

By Senator Dudley

25-508-98

1                                   A bill to be entitled  
2           An act relating to assessments on health care  
3           entities; amending s. 395.701, F.S.; exempting  
4           outpatient radiation therapy services provided  
5           by certain hospitals from the annual assessment  
6           on net operating revenues of such hospitals;  
7           amending s. 395.7015, F.S.; exempting  
8           freestanding radiation therapy centers from the  
9           annual assessment on net operating revenues of  
10          certain health care entities; providing an  
11          effective date.

12  
13 Be It Enacted by the Legislature of the State of Florida:

14  
15           Section 1. Section 395.701, Florida Statutes, is  
16 amended to read:

17           395.701 Annual assessments on net operating revenues  
18 to fund public medical assistance; administrative fines for  
19 failure to pay assessments when due; exemption.--

20           (1) For the purposes of this section, the term:

21           (a) "Gross operating revenue" or "gross revenue" means  
22 the sum of daily hospital service charges, ambulatory service  
23 charges, ancillary service charges, and other operating  
24 revenue.

25           (b) "Health Care Board" or "board" means the Health  
26 Care Board created by s. 20.42.

27           (c) "Hospital" means a health care institution as  
28 defined in s. 395.002(12), but does not include any hospital  
29 operated by the agency or the Department of Corrections.

30           (d) "Net operating revenue" or "net revenue" means  
31 gross revenue less deductions from revenue.

1           (e) "Total deductions from gross revenue" or  
2 "deductions from revenue" means reductions from gross revenue  
3 resulting from inability to collect payment of charges. Such  
4 reductions include bad debts; contractual adjustments;  
5 uncompensated care; administrative, courtesy, and policy  
6 discounts and adjustments; and other such revenue deductions,  
7 but also includes the offset of restricted donations and  
8 grants for indigent care.

9           (2) There is hereby imposed upon each hospital an  
10 assessment in an amount equal to 1.5 percent of the annual net  
11 operating revenue for each hospital, such revenue to be  
12 determined by the department, based on the actual experience  
13 of the hospital as reported to the department. Within 6  
14 months after the end of each hospital fiscal year, the  
15 department shall certify the amount of the assessment for each  
16 hospital. The assessment shall be payable to and collected by  
17 the department in equal quarterly amounts, on or before the  
18 first day of each calendar quarter, beginning with the first  
19 full calendar quarter that occurs after the department  
20 certifies the amount of the assessment for each hospital. All  
21 moneys collected pursuant to this subsection shall be  
22 deposited into the Public Medical Assistance Trust Fund.

23           (3) The department shall impose an administrative  
24 fine, not to exceed \$500 per day, for failure of any hospital  
25 to pay its assessment by the first day of the calendar quarter  
26 on which it is due. The failure of a hospital to pay its  
27 assessment within 30 days after the assessment is due is  
28 ground for the department to impose an administrative fine not  
29 to exceed \$5,000 per day.

30           (4) The purchaser, successor, or assignee of a  
31 facility subject to the board's jurisdiction shall assume full

1 liability for any assessments, fines, or penalties of the  
2 facility or its employees, regardless of when identified.  
3 Such assessments, fines, or penalties shall be paid by the  
4 employee, owner, or licensee who incurred them, within 15 days  
5 of the sale, transfer, or assignment. However, the purchaser,  
6 successor, or assignee of the facility may withhold such  
7 assessments, fines, or penalties from purchase moneys or  
8 payment due to the seller, transferor, or employee, and shall  
9 make such payment on behalf of the seller, transferor, or  
10 employee. Any employer, purchaser, successor, or assignee who  
11 fails to withhold sufficient funds to pay assessments, fines,  
12 or penalties arising under the provisions of chapter 408 shall  
13 make such payments within 15 days of the date of the transfer,  
14 purchase, or assignment. Failure by the transferee to make  
15 payments as provided in this subsection shall subject such  
16 transferee to the penalties and assessments provided in  
17 chapter 408. Further, in the event of sale, transfer, or  
18 assignment of any facility under the board's jurisdiction,  
19 future assessments shall be based upon the most recently  
20 available prior year report or audited actual experience for  
21 the facility. It shall be the responsibility of the new owner  
22 or licensee to require the production of the audited financial  
23 data for the period of operation of the prior owner. If the  
24 transferee fails to obtain current audited financial data from  
25 the previous owner or licensee, the new owner shall be  
26 assessed based upon the most recent year of operation for  
27 which 12 months of audited actual experience are available or  
28 upon a reasonable estimate of 12 months of full operation as  
29 calculated by the board.

