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1	
2	An act relating to hospital licensure; amending s.
3	395.0191, F.S.; deleting provisions relating to
4	certificate of need applications; amending s.
5	395.1055, F.S.; revising the Agency for Health Care
6	Administration's rulemaking authority with respect to
7	minimum standards for hospitals; requiring hospitals
8	that provide certain services to meet specified
9	licensure requirements; conforming provisions to
10	changes made by the act; amending s. 395.1065, F.S.;
11	conforming a cross-reference; repealing s. 395.6025,
12	F.S., relating to rural hospital replacement
13	facilities; amending s. 408.032, F.S.; revising and
14	deleting definitions; amending s. 408.033, F.S.;
15	conforming provisions to changes made by the act;
16	amending s. 408.034, F.S.; authorizing the agency to
17	issue a license to a general hospital that has not
18	been issued a certificate of need under certain
19	circumstances; revising duties and responsibilities of
20	the agency relating to issuance of licenses to health
21	care facilities and health service providers;
22	conforming provisions to changes made by the act;
23	amending s. 408.035, F.S.; deleting provisions related
24	to the agency's consideration and review of
25	applications for certificates of need for general

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26	hospitals and health services; amending s. 408.036,
27	F.S.; providing an exception to certificate of need
28	review requirements for the construction or
29	establishment of a general hospital and the conversion
30	of a specialty hospital to a general hospital;
31	revising health-care-related projects that are subject
32	to agency review for a certificate of need and
33	exemptions therefrom; deleting provisions requiring
34	health care facilities and providers to provide
35	certain notice to the agency upon termination of a
36	health care service or the addition or delicensure of
37	beds; conforming a provision to changes made by the
38	act; repealing s. 408.0361, F.S., relating to
39	cardiovascular services and burn unit licensure;
40	amending ss. 408.037 and 408.039, F.S.; deleting
41	provisions relating to certificate of need
42	applications for general hospitals; amending s.
43	408.043, F.S.; deleting provisions relating to
44	certificates of need for osteopathic acute care
45	hospitals; amending s. 408.0455, F.S.; establishing
46	that specified rules remain in effect for a specified
47	purpose and until the agency has adopted certain
48	rules; amending s. 408.808, F.S.; authorizing the
49	agency to issue an inactive license to a certain
50	hospital under certain circumstances; requiring the

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51	Office of Program Policy Analysis and Government
52	Accountability to review specified requirements,
53	statutes, and rules, and make recommendations to the
54	Legislature by a specified date; providing effective
55	dates.
56	
57	Be It Enacted by the Legislature of the State of Florida:
58	
59	Section 1. Subsection (10) of section 395.0191, Florida
60	Statutes, is amended to read:
61	395.0191 Staff membership and clinical privileges
62	(10) Nothing herein shall be construed by the agency as
63	requiring an applicant for a certificate of need to establish
64	proof of discrimination in the granting of or denial of hospital
65	staff membership or clinical privileges as a precondition to
66	obtaining such certificate of need under the provisions of s.
67	<del>408.043.</del>
68	Section 2. Present subsection (12) of section 395.1055,
69	Florida Statutes, is redesignated as subsection (15), a new
70	subsection (12) and subsections (13) and (14) are added to that
71	section, and paragraph (b) of subsection (9) of that section is
72	amended, to read:
73	395.1055 Rules and enforcement
74	(9) The agency shall establish a technical advisory panel,
75	pursuant to s. 20.052, to develop procedures and standards for
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76	measuring outcomes of pediatric cardiac catheterization programs
77	and pediatric cardiovascular surgery programs.
78	(b) Voting members of the panel shall include: 3 at-large
79	members, including 1 cardiologist who is board certified in
80	caring for adults with congenital heart disease and 2 board-
81	certified pediatric cardiologists, neither of whom may be
82	employed by any of the hospitals specified in subparagraphs 1
83	10. or their affiliates, each of whom is appointed by the
84	Secretary of Health Care Administration, and 10 members, and an
85	alternate for each member, each of whom is a pediatric
86	cardiologist or a pediatric cardiovascular surgeon, each
87	appointed by the chief executive officer of the following
88	hospitals:
89	1. Johns Hopkins All Children's Hospital in St.
90	Petersburg.
91	2. Arnold Palmer Hospital for Children in Orlando.
92	3. Joe DiMaggio Children's Hospital in Hollywood.
93	4. Nicklaus Children's Hospital in Miami.
94	5. St. Joseph's Children's Hospital in Tampa.
95	6. University of Florida Health Shands Hospital in
96	Gainesville.
97	7. University of Miami Holtz Children's Hospital in Miami.
98	8. Wolfson Children's Hospital in Jacksonville.
99	9. Florida Hospital for Children in Orlando.
100	10. Nemours Children's Hospital in Orlando.

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101	
102	Appointments made under subparagraphs 110. are contingent upon
103	the hospital's maintenance of pediatric certificates of need and
104	the hospital's compliance with this section and rules adopted
105	thereunder, as determined by the Secretary of Health Care
106	Administration. A member appointed under subparagraphs 110.
107	whose hospital fails to <del>maintain such certificates or</del> comply
108	with <u>such</u> standards may serve only as a nonvoting member until
109	the hospital <del>restores such certificates or</del> complies with such
110	standards.
111	(12) Each provider of diagnostic cardiac catheterization
112	services shall comply with rules adopted by the agency which
113	establish licensure standards governing the operation of adult
114	inpatient diagnostic cardiac catheterization programs. The rules
115	must ensure that such programs:
116	(a) Comply with the most recent guidelines of the American
117	College of Cardiology and American Heart Association Guidelines
118	for Cardiac Catheterization and Cardiac Catheterization
119	Laboratories.
120	(b) Perform only adult inpatient diagnostic cardiac
121	catheterization services and will not provide therapeutic
122	cardiac catheterization or any other cardiology services.
123	(c) Maintain sufficient appropriate equipment and health
124	care personnel to ensure quality and safety.
125	(d) Maintain appropriate times of operation and protocols

