Florida Senate - 1998

By Senator Klein

28-912A-98 A bill to be entitled 1 2 An act relating to mental health partial 3 hospitalization programs; creating s. 394.92, 4 F.S.; authorizing services, license 5 requirements, and penalties; creating s. 6 394.921, F.S.; providing definitions; creating 7 s. 394.922, F.S.; requiring an application; creating s. 394.923, F.S.; requiring background 8 9 screening; creating s. 394.424, F.S.; authorizing fees for licensure and license 10 renewal; creating s. 394.925, F.S.; providing 11 12 for the issuance and renewal of licenses; creating s. 394.926, F.S.; providing for 13 program standards and rules; creating s. 14 394.927, F.S.; requiring a quality assurance 15 program; creating s. 394.928, F.S.; providing 16 17 for enforcement; providing penalties; creating s. 394.929, F.S.; providing for inspection, 18 19 right of entry, and records; creating s. 20 394.93, F.S.; providing for denial, suspension, 21 and revocation of licenses; creating s. 22 394.931, F.S.; requiring the reporting of adverse incidents; creating s. 394.932, F.S.; 23 providing for access to records; creating s. 24 394.933, F.S.; providing penalties for the 25 26 alteration and improper disposal of patients' 27 records; creating s. 394.935, F.S.; providing 28 for compliance with patients' rights provisions; creating s. 394.936, F.S.; 29 30 prohibiting rebates; providing penalties for accepting rebates; creating s. 394.937, F.S.; 31 1

1 providing criteria for admitting patients; creating s. 394.938, F.S.; requiring partial 2 3 hospitalization programs to be conducted on 4 licensed premises; providing an effective date. 5 б Be It Enacted by the Legislature of the State of Florida: 7 8 Section 1. Section 394.92, Florida Statutes, is created to read: 9 10 394.92 Mental health partial hospitalization programs; 11 authorized services; license required; penalties .--(1)(a) Authorized services.--The purpose of a mental 12 health partial hospitalization program is to treat patients 13 who exhibit severe or disabling conditions related to an acute 14 psychiatric or psychological condition or an acute 15 exacerbation of a severe and persistent mental disorder. 16 17 Mental health partial hospitalization may occur in lieu of either admission to an inpatient hospital or a continued 18 19 inpatient hospitalization or residential care provided in a level I or level II residential treatment facility licensed 20 21 under chapter 394. A mental health partial hospitalization program provides a structured program that uses a 22 multidisciplinary team composed primarily of licensed mental 23 24 health professionals and other staff qualified to provide 25 comprehensive, coordinated services within an individual treatment plan. Mental health partial hospitalization is an 26 27 outpatient program that is provided to a specific patient for no more than 23 hours during any 24-hour period. A mental 28 29 health partial hospitalization program provides highly 30 intensive treatments intended to stabilize an acute 31 psychiatric condition and not primarily intended to provide 2

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1 rehabilitation for long-term disabilities resulting from long-term mental disorders. 2 3 (b) Components.--A mental health partial hospitalization program must offer a comprehensive array of 4 5 services and must include the following program components: б individual and group therapy with physicians or psychologists or other mental health professionals practicing within the 7 8 scope of their licensure; occupational therapy requiring the skills of a qualified occupational therapist; services of 9 trained psychiatric nurses and other staff trained to work 10 11 with psychiatric patients; drugs and biologicals furnished for therapeutic purposes; individualized activity therapies that 12 are not primarily recreational or diversionary; family 13 counseling that has the primary purpose of treating the 14 individual's condition; patient training and education that 15 clearly relate to the individual's care and treatment; and 16 17 diagnostic services. (2) Beginning October 1, 1998, it is unlawful for any 18 19 entity to hold itself out as a mental health partial hospitalization program, or to act as a mental health partial 20 21 hospitalization program, unless it is licensed by the agency under this chapter. This subsection is inapplicable to a 22 partial hospitalization program that is operated by a hospital 23 24 licensed under chapter 395. 25 (3) Any person who violates subsection (2) commits a misdemeanor of the first degree, punishable as provided in s. 26 27 775.082 or s. 775.083. Section 2. Section 394.921, Florida Statutes, is 28 29 created to read: 30 394.921 Definitions.--As used in ss. 394.92-394.938, 31 unless the context clearly requires otherwise, the term:

