

By the Committee on Health Care Services and  
Representative Peadar

1                                   A bill to be entitled  
2           An act relating to rural hospitals; amending  
3           ss. 395.602 and 408.07, F.S.; revising the  
4           definition of the term "rural hospital";  
5           amending s. 409.9116, F.S.; revising  
6           eligibility for funding under the  
7           disproportionate share/financial assistance  
8           program for rural hospitals; providing an  
9           effective date.

10

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

12

13           Section 1. Paragraph (e) of subsection (2) of section  
14 395.602, Florida Statutes, is amended to read:

15           395.602 Rural hospitals.--

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

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

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

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

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

31

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           5. A hospital with a service area that has a  
11 population of 100 persons or fewer per square mile. As used in  
12 this subparagraph, the term "service area" means the fewest  
13 number of zip codes that account for 75 percent of the  
14 hospital's discharges for the most recent 5-year period, based  
15 on information available from the hospital inpatient discharge  
16 database in the State Center for Health Statistics at the  
17 Agency for Health Care Administration; or

18           6. A hospital designated as a Critical Access Hospital  
19 by the Department of Health in accordance with federal  
20 regulations and state requirements.

21  
22 Population densities used in this paragraph must be based upon  
23 the most recently completed United States census.

24           Section 2. Subsection (42) of section 408.07, Florida  
25 Statutes, is amended to read:

26           408.07 Definitions.--As used in this chapter, with the  
27 exception of ss. 408.031-408.045, the term:

28           (42) "Rural hospital" means an acute care hospital  
29 licensed under chapter 395, having 100 or fewer licensed beds  
30 and an emergency room, ~~located in an area defined as rural by~~  
31 ~~the United States Census,~~and which is:

1 (a) The sole provider within a county with a  
2 population density of no greater than 100 persons per square  
3 mile;

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

9 (c) A hospital supported by a tax district or  
10 subdistrict whose boundaries encompass a population of 100  
11 persons or fewer per square mile;~~-~~

12 (d) A hospital with a service area that has a  
13 population of 100 persons or fewer per square mile. As used  
14 in this paragraph, the term "service area" means the fewest  
15 number of zip codes that account for 75 percent of the  
16 hospital's discharges for the most recent 5-year period, based  
17 on information available from the hospital inpatient discharge  
18 database in the State Center for Health Statistics at the  
19 Agency for Health Care Administration; or

20 (e) A hospital designated as a Critical Access  
21 Hospital by the Department of Health in accordance with  
22 federal regulations and state requirements.

23  
24 Population densities used in this subsection must be based  
25 upon the most recently completed United States census.

26 Section 3. Subsection (7) of section 409.9116, Florida  
27 Statutes, is amended to read:

28 409.9116 Disproportionate share/financial assistance  
29 program for rural hospitals.--In addition to the payments made  
30 under s. 409.911, the Agency for Health Care Administration  
31 shall administer a federally matched disproportionate share

1 program and a state-funded financial assistance program for  
2 statutory rural hospitals. The agency shall make  
3 disproportionate share payments to statutory rural hospitals  
4 that qualify for such payments and financial assistance  
5 payments to statutory rural hospitals that do not qualify for  
6 disproportionate share payments. The disproportionate share  
7 program payments shall be limited by and conform with federal  
8 requirements. In fiscal year 1993-1994, available funds shall  
9 be distributed in one payment, as soon as practicable after  
10 the effective date of this act. In subsequent fiscal years,  
11 funds shall be distributed quarterly in each fiscal year for  
12 which an appropriation is made. Notwithstanding the provisions  
13 of s. 409.915, counties are exempt from contributing toward  
14 the cost of this special reimbursement for hospitals serving a  
15 disproportionate share of low-income patients.

16 (7) This section ~~only~~ applies only to hospitals that  
17 were defined as statutory rural hospitals, or their  
18 successor-in-interest hospital, prior to July 1, 1998. Any  
19 additional hospital that is defined as a statutory rural  
20 hospital, or its successor-in-interest hospital, on or after  
21 July 1, 1998, is not eligible for programs under this section  
22 unless additional funds are appropriated each fiscal year  
23 specifically to the rural hospital disproportionate share and  
24 financial assistance programs in an amount necessary to  
25 prevent any hospital, or its successor-in-interest hospital,  
26 eligible for the programs prior to July 1, 1998, from  
27 incurring a reduction in payments because of the eligibility  
28 of an additional hospital to participate in the programs. A  
29 hospital, or its successor-in-interest hospital which received  
30 funds pursuant to this section before July 1, 1998, and which  
31 qualifies under s. 395.602(2)(e), shall be included in the

1 programs under this section and is not required to seek  
2 additional appropriations under this subsection.

3 Section 4. This act shall take effect July 1, 2000.

4  
5 \*\*\*\*\*

6 HOUSE SUMMARY

7 Revises the definition of the term "rural hospital."  
8 Revises eligibility for funding under the  
9 disproportionate share/financial assistance program for  
rural hospitals.

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31