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126	to ensure availability and appropriate referrals in the event of
127	emergencies.
128	(e) Demonstrate a plan to provide services to Medicaid and
129	charity care patients.
130	(13) Each provider of adult cardiovascular services or
131	operator of a burn unit shall comply with rules adopted by the
132	agency which establish licensure standards that govern the
133	provision of adult cardiovascular services or the operation of a
134	burn unit, as applicable. At a minimum, such rules must address
135	staffing, equipment, physical plant, operating protocols, the
136	provision of services to Medicaid and charity care patients,
137	accreditation, licensure periods and fees, and enforcement of
138	minimum standards.
139	(14) In establishing rules for adult cardiovascular
140	services, the agency shall include provisions that allow for:
141	(a) The establishment of two hospital program licensure
142	levels, a Level I program that authorizes the performance of
143	adult percutaneous cardiac intervention without onsite cardiac
144	surgery and a Level II program that authorizes the performance
145	of percutaneous cardiac intervention with onsite cardiac
146	surgery.
147	(b)1. For a hospital seeking a Level I program,
148	demonstration that, for the most recent 12-month period as
149	reported to the agency, the hospital has provided a minimum of
150	300 adult inpatient and outpatient diagnostic cardiac
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151	catheterizations or, for the most recent 12-month period, has
152	discharged or transferred at least 300 patients with the
153	principal diagnosis of ischemic heart disease and that it has a
154	formalized, written transfer agreement with a hospital that has
155	a Level II program, including written transport protocols to
156	ensure safe and efficient transfer of a patient within 60
157	minutes.
158	2.a. A hospital located more than 100 road miles from the
159	closest Level II adult cardiovascular services program is not
160	required to meet the diagnostic cardiac catheterization volume
161	and ischemic heart disease diagnosis volume requirements in
162	subparagraph 1. if the hospital demonstrates that it has, for
163	the most recent 12-month period as reported to the agency,
164	provided a minimum of 100 adult inpatient and outpatient
165	diagnostic cardiac catheterizations or that, for the most recent
166	12-month period, it has discharged or transferred at least 300
167	patients with the principal diagnosis of ischemic heart disease.
168	b. A hospital located more than 100 road miles from the
169	closest Level II adult cardiovascular services program does not
170	need to meet the 60-minute transfer time protocol requirement in
171	subparagraph 1. if the hospital demonstrates that it has a
172	formalized, written transfer agreement with a hospital that has
173	a Level II program. The agreement must include written transport
174	protocols to ensure the safe and efficient transfer of a
175	patient, taking into consideration the patient's clinical and

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176	physical characteristics, road and weather conditions, and
177	viability of ground and air ambulance service to transfer the
178	patient.
179	3. At a minimum, the rules for adult cardiovascular
180	services must require nursing and technical staff to have
181	demonstrated experience in handling acutely ill patients
182	requiring intervention, based on the staff member's previous
183	experience in dedicated cardiac interventional laboratories or
184	surgical centers. If a staff member's previous experience is in
185	a dedicated cardiac interventional laboratory at a hospital that
186	does not have an approved adult open heart surgery program, the
187	staff member's previous experience qualifies only if, at the
188	time the staff member acquired his or her experience, the
189	dedicated cardiac interventional laboratory:
190	a. Had an annual volume of 500 or more percutaneous
191	cardiac intervention procedures.
192	b. Achieved a demonstrated success rate of 95 percent or
193	greater for percutaneous cardiac intervention procedures.
194	c. Experienced a complication rate of less than 5 percent
195	for percutaneous cardiac intervention procedures.
196	d. Performed diverse cardiac procedures, including, but
197	not limited to, balloon angioplasty and stenting, rotational
198	atherectomy, cutting balloon atheroma remodeling, and procedures
199	
	relating to left ventricular support capability.
200	(c) For a hospital seeking a Level II program,

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201	demonstration that, for the most recent 12-month period as
202	reported to the agency, the hospital has performed a minimum of
203	1,100 adult inpatient and outpatient cardiac catheterizations,
204	of which at least 400 must be therapeutic catheterizations, or,
205	for the most recent 12-month period, has discharged at least 800
206	patients with the principal diagnosis of ischemic heart disease.
207	(d) Compliance with the most recent guidelines of the
208	American College of Cardiology and the American Heart
209	Association guidelines for staffing, physician training and
210	experience, operating procedures, equipment, physical plant, and
211	patient selection criteria, to ensure patient quality and
212	safety.
213	(e) The establishment of appropriate hours of operation
214	and protocols to ensure availability and timely referral in the
215	event of emergencies.
216	(f) The demonstration of a plan to provide services to
217	Medicaid and charity care patients.
218	Section 3. Effective July 1, 2021, paragraph (f) of
219	subsection (1) of section 395.1055, Florida Statutes, is amended
220	to read:
221	395.1055 Rules and enforcement
222	(1) The agency shall adopt rules pursuant to ss.
223	120.536(1) and 120.54 to implement the provisions of this part,
224	which shall include reasonable and fair minimum standards for
225	ensuring that:

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248 249	Services Development ActAs used in ss. 408.031-408.045, the term:
247	408.032 Definitions relating to Health Facility and
246	section 408.032, Florida Statutes, are amended to read:
245	Section 6. Subsections (3), (8), and (13) through (17) of
244	repealed.
243	Section 5. <u>Section 395.6025, Florida Statutes, is</u>
242	<del>395.1055(1)(h)</del> .
241	required by rules adopted pursuant to <u>s. 395.1055(1)(g)</u> <del>s.</del>
240	instance of the facility's failure to provide the information
239	(5) The agency shall impose a fine of \$500 for each
238	moratorium
237	395.1065 Criminal and administrative penalties;
236	section 395.1065, Florida Statutes, is amended to read:
235	Section 4. Effective July 1, 2021, subsection (5) of
234	reporting costs to hospitals.
233	statewide data sources when available and shall minimize
232	individual patients. The agency shall utilize existing uniform
231	collect data that identifies or could disclose the identity of
230	reporting, and facility staffing data. The agency may not
229	patient origin data, hospital utilization data, type of service
228	408. Such data shall include, but shall not be limited to,
227	certificate-of-need reviews required under part I of chapter
226	(f) All hospitals submit such data as necessary to conduct

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251	by the agency evidencing community need for a new, converted,
252	expanded, or otherwise significantly modified health care
253	facility <del>, health service,</del> or hospice.
254	(8) "Health care facility" means a hospital, <del>long-term</del>
255	care hospital, skilled nursing facility, hospice, or
256	intermediate care facility for the developmentally disabled. A
257	facility relying solely on spiritual means through prayer for
258	healing is not included as a health care facility.
259	(13) "Long-term care hospital" means a hospital licensed
260	under chapter 395 which meets the requirements of 42 C.F.R. s.
261	412.23(e) and seeks exclusion from the acute care Medicare
262	prospective payment system for inpatient hospital services.
263	(14) "Mental health services" means inpatient services
264	provided in a hospital licensed under chapter 395 and listed on
265	the hospital license as psychiatric beds for adults; psychiatric
266	beds for children and adolescents; intensive residential
267	treatment beds for children and adolescents; substance abuse
268	beds for adults; or substance abuse beds for children and
269	adolescents.
270	(13) (15) "Nursing home geographically underserved area"
271	means:
272	(a) A county in which there is no existing or approved
273	nursing home;
274	(b) An area with a radius of at least 20 miles in which
275	there is no existing or approved nursing home; or
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(c) An area with a radius of at least 20 miles in which all existing nursing homes have maintained at least a 95 percent occupancy rate for the most recent 6 months or a 90 percent occupancy rate for the most recent 12 months.

280 <u>(14) (16)</u> "Skilled nursing facility" means an institution, 281 or a distinct part of an institution, which is primarily engaged 282 in providing, to inpatients, skilled nursing care and related 283 services for patients who require medical or nursing care, or 284 rehabilitation services for the rehabilitation of injured, 285 disabled, or sick persons.

286 (17) "Tertiary health service" means a health service 287 which, due to its high level of intensity, complexity, 288 specialized or limited applicability, and cost, should be limited to, and concentrated in, a limited number of hospitals 289 290 to ensure the quality, availability, and cost-effectiveness of 291 such service. Examples of such service include, but are not 292 limited to, pediatric cardiac catheterization, pediatric open-293 heart surgery, organ transplantation, neonatal intensive care 294 units, comprehensive rehabilitation, and medical or surgical 295 services which are experimental or developmental in nature to 296 the extent that the provision of such services is not yet 297 contemplated within the commonly accepted course of diagnosis or 298 treatment for the condition addressed by a given service. The 299 agency shall establish by rule a list of all tertiary health 300 services.

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301	Section 7. Effective July 1, 2021, subsection (8), and
302	subsections (9) through (11), as amended by this act, of section
303	408.032, Florida Statutes, are amended to read:
304	408.032 Definitions relating to Health Facility and
305	Services Development ActAs used in ss. 408.031-408.045, the
306	term:
307	(8) "Health care facility" means a <del>hospital,</del> skilled
308	nursing facility, hospice, or intermediate care facility for the
309	developmentally disabled. A facility relying solely on spiritual
310	means through prayer for healing is not included as a health
311	care facility.
312	(9) "Health services" means inpatient diagnostic,
313	curative, or comprehensive medical rehabilitative services and
314	includes mental health services. Obstetric services are not
315	health services for purposes of ss. 408.031-408.045.
316	<u>(9)<del>(10)</del> "Hospice" or "hospice program" means a hospice as</u>
317	defined in part IV of chapter 400.
318	(11) "Hospital" means a health care facility licensed
319	under chapter 395.
320	(10) (12) "Intermediate care facility for the
321	developmentally disabled" means a residential facility licensed
322	under part VIII of chapter 400.
323	(11) (13) "Nursing home geographically underserved area"
324	means:
325	(a) A county in which there is no existing or approved
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326 nursing home; (b) An area with a radius of at least 20 miles in which 327 328 there is no existing or approved nursing home; or (c) An area with a radius of at least 20 miles in which 329 330 all existing nursing homes have maintained at least a 95 percent 331 occupancy rate for the most recent 6 months or a 90 percent 332 occupancy rate for the most recent 12 months. 333 (12) (14) "Skilled nursing facility" means an institution, 334 or a distinct part of an institution, which is primarily engaged in providing, to inpatients, skilled nursing care and related 335 336 services for patients who require medical or nursing care, or 337 rehabilitation services for the rehabilitation of injured, 338 disabled, or sick persons. 339 Section 8. Effective July 1, 2021, paragraph (b) of 340 subsection (1) of section 408.033, Florida Statutes, is amended 341 to read: 342 408.033 Local and state health planning.-343 (1) LOCAL HEALTH COUNCILS.-344 (b) Each local health council may: Develop a district area health plan that permits each 345 1. 346 local health council to develop strategies and set priorities for implementation based on its unique local health needs. 347 Advise the agency on health care issues and resource 348 2. allocations. 349 350 3. Promote public awareness of community health needs, Page 14 of 38

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351 emphasizing health promotion and cost-effective health service 352 selection.