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1	(1) "Agency" means the Agency for Health Care
2	Administration.
3	(2) "Department" means the Department of Children and
4	Family Services.
5	(3) "Licensed facility" means a facility licensed in
6	accordance with this chapter.
7	(4) "Licensee" means the owner of a facility, whether
8	the owner is a corporation, a partnership, or an individual.
9	(5) "Mental health professionals" means clinical
10	psychologists, clinical social workers, physicians,
11	psychiatrists, and psychiatric nurses, as defined in s.
12	<u>394.455.</u>
13	(6) "Premises" means those buildings and facilities
14	located at the address of the licensed program and used for
15	the provision of mental health partial hospitalization
16	services.
17	Section 3. Section 394.922, Florida Statutes, is
18	created to read:
19	394.922 Applications
20	(1) Any person who wishes to be licensed under ss.
21	394.92-394.938 to provide mental health partial
22	hospitalization services must apply to the agency on forms
23	provided by the agency. The application must contain:
24	(a) The name and address of the applicant, the name of
25	the facility, and the address of the facility.
26	(b)1. If the applicant is a partnership, association,
27	or other form of entity other than an individual or a
28	corporation, the name and address of each member or owner of
29	the entity.
30	2. If the applicant is a corporation, the name and
31	address of each director or officer and the name and address
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1 of each person who holds at least a 5-percent ownership interest in the corporation. 2 3 (c) Such information as the agency considers necessary to establish the character and competency of the applicant and 4 5 of the administrator of the facility. The information that б applicants must provide includes, but is not limited to, a 7 sworn statement, made in accordance with s. 287.133(3)(b), 8 relating to public entity crimes. 9 (d) Such information as the agency considers necessary 10 to determine the ability of the applicant to demonstrate its 11 capacity to comply with rules adopted by the agency under ss. 394.92-394.938. 12 13 (2) The applicant for initial licensure shall furnish 14 proof satisfactory to the agency of its financial ability to operate the unit or facility in accordance with ss. 15 394.92-394.938, which may be accomplished by submitting to the 16 17 agency a surety bond in the amount of \$50,000. An applicant for an original license shall submit a balance sheet and a 18 19 statement projecting revenues, expenses, taxes, extraordinary items, and other credits and charges for the first 6 months of 20 operation. 21 Each applicant for licensure must undergo 22 (3) background screening in accordance with the following 23 24 procedures: 25 (a) As used in this subsection, the term: "Affiliated person" means any person who, directly 26 1. 27 or indirectly, manages, controls, or oversees the operation of a corporation or other business entity that is a licensee, 28 29 regardless of whether the person is a partner, a shareholder, 30 an owner, an officer, a director, an agent, or an employee of the entity. 31

