

# FLORIDA HOUSE OF REPRESENTATIVES

## BILL ANALYSIS

*This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.*

**BILL #:** [CS/HB 1543](#)

**TITLE:** Controlling Interests in Health Care Licenses

**SPONSOR(S):** Busatta

**COMPANION BILL:** [CS/CS/SB 768](#) (Calatayud)

**LINKED BILLS:** None

**RELATED BILLS:** None

### Committee References

[Health Care Facilities & Systems](#)

17 Y, 0 N, As CS



[Health & Human Services](#)

## SUMMARY

### Effect of the Bill:

CS/HB 1543 requires a health care provider licensee to ensure that a person who holds a direct, rather than direct or indirect, controlling interest in the health care provider does not also directly, rather than directly or indirectly, hold an interest in another entity that maintains a business relationship prohibited by the State of Florida.

### Fiscal or Economic Impact:

The bill has an indeterminate, positive economic impact on the private sector.

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## ANALYSIS

### EFFECT OF THE BILL:

#### Health Care Facilities and Foreign Countries of Concern

Current law requires health care facilities to ensure that no person who holds a direct or indirect controlling interest in the facility also holds a direct or indirect interest in an entity that has a business relationship with a [foreign country of concern](#) or certain [scrutinized companies](#). Facilities must attest to compliance with this requirement, under penalty perjury, as a condition of licensure.<sup>1</sup>

CS/HB 1543 limits the scope of this facility obligation to interests which are direct, rather than indirect. Specifically, the bill requires a facility to ensure that those with a direct controlling interest in the facility have no directly-held interests in an entity which has a business relationship with a foreign country of concern or a scrutinized company. The effect of this is to exempt a person's indirect controlling interests in the facility, and their indirect interests in entities with prohibited business relationships, from consideration in a licensure application. (Section [1](#))

The bill retains the provision in current law making this obligation applicable to the health care provider applicant or licensee and its officers, board members, and investors holding an ownership interest in the provider of at least five percent. (Section [1](#))

The bill limits the business relationships regulated by the law to include only commercial engagements involving the acquisition, development, maintenance, ownership, sale, possession, lease, or operation of equipment, facilities, personnel, products, real property or military equipment. (Section [1](#)).

In practice, a license holder will not be required to research and document each interest held by an officer, board member, or investor to ensure that even attenuated interests do not involve a prohibited business relationship with a foreign country of concern or a scrutinized company. The bill content effectively recognizes that licensees

<sup>1</sup> S. [408.806\(1\), F.S.](#)

may not have access to the information they need to absolutely ensure they satisfy the controlling interest requirement of the subsection.

The bill takes effect July 1, 2025. (Section [2](#)).

## **RULEMAKING:**

The bill modifies a provision of law that is already under AHCA's existing rulemaking authority, pursuant to [s. 409.819, F.S.](#), thus allowing AHCA to make rules to implement the bill.

***Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.***

## **FISCAL OR ECONOMIC IMPACT:**

### **PRIVATE SECTOR:**

The bill has an indeterminate, positive economic impact on the private sector, due to the reduction in the depth of obligation to research certain business relationships. The bill may attract additional health care business to the state, to the extent that the requirements of current law have a chilling effect.

## **RELEVANT INFORMATION**

### **SUBJECT OVERVIEW:**

#### **Health Care Licensing Procedures Act**

The Health Care Licensing Procedures Act<sup>2</sup> (Act) provides a set of basic licensing requirements for health care providers regulated by the Florida Agency for Health Care Administration (AHCA)<sup>3</sup>. This includes 49,823 health care providers as of February 21, 2025.<sup>4</sup>

The Act prohibits an individual, corporation, partnership, firm, association, governmental entity, or other entity from rendering certain health care services, or from operating or maintaining a provider that renders health care services that requires license, without first obtaining a health care provider license from AHCA.<sup>5</sup> Under the Act, the issuance of a license is not a contract or an agreement between the state and the licensee,<sup>6</sup> but rather a privilege that is granted by the state based upon the licensee complying with licensure and certification requirements.<sup>7</sup>

#### Health Care Provider Controlling Interests and Prohibited Business Relationships

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<sup>2</sup> Chapter 408, Part II, F.S., see also [s. 408.801\(1\), F.S.](#) (providing the short title).

<sup>3</sup> AHCA regulates laboratories, birth centers, abortion clinics, crisis stabilization units, short-term residential treatment facilities, residential treatment facilities, residential treatment centers for children and adolescents, hospitals, ambulatory surgical centers, nursing homes, assisted living facilities, home health agencies, nurse registries, companion services or homemaker services providers, adult day care centers, hospices, adult family-care homes, homes for special services, transitional living facilities, prescribed pediatric extended care centers, home medical equipment providers, intermediate care facilities for persons with developmental disabilities, health care services pools, health care clinics, and organ, tissue, and eye procurement organizations.

<sup>4</sup> S. [408.801\(2\), F.S.](#); Agency for Health Care Administration, Agency Bill Analysis for SB 768 (2025), pp. 2 (Feb. 19, 2025) (on file with Health and Human Services Committee). SB 768 (2025) is the companion bill to HB 1543 (2025).

