

By Senators Clary, Mitchell, Rossin, Thomas, Childers, Saunders, Latvala, Myers and Dawson

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A bill to be entitled
An act relating to rural hospitals; amending s.
395.602, F.S.; redefining the term "rural
hospital"; amending s. 409.9116, F.S.;
providing that certain hospitals are eligible
for funding; providing an effective date.

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

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

395.602 Rural hospitals.--

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

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

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

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

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

4. A hospital in a constitutional charter county with
a population of over 1 million persons that has imposed a
local option health service tax pursuant to law and in an area
that was directly impacted by a catastrophic event on August

1 24, 1992, for which the Governor of Florida declared a state
2 of emergency pursuant to chapter 125, and has 120 beds or less
3 that serves an agricultural community with an emergency room
4 utilization of no less than 20,000 visits and a Medicaid
5 in-patient utilization rate greater than 15 percent; ~~;~~

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

14 6. A hospital designated as a critical access hospital
15 by the Department of Health.

16
17 ~~Population densities used in this paragraph must be based upon~~
18 ~~the most recently completed United States census.~~

19 Section 2. Subsection (7) of section 409.9116, Florida
20 Statutes, is amended to read:

21 409.9116 Disproportionate share/financial assistance
22 program for rural hospitals.--In addition to the payments made
23 under s. 409.911, the Agency for Health Care Administration
24 shall administer a federally matched disproportionate share
25 program and a state-funded financial assistance program for
26 statutory rural hospitals. The agency shall make
27 disproportionate share payments to statutory rural hospitals
28 that qualify for such payments and financial assistance
29 payments to statutory rural hospitals that do not qualify for
30 disproportionate share payments. The disproportionate share
31 program payments shall be limited by and conform with federal

1 requirements. In fiscal year 1993-1994, available funds shall
2 be distributed in one payment, as soon as practicable after
3 the effective date of this act. In subsequent fiscal years,
4 funds shall be distributed quarterly in each fiscal year for
5 which an appropriation is made. Notwithstanding the provisions
6 of s. 409.915, counties are exempt from contributing toward
7 the cost of this special reimbursement for hospitals serving a
8 disproportionate share of low-income patients.

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

27 Section 3. This act shall take effect July 1, 2000.
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SENATE SUMMARY

Expands the definition of the term "rural hospital."
Provides that certain rural hospitals that have received
funds under s. 395.602, Florida Statutes, will continue
to be funded without their seeking additional
appropriations. (See bill for details.)