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

358 5. Monitor the onsite construction progress, if any, of
359 certificate-of-need approved projects and report council
360 findings to the agency on forms provided by the agency.

361 6. Advise and assist any regional planning councils within 362 each district that have elected to address health issues in 363 their strategic regional policy plans with the development of 364 the health element of the plans to address the health goals and 365 policies in the State Comprehensive Plan.

366 Advise and assist local governments within each 7. 367 district on the development of an optional health plan element 368 of the comprehensive plan provided in chapter 163, to assure 369 compatibility with the health goals and policies in the State 370 Comprehensive Plan and district health plan. To facilitate the 371 implementation of this section, the local health council shall 372 annually provide the local governments in its service area, upon 373 request, with:

a. A copy and appropriate updates of the district healthplan;

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376 A report of hospital and nursing home utilization b. 377 statistics for facilities within the local government 378 jurisdiction; and с. 379 Applicable agency rules and calculated need 380 methodologies for health facilities and services regulated under 381 s. 408.034 for the district served by the local health council. 382 8. Monitor and evaluate the adequacy, appropriateness, and 383 effectiveness, within the district, of local, state, federal, and private funds distributed to meet the needs of the medically 384 indigent and other underserved population groups. 385 386 In conjunction with the Department of Health, plan for 9. services at the local level for persons infected with the human 387 388 immunodeficiency virus. 389 10. Provide technical assistance to encourage and support 390 activities by providers, purchasers, consumers, and local, 391 regional, and state agencies in meeting the health care goals, 392 objectives, and policies adopted by the local health council. 393 11. Provide the agency with data required by rule for the 394 review of certificate-of-need applications and the projection of 395 need for health services and facilities in the district. 396 Section 9. Subsection (2) of section 408.034, Florida 397 Statutes, is amended to read: 408.034 Duties and responsibilities of agency; rules.-398 In the exercise of its authority to issue licenses to 399 (2) 400 health care facilities and health service providers, as provided Page 16 of 38

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401 under chapters 393 and 395 and parts II, IV, and VIII of chapter 402 400, the agency may not issue a license to any health care 403 facility or health service provider that fails to receive a 404 certificate of need or an exemption for the licensed facility<u>,</u> 405 except that the agency may issue a license to a general hospital 406 that has not been issued a certificate of need or service.

407 Section 10. Effective July 1, 2021, subsection (2), as 408 amended by this act, and subsection (3) of section 408.034, 409 Florida Statutes, are amended to read:

410

408.034 Duties and responsibilities of agency; rules.-

In the exercise of its authority to issue licenses to 411 (2) 412 health care facilities, as provided under chapter chapters 393 413 and 395 and parts II, IV, and VIII of chapter 400, the agency 414 may not issue a license to any health care facility that fails 415 to receive a certificate of need or an exemption for the 416 licensed facility, except that the agency may issue a license to 417 a general hospital that has not been issued a certificate of 418 need.

(3) The agency shall establish, by rule, uniform need methodologies for health services and health facilities. In developing uniform need methodologies, the agency shall, at a minimum, consider the demographic characteristics of the population, the health status of the population, service use patterns, standards and trends, geographic accessibility, and market economics.

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426 Section 11. Section 408.035, Florida Statutes, is amended 427 to read: 428 408.035 Review criteria.-429 (1) The agency shall determine the reviewability of 430 applications and shall review applications for certificate-of-431 need determinations for health care facilities and health 432 services in context with the following criteria, except for 433 general hospitals as defined in s. 395.002: 434 (1) (a) The need for the health care facilities and health 435 services being proposed. 436 (2) (b) The availability, quality of care, accessibility, 437 and extent of utilization of existing health care facilities and 438 health services in the service district of the applicant. 439 (3) (c) The ability of the applicant to provide quality of 440 care and the applicant's record of providing quality of care. 441 (4) (4) (d) The availability of resources, including health 442 personnel, management personnel, and funds for capital and 443 operating expenditures, for project accomplishment and 444 operation. 445 (5) (e) The extent to which the proposed services will 446 enhance access to health care for residents of the service 447 district. (6) (f) The immediate and long-term financial feasibility 448 of the proposal. 449 450 (7) (7) (g) The extent to which the proposal will foster Page 18 of 38

CODING: Words stricken are deletions; words underlined are additions.

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451 competition that promotes quality and cost-effectiveness.

452 <u>(8)(h)</u> The costs and methods of the proposed construction, 453 including the costs and methods of energy provision and the 454 availability of alternative, less costly, or more effective 455 methods of construction.

456 <u>(9)(i)</u> The applicant's past and proposed provision of 457 health care services to Medicaid patients and the medically 458 indigent.

459 <u>(10)</u> (j) The applicant's designation as a Gold Seal Program 460 nursing facility pursuant to s. 400.235, when the applicant is 461 requesting additional nursing home beds at that facility.

462 (2) For a general hospital, the agency shall consider only 463 the criteria specified in paragraph (1) (a), paragraph (1) (b), 464 except for quality of care in paragraph (1) (b), and paragraphs 465 (1) (e), (g), and (i).

466 Section 12. Effective July 1, 2021, subsection (2) of 467 section 408.035, Florida Statutes, as amended by this act, is 468 amended to read:

469 408.035 Review criteria.—The agency shall determine the 470 reviewability of applications and shall review applications for 471 certificate-of-need determinations for health care facilities in 472 context with the following criteria:

473 (2) The availability, quality of care, accessibility, and
474 extent of utilization of existing health care facilities and
475 health services in the service district of the applicant.