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1	2. "Applicant" means an individual applicant, or any
2	officer, director, agent, managing employee, or affiliated
3	person, or any partner or shareholder who has an ownership
4	interest of 5 percent or more in the corporation, partnership,
5	or other business entity.
6	3. "Director" means any member of the official board
7	of directors reported in the organization's annual corporate
8	report to the Department of State, or, if no such report is
9	made, any member of the operating board of directors. The term
10	excludes members of separate, restricted boards that serve
11	only in an advisory capacity to the operating board.
12	4. "Managing employee" means the administrator or
13	other similarly titled individual who is responsible for the
14	daily operation of the facility.
15	(b) Upon receipt of a completed, signed, and dated
16	application, the agency shall undertake background screening
17	of the applicant, using the level 2 standards set forth in
18	chapter 436.
19	(c) Each applicant must submit to the Department of
20	Law Enforcement the information, including a full set of
21	fingerprints, which is necessary to enable a criminal
22	background investigation to be conducted, including a state
23	criminal-history and juvenile-history record check. The
24	Department of Law Enforcement shall forward the fingerprints
25	to the Federal Bureau of Investigation for a national
26	criminal-history record check. Upon completion of the state
27	and national criminal-history record checks, the Department of
28	Law Enforcement shall report the findings to the agency. The
29	actual cost of such state and national criminal-history record
30	checks must be borne by the applicant.
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1 (d) Each applicant must submit to the Department of Children and Family Services all information that is necessary 2 3 for conducting a record check through the central abuse registry. The actual cost of searching the central abuse 4 5 registry must be borne by the applicant. (e) A license may not be granted to an applicant who б 7 has been found quilty of, regardless of adjudication, or has 8 entered a plea of nolo contendere or guilty to, any offense prohibited under the level 2 standards of chapter 435. A 9 10 license may not be granted to any applicant who has a 11 confirmed report of abuse, neglect, or exploitation, as defined in s. 415.102, which has been uncontested or upheld 12 under s. 415.1075, or who has a proposed confirmed report that 13 remains unserved and is maintained in the central abuse 14 registry and tracking system pursuant to s. 415.1065(2)(c). 15 (f) Each applicant must submit to the agency with the 16 17 application information concerning any previous violation by the applicant, any fine, suspension, or termination that has 18 19 been imposed on the applicant under the laws or rules of this state or any other state, and any information concerning any 20 21 previous violation by the applicant of the laws, rules, or regulations relating to the Medicaid or Medicare programs. 22 23 (g) The agency may deny licensure to any applicant 24 who: 25 1. Has falsely represented a material fact in the 26 application or has omitted from the application any material 27 fact, including, but not limited to, the fact that a controlling or ownership interest is held by any officer, 28 29 director, agency, managing employee, affiliated person, 30 partner, or shareholder who may not be eligible to 31 participate;

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1	2. Has previously been found by any licensing,
2	certifying, or professional standards board of the Department
3	of Health to have violated the standards or conditions
4	relating to licensure or certification or the quality of
5	services provided; or
6	3. Has been or is currently excluded, suspended, or
7	terminated from, or has involuntarily withdrawn from,
8	participation in the Medicaid program of this or any other
9	state or from participation in the Medicare program or any
10	other governmental health care or health insurance program.
11	(h) Upon renewal of licensure, each applicant must
12	submit to the agency, under penalty of perjury, an affidavit
13	of compliance with the background screening provisions of this
14	section.
15	(i) Proof of compliance with the level 2 background
16	screening requirements of chapter 435 which has been submitted
17	within the previous 5 years in compliance with any other
18	health care licensure requirements of this state is acceptable
19	in fulfillment of the Department of Law Enforcement and
20	Department of Children and Family Services background check if
21	the proof of compliance is accompanied, under penalty of
22	perjury, by an affidavit of compliance with these background
23	screening provisions.
24	(4) The applicant shall provide proof of liability
25	insurance coverage in amounts set by the agency by rule.
26	(5) The agency must disapprove an application for such
27	a license if it determines that a program should not be
28	licensed under ss. 394.92-394.938.
29	Section 4. Section 394.923, Florida Statutes, is
30	created to read:
31	394.923 Background screening
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(1)(a) The owner or operator of a facility that
provides mental health partial hospitalization services shall
conduct level 1 background screening, including
criminal-history record checks and abuse-registry checks, on
all direct-care employees in accordance with chapter 435.
Background-screening forms provided by the agency must be used
for this purpose.
(b) Pursuant to chapter 435, an employee may not be
retained if the employee is not of suitable character or
competency as indicated by the results of the criminal-history
record check or abuse-registry check conducted in connection
with the background screening. The agency may exempt an
individual from disqualification for employment in accordance
with chapter 435.
(2) When an employee, a volunteer, an operator, or an
owner of a mental health partial hospitalization facility has
a confirmed report of adult abuse, neglect, or exploitation,
as defined in s. 415.102, and the protective investigator
knows that the individual is an employee, a volunteer, an
operator, or an owner of the facility, the agency must be
notified of the confirmed report.
Section 5. Section 394.924, Florida Statutes, is
created to read:
394.924 Fees
(1) Each application for licensure or renewal of
licensure to provide mental health partial hospitalization
services must be accompanied by a fee set by the agency by
rule. Such fees must be calculated to cover only the

- 29 reasonable cost of regulation under ss. 394.92-394.938.
- 30 (2) All fees collected under this section must be
- 31 deposited in the Health Care Trust Fund.

