submit
50 certain data related to certificate-of-need reviews;
51 requiring providers of adult diagnostic cardiac
52 catheterization services to comply with the most
53 recent guidelines of the American College of
54 Cardiology, the American Heart Association Guidelines
55 for Cardiac Catheterization and Cardiac
56 Catheterization Laboratories, and the rules of the
57 agency; providing rule requirements; amending s.
58 395.602, F.S.; deleting the terms "emergency care
59 hospital," "essential access community hospital,"
60 "inactive rural hospital bed," and "rural primary care
61 hospital"; repealing s. 395.6025, F.S., relating to

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62 rural hospital replacement facilities; amending s.
63 395.603, F.S.; removing a requirement that the agency
64 adopt by rule a process by which a rural hospital may
65 deactivate general hospital beds; removing a
66 requirement that rural primary care hospitals and
67 emergency care hospitals maintain a number of actively
68 licensed general hospital beds necessary for
69 certification for Medicare reimbursement; repealing s.
70 395.604, F.S., relating to other rural hospital
71 programs; repealing s. 395.605, F.S., relating to
72 emergency care hospitals; amending s. 400.071, F.S.;
73 removing a statement of legislative intent that
74 preference be given to certain applications when
75 reviewing certificate-of-need applications; amending
76 s. 400.606, F.S.; requiring hospices that are
77 initially licensed after a certain date to be
78 accredited by a national accreditation organization;
79 requiring such hospices to establish and maintain
80 freestanding hospice facilities that are engaged in
81 providing inpatient and related services; removing the
82 authority of the agency to deny a license to an
83 applicant that fails to meet any condition for the
84 provision of hospice care or services imposed by the
85 agency on a certificate of need; amending s. 400.6085,
86 F.S.; removing a provision prohibiting hospices
87 contracting for inpatient care beds from being
88 required to obtain an additional certificate of need
89 for the number of designated beds; repealing s.
90 408.031, F.S., relating to a short title for the

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91 Health Facility and Services Development Act;
92 repealing s. 408.032, F.S., relating to definitions
93 for the act; repealing s. 408.033, F.S., relating to
94 local and state health planning; repealing s. 408.034,
95 F.S., relating to the duties and responsibilities of
96 the agency; repealing s. 408.035, F.S., relating to
97 review criteria for certificate-of-need
98 determinations; repealing s. 408.036, F.S., relating
99 to health-care-related projects subject to review;
100 repealing s. 408.0361, F.S., relating to
101 cardiovascular services and burn unit licensure;
102 repealing s. 408.037, F.S., relating to content of
103 certificate-of-need applications; repealing s.
104 408.038, F.S., relating to fees for certificate-of-
105 need applications; repealing s. 408.039, F.S.,
106 relating to the review process for certificates of
107 need; repealing s. 408.040, F.S., relating to
108 conditions imposed on certificates of need; repealing
109 s. 408.041, F.S., relating to the penalties for
110 failing to obtain a valid certificate of need;
111 repealing s. 408.042, F.S., relating to limitations on
112 transfers of certificates of need; repealing s.
113 408.043, F.S., relating to special provisions relating
114 to certificates of need; repealing s. 408.0436, F.S.,
115 relating to a limitation on nursing home certificates
116 of need; repealing s. 408.044, F.S., relating to the
117 authority of the agency to obtain an injunction to
118 restrain or prevent the pursuit of a project in the
119 absence of a valid certificate of need; repealing s.

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120 408.045, F.S., relating to competitive sealed
 121 proposals for certificates of need; repealing s.
 122 408.0455, F.S., relating to rules of the agency in
 123 effect as of a certain date; amending s. 408.808,
 124 F.S.; authorizing the agency to issue an inactive
 125 license to a hospital, nursing home, intermediate care
 126 facility for the developmentally disabled, or an
 127 ambulatory surgical center under certain
 128 circumstances; removing authority for the agency to
 129 renew an inactive designation for a statutory rural
 130 hospital under certain circumstances; repealing s.
 131 651.118, F.S., relating to sheltered nursing home beds
 132 and community beds; amending ss. 154.246, 186.503,
 133 220.1845, 376.30781, 376.86, 383.216, 395.0191,
 134 395.1065, 408.07, 408.806, 408.810, 408.820, 409.9116,
 135 641.60, and 1009.65 F.S.; conforming provisions to
 136 changes made by the act; providing an effective date.

137
 138 Be It Enacted by the Legislature of the State of Florida:

139
 140 Section 1. Section 154.245, Florida Statutes, is repealed.

141 Section 2. Subsection (16) of section 159.27, Florida
 142 Statutes, is amended to read:

143 159.27 Definitions.—The following words and terms, unless
 144 the context clearly indicates a different meaning, ~~shall~~ have
 145 the following meanings:

146 (16) "Health care facility" means property operated in the
 147 private sector, whether operated for profit or not, used for or
 148 useful in connection with the diagnosis, treatment, therapy,

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149 rehabilitation, housing, or care of or for aged, sick, ill,
150 injured, infirm, impaired, disabled, or handicapped persons,
151 without discrimination among such persons due to race, religion,
152 or national origin; or for the prevention, detection, and
153 control of disease, including, without limitation thereto,
154 hospital, clinic, emergency, outpatient, and intermediate care,
155 including, but not limited to, facilities for the elderly such
156 as assisted living facilities, facilities defined in s.
157 154.205(8), day care and share-a-home facilities, nursing homes,
158 and the following related property when used for or in
159 connection with the foregoing: laboratory; research; pharmacy;
160 laundry; health personnel training and lodging; patient, guest,
161 and health personnel food service facilities; and offices and
162 office buildings for persons engaged in health care professions
163 or services; ~~provided, if required by ss. 400.601-400.611 and~~
164 ~~ss. 408.031-408.045, a certificate of need therefor is obtained~~
165 ~~prior to the issuance of the bonds.~~

166 Section 3. Subsection (3) of section 189.08, Florida
167 Statutes, is amended, and present subsections (4) through (10)
168 are redesignated as subsections (3) through (9), respectively,
169 to read:

170 189.08 Special district public facilities report.—

171 ~~(3) A special district proposing to build, improve, or~~
172 ~~expand a public facility which requires a certificate of need~~
173 ~~pursuant to chapter 408 shall elect to notify the appropriate~~
174 ~~local general-purpose government of its plans either in its 7-~~
175 ~~year plan or at the time the letter of intent is filed with the~~
176 ~~Agency for Health Care Administration pursuant to s. 408.039.~~

177 Section 4. Section 381.4066, Florida Statutes, is created

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178 to read:

179 381.4066 Local and state health planning.-180 (1) LOCAL HEALTH COUNCILS.-

181 (a) Local health councils are hereby established as public
182 or private nonprofit agencies serving the counties of a district
183 as described in paragraph (b). The members of each council shall
184 be appointed in an equitable manner by the county commissions
185 having jurisdiction in the respective district. Each council
186 shall be composed of a number of members equal to one and one-
187 half times the number of counties comprising the district or 12
188 members, whichever is greater. Each county in a district shall
189 be entitled to at least one member on the council. The balance
190 of the council's membership shall be allocated among the
191 counties of the district on the basis of population, with the
192 number of council seats rounded to the nearest whole number,
193 except that in a district composed of only two counties, no
194 county shall have fewer than four members. The appointees shall
195 be representatives of health care providers, health care
196 purchasers, and nongovernmental health care consumers, but not
197 excluding elected government officials. The members who are
198 health care consumers shall include a representative number of
199 persons over 60 years of age. A majority of the council members
200 must consist of health care purchasers and health care
201 consumers. Each local health council shall provide each county
202 commission a schedule for appointing council members to ensure
203 that council membership complies with this paragraph. The
204 members of the local health council shall elect a chair and
205 vice-chair. Members shall serve for terms of 2 years and may be
206 eligible for reappointment.

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207 (b) Health service planning districts are composed of the
208 following counties:

209 1. District 1.—Escambia, Santa Rosa, Okaloosa, and Walton
210 Counties.

211 2. District 2.—Holmes, Washington, Bay, Jackson, Franklin,
212 Gulf, Gadsden, Liberty, Calhoun, Leon, Wakulla, Jefferson,
213 Madison, and Taylor Counties.

214 3. District 3.—Hamilton, Suwannee, Lafayette, Dixie,
215 Columbia, Gilchrist, Levy, Union, Bradford, Putnam, Alachua,
216 Marion, Citrus, Hernando, Sumter, and Lake Counties.

217 4. District 4.—Baker, Nassau, Duval, Clay, St. Johns,
218 Flagler, and Volusia Counties.

