## Florida Senate - 2002

By Senator Wise

	6-1438-02 See HB 1405
1	A bill to be entitled
2	An act relating to health care practitioner
3	student loans and service scholarship
4	obligations; amending s. 456.074, F.S.;
5	providing for an emergency order suspending the
6	license of any health care practitioner who has
7	defaulted on a student loan issued or
8	guaranteed by the state or the Federal
9	Government; amending s. 456.072, F.S., and
10	reenacting subsection (2), relating to
11	disciplinary actions; clarifying the ground for
12	disciplinary action for failing to perform a
13	statutory or legal obligation to include
14	failing to repay a student loan issued or
15	guaranteed by the state or the Federal
16	Government in accordance with the terms of the
17	loan and for failing to comply with service
18	scholarship obligations; providing penalties;
19	directing the Department of Health to obtain
20	certain information from the United States
21	Department of Health and Human Services on a
22	monthly basis and to include certain
23	information in its annual report to the
24	Legislature; reenacting ss. 456.026, 456.073,
25	F.S., relating to the annual report and
26	disciplinary proceedings, respectively, to
27	conform; providing applicability; providing an
28	effective date.
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30	WHEREAS, the United States Department of Health and
31	Human Services reports that 9,454 health care practitioners in
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1 the nation and 556 health care practitioners in Florida have 2 defaulted on educational loan or service scholarship 3 obligations, and 4 WHEREAS, the United States Department of Health and 5 Human Services reports that these defaulters are costing б taxpayers over \$694 million, of which \$45.6 million is 7 attributable to Florida health care practitioners, and WHEREAS, needy communities lose the services of 8 9 essential clinicians when practitioners fail to meet their service obligations, and 10 11 WHEREAS, because these defaulters have received the substantial economic benefits of a health practitioner career 12 13 education at taxpayer expense, it is imperative that they be 14 required to honor their service obligations and repay their 15 student loans, and 16 WHEREAS, because health care practitioners are licensed 17 by the states and not the Federal Government, it is anticipated that having state discipline of these defaulters 18 19 will motivate the defaulters to honor their commitments and 20 deter others from defaulting on their student loans and service obligations, and 21 22 WHEREAS, taxpayers should not have to foot the bill for individuals who have reneged on the repayment obligation of a 23 24 federal or state loan or scholarship which gave them access to 25 a career as a health care practitioner, and WHEREAS, these defaulters have been or will be excluded 26 27 from participating in Medicare and Medicaid programs and, 28 therefore, are unable to practice in many of the neediest and 29 most underserved areas, and WHEREAS, these defaulters would not be practicing as 30 31 health care practitioners had the programs not been available 2 CODING: Words stricken are deletions; words underlined are additions.

1 to help finance their education; and, while it is not possible 2 to "repossess" the education these programs allowed them to 3 obtain, it is possible to "repossess" the results of that education by suspending their ability to practice through 4 5 suspension of their licenses, and б WHEREAS, current Florida law provides recourse only for 7 certain state loans through s. 381.0302, Florida Statutes, and does not address federal educational loan and service 8 9 scholarship defaulters, NOW, THEREFORE, 10 11 Be It Enacted by the Legislature of the State of Florida: 12 13 Section 1. Subsection (4) is added to section 456.074, Florida Statutes, to read: 14 15 456.074 Certain health care practitioners; immediate suspension of license. --16 17 (4) Upon receipt of information that a Florida-licensed health care practitioner has defaulted on a 18 19 student loan issued or guaranteed by the state or the Federal Government, the department shall notify the licensee by 20 certified mail that he or she shall be subject to immediate 21 suspension of license unless, within 45 days after the date of 22 mailing, the licensee provides proof that new payment terms 23 24 have been agreed upon by all parties to the loan. The 25 department shall issue an emergency order suspending the license of any licensee who, after 45 days following the date 26 of mailing from the department, has failed to provide such 27 28 proof. Production of such proof shall not prohibit the 29 department from proceeding with disciplinary action against the licensee pursuant to s. 456.073. 30 31