30 (5) A statutory teaching hospital that had 100,000 or  
31 more Medicaid covered days during the most recent fiscal year

1 may elect to have its assessment imposed pursuant to  
2 subsection (2) deducted from any Medicaid disproportionate  
3 share payment due to such hospital for the quarter ending 6  
4 months after the assessment due date. If the assessment is  
5 greater than the disproportionate share payment, or if no  
6 disproportionate share payment is due the hospital, the  
7 difference, or full amount of the assessment in cases in which  
8 no payment is due, shall be paid on or before the date the  
9 disproportionate share payment is made or would have been  
10 made.

11 (6) Outpatient radiation therapy services provided by  
12 a hospital subject to this section are exempt from the  
13 provisions of this section.

14 Section 2. Subsection (2) of section 395.7015, Florida  
15 Statutes, is amended to read:

16 395.7015 Annual assessment on health care entities.--

17 (2) There is ~~hereby~~ imposed an annual assessment  
18 against certain health care entities as described in this  
19 section:

20 (a) The assessment shall be equal to 1.5 percent of  
21 the annual net operating revenues of health care entities.

22 1. The first assessment shall be due on April 30,  
23 1992, and the second on April 30, 1993, and each shall be  
24 based on the appropriate reports filed with the agency no  
25 later than March 31 of the year the assessment is due. By  
26 January 1, 1992, the health care entity shall make a one-time  
27 election to base the assessments on net operating revenue  
28 received in the health care entity's latest fiscal year ending  
29 on or before December 31, 1991, or December 31, 1992,  
30 respectively, or in the 12-month period ending March 31 of the  
31

1 year the assessment is due. The assessment shall be payable  
2 to and collected by the agency.

3 2. Beginning July 1, 1993, assessments shall be based  
4 on annual net operating revenues for the entity's most  
5 recently completed fiscal year as provided in subsection (3).

6 (b) For the purpose of this section, "health care  
7 entities" include the following:

8 1. Ambulatory surgical centers licensed under s.  
9 395.003.

10 2. Clinical laboratories licensed under s. 483.091,  
11 excluding any hospital laboratory defined under s. 483.041(5),  
12 any clinical laboratory operated by the state or a political  
13 subdivision of the state, any clinical laboratory which  
14 qualifies as an exempt organization under s. 501(c)(3) of the  
15 Internal Revenue Code of 1986, as amended, and which receives  
16 70 percent or more of its gross revenues from services to  
17 charity patients or Medicaid patients, and any blood, plasma,  
18 or tissue bank procuring, storing, or distributing blood,  
19 plasma, or tissue either for future manufacture or research or  
20 distributed on a nonprofit basis, and further excluding any  
21 clinical laboratory which is wholly owned and operated by 6 or  
22 fewer physicians who are licensed pursuant to chapter 458 or  
23 chapter 459 and who practice in the same group practice, and  
24 at which no clinical laboratory work is performed for patients  
25 referred by any health care provider who is not a member of  
26 the same group.

27 ~~3. Freestanding radiation therapy centers providing~~  
28 ~~treatment through the use of radiation therapy machines that~~  
29 ~~are registered under s. 404.22 and rules 10D-91.902,~~  
30 ~~10D-91.903, and 10D-91.904 of the Florida Administrative Code.~~

31

1           3.4. Diagnostic-imaging centers that are freestanding  
2 outpatient facilities that provide specialized services for  
3 the identification or determination of a disease through  
4 examination and also provide sophisticated radiological  
5 services, and in which services are rendered by a physician  
6 licensed by the Board of Medicine under s. 458.311, s.  
7 458.313, or s. 458.317, or by an osteopathic physician  
8 licensed by the Board of Osteopathic Medicine under s.  
9 459.006, s. 459.007, or s. 459.0075. For purposes of this  
10 paragraph, "sophisticated radiological services" means the  
11 following: magnetic resonance imaging; nuclear medicine;  
12 angiography; arteriography; computed tomography; positron  
13 emission tomography; digital vascular imaging; bronchography;  
14 lymphangiography; splenography; ultrasound, excluding  
15 ultrasound providers that are part of a private physician's  
16 office practice or when ultrasound is provided by two or more  
17 physicians licensed under chapter 458 or chapter 459 who are  
18 members of the same professional association and who practice  
19 in the same medical specialties; and such other sophisticated  
20 radiological services, excluding mammography, as adopted in  
21 rule by the board.

22           Section 3. This act shall take effect July 1, 1998.

23  
24           \*\*\*\*\*

25           SENATE SUMMARY

26           Exempts outpatient radiation therapy services provided by  
27           a hospital and freestanding radiation therapy centers  
28           from annual assessments on net operating revenues which  
          are deposited into the Public Medical Assistance Trust  
          Fund.

29  
30  
31