219 5. District 5.—Pasco and Pinellas Counties.

220 6. District 6.—Hillsborough, Manatee, Polk, Hardee, and
221 Highlands Counties.

222 7. District 7.—Seminole, Orange, Osceola, and Brevard
223 Counties.

224 8. District 8.—Sarasota, DeSoto, Charlotte, Lee, Glades,
225 Hendry, and Collier Counties.

226 9. District 9.—Indian River, Okeechobee, St. Lucie, Martin,
227 and Palm Beach Counties.

228 10. District 10.—Broward County.

229 11. District 11.—Miami-Dade and Monroe Counties.

230 (c) Each local health council may:

231 1. Develop a district area health plan that includes
232 strategies and sets priorities for the council's implementation
233 based on that district's unique local health needs.

234 2. Advise the Agency for Health Care Administration on
235 health care issues and resource allocations.

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236 3. Promote public awareness of community health needs,
237 emphasizing health promotion and cost-effective health service
238 selection.

239 4. Collect data and conduct analyses and studies related to
240 health care needs of the district, including the needs of
241 medically indigent persons, and assist the agency and other
242 state offices in carrying out data collection activities that
243 relate to the functions in this subsection.

244 5. Advise and assist any regional planning councils within
245 each district which have elected to address health issues in
246 their strategic regional policy plans, including the development
247 of the plans' health elements that address the health goals and
248 policies in the state comprehensive plan.

249 6. Advise and assist local governments within each district
250 on the development of an optional health plan element of the
251 state comprehensive plan provided in chapter 163, to assure
252 compatibility with the health goals and policies in the state
253 comprehensive plan and district health plan. To facilitate the
254 implementation of this section, the local health council shall
255 annually provide the local governments in its service area, upon
256 request, with:

257 a. A copy and appropriate updates of the district health
258 plan;

259 b. A report of hospital and nursing home utilization
260 statistics for facilities within the local government
261 jurisdiction.

262 7. Monitor and evaluate the adequacy, appropriateness, and
263 effectiveness of local, state, federal, and private funds
264 distributed within the district to meet the needs of the

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265 medically indigent and other underserved population groups.

266 8. In conjunction with the Department of Health, plan for
267 services at the local level for persons infected with the human
268 immunodeficiency virus.

269 9. Provide technical assistance to encourage and support
270 activities by providers, purchasers, consumers, and local,
271 regional, and state agencies in meeting the health care goals,
272 objectives, and policies adopted by the local health council.

273 (d) Each local health council shall enter into a memorandum
274 of agreement with each regional planning council in its district
275 which elects to address health issues in its strategic regional
276 policy plan. In addition, each local health council shall enter
277 into a memorandum of agreement with each local government that
278 includes an optional health element in its comprehensive plan.
279 Each memorandum of agreement must specify the manner in which
280 each local government, regional planning council, and local
281 health council will coordinate its activities to ensure a
282 unified approach to health planning and implementation efforts.

283 (e) Local health councils may employ personnel or contract
284 for staffing services with persons who possess appropriate
285 qualifications to carry out the councils' purposes. However,
286 such personnel are not state employees.

287 (f) Personnel of the local health councils shall provide an
288 annual orientation to council members about council member
289 responsibilities.

290 (g) Each local health council may accept and receive, in
291 furtherance of its health planning functions, funds, grants, and
292 services from governmental agencies and from private or civic
293 sources and to perform studies related to local health planning

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294 in exchange for such funds, grants, or services. Each council
295 shall, no later than January 30 of each year, prepare an
296 accounting of the receipt and disbursement of funds it received
297 during the previous calendar year and submit that report to the
298 Department of Health.

299 (2) FUNDING.—

300 (a) The Legislature intends that the cost of local health
301 councils be borne by assessments on selected health care
302 facilities subject to licensure by the Agency for Health Care
303 Administration, including abortion clinics, assisted living
304 facilities, ambulatory surgical centers, birthing centers;
305 clinical laboratories, except community nonprofit blood banks
306 and clinical laboratories operated by practitioners for their
307 exclusive use under s. 483.035; home health agencies, hospices,
308 hospitals, intermediate care facilities for the developmentally
309 disabled, nursing homes, health care clinics, and multiphasic
310 testing centers, and by assessments on organizations subject to
311 certification by the agency pursuant to chapter 641, part III,
312 including health maintenance organizations and prepaid health
313 clinics. Fees assessed may be collected prospectively at the
314 time of licensure renewal and prorated for the licensure period.

315 (b)1. A hospital licensed under chapter 395, a nursing home
316 licensed under chapter 400, and an assisted living facility
317 licensed under chapter 429 shall be assessed an annual fee based
318 on number of beds.

319 2. All other facilities and organizations listed in
320 paragraph (a) shall each be assessed an annual fee of \$150.

321 3. Facilities operated by the Department of Children and
322 Families, the Department of Health, or the Department of

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323 Corrections and any hospital that meets the definition of rural
324 hospital pursuant to s. 395.602 are exempt from the assessment
325 required in this subsection.

326 (c)1. The agency shall by rule establish fees for hospitals
327 and nursing homes based on an assessment of \$2 per bed. However,
328 no such facility shall be assessed more than a total of \$500
329 annually under this subsection.

330 2. The agency shall by rule establish fees for assisted
331 living facilities based on an assessment of \$1 per bed. However,
332 no such facility shall be assessed more than a total of \$150
333 annually under this subsection.

334 3. The agency shall by rule establish an annual fee of \$150
335 for all other facilities and organizations listed in paragraph
336 (a).

337 (d) The agency shall by rule establish a facility billing
338 and collection process for the health facility fees authorized
339 by this subsection.

340 (e) A health facility that is assessed a fee under this
341 subsection is subject to a fine of \$100 per day for each day the
342 facility is late in submitting its annual fee up to the maximum
343 of the annual fee owed by the facility. A facility that refuses
344 to pay the fee or fine is subject to the forfeiture of its
345 license.

346 (f) The agency shall deposit in the Health Care Trust Fund
347 all health care facility assessments that are collected pursuant
348 to this subsection and shall transfer such funds to the
349 Department of Health for funding of the local health councils.

350 (3) DUTIES AND RESPONSIBILITIES OF THE AGENCY.—

351 (a) The Agency for Health Care Administration is

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352 responsible for the coordinated planning of health care services
353 in the state.

354 (b) The agency shall develop and maintain a comprehensive
355 health care database. The agency or its contractor is authorized
356 to require the submission of information from health facilities,
357 health service providers, and licensed health professionals
358 which is determined by the agency through rule to be necessary
359 for meeting the agency's responsibilities as established in this
360 section.

361 (c) The Department of Health shall contract with the local
362 health councils for services that may be performed by the local
363 health councils under subsection (1). All contract funds shall
364 be distributed according to an allocation plan developed by the
365 department. The department may withhold funds from a local
366 health council or cancel its contract with a local health
367 council that does not meet performance standards agreed upon by
368 the department and the local health council.

369 Section 5. Paragraphs (f), (g), and (h) of subsection (1)
370 of section 395.1055, Florida Statutes, are amended, and
371 subsections (10) through (14) are added to that section, to
372 read:

373 395.1055 Rules and enforcement.—

374 (1) The agency shall adopt rules pursuant to ss. 120.536(1)
375 and 120.54 to implement the provisions of this part, which shall
376 include reasonable and fair minimum standards for ensuring that:

377 ~~(f) All hospitals submit such data as necessary to conduct~~
378 ~~certificate of need reviews required under part I of chapter~~
379 ~~408. Such data shall include, but shall not be limited to,~~
380 ~~patient origin data, hospital utilization data, type of service~~

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381 ~~reporting, and facility staffing data. The agency may not~~
382 ~~collect data that identifies or could disclose the identity of~~
383 ~~individual patients. The agency shall utilize existing uniform~~
384 ~~statewide data sources when available and shall minimize~~
385 ~~reporting costs to hospitals.~~

386 (f) ~~(g)~~ Each hospital has a quality improvement program
387 designed according to standards established by their current
388 accrediting organization. This program will enhance quality of
389 care and emphasize quality patient outcomes, corrective action
390 for problems, governing board review, and reporting to the
391 agency of standardized data elements necessary to analyze
392 quality of care outcomes. The agency shall use existing data,
393 when available, and shall not duplicate the efforts of other
394 state agencies in order to obtain such data.

395 (g) ~~(h)~~ Licensed facilities make available on their Internet
396 websites, no later than October 1, 2004, and in a hard copy
397 format upon request, a description of and a link to the patient
398 charge and performance outcome data collected from licensed
399 facilities pursuant to s. 408.061.

