

1 A bill to be entitled
 2 An act relating to hospital, hospital system, or
 3 provider organization transactions; creating s.
 4 542.275, F.S.; providing definitions; requiring
 5 certain entities to submit written notice of a
 6 specified filing to the Office of the Attorney General
 7 relating to certain hospital, hospital system, or
 8 provider organization transactions within a specified
 9 timeframe; requiring that such entities submit written
 10 notice of a material change to the office within a
 11 specified period; providing requirements for such
 12 notice; authorizing the office to request additional
 13 information or issue a civil investigative demand;
 14 requiring the office to submit a biennial report to
 15 the Legislature by a specified date; providing a civil
 16 penalty; providing that such penalty be deposited into
 17 a specified trust fund; authorizing the office to
 18 engage the services of certain persons to fulfill its
 19 duties; providing an effective date.

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 21 Be It Enacted by the Legislature of the State of Florida:

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 23 Section 1. Section 542.275, Florida Statutes, is created
 24 to read:

25 542.275 Hospital, hospital system, or provider

26 organization mergers, acquisitions, and other transactions;
27 notice; reporting; penalty.—

28 (1) As used in this section, the term:

29 (a) "Acquisition" means an agreement, arrangement, or
30 activity which results in a hospital, hospital system, or
31 provider organization, directly or indirectly, obtaining control
32 of another hospital, hospital system, or provider organization,
33 including, but not limited to, the acquisition of voting
34 securities and noncorporate interests, such as assets, capital
35 stock, membership interests, or equity interests.

36 (b) "Contracting affiliation" means a relationship between
37 two or more entities wherein the entities have the ability to
38 negotiate jointly with payors over rates for health care
39 services, or one entity negotiates on behalf of the other entity
40 with payors over rates for professional medical services in the
41 primary service area in which the entities operate. The term
42 does not include arrangements among entities under common
43 ownership.

44 (c) "Health care provider" means a physician licensed
45 under chapter 458, chapter 459, chapter 460, or chapter 461; a
46 person licensed under chapter 463; or a dentist licensed under
47 chapter 466.

48 (d) "Hospital" has the same meaning as provided in s.
49 395.002.

50 (e) "Hospital system" means:

51 1. A corporation that owns one or more hospitals and any
52 entity affiliated with such corporation through ownership or
53 control; or

54 2. A hospital and any entity affiliated with such hospital
55 through ownership.

56 (f) "Material change" means a merger, acquisition, or
57 contracting affiliation that generates a combined revenue of \$50
58 million or more between two or more entities of the following
59 types:

60 1. Hospitals;

61 2. Hospital systems; or

62 3. Provider organizations.

63 (g) "Payor" means any entity or person that negotiates or
64 assumes financial responsibility for a defined set of benefits
65 from a health insurance plan or health insurance program. The
66 term includes, but is not limited to, federal, state, and local
67 governmental entities or agencies; affiliates; health insurance
68 companies; health maintenance organizations; insurers; nonprofit
69 religious organizations; persons; preferred provider
70 organizations; prepaid limited health service organizations; and
71 third-party administrators.

72 (h) "Primary service area" means the geographic area
73 measured by the fewest number of zip codes from which the
74 hospital, hospital system, or provider organization draws at
75 least 75 percent of its patients.

76 (i) "Provider organization" means a corporation,
77 partnership, business trust, association, or organized group of
78 persons, whether incorporated or not, which is in the business
79 of health care services and represents four or more health care
80 providers in contracting with payors for the payments of health
81 care services. The term includes, but is not limited to,
82 physician organizations, physician-hospital organizations,
83 independent practice associations, provider networks, and
84 accountable care organizations.

85 (2) (a) Any hospital, hospital system, or provider
86 organization conducting business in this state which is required
87 to file the Notification and Report Form for Certain Mergers and
88 Acquisitions pursuant to the Hart-Scott-Rodino Antitrust
89 Improvements Act of 1976, 15 U.S.C. s. 18a(a), shall provide
90 written notice of such filing to the Office of the Attorney
91 General at the same time that notice is filed with the Federal
92 Government.

93 (b) Except when notice is required pursuant to paragraph
94 (a), at least 90 days before the effective date of any
95 transaction that would result in a material change, the parties
96 to the transaction shall submit written notice to the Office of
97 the Attorney General of such material change. Such written
98 notice must identify all acquisitions that occurred during the 5
99 years preceding the date of the notice.

100 (c) The written notice required under paragraphs (a) and

101 (b) shall include all of the following:

102 1. The names of the parties and their current business
103 addresses.

104 2. A description of the proposed relationship among the
105 parties to the proposed transaction.

106 3. A description of the health care services at each
107 location where services are currently provided and at any
108 locations where health care services will be provided.

109 4. The primary service area to be served by each location.

110 (d) Any written notice required under this subsection
111 shall identify information that the hospital, hospital system,
112 or provider organization deems a trade secret, as defined in s.
113 688.002, or redact confidential information that is exempt from
114 public records requirements.

115 (e) Upon receipt of any written notice submitted pursuant
116 to this subsection, the Office of the Attorney General may
117 request additional information or issue a civil investigative
118 demand under s. 542.28.

119 (f) A hospital, hospital system, or provider organization
120 who is a party to a material change may voluntarily provide
121 additional information to the Office of the Attorney General.

122 (3) Beginning January 1, 2022, the Office of the Attorney
123 General shall submit a biennial report to the President of the
124 Senate and the Speaker of the House of Representatives regarding
125 its review of transactions under this section.

126 (4) A hospital, hospital system, or provider organization
127 that fails to comply with this section is subject to a civil
128 penalty of not more than \$500,000, which shall be deposited into
129 the Legal Affairs Revolving Trust Fund created under s.
130 16.53(1).

131 (5) In any review authorized under this section, the
132 Office of the Attorney General may engage the services of
133 consultants, experts, accountants, economists, analysts, and
134 other assistants. When the review of a transaction is completed,
135 the reasonable expenses related to such services shall be paid
136 by the parties to the transaction.

137 Section 2. This act shall take effect July 1, 2021.