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1 Section 2. Paragraph (k) of subsection (1) of section 456.072, Florida Statutes, is amended, and subsection (2) of 2 3 that section is reenacted, to read: 456.072 Grounds for discipline; penalties; 4 5 enforcement. -б (1) The following acts shall constitute grounds for 7 which the disciplinary actions specified in subsection (2) may 8 be taken: 9 (k) Failing to perform any statutory or legal 10 obligation placed upon a licensee. For purposes of this 11 section, failing to repay a student loan issued or guaranteed by the state or the Federal Government in accordance with the 12 terms of the loan or failing to comply with service 13 scholarship obligations shall be considered a failure to 14 perform a statutory or legal obligation, and the minimum 15 disciplinary action imposed shall be a suspension of the 16 17 license until new payment terms are agreed upon or the scholarship obligation is resumed, followed by probation for 18 19 the duration of the student loan or remaining scholarship obligation period, and a fine equal to 10 percent of the 20 21 defaulted loan amount. Fines collected shall be deposited 22 into the Medical Quality Assurance Trust Fund. (2) When the board, or the department when there is no 23 24 board, finds any person guilty of the grounds set forth in subsection (1) or of any grounds set forth in the applicable 25 practice act, including conduct constituting a substantial 26 violation of subsection (1) or a violation of the applicable 27 28 practice act which occurred prior to obtaining a license, it 29 may enter an order imposing one or more of the following penalties: 30 31

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1 (a) Refusal to certify, or to certify with 2 restrictions, an application for a license. 3 Suspension or permanent revocation of a license. (b) (c) Restriction of practice or license, including, but 4 5 not limited to, restricting the licensee from practicing in б certain settings, restricting the licensee to work only under 7 designated conditions or in certain settings, restricting the licensee from performing or providing designated clinical and 8 administrative services, restricting the licensee from 9 10 practicing more than a designated number of hours, or any 11 other restriction found to be necessary for the protection of the public health, safety, and welfare. 12 Imposition of an administrative fine not to exceed 13 (d) \$10,000 for each count or separate offense. If the violation 14 is for fraud or making a false or fraudulent representation, 15 the board, or the department if there is no board, must impose 16 17 a fine of \$10,000 per count or offense. Issuance of a reprimand or letter of concern. 18 (e) 19 (f) Placement of the licensee on probation for a period of time and subject to such conditions as the board, or 20 21 the department when there is no board, may specify. Those 22 conditions may include, but are not limited to, requiring the licensee to undergo treatment, attend continuing education 23 24 courses, submit to be reexamined, work under the supervision 25 of another licensee, or satisfy any terms which are reasonably tailored to the violations found. 26 27 (q) Corrective action. 28 Imposition of an administrative fine in accordance (h) 29 with s. 381.0261 for violations regarding patient rights. (i) Refund of fees billed and collected from the 30 patient or a third party on behalf of the patient. 31 5

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1 (j) Requirement that the practitioner undergo remedial 2 education. 3 In determining what action is appropriate, the board, or 4 5 department when there is no board, must first consider what б sanctions are necessary to protect the public or to compensate 7 the patient. Only after those sanctions have been imposed may 8 the disciplining authority consider and include in the order 9 requirements designed to rehabilitate the practitioner. All 10 costs associated with compliance with orders issued under this 11 subsection are the obligation of the practitioner. Section 3. The Department of Health shall obtain from 12 the United States Department of Health and Human Services 13 14 information necessary to investigate and prosecute health care practitioners for failing to repay a student loan or comply 15 with scholarship service obligations pursuant to s. 16 456.072(1)(k), Florida Statutes. The department shall obtain 17 from the United States Department of Health and Human Services 18 19 a list of default health care practitioners each month, along with the information necessary to investigate a complaint in 20 accordance with s. 456.073, Florida Statutes. The department 21 may obtain evidence to support the investigation and 22 prosecution from any financial institution or educational 23 24 institution involved in providing the loan or education to the 25 practitioner. The department shall report to the Legislature as part of the annual report required by s. 456.026, Florida 26 27 Statutes, the number of practitioners in default, along with 28 the results of the department's investigations and 29 prosecutions, and the amount of fines collected from 30 practitioners prosecuted for violating s. 456.072(1)(k), 31 Florida Statutes.