400 (10) Each provider of adult diagnostic cardiac
401 catheterization services shall comply with the most recent
402 guidelines of the American College of Cardiology, the American
403 Heart Association Guidelines for Cardiac Catheterization and
404 Cardiac Catheterization Laboratories, and rules adopted by the
405 agency which establish licensure standards governing the
406 operation of adult inpatient diagnostic cardiac catheterization
407 programs. The rules shall ensure that such programs:

408 (a) Perform only adult inpatient diagnostic cardiac
409 catheterization services and will not provide therapeutic

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410 cardiac catheterization or any other cardiology services.

411 (b) Maintain sufficient appropriate equipment and health
412 care personnel to ensure quality of care and patient safety.

413 (c) Maintain appropriate times of operation and protocols
414 to ensure availability and appropriate referrals in the event of
415 emergencies.

416 (d) Demonstrate a plan to provide services to Medicaid and
417 charity care patients.

418 (11) Each provider of adult cardiovascular services or
419 operator of a burn unit shall comply with rules adopted by the
420 agency which establish licensure standards that govern the
421 provision of adult cardiovascular services or the operation of a
422 burn unit. Such rules shall consider, at a minimum, staffing,
423 equipment, physical plant, operating protocols, the provision of
424 services to Medicaid and charity care patients, accreditation,
425 licensure period and fees, and enforcement of minimum standards.

426 (12) In establishing rules for adult cardiovascular
427 services, the agency shall include provisions that allow for:

428 (a) Establishment of two hospital program licensure levels:
429 a Level I program authorizing the performance of adult
430 percutaneous cardiac intervention without onsite cardiac
431 surgery, and a Level II program authorizing the performance of
432 percutaneous cardiac intervention with onsite cardiac surgery.

433 (b) Demonstration that, for the most recent 12-month period
434 as reported to the agency, a hospital seeking a Level I program
435 has provided a minimum of 300 adult inpatient and outpatient
436 diagnostic cardiac catheterizations or, for the most recent 12-
437 month period, has discharged or transferred at least 300
438 inpatients with the principal diagnosis of ischemic heart

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439 disease and that it has a formalized, written transfer agreement
440 with a hospital that has a Level II program, including written
441 transport protocols to ensure safe and efficient transfer of a
442 patient within 60 minutes. However, a hospital located more than
443 100 road miles from the closest Level II adult cardiovascular
444 services program does not need to meet the 60-minute transfer
445 time protocol if the hospital demonstrates that it has a
446 formalized, written transfer agreement with a hospital that has
447 a Level II program. The agreement must include written transport
448 protocols to ensure the safe and efficient transfer of a
449 patient, taking into consideration the patient's clinical and
450 physical characteristics, road and weather conditions, and
451 viability of ground and air ambulance service to transfer the
452 patient.

453 (c) Demonstration that, for the most recent 12-month period
454 as reported to the agency, a hospital seeking a Level II program
455 has performed a minimum of 1,100 adult inpatient and outpatient
456 cardiac catheterizations, of which at least 400 must be
457 therapeutic catheterizations, or, for the most recent 12-month
458 period, has discharged at least 800 patients with the principal
459 diagnosis of ischemic heart disease.

460 (d) Compliance with the most recent guidelines of the
461 American College of Cardiology and American Heart Association
462 guidelines for staffing, physician training and experience,
463 operating procedures, equipment, physical plant, and patient
464 selection criteria to ensure quality of care and patient safety.

465 (e) Establishment of appropriate hours of operation and
466 protocols to ensure availability and timely referral in the
467 event of emergencies.

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468 (f) Demonstration of a plan to provide services to Medicaid
469 and charity care patients.

470 (13) Hospitals licensed for Level I or Level II adult
471 cardiovascular services shall participate in clinical outcome
472 reporting systems operated by the American College of Cardiology
473 and the Society of Thoracic Surgeons.

474 (14) Each provider of pediatric cardiac catheterization,
475 peditric open heart surgery, neonatal intensive care,
476 comprehensive medical rehabilitation, and pediatric and adult
477 organ transplant services shall comply with rules adopted by the
478 agency which establish licensure standards governing the
479 operation of such programs. The rules must ensure that such
480 programs:

481 (a) Comply with established applicable practice guidelines.

482 (b) Maintain sufficient appropriate equipment and health
483 care personnel to ensure quality of care and patient safety.

484 (c) Maintain appropriate times of operation and protocols
485 to ensure availability and appropriate referrals in the event of
486 emergencies.

487 (d) Demonstrate a plan to provide services to Medicaid and
488 charity care patients.

489 Section 6. Subsection (2) of section 395.602, Florida
490 Statutes, is amended to read:

491 395.602 Rural hospitals.—

492 (2) DEFINITIONS.—As used in this part, the term:

493 ~~(a) "Emergency care hospital" means a medical facility~~
494 ~~which provides:~~

495 ~~1. Emergency medical treatment; and~~

496 ~~2. Inpatient care to ill or injured persons prior to their~~

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497 ~~transportation to another hospital or provides inpatient medical~~
498 ~~care to persons needing care for a period of up to 96 hours. The~~
499 ~~96-hour limitation on inpatient care does not apply to respite,~~
500 ~~skilled nursing, hospice, or other nonacute care patients.~~

501 ~~(b) "Essential access community hospital" means any~~
502 ~~facility which:~~

503 ~~1. Has at least 100 beds;~~

504 ~~2. Is located more than 35 miles from any other essential~~
505 ~~access community hospital, rural referral center, or urban~~
506 ~~hospital meeting criteria for classification as a regional~~
507 ~~referral center;~~

508 ~~3. Is part of a network that includes rural primary care~~
509 ~~hospitals;~~

510 ~~4. Provides emergency and medical backup services to rural~~
511 ~~primary care hospitals in its rural health network;~~

512 ~~5. Extends staff privileges to rural primary care hospital~~
513 ~~physicians in its network; and~~

514 ~~6. Accepts patients transferred from rural primary care~~
515 ~~hospitals in its network.~~

516 ~~(c) "Inactive rural hospital bed" means a licensed acute~~
517 ~~care hospital bed, as defined in s. 395.002(13), that is~~
518 ~~inactive in that it cannot be occupied by acute care inpatients.~~

519 ~~(a)-(d)~~ (a) "Rural area health education center" means an area
520 health education center (AHEC), as authorized by Pub. L. No. 94-
521 484, which provides services in a county with a population
522 density of no greater than 100 persons per square mile.

523 ~~(b)-(e)~~ (b) "Rural hospital" means an acute care hospital
524 licensed under this chapter, having 100 or fewer licensed beds
525 and an emergency room, which is:

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- 526 1. The sole provider within a county with a population
527 density of up to 100 persons per square mile;
- 528 2. An acute care hospital, in a county with a population
529 density of up to 100 persons per square mile, which is at least
530 30 minutes of travel time, on normally traveled roads under
531 normal traffic conditions, from any other acute care hospital
532 within the same county;
- 533 3. A hospital supported by a tax district or subdistrict
534 whose boundaries encompass a population of up to 100 persons per
535 square mile;
- 536 4. A hospital classified as a sole community hospital under
537 42 C.F.R. s. 412.92 which has up to 175 licensed beds;
- 538 5. A hospital with a service area that has a population of
539 up to 100 persons per square mile. As used in this subparagraph,
540 the term "service area" means the fewest number of zip codes
541 that account for 75 percent of the hospital's discharges for the
542 most recent 5-year period, based on information available from
543 the hospital inpatient discharge database in the Florida Center
544 for Health Information and Transparency at the agency; or
- 545 6. A hospital designated as a critical access hospital, as
546 defined in s. 408.07.
- 547
- 548 Population densities used in this paragraph must be based upon
549 the most recently completed United States census. A hospital
550 that received funds under s. 409.9116 for a quarter beginning no
551 later than July 1, 2002, is deemed to have been and shall
552 continue to be a rural hospital from that date through June 30,
553 2021, if the hospital continues to have up to 100 licensed beds
554 and an emergency room. An acute care hospital that has not

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555 previously been designated as a rural hospital and that meets
556 the criteria of this paragraph shall be granted such designation
557 upon application, including supporting documentation, to the
558 agency. A hospital that was licensed as a rural hospital during
559 the 2010-2011 or 2011-2012 fiscal year shall continue to be a
560 rural hospital from the date of designation through June 30,
561 2021, if the hospital continues to have up to 100 licensed beds
562 and an emergency room.