1 Section 6. Section 394.925, Florida Statutes, is 2 created to read: 3 394.925 Issuance and renewal of licenses.--(1) Upon reviewing the application for licensure to 4 5 provide mental health partial hospitalization services and б receiving appropriate fees, the agency shall issue an original 7 license or a renewal license to any applicant who meets the 8 requirements of ss. 394.92-394.938. 9 (2) A license is valid for a period of 1 year. An 10 applicant for renewal of a license must apply to the agency at 11 least 90 days before the current license expires. (3) A license may not be transferred from one entity 12 to another and is valid only for the premises for which it was 13 originally issued. As used in this subsection, the term 14 "transfer" includes, but is not limited to, transfer of a 15 majority of the ownership interests in a licensee or transfer 16 of responsibilities under the license to another entity by 17 18 contract. 19 (4) The agency may issue a probationary license to an applicant who has completed the application requirements of 20 21 ss. 394.92-394.938 but has not, at the time of submitting the application, developed an operational mental health partial 22 hospitalization program. The probationary license expires 90 23 24 days after its issuance and may be renewed once for an additional 90-day period. The agency may revoke a probationary 25 license in accordance with s. 394.929. 26 27 The agency may issue an interim license to an (5) applicant who has substantially completed all requirements for 28 29 applying for a renewal license and has initiated action to fully meet the requirements for such licensure. The interim 30 license expires 90 days after its issuance and, in cases of 31

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extreme hardship, may be renewed once for an additional 90-day (6) Any applicant who fails to file an application for license renewal during the 90-day relicensure period is considered unlicensed and is subject to penalties under s. Section 7. Section 394.926, Florida Statutes, is created to read: 394.926 Program standards; rules.--(1) The agency shall adopt reasonable rules that provide minimum standards for mental health partial hospitalization programs to ensure that: (a) Sufficient numbers and types of professional and qualified personnel are on duty and available at all times to provide necessary and adequate client safety and effective (b) Adequate space is provided to each client of a licensed program. (c) Each licensee establishes and implements adequate dietary services, when applicable, housekeeping, sanitation, and facility services, disaster planning, emergency medical response, treatment planning, and medical recordkeeping.

22 (d) Each program has a psychiatrist, licensed under 23 24 chapter 458 or chapter 459, who is the program medical 25 director and establishes general medical policies for the 26 program. 27 The medical director or another licensed physician (e) 28 is on call 24 hours a day.

29 Minimum firesafety standards shall be established (2)

30 and enforced by the State Fire Marshal in cooperation with the

agency. Such standards must be included in a rule that is 31

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1 adopted by the agency after consultation with the State Fire Marshal. 2 3 (3) The grounds and buildings must be maintained in a safe and sanitary condition, as required in s. 386.01. 4 5 Section 8. Section 394.927, Florida Statutes, is б created to read: 7 394.927 Mental health partial hospitalization 8 programs; quality assurance programs. --9 (1) Effective January 1, 1999, any mental health 10 partial hospitalization program licensed under ss. 11 394.92-394.938 shall have an ongoing quality assurance program. The purpose of the quality assurance program is to 12 objectively and systematically monitor and evaluate the 13 appropriateness, effectiveness, and quality of client care; to 14 ascertain that patients who are admitted to the program 15 require levels of care appropriate for partial hospitalization 16 17 programs; and to ensure that the services rendered are consistent with reasonable, prevailing professional standards 18 19 and resolve identified problems. (2) Each program shall develop internal policies for 20 21 quality assurance and a plan of operation that describes the program's quality assurance program. These policies must 22 comply with standards developed by the agency by rule. These 23 24 internal policies must include, but are not limited to: 25 (a) Procedures, instruments, and schedules for initial 26 and periodic clinical assessment of patients, including 27 procedures for monitoring outcomes, using state-approved 28 methodologies; 29 Standards for the admission and continued stay of (b) 30 patients; 31

