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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 effective dates.  
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.~~

11  
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,  
24 except that the amendment of sections 395.701 and 395.7015,  
25 Florida Statutes, by this act shall take effect only upon the  
26 Agency for Health Care Administration receiving written  
27 confirmation from the federal Health Care Financing  
28 Administration that the changes contained in such amendments  
29 will not adversely affect the use of the remaining assessments  
30 as state match for the state's Medicaid program.

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