

1                   A bill to be entitled  
2           An act relating to rural hospital capital  
3           improvement; creating s. 395.6061, F.S.;  
4           providing a mechanism for the disbursement of  
5           funds to rural hospitals; providing application  
6           requirements; prescribing uses of the fund;  
7           providing duties of the Department of Health;  
8           providing rulemaking authority for the  
9           establishment of criteria for the disbursement  
10          of grant funds; amending s. 395.602, F.S.;  
11          redefining the term "rural hospital"; amending  
12          s. 409.9116, F.S.; providing for the date of  
13          applicability; providing an effective date.

14

15 Be It Enacted by the Legislature of the State of Florida:

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17           Section 1. Section 395.6061, Florida Statutes, is  
18          created to read:19           395.6061 Rural hospital capital improvement.--There is  
20          established a rural hospital capital improvement grant  
21          program.22           (1) A rural hospital as defined in s. 395.602 may  
23          apply to the department for a grant. The grant application  
24          must provide information that includes:25           (a) A statement indicating the problem the rural  
26          hospital proposes to solve with the grant funds;27           (b) The strategy proposed to resolve the problem;28           (c) The organizational structure, financial system,  
29          and facilities that are essential to the proposed solution;30           (d) The projected longevity of the proposed solution  
31          after the grant funds are expended;

1           (e) Evidence of participation in a rural health  
2 network as defined in s. 381.0406;

3           (f) Evidence that the rural hospital has difficulty in  
4 obtaining funding or that funds available for the proposed  
5 solution are inadequate;

6           (g) Evidence that the grant funds will assist in  
7 maintaining or returning the hospital to an economically  
8 stable condition or that any plan for closure or realignment  
9 of services will involve development of innovative  
10 alternatives for the discontinued services;

11           (h) Evidence of a satisfactory record-keeping system  
12 to account for grant fund expenditures within the rural  
13 county;

14           (i) A rural health network plan that includes a  
15 description of how the plan was developed, the goals of the  
16 plan, the links with existing health care providers under the  
17 plan, indicators quantifying the hospital's financial  
18 well-being, measurable outcome targets, and the current  
19 physical and operational condition of the hospital.

20           (2) Each rural hospital as defined in s. 395.602 shall  
21 receive a minimum of \$100,000 annually, subject to legislative  
22 appropriation, upon application to the Department of Health,  
23 for projects to acquire, repair, improve, or upgrade systems,  
24 facilities, or equipment.

25           (3) Any remaining funds shall annually be disbursed to  
26 rural hospitals in accordance with this section. The  
27 Department of Health shall establish, by rule, criteria for  
28 awarding grants for any remaining funds, which must be used  
29 exclusively for the support and assistance of rural hospitals  
30 as defined in s. 395.602, including criteria relating to the  
31 level of uncompensated care rendered by the hospital, the

1 participation in a rural health network as defined in s.  
2 381.0406, and the proposed use of the grant by the rural  
3 hospital to resolve a specific problem. The department must  
4 consider any information submitted in an application for the  
5 grants in accordance with subsection (1) in determining  
6 eligibility for and the amount of the grant, and none of the  
7 individual items of information by itself may be used to deny  
8 grant eligibility.

9 (4) The department shall ensure that the funds are  
10 used solely for the purposes specified in this section. The  
11 total grants awarded pursuant to this section shall not exceed  
12 the amount appropriated for this program.

13 Section 2. Paragraph (e) of subsection (2) of section  
14 395.602, Florida Statutes, 1998 Supplement, is amended to  
15 read:

16 395.602 Rural hospitals.--

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

18 (e) "Rural hospital" means an acute care hospital  
19 licensed under this chapter, having 100 or fewer licensed beds  
20 and an emergency room, located in an area defined as rural by  
21 the United States Census, and which is:

22 1. The sole provider within a county with a population  
23 density of no greater than 100 persons per square mile; or

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

29 3. A hospital supported by a tax district or  
30 subdistrict whose boundaries encompass a population of 100  
31 persons or fewer per square mile; or

1           4. A hospital in a constitutional charter county with  
2 a population of over 1 million persons that has imposed a  
3 local option health service tax pursuant to law and in an area  
4 that was directly impacted by a catastrophic event on August  
5 24, 1992, for which the Governor of Florida declared a state  
6 of emergency pursuant to chapter 125, and has 120 beds or less  
7 that serves an agricultural community with an emergency room  
8 utilization of no less than 20,000 visits and a Medicaid  
9 in-patient utilization rate greater than 15 percent.

10  
11 Population densities used in this paragraph must be based upon  
12 the most recently completed United States census.

13           Section 3. Subsection (7) of section 409.9116, Florida  
14 Statutes, 1998 Supplement, is amended to read:

15           409.9116 Disproportionate share/financial assistance  
16 program for rural hospitals.--

17           (7) This section only applies to hospitals that were  
18 defined as statutory rural hospitals, or their  
19 successor-in-interest hospital, prior to July 1, 1999 ~~1998~~.  
20 Any additional hospital that is defined as a statutory rural  
21 hospital, or its successor-in-interest hospital, on or after  
22 July 1, 1999 ~~1998~~, is not eligible for programs under this  
23 section unless additional funds are appropriated each fiscal  
24 year specifically to the rural hospital disproportionate share  
25 and financial assistance programs in an amount necessary to  
26 prevent any hospital, or its successor-in-interest hospital,  
27 eligible for the programs prior to July 1, 1999 ~~1998~~, from  
28 incurring a reduction in payments because of the eligibility  
29 of an additional hospital to participate in the programs.

30           Section 4. This act shall take effect July 1, 1999.

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