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1 Section 4. Section 456.026, Florida Statutes, is reenacted to read: 2 3 456.026 Annual report concerning finances, administrative complaints, disciplinary actions, and 4 5 recommendations .-- The department is directed to prepare and б submit a report to the President of the Senate and the Speaker of the House of Representatives by November 1 of each year. In 7 8 addition to finances and any other information the Legislature 9 may require, the report shall include statistics and relevant 10 information, profession by profession, detailing: 11 (1) The revenues, expenditures, and cash balances for the prior year, and a review of the adequacy of existing fees. 12 13 (2) The number of complaints received and 14 investigated. The number of findings of probable cause made. 15 (3) The number of findings of no probable cause made. 16 (4) 17 (5) The number of administrative complaints filed. The disposition of all administrative complaints. 18 (6) 19 (7) A description of disciplinary actions taken. 20 A description of any effort by the department to (8) 21 reduce or otherwise close any investigation or disciplinary proceeding not before the Division of Administrative Hearings 22 under chapter 120 or otherwise not completed within 1 year 23 24 after the initial filing of a complaint under this chapter. (9) The status of the development and implementation 25 of rules providing for disciplinary guidelines pursuant to s. 26 27 456.079. Such recommendations for administrative and 28 (10)29 statutory changes necessary to facilitate efficient and cost-effective operation of the department and the various 30 31 boards.

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1 Section 5. Section 456.073, Florida Statutes, is reenacted to read: 2 3 456.073 Disciplinary proceedings.--Disciplinary 4 proceedings for each board shall be within the jurisdiction of 5 the department. б (1) The department, for the boards under its 7 jurisdiction, shall cause to be investigated any complaint 8 that is filed before it if the complaint is in writing, signed by the complainant, and legally sufficient. A complaint is 9 10 legally sufficient if it contains ultimate facts that show 11 that a violation of this chapter, of any of the practice acts relating to the professions regulated by the department, or of 12 13 any rule adopted by the department or a regulatory board in the department has occurred. In order to determine legal 14 sufficiency, the department may require supporting information 15 or documentation. The department may investigate, and the 16 17 department or the appropriate board may take appropriate final 18 action on, a complaint even though the original complainant 19 withdraws it or otherwise indicates a desire not to cause the 20 complaint to be investigated or prosecuted to completion. The department may investigate an anonymous complaint if the 21 complaint is in writing and is legally sufficient, if the 22 alleged violation of law or rules is substantial, and if the 23 24 department has reason to believe, after preliminary inquiry, 25 that the violations alleged in the complaint are true. The department may investigate a complaint made by a confidential 26 informant if the complaint is legally sufficient, if the 27 alleged violation of law or rule is substantial, and if the 28 29 department has reason to believe, after preliminary inquiry, 30 that the allegations of the complainant are true. The 31 department may initiate an investigation if it has reasonable

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1 cause to believe that a licensee or a group of licensees has 2 violated a Florida statute, a rule of the department, or a 3 rule of a board. Except as provided in ss. 458.331(9), 4 459.015(9), 460.413(5), and 461.013(6), when an investigation 5 of any subject is undertaken, the department shall promptly б furnish to the subject or the subject's attorney a copy of the 7 complaint or document that resulted in the initiation of the 8 investigation. The subject may submit a written response to 9 the information contained in such complaint or document within 10 20 days after service to the subject of the complaint or 11 document. The subject's written response shall be considered by the probable cause panel. The right to respond does not 12 prohibit the issuance of a summary emergency order if 13 14 necessary to protect the public. However, if the secretary, or the secretary's designee, and the chair of the respective 15 board or the chair of its probable cause panel agree in 16 17 writing that such notification would be detrimental to the investigation, the department may withhold notification. The 18 19 department may conduct an investigation without notification 20 to any subject if the act under investigation is a criminal 21 offense.