563 ~~(f) "Rural primary care hospital" means any facility~~
564 ~~meeting the criteria in paragraph (e) or s. 395.605 which~~
565 ~~provides:~~

566 ~~1. Twenty-four-hour emergency medical care;~~
567 ~~2. Temporary inpatient care for periods of 72 hours or less~~
568 ~~to patients requiring stabilization before discharge or transfer~~
569 ~~to another hospital. The 72-hour limitation does not apply to~~
570 ~~respite, skilled nursing, hospice, or other nonacute care~~
571 ~~patients; and~~

572 ~~3. Has no more than six licensed acute care inpatient beds.~~

573 ~~(c)(g)~~ "Swing-bed" means a bed that which can be used
574 interchangeably as either a hospital, skilled nursing facility
575 (SNF), or intermediate care facility (ICF) bed pursuant to 42
576 C.F.R. parts 405, 435, 440, 442, and 447.

577 Section 7. Section 395.6025, Florida Statutes, is repealed.

578 Section 8. Section 395.603, Florida Statutes, is amended to
579 read:

580 395.603 Deactivation of general hospital beds; rural
581 hospital impact statement.—

582 ~~(1) The agency shall establish, by rule, a process by which~~
583 ~~a rural hospital, as defined in s. 395.602, that seeks licensure~~

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584 ~~as a rural primary care hospital or as an emergency care~~
585 ~~hospital, or becomes a certified rural health clinic as defined~~
586 ~~in Pub. L. No. 95-210, or becomes a primary care program such as~~
587 ~~a county health department, community health center, or other~~
588 ~~similar outpatient program that provides preventive and curative~~
589 ~~services, may deactivate general hospital beds. Rural primary~~
590 ~~care hospitals and emergency care hospitals shall maintain the~~
591 ~~number of actively licensed general hospital beds necessary for~~
592 ~~the facility to be certified for Medicare reimbursement.~~
593 ~~Hospitals that discontinue inpatient care to become rural health~~
594 ~~care clinics or primary care programs shall deactivate all~~
595 ~~licensed general hospital beds. All hospitals, clinics, and~~
596 ~~programs with inactive beds shall provide 24-hour emergency~~
597 ~~medical care by staffing an emergency room. Providers with~~
598 ~~inactive beds shall be subject to the criteria in s. 395.1041.~~
599 ~~The agency shall specify in rule requirements for making 24-hour~~
600 ~~emergency care available. Inactive general hospital beds shall~~
601 ~~be included in the acute care bed inventory, maintained by the~~
602 ~~agency for certificate-of-need purposes, for 10 years from the~~
603 ~~date of deactivation of the beds. After 10 years have elapsed,~~
604 ~~inactive beds shall be excluded from the inventory. The agency~~
605 ~~shall, at the request of the licensee, reactivate the inactive~~
606 ~~general beds upon a showing by the licensee that licensure~~
607 ~~requirements for the inactive general beds are met.~~

608 (2) In formulating and implementing policies and rules that
609 may have significant impact on the ability of rural hospitals to
610 continue to provide health care services in rural communities,
611 the agency, the department, or the respective regulatory board
612 adopting policies or rules regarding the licensure or

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613 certification of health care professionals shall provide a rural
614 hospital impact statement. The rural hospital impact statement
615 shall assess the proposed action in light of the following
616 questions:

617 (1)~~(a)~~ Do the health personnel affected by the proposed
618 action currently practice in rural hospitals or are they likely
619 to in the near future?

620 (2)~~(b)~~ What are the current numbers of the affected health
621 personnel in this state, their geographic distribution, and the
622 number practicing in rural hospitals?

623 (3)~~(c)~~ What are the functions presently performed by the
624 affected health personnel, and are such functions presently
625 performed in rural hospitals?

626 (4)~~(d)~~ What impact will the proposed action have on the
627 ability of rural hospitals to recruit the affected personnel to
628 practice in their facilities?

629 (5)~~(e)~~ What impact will the proposed action have on the
630 limited financial resources of rural hospitals through increased
631 salaries and benefits necessary to recruit or retain such health
632 personnel?

633 (6)~~(f)~~ Is there a less stringent requirement which could
634 apply to practice in rural hospitals?

635 (7)~~(g)~~ Will this action create staffing shortages, which
636 could result in a loss to the public of health care services in
637 rural hospitals or result in closure of any rural hospitals?

638 Section 9. Section 395.604, Florida Statutes, is repealed.

639 Section 10. Section 395.605, Florida Statutes, is repealed.

640 Section 11. Present subsection (3) of section 400.071,
641 Florida Statutes, is amended, and present subsections (4) and

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642 (5) of that section are redesignated as (3) and (4),
643 respectively, to read:

644 400.071 Application for license.-

645 ~~(3) It is the intent of the Legislature that, in reviewing~~
646 ~~a certificate of need application to add beds to an existing~~
647 ~~nursing home facility, preference be given to the application of~~
648 ~~a licensee who has been awarded a Gold Seal as provided for in~~
649 ~~s. 400.235, if the applicant otherwise meets the review criteria~~
650 ~~specified in s. 408.035.~~

651 Section 12. Subsections (3), (4), and (5) of section
652 400.606, Florida Statutes, are amended to read:

653 400.606 License; application; renewal; conditional license
654 or permit; certificate of need.-

655 (3) Any hospice initially licensed on or after July 1,
656 2017, must be accredited by a national accreditation
657 organization that is recognized by the Centers for Medicare and
658 Medicaid Services and whose standards incorporate comparable
659 licensure regulations as required by this state. Such
660 accreditation must be maintained as a requirement of licensure.
661 ~~The agency shall not issue a license to a hospice that fails to~~
662 ~~receive a certificate of need under the provisions of part I of~~
663 ~~chapter 408. A licensed hospice is a health care facility as~~
664 ~~that term is used in s. 408.039(5) and is entitled to initiate~~
665 ~~or intervene in an administrative hearing.~~

666 (4) Any hospice initially licensed on or after July 1,
667 2017, must establish and maintain a freestanding hospice
668 facility that is engaged in providing inpatient and related
669 services and that is not otherwise licensed as a health care
670 facility ~~shall obtain a certificate of need.~~ However, a

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671 freestanding hospice facility that has six or fewer beds is not
672 required to comply with institutional standards such as, but not
673 limited to, standards requiring sprinkler systems, emergency
674 electrical systems, or special lavatory devices.

675 ~~(5) The agency may deny a license to an applicant that~~
676 ~~fails to meet any condition for the provision of hospice care or~~
677 ~~services imposed by the agency on a certificate of need by final~~
678 ~~agency action, unless the applicant can demonstrate that good~~
679 ~~cause exists for the applicant's failure to meet such condition.~~

680 Section 13. Paragraphs (b), (c), and (d) of subsection (2)
681 of section 400.6085, Florida Statutes, are amended to read:

682 400.6085 Contractual services.—A hospice may contract out
683 for some elements of its services. However, the core services,
684 as set forth in s. 400.609(1), with the exception of physician
685 services, shall be provided directly by the hospice. Any
686 contract entered into between a hospice and a health care
687 facility or service provider must specify that the hospice
688 retains the responsibility for planning, coordinating, and
689 prescribing hospice care and services for the hospice patient
690 and family. A hospice that contracts for any hospice service is
691 prohibited from charging fees for services provided directly by
692 the hospice care team that duplicate contractual services
693 provided to the patient and family.

694 (2) With respect to contractual arrangements for inpatient
695 hospice care:

696 ~~(b) Hospices contracting for inpatient care beds shall not~~
697 ~~be required to obtain an additional certificate of need for the~~
698 ~~number of such designated beds. Such beds shall remain licensed~~
699 ~~to the health care facility and be subject to the appropriate~~

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700 ~~inspections.~~

701 ~~(e)~~ Staffing standards for inpatient hospice care provided
702 through a contract may not exceed the staffing standards
703 required under the license held by the contractee.

704 (c) ~~(d)~~ Under no circumstances may a hospice place a patient
705 requiring inpatient care in a health care facility that is under
706 a moratorium, has had its license revoked, or has a conditional
707 license, accreditation, or rating. However, a hospice may
708 continue to provide care or initiate care for a terminally ill
709 person already residing in such a facility.