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1 (c) Standards for the provision of patient care, 2 including ongoing improvement of clinical treatment 3 guidelines; 4 (d) Procedures for the maintenance of client records 5 and charting; 6 (e) Policies and procedures for staff development and training which are aimed at improving quality; 7 8 (f) Standards and policies for staff credentialing and 9 for the supervision of nonlicensed staff; 10 (g) Procedures for peer review and resource 11 utilization; 12 (h) Policies and procedures for adverse-incident reporting which include verification of corrective action to 13 remediate or minimize incidents and provide for reporting such 14 incidents to the agency within a timeframe prescribed by rule; 15 (i) Policies and procedures for referral to other 16 17 services and supports needed during treatment or upon 18 discharge from the program. 19 (3) The plan of operation must be submitted to the chief executive officer or director of the program for 20 21 approval, and a copy must be provided to the agency. 22 (4) The quality assurance program is to be directly 23 answerable to the chief executive officer or director of the 24 program and is subject to review by the governing board of the licensed program, if it has a governing board. 25 26 The quality assurance program must be under the (5) 27 immediate supervision and control of a mental health professional who has documented training and education in 28 29 quality improvement and who must approve the plan in its 30 entirety and ensure the integrity of its implementation by 31 continuous monitoring.

1 Section 9. Section 394.928, Florida Statutes, is 2 created to read: 3 394.928 Enforcement.--(1) The agency shall allow any mental health partial 4 5 hospitalization program that is in operation at the time of б adoption of any rule authorized by ss. 394.92-394.938 a 7 reasonable period, not to exceed 6 months, to bring itself 8 into compliance with the rule. 9 (2) The agency may impose an administrative penalty of 10 no more than \$1,000 per day against any licensee that violates 11 any rule adopted under ss. 394.92-394.938 and may suspend or revoke the license or deny the renewal application of the 12 licensee. In imposing such a penalty, the agency shall 13 consider the severity of the violation, actions taken by the 14 licensee to correct the violation, and previous violations 15 committed by the licensee. Fines collected under this 16 17 subsection must be deposited in the Health Care Trust Fund. The agency shall maintain an action in circuit 18 (3) 19 court to enjoin the unlawful operation of an unlicensed mental health partial hospitalization program, impose restrictions on 20 21 admissions, and impose fines against such programs. Section 10. Section 394.929, Florida Statutes, is 22 created to read: 23 24 394.929 Inspection; right of entry; records.--25 (1)(a) The agency may enter and inspect at any time a licensed mental health partial hospitalization facility to 26 27 determine whether the facility is in compliance with ss. 28 394.92-394.938 and the rules of the agency. 29 The agency shall conduct an annual licensure (b) 30 inspection of all mental health partial hospitalization 31 programs.

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1	(c) The agency may enter and inspect any premises that
2	it has probable cause to suspect may be operating as an
3	unlicensed mental health partial hospitalization program;
4	however, such an entry and inspection may be made only with
5	the permission of the person in charge of the premises or
6	pursuant to a warrant.
7	(d) Any application for licensure under ss.
8	394.92-394.938 constitutes full permission for the agency to
9	enter and inspect the premises of the applicant or licensee at
10	any time.
11	(2) For purposes of monitoring and investigation, the
12	department and the agency shall have access to the clinical
13	records of any client of a licensee, the provisions of s.
14	394.4615 to the contrary notwithstanding.
15	(3) The agency shall schedule periodic inspections of
16	licensees so as to minimize the cost to the licensees and the
17	disruption of the licensees' programs. This subsection does
18	not limit the authority of the agency to inspect the program
19	of a licensee at any time.
20	(4) Each licensee shall maintain as public
21	information, available to any person upon request, copies of
22	all reports of inspections of the licensee which are filed
23	with or issued by any governmental agency or accrediting body
24	during the preceding 5-year period. The licensee shall furnish
25	a copy of the report on the most recent inspection conducted
26	by the agency to any person upon payment of a reasonable
27	charge for copying. Such reports must be made available for
28	inspection on licensed premises.
29	Section 11. Section 394.93, Florida Statutes, is
30	created to read:
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1 394.93 Denial, suspension, and revocation of licenses; 2 other remedies .--3 (1) The agency may issue an emergency order suspending or revoking a license of a mental health partial 4 5 hospitalization program if the agency determines that the б continued operation of the licensed program presents a clear 7 and present danger to the public health or safety. 8 The agency may impose a moratorium on admissions (2) 9 to a licensee or to any program or portion of a licensed program if the agency determines that any condition in the 10 11 program presents a threat to the public health or safety. (3) If the agency determines that an applicant or 12 licensee is not in compliance with ss. 394.92-394.938 or the 13 rules adopted under those sections, the agency shall deny, 14 suspend, or revoke the license or application or may suspend, 15 revoke, or impose reasonable restrictions on any portion of 16 the license. If a license is revoked, the licensee is barred 17 from submitting any application for licensure to the agency 18 19 for a period of 2 years after the revocation. The agency shall maintain an action in circuit 20 (4) 21 court to enjoin the operation of any licensed or unlicensed program that is in violation of ss. 394.92-394.938 or the 22 rules adopted under those sections. 23 (5) License denial, suspension, or revocation 24 procedures must be in accordance with chapter 120. 25 26 Section 12. Section 394.931, Florida Statutes, is 27 created to read: 394.931 Incident reporting.--Incident reporting is the 28 29 affirmative duty of all staff of a mental health partial 30 hospitalization program. Any person who files an incident 31