(2) The department shall allocate sufficient and 22 adequately trained staff to expeditiously and thoroughly 23 24 determine legal sufficiency and investigate all legally 25 sufficient complaints. For purposes of this section, it is the intent of the Legislature that the term "expeditiously" means 26 that the department complete the report of its initial 27 28 investigative findings and recommendations concerning the 29 existence of probable cause within 6 months after its receipt 30 of the complaint. The failure of the department, for 31 disciplinary cases under its jurisdiction, to comply with the

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1 time limits of this section while investigating a complaint 2 against a licensee constitutes harmless error in any 3 subsequent disciplinary action unless a court finds that either the fairness of the proceeding or the correctness of 4 5 the action may have been impaired by a material error in б procedure or a failure to follow prescribed procedure. When 7 its investigation is complete and legally sufficient, the 8 department shall prepare and submit to the probable cause 9 panel of the appropriate regulatory board the investigative 10 report of the department. The report shall contain the 11 investigative findings and the recommendations of the department concerning the existence of probable cause. The 12 13 department shall not recommend a letter of quidance in lieu of finding probable cause if the subject has already been issued 14 a letter of guidance for a related offense. At any time after 15 legal sufficiency is found, the department may dismiss any 16 17 case, or any part thereof, if the department determines that 18 there is insufficient evidence to support the prosecution of 19 allegations contained therein. The department shall provide a 20 detailed report to the appropriate probable cause panel prior to dismissal of any case or part thereof, and to the subject 21 of the complaint after dismissal of any case or part thereof, 22 under this section. For cases dismissed prior to a finding of 23 24 probable cause, such report is confidential and exempt from s. 25 119.07(1). The probable cause panel shall have access, upon request, to the investigative files pertaining to a case prior 26 27 to dismissal of such case. If the department dismisses a case, 28 the probable cause panel may retain independent legal counsel, 29 employ investigators, and continue the investigation and prosecution of the case as it deems necessary. 30 31

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1 (3) As an alternative to the provisions of subsections 2 (1) and (2), when a complaint is received, the department may 3 provide a licensee with a notice of noncompliance for an initial offense of a minor violation. Each board, or the 4 5 department if there is no board, shall establish by rule those б minor violations under this provision which do not endanger the public health, safety, and welfare and which do not 7 demonstrate a serious inability to practice the profession. 8 9 Failure of a licensee to take action in correcting the 10 violation within 15 days after notice may result in the 11 institution of regular disciplinary proceedings. (4) The determination as to whether probable cause 12 exists shall be made by majority vote of a probable cause 13 14 panel of the board, or by the department, as appropriate. Each regulatory board shall provide by rule that the determination 15

of probable cause shall be made by a panel of its members or 16 17 by the department. Each board may provide by rule for multiple probable cause panels composed of at least two members. Each 18 19 board may provide by rule that one or more members of the 20 panel or panels may be a former board member. The length of term or repetition of service of any such former board member 21 on a probable cause panel may vary according to the direction 22 of the board when authorized by board rule. Any probable cause 23 24 panel must include one of the board's former or present 25 consumer members, if one is available, is willing to serve, and is authorized to do so by the board chair. Any probable 26 27 cause panel must include a present board member. Any probable 28 cause panel must include a former or present professional 29 board member. However, any former professional board member serving on the probable cause panel must hold an active valid 30 31 license for that profession. All proceedings of the panel are

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1 exempt from s. 286.011 until 10 days after probable cause has 2 been found to exist by the panel or until the subject of the 3 investigation waives his or her privilege of confidentiality. 4 The probable cause panel may make a reasonable request, and 5 upon such request the department shall provide such additional б investigative information as is necessary to the determination of probable cause. A request for additional investigative 7 8 information shall be made within 15 days from the date of 9 receipt by the probable cause panel of the investigative 10 report of the department or the agency. The probable cause 11 panel or the department, as may be appropriate, shall make its determination of probable cause within 30 days after receipt 12 13 by it of the final investigative report of the department. The secretary may grant extensions of the 15-day and the 30-day 14 time limits. In lieu of a finding of probable cause, the 15 probable cause panel, or the department if there is no board, 16 17 may issue a letter of guidance to the subject. If, within the 18 30-day time limit, as may be extended, the probable cause 19 panel does not make a determination regarding the existence of 20 probable cause or does not issue a letter of guidance in lieu of a finding of probable cause, the department must make a 21 determination regarding the existence of probable cause within 22 10 days after the expiration of the time limit. 23 If the 24 probable cause panel finds that probable cause exists, it 25 shall direct the department to file a formal complaint against the licensee. The department shall follow the directions of 26 the probable cause panel regarding the filing of a formal 27 28 complaint. If directed to do so, the department shall file a 29 formal complaint against the subject of the investigation and prosecute that complaint pursuant to chapter 120. However, the 30 31 department may decide not to prosecute the complaint if it