710 Section 14. Section 408.031, Florida Statutes, is repealed.

711 Section 15. Section 408.032, Florida Statutes, is repealed.

712 Section 16. Section 408.033, Florida Statutes, is repealed.

713 Section 17. Section 408.034, Florida Statutes, is repealed.

714 Section 18. Section 408.035, Florida Statutes, is repealed.

715 Section 19. Section 408.036, Florida Statutes, is repealed.

716 Section 20. Section 408.0361, Florida Statutes, is
717 repealed.

718 Section 21. Section 408.037, Florida Statutes, is repealed.

719 Section 22. Section 408.038, Florida Statutes, is repealed.

720 Section 23. Section 408.039, Florida Statutes, is repealed.

721 Section 24. Section 408.040, Florida Statutes, is repealed.

722 Section 25. Section 408.041, Florida Statutes, is repealed.

723 Section 26. Section 408.042, Florida Statutes, is repealed.

724 Section 27. Section 408.043, Florida Statutes, is repealed.

725 Section 28. Section 408.0436, Florida Statutes, is
726 repealed.

727 Section 29. Section 408.044, Florida Statutes, is repealed.

728 Section 30. Section 408.045, Florida Statutes, is repealed.

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729 Section 31. Section 408.0455, Florida Statutes, is
730 repealed.

731 Section 32. Subsection (3) of section 408.808, Florida
732 Statutes, is amended to read:

733 408.808 License categories.—

734 (3) INACTIVE LICENSE.—An inactive license may be issued to
735 a hospital, nursing home, intermediate care facility for the
736 developmentally disabled, or ambulatory surgical center if
737 ~~health care provider subject to the certificate of need~~
738 ~~provisions in part I of this chapter when the provider is~~
739 currently licensed, does not have a provisional license, and
740 will be temporarily unable to provide services due to
741 construction or renovation, but is reasonably expected to resume
742 services within 12 months. Before an inactive license will be
743 issued, the licensee must have plans approved by the agency.

744 Such designation may be made for a period not to exceed 12
745 months but may be renewed by the agency for up to 12 additional
746 months upon demonstration by the licensee of the provider's
747 progress toward reopening. ~~However, if after 20 months in an~~
748 ~~inactive license status, a statutory rural hospital, as defined~~
749 ~~in s. 395.602, has demonstrated progress toward reopening, but~~
750 ~~may not be able to reopen prior to the inactive license~~
751 ~~expiration date, the inactive designation may be renewed again~~
752 ~~by the agency for up to 12 additional months. For purposes of~~
753 such a second renewal, ~~if construction or renovation is~~
754 ~~required, the licensee must have had plans approved by the~~
755 ~~agency and construction must have already commenced and pursuant~~
756 ~~to s. 408.032(4); however, if construction or renovation is not~~
757 ~~required,~~ the licensee must provide proof of having made an

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758 enforceable capital expenditure greater than 25 percent of the
759 total costs associated with the construction or renovation
760 ~~hiring of staff and the purchase of equipment and supplies~~
761 ~~needed to operate the facility upon opening.~~ A request by a
762 licensee for an inactive license or to extend the previously
763 approved inactive period must be submitted to the agency and
764 must include a written justification for the inactive license
765 with the beginning and ending dates of inactivity specified, a
766 plan for the transfer of any clients to other providers, and the
767 appropriate licensure fees. The agency may not accept a request
768 that is submitted after initiating closure, after any suspension
769 of service, or after notifying clients of closure or suspension
770 of service, unless the action is a result of a disaster at the
771 licensed premises. For the purposes of this section, the term
772 "disaster" means a sudden emergency occurrence beyond the
773 control of the licensee, whether natural, technological, or
774 manmade, which renders the provider inoperable at the premises.
775 Upon agency approval, the provider shall notify clients of any
776 necessary discharge or transfer as required by authorizing
777 statutes or applicable rules. The beginning of the inactive
778 license period is the date the provider ceases operations. The
779 end of the inactive license period shall become the license
780 expiration date. All licensure fees must be current, must be
781 paid in full, and may be prorated. Reactivation of an inactive
782 license requires the approval of a renewal application,
783 including payment of licensure fees and agency inspections
784 indicating compliance with all requirements of this part,
785 authorizing statutes, and applicable rules.

786 Section 33. Section 651.118, Florida Statutes, is repealed.

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787 Section 34. Section 154.246, Florida Statutes, is amended
788 to read:

789 154.246 Validation of certain bonds and proceedings.—The
790 Legislature finds and declares that the purpose of chapter 78-
791 115, Laws of Florida, is, in part, to clarify the original
792 meaning of the Health Facilities Authorities Law, and,
793 therefore, all bonds heretofore issued and proceedings conducted
794 pursuant thereto which would have been valid had the amendment
795 to the former s. 154.245, as set forth in s. 2 of chapter 78-
796 115, been in effect when said bonds were issued or proceedings
797 were conducted are hereby declared valid.

798 Section 35. Subsection (7) of section 186.503, Florida
799 Statutes, is amended to read:

800 186.503 Definitions relating to Florida Regional Planning
801 Council Act.—As used in this act, the term:

802 (7) "Local health council" means an ~~a regional~~ agency
803 established pursuant to s. 381.4066 ~~s. 408.033~~.

804 Section 36. Paragraph (k) of subsection (2) of section
805 220.1845, Florida Statutes, is amended to read:

806 220.1845 Contaminated site rehabilitation tax credit.—

807 (2) AUTHORIZATION FOR TAX CREDIT; LIMITATIONS.—

808 (k) In order to encourage the construction and operation of
809 a new health care facility as defined in ~~s. 408.032~~ or s.
810 408.07, or a health care provider as defined in s. 408.07 or s.
811 408.7056, on a brownfield site, an applicant for a tax credit
812 may claim an additional 25 percent of the total site
813 rehabilitation costs, not to exceed \$500,000, if the applicant
814 meets the requirements of this paragraph. In order to receive
815 this additional tax credit, the applicant must provide

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816 documentation indicating that the construction of the health
817 care facility or health care provider by the applicant on the
818 brownfield site has received a certificate of occupancy or a
819 license or certificate has been issued for the operation of the
820 health care facility or health care provider.

821 Section 37. Paragraph (f) of subsection (3) of section
822 376.30781, Florida Statutes, is amended to read:

823 376.30781 Tax credits for rehabilitation of drycleaning-
824 solvent-contaminated sites and brownfield sites in designated
825 brownfield areas; application process; rulemaking authority;
826 revocation authority.-

827 (3)

828 (f) In order to encourage the construction and operation of
829 a new health care facility or a health care provider, as defined
830 in ~~s. 408.032~~, s. 408.07, or s. 408.7056, on a brownfield site,
831 an applicant for a tax credit may claim an additional 25 percent
832 of the total site rehabilitation costs, not to exceed \$500,000,
833 if the applicant meets the requirements of this paragraph. In
834 order to receive this additional tax credit, the applicant must
835 provide documentation indicating that the construction of the
836 health care facility or health care provider by the applicant on
837 the brownfield site has received a certificate of occupancy or a
838 license or certificate has been issued for the operation of the
839 health care facility or health care provider.

840 Section 38. Subsection (1) of section 376.86, Florida
841 Statutes, is amended to read:

842 376.86 Brownfield Areas Loan Guarantee Program.-

843 (1) The Brownfield Areas Loan Guarantee Council is created
844 to review and approve or deny, by a majority vote of its

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845 membership, the situations and circumstances for participation
846 in partnerships by agreements with local governments, financial
847 institutions, and others associated with the redevelopment of
848 brownfield areas pursuant to the Brownfields Redevelopment Act
849 for a limited state guaranty of up to 5 years of loan guarantees
850 or loan loss reserves issued pursuant to law. The limited state
851 loan guaranty applies only to 50 percent of the primary lenders
852 loans for redevelopment projects in brownfield areas. If the
853 redevelopment project is for affordable housing, as defined in
854 s. 420.0004, in a brownfield area, the limited state loan
855 guaranty applies to 75 percent of the primary lender's loan. If
856 the redevelopment project includes the construction and
857 operation of a new health care facility or a health care
858 provider, as defined in ~~s. 408.032~~, s. 408.07, or s. 408.7056,
859 on a brownfield site and the applicant has obtained
860 documentation in accordance with s. 376.30781 indicating that
861 the construction of the health care facility or health care
862 provider by the applicant on the brownfield site has received a
863 certificate of occupancy or a license or certificate has been
864 issued for the operation of the health care facility or health
865 care provider, the limited state loan guaranty applies to 75
866 percent of the primary lender's loan. A limited state guaranty
867 of private loans or a loan loss reserve is authorized for
868 lenders licensed to operate in the state upon a determination by
869 the council that such an arrangement would be in the public
870 interest and the likelihood of the success of the loan is great.