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Section 13. Subsection (1) and paragraphs (i) through (q)

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477	of subsection (3) of section 408.036, Florida Statutes, are
478	amended to read:
479	408.036 Projects subject to review; exemptions
480	(1) APPLICABILITYUnless exempt under subsection (3), all
481	health-care-related projects, as described in this subsection
482	<del>paragraphs (a)-(f)</del> , are subject to review and must file an
483	application for a certificate of need with the agency. The
484	agency is exclusively responsible for determining whether a
485	health-care-related project is subject to review under ss.
486	408.031-408.045.
487	(a) The addition of beds in community nursing homes or
488	intermediate care facilities for the developmentally disabled by
489	new construction or alteration.
490	(b) The new construction or establishment of additional
491	health care facilities, except for the construction of or
492	establishment of a general hospital or including a replacement
493	health care facility when the proposed project site is <del>not</del>
494	located on the same site as or within 1 mile of the existing
495	health care facility $_{m{ au}}$ if the number of beds in each licensed bed
496	category will not increase.
497	(c) The conversion from one type of health care facility
498	to another, including the conversion from a general hospital ${ m \underline{or}}_{m  au}$
499	a specialty hospital, except that the conversion of a specialty
500	hospital to a general hospital is not subject to review or a

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501	long-term care hospital.
502	(d) The establishment of a hospice or hospice inpatient
503	facility, except as provided in s. 408.043.
504	(e) An increase in the number of beds for comprehensive
505	rehabilitation.
506	(f) The establishment of tertiary health services,
507	including inpatient comprehensive rehabilitation services.
508	(3) EXEMPTIONS.—Upon request, the following projects are
509	subject to exemption from <del>the provisions of</del> subsection (1):
510	(i) For the addition of hospital beds licensed under
511	chapter 395 for comprehensive rehabilitation in a number that
512	may not exceed 10 total beds or 10 percent of the licensed
513	capacity, whichever is greater.
514	1. In addition to any other documentation otherwise
515	required by the agency, a request for exemption submitted under
516	this paragraph must:
517	a. Certify that the prior 12-month average occupancy rate
518	for the licensed beds being expanded meets or exceeds 80
519	percent.
520	b. Certify that the beds have been licensed and
521	operational for at least 12 months.
522	2. The timeframes and monitoring process specified in s.
523	408.040(2)(a)-(c) apply to any exemption issued under this
524	paragraph.
525	3. The agency shall count beds authorized under this
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## 526 paragraph as approved beds in the published inventory of 527 hospital beds until the beds are licensed.

528 (i) (i) For the addition of nursing home beds licensed 529 under chapter 400 in a number not exceeding 10 total beds or 10 530 percent of the number of beds licensed in the facility being 531 expanded, whichever is greater; or, for the addition of nursing home beds licensed under chapter 400 at a facility that has been 532 533 designated as a Gold Seal nursing home under s. 400.235 in a number not exceeding 20 total beds or 10 percent of the number 534 535 of licensed beds in the facility being expanded, whichever is 536 greater.

537 1. In addition to any other documentation required by the 538 agency, a request for exemption submitted under this paragraph 539 must certify that:

540a. The facility has not had any class I or class II541deficiencies within the 30 months preceding the request.

542 b. The prior 12-month average occupancy rate for the 543 nursing home beds at the facility meets or exceeds 94 percent.

544 c. Any beds authorized for the facility under this 545 paragraph before the date of the current request for an 546 exemption have been licensed and operational for at least 12 547 months.

548 2. The timeframes and monitoring process specified in s.
549 408.040(2)(a)-(c) apply to any exemption issued under this
550 paragraph.

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551	3. The agency shall count beds authorized under this
552	paragraph as approved beds in the published inventory of nursing
553	home beds until the beds are licensed.
554	(k) For the establishment of:
555	1. A Level II neonatal intensive care unit with at least
556	10 beds, upon documentation to the agency that the applicant
557	hospital had a minimum of 1,500 births during the previous 12
558	months;
559	2. A Level III neonatal intensive care unit with at least
560	15 beds, upon documentation to the agency that the applicant
561	hospital has a Level II neonatal intensive care unit of at least
562	10 beds and had a minimum of 3,500 births during the previous 12
563	months; or
564	3. A Level III neonatal intensive care unit with at least
565	5 beds, upon documentation to the agency that the applicant
566	hospital is a verified trauma center pursuant to s.
567	395.4001(15), and has a Level II neonatal intensive care unit,
568	
569	if the applicant demonstrates that it meets the requirements for
570	quality of care, nurse staffing, physician staffing, physical
571	plant, equipment, emergency transportation, and data reporting
572	found in agency certificate-of-need rules for Level II and Level
573	III neonatal intensive care units and if the applicant commits
574	to the provision of services to Medicaid and charity patients at
575	a level equal to or greater than the district average. Such a

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576	commitment is subject to s. 408.040.
577	(1) For the addition of mental health services or beds if
578	the applicant commits to providing services to Medicaid or
579	charity care patients at a level equal to or greater than the
580	district average. Such a commitment is subject to s. 408.040.
581	<u>(j)-(m)</u> For replacement of a licensed nursing home on the
582	same site, or within 5 miles of the same site if within the same
583	subdistrict, if the number of licensed beds does not increase
584	except as permitted under paragraph (e).
585	(k) (n) For consolidation or combination of licensed
586	nursing homes or transfer of beds between licensed nursing homes
587	within the same planning district, by nursing homes with any
588	shared controlled interest within that planning district, if
589	there is no increase in the planning district total number of
590	nursing home beds and the site of the relocation is not more
591	than 30 miles from the original location.
592	(1) (0) For beds in state mental health treatment
593	facilities defined in s. 394.455 and state mental health
594	forensic facilities operated under chapter 916.
595	(m) (p) For beds in state developmental disabilities
596	centers as defined in s. 393.063.
597	<u>(n)</u> For the establishment of a health care facility or
598	project that meets all of the following criteria:
599	1. The applicant was previously licensed within the past
600	21 days as a health care facility or provider that is subject to
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601 subsection (1).