<sup>5</sup> S. [408.804\(1\), F.S.](#), see [s. 408.803, F.S.](#)

<sup>6</sup> Agency for Health Care Administration, Agency Bill Analysis for SB 768 (2025), pp. 2 (Feb. 19, 2025) (on file with Health and Human Services Committee). SB 768 (2025) is the companion bill to HB 1543 (2025).

<sup>7</sup> Agency for Health Care Administration, Agency Bill Analysis for SB 768 (2025), pp. 2 (Feb. 19, 2025) (on file with Health and Human Services Committee). SB 768 (2025) is the companion bill to HB 1543 (2025).

Current law requires an applicant for licensure as a health care provider to ensure that a person or entity who possesses a controlling interest in the provider does not also directly or indirectly hold an interest in another entity that maintains a business relationship<sup>8</sup> with foreign countries of concern and certain scrutinized companies to whom the State of Florida cannot award government contracts.<sup>9</sup> A five percent ownership interest in the applicant or licensee, or a five percent ownership interest in an administrative entity that manages the health care provider, constitutes a controlling interest when held by an officer, a board member, or an investor.<sup>10</sup> An interest includes any direct or indirect investment in, or loan to, the entity valued at 5 percent or more of the entity's net worth or any form of direct or indirect control exerting similar or greater influence on the governance of the entity.<sup>11</sup>

Under the Act, [foreign countries of concern](#) include the People's Republic of China, the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the Venezuelan regime of Nicolás Maduro, or the Syrian Arab Republic, and any agency of or any other entity of significant control of the aforementioned powers.<sup>12</sup> [Scrutinized companies](#) include those with business operations in Cuba or Syria, those on the Scrutinized Companies that Boycott Israel List, those engaged in a boycott of Israel, those on the Scrutinized Companies with Activities in Sudan List, those on the Scrutinized Companies with Activities in Iran Terrorism Sectors List, and those on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List.<sup>13</sup>

An applicant, licensee, officer, board member, or investor with at least a 5 percent ownership interest has a controlling interest and cannot simultaneously hold an interest in another entity that maintains a prohibited business relationship.<sup>14</sup>

Licensure applicants must attest, under penalty of perjury, that they are in compliance with these requirements.<sup>15</sup>

In practice, AHCA verifies the background screening of individuals possessing a controlling interest (generally 5 percent or more) in the licensee if their names are listed on the application.<sup>16</sup> However, some business entities having a controlling interest in a licensee have chosen to not name or disclose individuals. AHCA reports that, aside from the application process, there is no mechanism by which its staff can verify whether the controlling interest requirement has been satisfied.<sup>17</sup> AHCA also notes that it is a registered user of the SAVE Program<sup>18</sup> provided by the U.S. Department of Homeland Security, and so can determine the status of nonimmigrant aliens possessing controlling interests in home health agencies, home medical equipment providers, and health care clinics.<sup>19</sup>

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<sup>8</sup> For purposes of the Act, a business relationship is engaging in commerce in any form, including, but not limited to, acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, military equipment, or any other apparatus of business or commerce. s. 408.810(15)(b)1., F.S.

<sup>9</sup> S. [408.810\(15\), F.S.](#)

<sup>10</sup> See S. [408.810\(15\)\(a\), F.S.](#), see s. [408.803\(7\), F.S.](#) The term does not include voluntary board member.

<sup>11</sup> S. 408.810(15)(b)3., F.S.

<sup>12</sup> Id.

<sup>13</sup> See s. [287.135, F.S.](#)

<sup>14</sup> S. 408.810(15)(b)3., F.S.

<sup>15</sup> S. [408.806\(1\), F.S.](#)

<sup>16</sup> S. [408.809\(1\)\(d\), F.S.](#)

<sup>17</sup> Agency for Health Care Administration, Agency Bill Analysis for SB 768 (2025), pp. 2 (Feb. 19, 2025) (on file with Health and Human Services Committee). SB 768 (2025) is the companion bill to HB 1543 (2025).

<sup>18</sup> SAVE is an online service for registered federal, state, territorial, tribal, and local government agencies to verify immigration status and naturalized/acquired U.S. citizenship of applicants seeking benefits or licenses. United States Department of Homeland Security, SAVE, <https://www.uscis.gov/save> (last visited Apr. 1, 2025).

<sup>19</sup> Agency for Health Care Administration, Agency Bill Analysis for SB 768 (2025), pp. 2 (Feb. 19, 2025) (on file with Health and Human Services Committee). SB 768 (2025) is the companion bill to HB 1543 (2025).

**RECENT LEGISLATION:**

YEAR	BILL #	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2023	<a href="#">CS/CS/SB 264</a>	Borrero	Collins	Became law on July 1, 2023.

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**BILL HISTORY**

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
<a href="#">Health Care Facilities &amp; Systems Subcommittee</a>	17 Y, 0 N, As CS	4/2/2025	Calamas	DesRochers
THE CHANGES ADOPTED BY THE COMMITTEE:				
<ul style="list-style-type: none"><li>Requires a health care provider licensee to ensure that a person or entity with a direct controlling interest does not also directly hold an interest in an entity that has a prohibited business relationship with certain international powers and scrutinized businesses.</li><li>Limits what constitutes a business relationship to acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, or military equipment.</li></ul>				
<a href="#">Health &amp; Human Services Committee</a>				

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**THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.**  
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