871 Section 39. Subsection (1) of section 383.216, Florida
872 Statutes, is amended to read:

873 383.216 Community-based prenatal and infant health care.—

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874 (1) The Department of Health shall cooperate with
 875 localities which wish to establish prenatal and infant health
 876 care coalitions, and shall acknowledge and incorporate, if
 877 appropriate, existing community children's services
 878 organizations, pursuant to this section within the resources
 879 allocated. The purpose of this program is to establish a
 880 partnership among the private sector, the public sector, state
 881 government, local government, community alliances, and maternal
 882 and child health care providers, for the provision of
 883 coordinated community-based prenatal and infant health care. The
 884 prenatal and infant health care coalitions must work in a
 885 coordinated, nonduplicative manner with local health ~~planning~~
 886 councils established pursuant to s. 381.4066 ~~s. 408.033~~.

887 Section 40. Subsection (5) of section 395.1065, Florida
 888 Statutes, is amended to read:

889 395.1065 Criminal and administrative penalties;
 890 moratorium.—

891 (5) The agency shall impose a fine of \$500 for each
 892 instance of the facility's failure to provide the information
 893 required by rules adopted pursuant to s. 395.1055(1)(g) ~~s.~~
 894 ~~395.1055(1)(h)~~.

895 Section 41. Subsection (10) of section 395.0191, Florida
 896 Statutes, is amended to read:

897 395.0191 Staff membership and clinical privileges.—

898 ~~(10) Nothing herein shall be construed by the agency as~~
 899 ~~requiring an applicant for a certificate of need to establish~~
 900 ~~proof of discrimination in the granting of or denial of hospital~~
 901 ~~staff membership or clinical privileges as a precondition to~~
 902 ~~obtaining such certificate of need under the provisions of s.~~

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903 ~~408.043.~~

904 Section 42. Section 408.07, Florida Statutes, is amended to
905 read:

906 408.07 Definitions.—As used in this chapter, ~~with the~~
907 ~~exception of ss. 408.031-408.045,~~ the term:

908 (1) "Accepted" means that the agency has found that a
909 report or data submitted by a health care facility or a health
910 care provider contains all schedules and data required by the
911 agency and has been prepared in the format specified by the
912 agency, and otherwise conforms to applicable rule or Florida
913 Hospital Uniform Reporting System manual requirements regarding
914 reports in effect at the time such report was submitted, and the
915 data are mathematically reasonable and accurate.

916 (2) "Adjusted admission" means the sum of acute and
917 intensive care admissions divided by the ratio of inpatient
918 revenues generated from acute, intensive, ambulatory, and
919 ancillary patient services to gross revenues. If a hospital
920 reports only subacute admissions, then "adjusted admission"
921 means the sum of subacute admissions divided by the ratio of
922 total inpatient revenues to gross revenues.

923 (3) "Agency" means the Agency for Health Care
924 Administration.

925 (4) "Alcohol or chemical dependency treatment center" means
926 an organization licensed under chapter 397.

927 (5) "Ambulatory care center" means an organization which
928 employs or contracts with licensed health care professionals to
929 provide diagnosis or treatment services predominantly on a walk-
930 in basis and the organization holds itself out as providing care
931 on a walk-in basis. Such an organization is not an ambulatory

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932 care center if it is wholly owned and operated by five or fewer
933 health care providers.

934 (6) "Ambulatory surgical center" means a facility licensed
935 as an ambulatory surgical center under chapter 395.

936 (7) "Audited actual data" means information contained
937 within financial statements examined by an independent, Florida-
938 licensed, certified public accountant in accordance with
939 generally accepted auditing standards, but does not include data
940 within a financial statement about which the certified public
941 accountant does not express an opinion or issues a disclaimer.

942 (8) "Birth center" means an organization licensed under s.
943 383.305.

944 (9) "Cardiac catheterization laboratory" means a
945 freestanding facility that employs or contracts with licensed
946 health care professionals to provide diagnostic or therapeutic
947 services for cardiac conditions such as cardiac catheterization
948 or balloon angioplasty.

949 (10) "Case mix" means a calculated index for each health
950 care facility or health care provider, based on patient data,
951 reflecting the relative costliness of the mix of cases to that
952 facility or provider compared to a state or national mix of
953 cases.

954 (11) "Clinical laboratory" means a facility licensed under
955 s. 483.091, excluding: any hospital laboratory defined under s.
956 483.041(6); any clinical laboratory operated by the state or a
957 political subdivision of the state; any blood or tissue bank
958 where the majority of revenues are received from the sale of
959 blood or tissue and where blood, plasma, or tissue is procured
960 from volunteer donors and donated, processed, stored, or

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961 distributed on a nonprofit basis; and any clinical laboratory
962 which is wholly owned and operated by physicians who are
963 licensed pursuant to chapter 458 or chapter 459 and who practice
964 in the same group practice, and at which no clinical laboratory
965 work is performed for patients referred by any health care
966 provider who is not a member of that same group practice.

967 (12) "Comprehensive rehabilitative hospital" or
968 "rehabilitative hospital" means a hospital licensed by the
969 agency as a specialty hospital as defined in s. 395.002;
970 provided that the hospital provides a program of comprehensive
971 medical rehabilitative services and is designed, equipped,
972 organized, and operated solely to deliver comprehensive medical
973 rehabilitative services, and further provided that all licensed
974 beds in the hospital are classified as "comprehensive
975 rehabilitative beds" pursuant to s. 395.003(4), and are not
976 classified as "general beds."

977 (13) "Consumer" means any person other than a person who
978 administers health activities, is a member of the governing body
979 of a health care facility, provides health services, has a
980 fiduciary interest in a health facility or other health agency
981 or its affiliated entities, or has a material financial interest
982 in the rendering of health services.

983 (14) "Continuing care facility" means a facility licensed
984 under chapter 651.

985 (15) "Critical access hospital" means a hospital that meets
986 the definition of "critical access hospital" in s. 1861(mm)(1)
987 of the Social Security Act and that is certified by the
988 Secretary of Health and Human Services as a critical access
989 hospital.

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990 (16) "Cross-subsidization" means that the revenues from one
991 type of hospital service are sufficiently higher than the costs
992 of providing such service as to offset some of the costs of
993 providing another type of service in the hospital. Cross-
994 subsidization results from the lack of a direct relationship
995 between charges and the costs of providing a particular hospital
996 service or type of service.

997 (17) "Deductions from gross revenue" or "deductions from
998 revenue" means reductions from gross revenue resulting from
999 inability to collect payment of charges. For hospitals, such
1000 reductions include contractual adjustments; uncompensated care;
1001 administrative, courtesy, and policy discounts and adjustments;
1002 and other such revenue deductions, but also includes the offset
1003 of restricted donations and grants for indigent care.

1004 (18) "Diagnostic-imaging center" means a freestanding
1005 outpatient facility that provides specialized services for the
1006 diagnosis of a disease by examination and also provides
1007 radiological services. Such a facility is not a diagnostic-
1008 imaging center if it is wholly owned and operated by physicians
1009 who are licensed pursuant to chapter 458 or chapter 459 and who
1010 practice in the same group practice and no diagnostic-imaging
1011 work is performed at such facility for patients referred by any
1012 health care provider who is not a member of that same group
1013 practice.

1014 (19) "FHURS" means the Florida Hospital Uniform Reporting
1015 System developed by the agency.

1016 (20) "Freestanding" means that a health facility bills and
1017 receives revenue which is not directly subject to the hospital
1018 assessment for the Public Medical Assistance Trust Fund as

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1019 described in s. 395.701.

1020 (21) "Freestanding radiation therapy center" means a
1021 facility where treatment is provided through the use of
1022 radiation therapy machines that are registered under s. 404.22
1023 and the ~~provisions of the~~ Florida Administrative Code
1024 implementing s. 404.22. Such a facility is not a freestanding
1025 radiation therapy center if it is wholly owned and operated by
1026 physicians licensed pursuant to chapter 458 or chapter 459 who
1027 practice within the specialty of diagnostic or therapeutic
1028 radiology.

1029 (22) "GRAA" means gross revenue per adjusted admission.

1030 (23) "Gross revenue" means the sum of daily hospital
1031 service charges, ambulatory service charges, ancillary service
1032 charges, and other operating revenue. Gross revenues do not
1033 include contributions, donations, legacies, or bequests made to
1034 a hospital without restriction by the donors.