1 report may not be subjected to any civil action by virtue of 2 such incident report. 3 Section 13. Section 394.932, Florida Statutes, is 4 created to read: 5 394.932 Access to records. -- The agency has access to б all records necessary to determine agency compliance with ss. 7 394.92-394.938. 8 Section 14. Section 394.933, Florida Statutes, is 9 created to read: 10 394.933 Patients' records; penalties for altering .--11 (1) Any person who fraudulently alters, defaces, improperly disposes of, or falsifies any medical record, or 12 causes or solicits any of these offenses to be committed, 13 commits a misdemeanor of the second degree, punishable as 14 provided in s. 775.082 or s. 775.083. 15 (2) A conviction under subsection (1) is grounds for 16 17 restriction, suspension, or termination of licensure. Section 15. Section 394.935, Florida Statutes, is 18 19 created to read: 20 394.935 Patients' rights.--Mental health partial hospitalization programs shall comply fully with all patients' 21 rights provisions of part I of chapter 394. 22 Section 16. Section 394.936, Florida Statutes, is 23 24 created to read: 25 394.936 Rebates prohibited; penalties.--26 (1) It is unlawful for any person to pay or receive 27 any commission, bonus, kickback, or rebate, or to engage in 28 any split-fee arrangement, in any form whatsoever, with any 29 physician, surgeon, organization, or person, either directly or indirectly, for patients referred to a licensed mental 30 31 health partial hospitalization program.

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1	(2) The agency shall adopt rules for assessing
2	administrative penalties for acts prohibited in subsection
3	(1). Penalties applicable to an entity that is licensed by the
4	agency may include any disciplinary action available to the
5	agency under the appropriate licensing laws. Penalties
6	applicable to an entity that is not licensed by the agency may
7	include:
8	(a) A fine in an amount not exceeding \$1,000 per day.
9	(b) If applicable, a recommendation by the agency to
10	the appropriate licensing board that disciplinary be taken.
11	Section 17. Section 394.937, Florida Statutes, is
12	created to read:
13	394.937 Admission of patientsA patient may be
14	admitted to a mental health partial hospitalization program
15	only by a psychiatric physician who is licensed under chapters
16	458 and 459. Before admitting a patient, the psychiatric
17	physician must certify, after a face-to-face evaluation of the
18	patient, that mental health partial hospitalization services
19	are reasonable and necessary for the diagnosis or active
20	treatment of the individual's condition and can reasonably be
21	expected to improve or maintain the individual's condition and
22	functional level and to prevent relapse or hospitalization and
23	that the patient would meet level-of-care requirements for
24	acute inpatient hospitalization if not for provision of mental
25	health partial hospitalization services.
26	Section 18. Section 394.938, Florida Statutes, is
27	created to read:
28	394.938 Licensed premisesA mental health partial
29	hospitalization program must be conducted on premises that are
30	licensed specifically for that program. The mental health
31	partial hospitalization program may not be conducted on
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premises that are licensed for any purpose other than for programs licensed under chapter 394, chapter 395, or chapter 397. Section 19. This act shall take effect October 1, 1998. б SENATE SUMMARY Creates ss. 394.92-394.938, F.S., which sections provide for mental health partial hospitalization programs. Provides for licensure. Provides requirements and provides penalties for violations. (See bill for details.)