602 2. The applicant failed to submit a renewal application 603 and the license expired on or after January 1, 2015.

3. The applicant does not have a license denial or
revocation action pending with the agency at the time of the
request.

607 4. The applicant's request is for the same service type,
608 district, service area, and site for which the applicant was
609 previously licensed.

5. The applicant's request, if applicable, includes thesame number and type of beds as were previously licensed.

6. The applicant agrees to the same conditions that were 613 previously imposed on the certificate of need or on an exemption 614 related to the applicant's previously licensed health care 615 facility or project.

616 7. The applicant applies for initial licensure as required 617 under s. 408.806 within 21 days after the agency approves the 618 exemption request. If the applicant fails to apply in a timely 619 manner, the exemption expires on the 22nd day following the 620 agency's approval of the exemption.

621

Notwithstanding subparagraph 1., an applicant whose license
expired between January 1, 2015, and the effective date of this
act may apply for an exemption within 30 days of this act

625 becoming law.

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CODING: Words stricken are deletions; words underlined are additions.

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Section 14. Effective July 1, 2021, paragraphs (b), (c),
(1), (m), and (n) of subsection (1), as amended by this act, and
subsections (2) and (5) of section 408.036, Florida Statutes,
are amended to read:

630

408.036 Projects subject to review; exemptions.-

(1) APPLICABILITY.-Unless exempt under subsection (3), all
health-care-related projects, as described in this subsection,
are subject to review and must file an application for a
certificate of need with the agency. The agency is exclusively
responsible for determining whether a health-care-related
project is subject to review under ss. 408.031-408.045.

(b) The new construction or establishment of additional health care facilities, except for the construction of or establishment of a general hospital or a replacement health care facility when the proposed project site is located on the same site as or within 1 mile of the existing health care facility if the number of beds in each licensed bed category will not increase.

(c) The conversion from one type of health care facility
to another, including the conversion from a general hospital or
a specialty hospital, except that the conversion of a specialty
hospital to a general hospital is not subject to review.

648 (1) For beds in state mental health treatment facilities
 649 defined in s. 394.455 and state mental health forensic
 650 facilities operated under chapter 916.

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651 (1) (m) For beds in state developmental disabilities 652 centers as defined in s. 393.063. 653 (m) (m) For the establishment of a health care facility or 654 project that meets all of the following criteria: 655 1. The applicant was previously licensed within the past 656 21 days as a health care facility or provider that is subject to 657 subsection (1). 658 2. The applicant failed to submit a renewal application and the license expired on or after January 1, 2015. 659 The applicant does not have a license denial or 660 3. revocation action pending with the agency at the time of the 661 662 request. 4. The applicant's request is for the same service type, 663 664 district, service area, and site for which the applicant was 665 previously licensed. 666 The applicant's request, if applicable, includes the 5. 667 same number and type of beds as were previously licensed. 668 The applicant agrees to the same conditions that were 6. 669 previously imposed on the certificate of need or on an exemption 670 related to the applicant's previously licensed health care 671 facility or project. 672 The applicant applies for initial licensure as required 7. under s. 408.806 within 21 days after the agency approves the 673 674 exemption request. If the applicant fails to apply in a timely 675 manner, the exemption expires on the 22nd day following the

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676 agency's approval of the exemption.

677 (2) PROJECTS SUBJECT TO EXPEDITED REVIEW.-Unless exempt
678 pursuant to subsection (3), the following projects are subject
679 to expedited review:

(a) Transfer of a certificate of need, except that when an
existing hospital is acquired by a purchaser, all certificates
of need issued to the hospital which are not yet operational
shall be acquired by the purchaser without need for a transfer.

(5) NOTIFICATION.—Health care facilities and providers
 must provide to the agency notification of:

(a) replacement of a health care facility when the
proposed project site is located in the same district and on the
existing site or within a 1-mile radius of the replaced health
care facility, if the number and type of beds do not increase.

690 (b) The termination of a health care service, upon 30
 691 days' written notice to the agency.

692 (c) The addition or delicensure of beds. Notification
 693 under this subsection may be made by electronic, facsimile, or
 694 written means at any time before the described action has been
 695 taken.

696Section 15.Section 408.0361, Florida Statutes, is697repealed.

698 Section 16. Section 408.037, Florida Statutes, is amended 699 to read:

700 408.037 Application content.-

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(1) Except as provided in subsection (2) for a general
hospital, An application for a certificate of need must contain:
(a) A detailed description of the proposed project and
statement of its purpose and need in relation to the district
health plan.
(b) A statement of the financial resources needed by and

707 available to the applicant to accomplish the proposed project. 708 This statement must include:

709 A complete listing of all capital projects, including 1. new health facility development projects and health facility 710 711 acquisitions applied for, pending, approved, or underway in any 712 state at the time of application, regardless of whether or not 713 that state has a certificate-of-need program or a capital 714 expenditure review program pursuant to s. 1122 of the Social 715 Security Act. The agency may, by rule, require less-detailed 716 information from major health care providers. This listing must 717 include the applicant's actual or proposed financial commitment to those projects and an assessment of their impact on the 718 719 applicant's ability to provide the proposed project.