1035 (24) "Health care facility" means an ambulatory surgical
1036 center, a hospice, a nursing home, a hospital, a diagnostic-
1037 imaging center, a freestanding or hospital-based therapy center,
1038 a clinical laboratory, a home health agency, a cardiac
1039 catheterization laboratory, a medical equipment supplier, an
1040 alcohol or chemical dependency treatment center, a physical
1041 rehabilitation center, a lithotripsy center, an ambulatory care
1042 center, a birth center, or a nursing home component licensed
1043 under chapter 400 within a continuing care facility licensed
1044 under chapter 651.

1045 (25) "Health care provider" means a health care
1046 professional licensed under chapter 458, chapter 459, chapter
1047 460, chapter 461, chapter 463, chapter 464, chapter 465, chapter

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1048 466, part I, part III, part IV, part V, or part X of chapter
1049 468, chapter 483, chapter 484, chapter 486, chapter 490, or
1050 chapter 491.

1051 (26) "Health care purchaser" means an employer in the
1052 state, other than a health care facility, health insurer, or
1053 health care provider, who provides health care coverage for her
1054 or his employees.

1055 (27) "Health insurer" means any insurance company
1056 authorized to transact health insurance in the state, any
1057 insurance company authorized to transact health insurance or
1058 casualty insurance in the state that is offering a minimum
1059 premium plan or stop-loss coverage for any person or entity
1060 providing health care benefits, any self-insurance plan as
1061 defined in s. 624.031, any health maintenance organization
1062 authorized to transact business in the state pursuant to part I
1063 of chapter 641, any prepaid health clinic authorized to transact
1064 business in the state pursuant to part II of chapter 641, any
1065 multiple-employer welfare arrangement authorized to transact
1066 business in the state pursuant to ss. 624.436-624.45, or any
1067 fraternal benefit society providing health benefits to its
1068 members as authorized pursuant to chapter 632.

1069 (28) "Home health agency" means an organization licensed
1070 under part III of chapter 400.

1071 (29) "Hospice" means an organization licensed under part IV
1072 of chapter 400.

1073 (30) "Hospital" means a health care institution licensed by
1074 the Agency for Health Care Administration as a hospital under
1075 chapter 395.

1076 (31) "Lithotripsy center" means a freestanding facility

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1077 that employs or contracts with licensed health care
1078 professionals to provide diagnosis or treatment services using
1079 electro-hydraulic shock waves.

1080 (32) "Local health council" means an ~~the~~ agency established
1081 pursuant to s. 381.4066 ~~defined in s. 408.033.~~

1082 (33) "Market basket index" means the Florida hospital input
1083 price index (FHIPI), which is a statewide market basket index
1084 used to measure inflation in hospital input prices weighted for
1085 the Florida-specific experience which uses multistate regional
1086 and state-specific price measures, when available. The index
1087 shall be constructed in the same manner as the index employed by
1088 the Secretary of the United States Department of Health and
1089 Human Services for determining the inflation in hospital input
1090 prices for purposes of Medicare reimbursement.

1091 (34) "Medical equipment supplier" means an organization
1092 that provides medical equipment and supplies used by health care
1093 providers and health care facilities in the diagnosis or
1094 treatment of disease.

1095 (35) "Net revenue" means gross revenue minus deductions
1096 from revenue.

1097 (36) "New hospital" means a hospital in its initial year of
1098 operation as a licensed hospital and does not include any
1099 facility which has been in existence as a licensed hospital,
1100 regardless of changes in ownership, for over 1 calendar year.

1101 (37) "Nursing home" means a facility licensed under s.
1102 400.062 or, for resident level and financial data collection
1103 purposes only, any institution licensed under chapter 395 and
1104 which has a Medicare or Medicaid certified distinct part used
1105 for skilled nursing home care, but does not include a facility

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1106 licensed under chapter 651.

1107 (38) "Operating expenses" means total expenses excluding
1108 income taxes.

1109 (39) "Other operating revenue" means all revenue generated
1110 from hospital operations other than revenue directly associated
1111 with patient care.

1112 (40) "Physical rehabilitation center" means an organization
1113 that employs or contracts with health care professionals
1114 licensed under part I or part III of chapter 468 or chapter 486
1115 to provide speech, occupational, or physical therapy services on
1116 an outpatient or ambulatory basis.

1117 (41) "Prospective payment arrangement" means a financial
1118 agreement negotiated between a hospital and an insurer, health
1119 maintenance organization, preferred provider organization, or
1120 other third-party payor which contains, at a minimum, the
1121 elements provided for in s. 408.50.

1122 (42) "Rate of return" means the financial indicators used
1123 to determine or demonstrate reasonableness of the financial
1124 requirements of a hospital. Such indicators shall include, but
1125 not be limited to: return on assets, return on equity, total
1126 margin, and debt service coverage.

1127 (43) "Rural hospital" means an acute care hospital licensed
1128 under chapter 395, having 100 or fewer licensed beds and an
1129 emergency room, and which is:

1130 (a) The sole provider within a county with a population
1131 density of no greater than 100 persons per square mile;

1132 (b) An acute care hospital, in a county with a population
1133 density of no greater than 100 persons per square mile, which is
1134 at least 30 minutes of travel time, on normally traveled roads

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1135 under normal traffic conditions, from another acute care
1136 hospital within the same county;

1137 (c) A hospital supported by a tax district or subdistrict
1138 whose boundaries encompass a population of 100 persons or fewer
1139 per square mile;

1140 (d) A hospital with a service area that has a population of
1141 100 persons or fewer per square mile. As used in this paragraph,
1142 the term "service area" means the fewest number of zip codes
1143 that account for 75 percent of the hospital's discharges for the
1144 most recent 5-year period, based on information available from
1145 the hospital inpatient discharge database in the Florida Center
1146 for Health Information and Transparency at the Agency for Health
1147 Care Administration; or

1148 (e) A critical access hospital.

1149

1150 Population densities used in this subsection must be based upon
1151 the most recently completed United States census. A hospital
1152 that received funds under s. 409.9116 for a quarter beginning no
1153 later than July 1, 2002, is deemed to have been and shall
1154 continue to be a rural hospital from that date through June 30,
1155 2015, if the hospital continues to have 100 or fewer licensed
1156 beds and an emergency room. An acute care hospital that has not
1157 previously been designated as a rural hospital and that meets
1158 the criteria of this subsection shall be granted such
1159 designation upon application, including supporting
1160 documentation, to the Agency for Health Care Administration.

1161 (44) "Special study" means a nonrecurring data-gathering
1162 and analysis effort designed to aid the agency in meeting its
1163 responsibilities pursuant to this chapter.

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1164 (45) "Teaching hospital" means any Florida hospital
1165 officially affiliated with an accredited Florida medical school
1166 which exhibits activity in the area of graduate medical
1167 education as reflected by at least seven different graduate
1168 medical education programs accredited by the Accreditation
1169 Council for Graduate Medical Education or the Council on
1170 Postdoctoral Training of the American Osteopathic Association
1171 and the presence of 100 or more full-time equivalent resident
1172 physicians. The Director of the Agency for Health Care
1173 Administration shall be responsible for determining which
1174 hospitals meet this definition.

1175 Section 43. Subsection (6) of section 408.806, Florida
1176 Statutes, is amended to read:

1177 408.806 License application process.—

1178 ~~(6) The agency may not issue an initial license to a health~~
1179 ~~care provider subject to the certificate-of-need provisions in~~
1180 ~~part I of this chapter if the licensee has not been issued a~~
1181 ~~certificate of need or certificate of need exemption, when~~
1182 ~~applicable.~~ Failure to apply for the renewal of a license before
1183 prior to the expiration date renders the license void.

1184 Section 44. Subsection (10) of section 408.810, Florida
1185 Statutes, is amended to read:

1186 408.810 Minimum licensure requirements.—In addition to the
1187 licensure requirements specified in this part, authorizing
1188 statutes, and applicable rules, each applicant and licensee must
1189 comply with the requirements of this section in order to obtain
1190 and maintain a license.

1191 ~~(10) The agency may not issue a license to a health care~~
1192 ~~provider subject to the certificate-of-need provisions in part I~~

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1193 of this chapter if the health care provider has not been issued
1194 a certificate of need or an exemption. Upon initial licensure of
1195 any such provider, the authorization contained in the
1196 certificate of need shall be considered fully implemented and
1197 merged into the license and shall have no force and effect upon
1198 termination of the license for any reason.

1199 Section 45. Section 408.820, Florida Statutes, is amended
1200 to read:

1201 408.820 Exemptions.—Except as prescribed in authorizing
1202 statutes, the following exemptions shall apply to specified
1203 requirements of this part:

1204 (1) Laboratories authorized to perform testing under the
1205 Drug-Free Workplace Act, as provided under ss. 112.0455 and
1206 440.102, are exempt from s. 408.810(5)-(9) ~~s. 408.810(5)-(10)~~.

