

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
11 legislative intent to evaluate the implication
12 of an Adult Heart Transplant Program in this
13 state; providing for a report by legislative
14 committees; providing parameters for the
15 report; providing for the report to be
16 presented to the Social Services Estimating
17 Conference; providing for review and
18 certification of the cost estimates by the
19 conference; providing an effective date.
20

21 Be It Enacted by the Legislature of the State of Florida:
22

23 Section 1. Section 395.701, Florida Statutes, is
24 amended to read:

25 395.701 Annual assessments on net operating revenues
26 to fund public medical assistance; administrative fines for
27 failure to pay assessments when due; exemption.--

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

29 (a) "Gross operating revenue" or "gross revenue" means
30 the sum of daily hospital service charges, ambulatory service
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1 charges, ancillary service charges, and other operating
2 revenue.

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

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

8 (d) "Net operating revenue" or "net revenue" means
9 gross revenue less deductions from revenue.

10 (e) "Total deductions from gross revenue" or
11 "deductions from revenue" means reductions from gross revenue
12 resulting from inability to collect payment of charges. Such
13 reductions include bad debts; contractual adjustments;
14 uncompensated care; administrative, courtesy, and policy
15 discounts and adjustments; and other such revenue deductions,
16 but also includes the offset of restricted donations and
17 grants for indigent care.

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

1 (3) The department shall impose an administrative
2 fine, not to exceed \$500 per day, for failure of any hospital
3 to pay its assessment by the first day of the calendar quarter
4 on which it is due. The failure of a hospital to pay its
5 assessment within 30 days after the assessment is due is
6 ground for the department to impose an administrative fine not
7 to exceed \$5,000 per day.

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

1 data for the period of operation of the prior owner. If the
2 transferee fails to obtain current audited financial data from
3 the previous owner or licensee, the new owner shall be
4 assessed based upon the most recent year of operation for
5 which 12 months of audited actual experience are available or
6 upon a reasonable estimate of 12 months of full operation as
7 calculated by the board.

8 (5) A statutory teaching hospital that had 100,000 or
9 more Medicaid covered days during the most recent fiscal year
10 may elect to have its assessment imposed pursuant to
11 subsection (2) deducted from any Medicaid disproportionate
12 share payment due to such hospital for the quarter ending 6
13 months after the assessment due date. If the assessment is
14 greater than the disproportionate share payment, or if no
15 disproportionate share payment is due the hospital, the
16 difference, or full amount of the assessment in cases in which
17 no payment is due, shall be paid on or before the date the
18 disproportionate share payment is made or would have been
19 made.

20 (6) Outpatient radiation therapy services provided by
21 a hospital subject to this section are exempt from the
22 provisions of this section.

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

25 395.7015 Annual assessment on health care entities.--

26 (2) There is ~~hereby~~ imposed an annual assessment
27 against certain health care entities as described in this
28 section:

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

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1 ~~1. The first assessment shall be due on April 30,~~
2 ~~1992, and the second on April 30, 1993, and each shall be~~
3 ~~based on the appropriate reports filed with the agency no~~
4 ~~later than March 31 of the year the assessment is due. By~~
5 ~~January 1, 1992, the health care entity shall make a one-time~~
6 ~~election to base the assessments on net operating revenue~~
7 ~~received in the health care entity's latest fiscal year ending~~
8 ~~on or before December 31, 1991, or December 31, 1992,~~
9 ~~respectively, or in the 12-month period ending March 31 of the~~
10 ~~year the assessment is due.~~

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12 The assessment shall be payable to and collected by the
13 agency.

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

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

19 1. Ambulatory surgical centers licensed under s.
20 395.003.

21 2. Clinical laboratories licensed under s. 483.091,
22 excluding any hospital laboratory defined under s. 483.041(5),
23 any clinical laboratory operated by the state or a political
24 subdivision of the state, any clinical laboratory which
25 qualifies as an exempt organization under s. 501(c)(3) of the
26 Internal Revenue Code of 1986, as amended, and which receives
27 70 percent or more of its gross revenues from services to
28 charity patients or Medicaid patients, and any blood, plasma,
29 or tissue bank procuring, storing, or distributing blood,
30 plasma, or tissue either for future manufacture or research or
31 distributed on a nonprofit basis, and further excluding any

1 clinical laboratory which is wholly owned and operated by 6 or
2 fewer physicians who are licensed pursuant to chapter 458 or
3 chapter 459 and who practice in the same group practice, and
4 at which no clinical laboratory work is performed for patients
5 referred by any health care provider who is not a member of
6 the same group.

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

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

1 Section 3. It is the intent of the Legislature to
2 evaluate the implications of an Adult Heart Transplant Program
3 in this state. The Senate Committee on Ways and Means, the
4 Senate Health Care Committee, the House of Representatives
5 Health Care Services Committee, and the House of
6 Representatives Fiscal Responsibility Council shall analyze
7 the short and long term public policy and cost implications of
8 implementing a state-sponsored Adult Heart Transplant Program.
9 The report shall consider all direct and ancillary costs
10 associated with providing comprehensive care associated with
11 an adult heart transplant. The report shall also include the
12 alternatives of implementing this program through the Medicaid
13 program and on a non-Medicaid basis. The report shall be
14 presented to the Social Services Estimating Conference, which
15 shall review and certify the cost estimates. Thereafter, the
16 report and the findings of the Social Services Estimating
17 Conference shall be presented to the President of the Senate
18 and the Speaker of the House of Representatives by September
19 1, 1998. The agency may submit a budget amendment in
20 accordance with the provisions of chapter 216, Florida
21 Statutes, for the purpose of implementing an Adult Heart
22 Transplant Program in fiscal year 1998-1999.

23 Section 4. This act shall take effect July 1, 1998.
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