

By Representative Mackey

1                                   A bill to be entitled  
2           An act relating to certificate of need;  
3           amending s. 408.036, F.S.; providing an  
4           exemption from certificate-of-need review for  
5           certain conversions of licensed acute care  
6           hospital beds to skilled nursing beds;  
7           providing for expiration of the exemption;  
8           requiring the Agency for Health Care  
9           Administration to adopt a rule methodology for  
10          separate evaluation of applications for skilled  
11          nursing beds in facilities licensed under ch.  
12          395, F.S.; limiting certain challenges;  
13          providing for standards and criteria for  
14          evaluating need; providing a timeframe for rule  
15          promulgation; continuing the exemption from  
16          review under certain circumstances; providing  
17          an effective date.

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

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21           Section 1. Paragraph (1) is added to subsection (3) of  
22          section 408.036, Florida Statutes, as amended by chapters  
23          93-214, 94-206, and 94-418, Laws of Florida, and subsection  
24          (4) is added to said section, to read:

25           408.036 Projects subject to review.--

26           (3) EXEMPTIONS.--Upon request, supported by such  
27          documentation as the department requires, the department shall  
28          grant an exemption from the provisions of subsection (1):

29           (1) For the conversion of licensed acute care hospital  
30          beds to skilled nursing beds, provided the conversion of beds  
31          does not require the construction of new facilities. The total

1 number of acute care beds converted to skilled nursing beds  
2 pursuant to this paragraph shall not exceed 16 in a hospital  
3 with 200 or fewer licensed beds, nor 24 in a hospital with  
4 more than 200 licensed beds. This exemption shall expire on  
5 December 31, 1998, or the date on which a rule methodology is  
6 promulgated pursuant to subsection (4), whichever is later.  
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8 A request for exemption under this subsection may be made at  
9 any time and is not subject to the batching requirements of  
10 this section.

11 (4) By July 1, 1997, the Agency for Health Care  
12 Administration shall file a rule methodology which provides  
13 for the separate evaluation of applications for skilled  
14 nursing beds in facilities licensed pursuant to chapter 395.  
15 Such application shall not be subject to comparative review  
16 with facilities licensed pursuant to chapter 400. Facilities  
17 licensed pursuant to chapter 400 shall not have standing to  
18 challenge applications filed by facilities licensed pursuant  
19 to chapter 395, nor shall facilities licensed pursuant to  
20 chapter 395 have standing to challenge applications for  
21 skilled nursing beds in facilities licensed pursuant to  
22 chapter 400. The methodology must include, as a criteria, a  
23 minimum volume threshold of the 10 diagnostic-related groups  
24 identified as the principal diagnoses for admission to a  
25 hospital-based skilled nursing unit in the final report of the  
26 panel created pursuant to s. 142 of chapter 95-418, Laws of  
27 Florida, and may also utilize other standards and criteria  
28 that are reasonable and appropriate for evaluating the need  
29 for skilled nursing beds in a hospital-based setting. The need  
30 for a hospital-based skilled nursing unit shall be presumed to  
31 be met when 10 percent of the cases presenting for inpatient

1 acute admissions, excluding labor and delivery, fall within  
2 these 10 diagnostic-related groups. When this minimum level is  
3 met or exceeded, a hospital may convert up to 12 acute care  
4 beds to skilled nursing beds if the hospital has 200 or fewer  
5 licensed beds, and may convert up to 16 acute care beds if the  
6 hospital has more than 200 licensed beds. The need methodology  
7 for hospitals with existing skilled nursing units shall be  
8 presumed to be met if occupancy of the existing unit is in  
9 excess of 80 percent. If such occupancy is met, the hospital  
10 may convert a minimum of eight beds. The methodology shall be  
11 promulgated by rule within 90 days after the effective date of  
12 this act. If the agency fails to promulgate the rules within  
13 that period or if the rule is declared invalid in a proceeding  
14 pursuant to s. 120.56, hospitals with 200 or fewer licensed  
15 beds are exempt from review for the conversion of 12 acute  
16 care beds to skilled nursing beds and hospitals with more than  
17 200 licensed beds are exempt from review for the conversion of  
18 16 acute care beds to skilled nursing beds.

19           Section 2. This act shall take effect July 1, 1997.  
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HOUSE SUMMARY

Provides an exemption from certificate-of-need review for conversion of up to specified numbers of acute care hospital beds to skilled nursing beds, when no new facility construction is required. Provides for expiration of the exemption on December 31, 1998, or the date the Agency for Health Care Administration promulgates a rule methodology for separate evaluation of applications for skilled nursing beds in facilities licensed under ch. 395, F.S., whichever is later. Provides for standards and criteria for evaluating need under such rule. Requires the agency to promulgate such rule within 90 days after the effective date of the act. Provides for continuation of the exemption if that time requirement is not met or the rule is declared invalid in an administrative proceeding. Prohibits certain comparative review of facilities licensed under ch. 395, F.S., and those licensed under ch. 400, F.S., and limits standing of such facilities to challenge certain certificate of need applications.