1207 (2) Birth centers, as provided under chapter 383, are
1208 exempt from s. 408.810(7)-(9) ~~s. 408.810(7)-(10)~~.

1209 (3) Abortion clinics, as provided under chapter 390, are
1210 exempt from s. 408.810(7)-(9) ~~s. 408.810(7)-(10)~~.

1211 (4) Crisis stabilization units, as provided under parts I
1212 and IV of chapter 394, are exempt from s. 408.810(8) and (9) ~~s.~~
1213 ~~408.810(8)-(10)~~.

1214 (5) Short-term residential treatment facilities, as
1215 provided under parts I and IV of chapter 394, are exempt from s.
1216 408.810(8) and (9) ~~s. 408.810(8)-(10)~~.

1217 (6) Residential treatment facilities, as provided under
1218 part IV of chapter 394, are exempt from s. 408.810(8) and (9) ~~s.~~
1219 ~~408.810(8)-(10)~~.

1220 (7) Residential treatment centers for children and
1221 adolescents, as provided under part IV of chapter 394, are

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1222 exempt from s. 408.810(8) and (9) ~~s. 408.810(8)-(10)~~.

1223 (8) Hospitals, as provided under part I of chapter 395, are
1224 exempt from s. 408.810(7)-(9).

1225 (9) Ambulatory surgical centers, as provided under part I
1226 of chapter 395, are exempt from s. 408.810(7)-(9) ~~s. 408.810(7)-~~
1227 ~~(10)~~.

1228 (10) Mobile surgical facilities, as provided under part I
1229 of chapter 395, are exempt from s. 408.810(7)-(9) ~~s. 408.810(7)-~~
1230 ~~(10)~~.

1231 (11) Health care risk managers, as provided under part I of
1232 chapter 395, are exempt from ss. 408.806(7), 408.810(4)-(9)
1233 ~~408.810(4)-(10)~~, and 408.811.

1234 (12) Nursing homes, as provided under part II of chapter
1235 400, are exempt from ss. 408.810(7) and 408.813(2).

1236 ~~(13) Assisted living facilities, as provided under part I~~
1237 ~~of chapter 429, are exempt from s. 408.810(10).~~

1238 ~~(14) Home health agencies, as provided under part III of~~
1239 ~~chapter 400, are exempt from s. 408.810(10).~~

1240 (13) ~~(15)~~ Nurse registries, as provided under part III of
1241 chapter 400, are exempt from s. 408.810(6) and ~~(10)~~.

1242 (14) ~~(16)~~ Companion services or homemaker services
1243 providers, as provided under part III of chapter 400, are exempt
1244 from s. 408.810(6)-(9) ~~s. 408.810(6)-(10)~~.

1245 ~~(17) Adult day care centers, as provided under part III of~~
1246 ~~chapter 429, are exempt from s. 408.810(10).~~

1247 (15) ~~(18)~~ Adult family-care homes, as provided under part II
1248 of chapter 429, are exempt from s. 408.810(7)-(9) ~~s. 408.810(7)-~~
1249 ~~(10)~~.

1250 (16) ~~(19)~~ Homes for special services, as provided under part

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1251 V of chapter 400, are exempt from s. 408.810(7)-(9) ~~s.~~
 1252 ~~408.810(7)-(10)~~.

1253 ~~(20) Transitional living facilities, as provided under part~~
 1254 ~~XI of chapter 400, are exempt from s. 408.810(10).~~

1255 ~~(21) Prescribed pediatric extended care centers, as~~
 1256 ~~provided under part VI of chapter 400, are exempt from s.~~
 1257 ~~408.810(10).~~

1258 ~~(22) Home medical equipment providers, as provided under~~
 1259 ~~part VII of chapter 400, are exempt from s. 408.810(10).~~

1260 (17) ~~(23)~~ Intermediate care facilities for persons with
 1261 developmental disabilities, as provided under part VIII of
 1262 chapter 400, are exempt from s. 408.810(7).

1263 (18) ~~(24)~~ Health care services pools, as provided under part
 1264 IX of chapter 400, are exempt from s. 408.810(6)-(9) ~~s.~~
 1265 ~~408.810(6)-(10)~~.

1266 (19) ~~(25)~~ Health care clinics, as provided under part X of
 1267 chapter 400, are exempt from s. 408.810(6) and (7) ~~and (10)~~.

1268 (20) ~~(26)~~ Clinical laboratories, as provided under part I of
 1269 chapter 483, are exempt from s. 408.810(5)-(9) ~~s. 408.810(5)-~~
 1270 ~~(10)~~.

1271 (21) ~~(27)~~ Multiphasic health testing centers, as provided
 1272 under part II of chapter 483, are exempt from s. 408.810(5)-(9)
 1273 ~~s. 408.810(5)-(10)~~.

1274 (22) ~~(28)~~ Organ, tissue, and eye procurement organizations,
 1275 as provided under part V of chapter 765, are exempt from s.
 1276 408.810(5)-(9) ~~s. 408.810(5)-(10)~~.

1277 Section 46. Subsection (6) of section 409.9116, Florida
 1278 Statutes, is amended to read:

1279 409.9116 Disproportionate share/financial assistance

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1280 program for rural hospitals.—In addition to the payments made
1281 under s. 409.911, the Agency for Health Care Administration
1282 shall administer a federally matched disproportionate share
1283 program and a state-funded financial assistance program for
1284 statutory rural hospitals. The agency shall make
1285 disproportionate share payments to statutory rural hospitals
1286 that qualify for such payments and financial assistance payments
1287 to statutory rural hospitals that do not qualify for
1288 disproportionate share payments. The disproportionate share
1289 program payments shall be limited by and conform with federal
1290 requirements. Funds shall be distributed quarterly in each
1291 fiscal year for which an appropriation is made. Notwithstanding
1292 the provisions of s. 409.915, counties are exempt from
1293 contributing toward the cost of this special reimbursement for
1294 hospitals serving a disproportionate share of low-income
1295 patients.

1296 (6) This section applies only to hospitals that were
1297 defined as statutory rural hospitals, or their successor-in-
1298 interest hospital, before ~~prior to~~ January 1, 2001. Any
1299 additional hospital that is defined as a statutory rural
1300 hospital, or its successor-in-interest hospital, on or after
1301 January 1, 2001, is not eligible for programs under this section
1302 unless additional funds are appropriated each fiscal year
1303 specifically to the rural hospital disproportionate share and
1304 financial assistance programs in an amount necessary to prevent
1305 any hospital, or its successor-in-interest hospital, eligible
1306 for the programs before ~~prior to~~ January 1, 2001, from incurring
1307 a reduction in payments because of the eligibility of an
1308 additional hospital to participate in the programs. A hospital,

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1309 or its successor-in-interest hospital, which received funds
 1310 pursuant to this section before January 1, 2001, and which
 1311 qualifies under s. 395.602(2)(b) ~~s. 395.602(2)(e)~~, shall be
 1312 included in the programs under this section and is not required
 1313 to seek additional appropriations under this subsection.

1314 Section 47. Paragraph (c) of subsection (1) of section
 1315 641.60, Florida Statutes, is amended to read:

1316 641.60 Statewide Managed Care Ombudsman Committee.—

1317 (1) As used in ss. 641.60-641.75:

1318 (c) "District" means one of the health service planning
 1319 districts as described ~~defined~~ in s. 381.4066 ~~s. 408.032~~.

1320 Section 48. Paragraph (b) of subsection (2) of section
 1321 1009.65, Florida Statutes, is amended to read:

1322 1009.65 Medical Education Reimbursement and Loan Repayment
 1323 Program.—

1324 (2) From the funds available, the Department of Health
 1325 shall make payments to selected medical professionals as
 1326 follows:

1327 (b) All payments shall be contingent on continued proof of
 1328 primary care practice in an area defined in s. 395.602(2)(b) ~~s.~~
 1329 ~~395.602(2)(e)~~, or an underserved area designated by the
 1330 Department of Health, provided the practitioner accepts Medicaid
 1331 reimbursement if eligible for such reimbursement. Correctional
 1332 facilities, state hospitals, and other state institutions that
 1333 employ medical personnel shall be designated by the Department
 1334 of Health as underserved locations. Locations with high
 1335 incidences of infant mortality, high morbidity, or low Medicaid
 1336 participation by health care professionals may be designated as
 1337 underserved.

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Section 49. This act shall take effect July 1, 2017.