720 2. A detailed listing of the needed capital expenditures,721 including sources of funds.

3. A detailed financial projection, including a statement
of the projected revenue and expenses for the first 2 years of
operation after completion of the proposed project. This
statement must include a detailed evaluation of the impact of

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726 the proposed project on the cost of other services provided by 727 the applicant.

(c) An audited financial statement of the applicant or the applicant's parent corporation if audited financial statements of the applicant do not exist. In an application submitted by an existing health care facility, health maintenance organization, or hospice, financial condition documentation must include, but need not be limited to, a balance sheet and a profit-and-loss statement of the 2 previous fiscal years' operation.

735 An application for a certificate of need for a general (2)736 hospital must contain a detailed description of the proposed 737 general hospital project and a statement of its purpose and the 738 needs it will meet. The proposed project's location, as well as 739 its primary and secondary service areas, must be identified by 740 zip code. Primary service area is defined as the zip codes from 741 which the applicant projects that it will draw 75 percent of its 742 discharges. Secondary service area is defined as the zip codes 743 from which the applicant projects that it will draw its 744 remaining discharges. If, subsequent to issuance of a final 745 order approving the certificate of need, the proposed location 746 of the general hospital changes or the primary service area 747 materially changes, the agency shall revoke the certificate of need. However, if the agency determines that such changes are 748 749 deemed to enhance access to hospital services in the service 750 district, the agency may permit such changes to occur. A party

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751 participating in the administrative hearing regarding the 752 issuance of the certificate of need for a general hospital has 753 standing to participate in any subsequent proceeding regarding 754 the revocation of the certificate of need for a hospital for 755 which the location has changed or for which the primary service area has materially changed. In addition, the application for 756 757 the certificate of need for a general hospital must include a 758 statement of intent that, if approved by final order of the 759 agency, the applicant shall within 120 days after issuance of 760 the final order or, if there is an appeal of the final order, 761 within 120 days after the issuance of the court's mandate on 762 appeal, furnish satisfactory proof of the applicant's financial 763 ability to operate. The agency shall establish documentation 764 requirements, to be completed by each applicant, which show anticipated provider revenues and expenditures, the basis for 765 766 financing the anticipated cash-flow requirements of the 767 provider, and an applicant's access to contingency financing. A 768 party participating in the administrative hearing regarding the 769 issuance of the certificate of need for a general hospital may 770 provide written comments concerning the adequacy of the 771 financial information provided, but such party does not have 772 standing to participate in an administrative proceeding 773 regarding proof of the applicant's financial ability to operate. 774 The agency may require a licensee to provide proof of financial 775 ability to operate at any time if there is evidence of financial

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776	instability, including, but not limited to, unpaid expenses
777	necessary for the basic operations of the provider.
778	(2) (3) The applicant must certify that it will license and
779	operate the health care facility. For an existing health care
780	facility, the applicant must be the licenseholder of the
781	facility.
782	Section 17. Paragraphs (c) and (d) of subsection (3),
783	paragraphs (b) and (c) of subsection (5), and paragraph (d) of
784	subsection (6) of section 408.039, Florida Statutes, are amended
785	to read:
786	408.039 Review process.—The review process for
787	certificates of need shall be as follows:
788	(3) APPLICATION PROCESSING
789	(c) Except for competing applicants, in order to be
790	eligible to challenge the agency decision on a general hospital
791	application under review pursuant to paragraph (5)(c), existing
792	hospitals must submit a detailed written statement of opposition
793	to the agency and to the applicant. The detailed written
794	statement must be received by the agency and the applicant
795	within 21 days after the general hospital application is deemed
796	complete and made available to the public.
797	(d) In those cases where a written statement of opposition
798	has been timely filed regarding a certificate of need
799	application for a general hospital, the applicant for the
800	general hospital may submit a written response to the agency.

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## 801 Such response must be received by the agency within 10 days of 802 the written statement due date.

803

(5) ADMINISTRATIVE HEARINGS.-

804 Hearings shall be held in Tallahassee unless the (b) 805 administrative law judge determines that changing the location 806 will facilitate the proceedings. The agency shall assign 807 proceedings requiring hearings to the Division of Administrative 808 Hearings of the Department of Management Services within 10 days after the time has expired for requesting a hearing. Except upon 809 unanimous consent of the parties or upon the granting by the 810 811 administrative law judge of a motion of continuance, hearings 812 shall commence within 60 days after the administrative law judge 813 has been assigned. For an application for a general hospital, 814 administrative hearings shall commence within 6 months after the 815 administrative law judge has been assigned, and a continuance 816 may not be granted absent a finding of extraordinary 817 circumstances by the administrative law judge. All parties, 818 except the agency, shall bear their own expense of preparing a 819 transcript. In any application for a certificate of need which 820 is referred to the Division of Administrative Hearings for 821 hearing, the administrative law judge shall complete and submit 822 to the parties a recommended order as provided in ss. 120.569 and 120.57. The recommended order shall be issued within 30 days 823 after the receipt of the proposed recommended orders or the 824 825 deadline for submission of such proposed recommended orders,

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826 whichever is earlier. The division shall adopt procedures for 827 administrative hearings which shall maximize the use of 828 stipulated facts and shall provide for the admission of prepared 829 testimony.

