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2 An act relating to rural hospitals; amending
3 ss. 395.602 and 408.07, F.S.; revising the
4 definition of "rural hospital" to increase the
5 allowable number of licensed beds; amending s.
6 408.036, F.S.; exempting home health services
7 provided by a rural hospital from
8 certificate-of-need review by the Agency for
9 Health Care Administration; amending s.
10 409.9116, F.S.; providing that rural hospitals
11 designated on or after July 1, 1998, may not be
12 included in the rural hospital disproportionate
13 share or financial assistance programs unless
14 additional appropriations are provided to
15 prevent any reduction in payments to hospitals
16 that are otherwise eligible for assistance;
17 providing 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 (e) of subsection (2) of section
22 395.602, Florida Statutes, is amended to read:

23 395.602 Rural hospitals.--

24 (2) DEFINITIONS.--As used in this part:

25 (e) "Rural hospital" means an acute care hospital
26 licensed under this chapter, with 100 ~~85~~ licensed beds or
27 less, which has an emergency room and is located in an area
28 defined as rural by the United States Census, and which is:29 1. The sole provider within a county with a population
30 density of no greater than 100 persons per square mile; or

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1 2. An acute care hospital, in a county with a
2 population density of no greater than 100 persons per square
3 mile, which is at least 30 minutes of travel time, on normally
4 traveled roads under normal traffic conditions, from any other
5 acute care hospital within the same county; or

6 3. A hospital supported by a tax district or
7 subdistrict whose boundaries encompass a population of 100
8 persons or less per square mile.

9 Section 2. Subsection (47) of section 408.07, Florida
10 Statutes, is amended to read:

11 408.07 Definitions.--As used in this chapter, with the
12 exception of ss. 408.031-408.045, the term:

13 (47) "Rural hospital" means an acute care hospital
14 licensed under chapter 395, with 100 ~~85~~ licensed beds or
15 fewer, which has an emergency room and is located in an area
16 defined as rural by the United States Census, and which is:

17 (a) The sole provider within a county with a
18 population density of no greater than 100 persons per square
19 mile;

20 (b) An acute care hospital, in a county with a
21 population density of no greater than 100 persons per square
22 mile, which is at least 30 minutes of travel time, on normally
23 traveled roads under normal traffic conditions, from another
24 acute care hospital within the same county; or

25 (c) A hospital supported by a tax district or
26 subdistrict whose boundaries encompass a population of 100
27 persons or less per square mile.

28 Section 3. Paragraph (d) of subsection (3) of section
29 408.36, Florida Statutes, is amended to read:

30 408.036 Projects subject to review.--

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

4 (d) For hospice services or home health services
5 provided by a rural hospital, as defined in s. 395.602, or for
6 swing beds in such rural hospital in a number that does not
7 exceed one-half of its licensed beds.

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9 A request for exemption under this subsection may be made at
10 any time and is not subject to the batching requirements of
11 this section.

12 Section 4. Subsection (7) is added to section
13 409.9116, Florida Statutes, to read:

14 409.9116 Disproportionate share/financial assistance
15 program for rural hospitals.--In addition to the payments made
16 under s. 409.911, the Agency for Health Care Administration
17 shall administer a federally matched disproportionate share
18 program and a state-funded financial assistance program for
19 statutory rural hospitals. The agency shall make
20 disproportionate share payments to statutory rural hospitals
21 that qualify for such payments and financial assistance
22 payments to statutory rural hospitals that do not qualify for
23 disproportionate share payments. The disproportionate share
24 program payments shall be limited by and conform with federal
25 requirements. In fiscal year 1993-1994, available funds shall
26 be distributed in one payment, as soon as practicable after
27 the effective date of this act. In subsequent fiscal years,
28 funds shall be distributed quarterly in each fiscal year for
29 which an appropriation is made. Notwithstanding the
30 provisions of s. 409.915, counties are exempt from
31 contributing toward the cost of this special reimbursement for

1 hospitals serving a disproportionate share of low-income
2 patients.

3 (7) This section only applies to hospitals that were
4 defined as statutory rural hospitals, or their
5 successor-in-interest hospital, prior to July 1, 1998. Any
6 additional hospital that is defined as a statutory rural
7 hospital, or its successor-in-interest hospital, on or after
8 July 1, 1998, is not eligible for programs under this section
9 unless additional funds are appropriated each fiscal year
10 specifically to the rural hospital disproportionate share and
11 financial assistance programs in an amount necessary to
12 prevent any hospital, or its successor-in-interest hospital,
13 eligible for the programs prior to July 1, 1998, from
14 incurring a reduction in payments because of the eligibility
15 of an additional hospital to participate in the programs.

16 Section 5. This act shall take effect July 1, 1998.

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