830 (C) In administrative proceedings challenging the issuance 831 or denial of a certificate of need, only applicants considered 832 by the agency in the same batching cycle are entitled to a 833 comparative hearing on their applications. Existing health care facilities may initiate or intervene in an administrative 834 835 hearing upon a showing that an established program will be 836 substantially affected by the issuance of any certificate of 837 need, whether reviewed under s. 408.036(1) or (2), to a 838 competing proposed facility or program within the same district. 839 With respect to an application for a general hospital, competing 840 applicants and only those existing hospitals that submitted a 841 detailed written statement of opposition to an application as 842 provided in this paragraph may initiate or intervene in an 843 administrative hearing. Such challenges to a general hospital 844 application shall be limited in scope to the issues raised in 845 the detailed written statement of opposition that was provided 846 to the agency. The administrative law judge may, upon a motion 847 showing good cause, expand the scope of the issues to be heard at the hearing. Such motion shall include substantial and 848 849 detailed facts and reasons for failure to include such issues in 850 the original written statement of opposition.

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851	(6) JUDICIAL REVIEW
852	(d) The party appealing a final order that grants a
853	general hospital certificate of need shall pay the appellee's
854	attorney's fees and costs, in an amount up to \$1 million, from
855	the beginning of the original administrative action if the
856	appealing party loses the appeal, subject to the following
857	limitations and requirements:
858	1. The party appealing a final order must post a bond in
859	the amount of \$1 million in order to maintain the appeal.
860	2. Except as provided under s. 120.595(5), in no event
861	shall the agency be held liable for any other party's attorney's
862	fees or costs.
863	Section 18. Subsection (1) of section 408.043, Florida
864	Statutes, is amended to read:
865	408.043 Special provisions
866	(1) OSTEOPATHIC ACUTE CARE HOSPITALSWhen an application
867	is made for a certificate of need to construct or to expand an
868	osteopathic acute care hospital, the need for such hospital
869	shall be determined on the basis of the need for and
870	availability of osteopathic services and osteopathic acute care
871	hospitals in the district. When a prior certificate of need to
872	establish an osteopathic acute care hospital has been issued in
873	a district, and the facility is no longer used for that purpose,
874	the agency may continue to count such facility and beds as an
875	existing osteopathic facility in any subsequent application for

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876	construction of an osteopathic acute care hospital.
877	Section 19. Section 408.0455, Florida Statutes, is amended
878	to read:
879	408.0455 Rules; pending proceedingsThe rules of the
880	agency in effect on June 30, 2004, shall remain in effect and
881	shall be enforceable by the agency with respect to ss. 408.031-
882	408.045 until such rules are repealed or amended by the agency.
883	Rules 59C-1.039 through 59C-1.044, F.A.C., remain in effect for
884	the sole purpose of maintaining licensure requirements for the
885	applicable services until the agency has adopted rules for the
886	corresponding services pursuant to s. 395.1055(1)(i), Florida
887	Statutes 2018.
888	Section 20. Subsection (3) of section 408.808, Florida
889	Statutes, is amended to read:
890	408.808 License categories
891	(3) INACTIVE LICENSE.—An inactive license may be issued to
892	a <u>hospital or a</u> health care provider subject to the certificate-
893	of-need provisions in part I of this chapter when the provider
894	is currently licensed, does not have a provisional license, and
895	will be temporarily unable to provide services but is reasonably
896	expected to resume services within 12 months. Such designation
897	may be made for a period not to exceed 12 months but may be
898	renewed by the agency for up to 12 additional months upon
899	demonstration by the licensee of the provider's progress toward
900	reopening. However, if after 20 months in an inactive license

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901 status, a statutory rural hospital, as defined in s. 395.602, 902 has demonstrated progress toward reopening, but may not be able 903 to reopen prior to the inactive license expiration date, the 904 inactive designation may be renewed again by the agency for up 905 to 12 additional months. For purposes of such a second renewal, 906 if construction or renovation is required, the licensee must 907 have had plans approved by the agency and construction must have 908 already commenced pursuant to s. 408.032(4); however, if 909 construction or renovation is not required, the licensee must provide proof of having made an enforceable capital expenditure 910 911 greater than 25 percent of the total costs associated with the 912 hiring of staff and the purchase of equipment and supplies 913 needed to operate the facility upon opening. A request by a 914 licensee for an inactive license or to extend the previously 915 approved inactive period must be submitted to the agency and 916 must include a written justification for the inactive license 917 with the beginning and ending dates of inactivity specified, a plan for the transfer of any clients to other providers, and the 918 919 appropriate licensure fees. The agency may not accept a request 920 that is submitted after initiating closure, after any suspension of service, or after notifying clients of closure or suspension 921 922 of service, unless the action is a result of a disaster at the licensed premises. For the purposes of this section, the term 923 924 "disaster" means a sudden emergency occurrence beyond the 925 control of the licensee, whether natural, technological, or

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926 manmade, which renders the provider inoperable at the premises. 927 Upon agency approval, the provider shall notify clients of any 928 necessary discharge or transfer as required by authorizing 929 statutes or applicable rules. The beginning of the inactive 930 license period is the date the provider ceases operations. The 931 end of the inactive license period shall become the license 932 expiration date. All licensure fees must be current, must be 933 paid in full, and may be prorated. Reactivation of an inactive 934 license requires the approval of a renewal application, 935 including payment of licensure fees and agency inspections 936 indicating compliance with all requirements of this part, authorizing statutes, and applicable rules. 937

938 Section 21. The Office of Program Policy Analysis and 939 Government Accountability shall review federal requirements and 940 other states' licensure statutes and rules governing the 941 provision of tertiary health services as defined in s. 408.032, 942 Florida Statutes 2018, and shall make recommendations to the 943 President of the Senate and the Speaker of the House of 944 Representatives on best practices, including recommendations on 945 minimum volume requirements, as applicable, regarding the 946 establishment of licensure standards for such programs by November 1, 2019. 947 Section 22. Except as otherwise expressly provided in this 948 949 act, this act shall take effect July 1, 2019.

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