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1 finds that probable cause has been improvidently found by the 2 panel. In such cases, the department shall refer the matter to 3 the board. The board may then file a formal complaint and prosecute the complaint pursuant to chapter 120. The 4 5 department shall also refer to the board any investigation or 6 disciplinary proceeding not before the Division of 7 Administrative Hearings pursuant to chapter 120 or otherwise 8 completed by the department within 1 year after the filing of 9 a complaint. The department, for disciplinary cases under its 10 jurisdiction, must establish a uniform reporting system to 11 quarterly refer to each board the status of any investigation or disciplinary proceeding that is not before the Division of 12 13 Administrative Hearings or otherwise completed by the department within 1 year after the filing of the complaint. 14 Annually, the department, in consultation with the applicable 15 probable cause panel, must establish a plan to expedite or 16 17 otherwise close any investigation or disciplinary proceeding that is not before the Division of Administrative Hearings or 18 19 otherwise completed by the department within 1 year after the 20 filing of the complaint. A probable cause panel or a board may retain independent legal counsel, employ investigators, 21 and continue the investigation as it deems necessary; all 22 costs thereof shall be paid from a trust fund used by the 23 24 department to implement this chapter. All proceedings of the 25 probable cause panel are exempt from s. 120.525. (5) A formal hearing before an administrative law 26 27 judge from the Division of Administrative Hearings shall be 28 held pursuant to chapter 120 if there are any disputed issues 29 of material fact. The administrative law judge shall issue a

30 recommended order pursuant to chapter 120. If any party raises

31 an issue of disputed fact during an informal hearing, the

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1 hearing shall be terminated and a formal hearing pursuant to 2 chapter 120 shall be held. 3 (6) The appropriate board, with those members of the panel, if any, who reviewed the investigation pursuant to 4 5 subsection (4) being excused, or the department when there is б no board, shall determine and issue the final order in each 7 disciplinary case. Such order shall constitute final agency action. Any consent order or agreed-upon settlement shall be 8 9 subject to the approval of the department. 10 (7) The department shall have standing to seek 11 judicial review of any final order of the board, pursuant to s. 120.68. 12 13 (8) Any proceeding for the purpose of summary suspension of a license, or for the restriction of the 14 license, of a licensee pursuant to s. 120.60(6) shall be 15 conducted by the secretary of the Department of Health or his 16 17 or her designee, as appropriate, who shall issue the final 18 summary order. 19 (9)(a) The department shall periodically notify the person who filed the complaint, as well as the patient or the 20 21 patient's legal representative, of the status of the investigation, indicating whether probable cause has been 22 found and the status of any civil action or administrative 23 24 proceeding or appeal. 25 In any disciplinary case for which probable cause (b) has been found, the department shall provide to the person who 26 filed the complaint a copy of the administrative complaint 27 28 and: 29 A written explanation of how an administrative 1. 30 complaint is resolved by the disciplinary process. 31 14

1 2. A written explanation of how and when the person 2 may participate in the disciplinary process. 3 A written notice of any hearing before the Division 3. of Administrative Hearings or the regulatory board at which 4 5 final agency action may be taken. б (c) In any disciplinary case for which probable cause 7 is not found, the department shall so inform the person who 8 filed the complaint and notify that person that he or she may, within 60 days, provide any additional information to the 9 10 department which may be relevant to the decision. To 11 facilitate the provision of additional information, the person who filed the complaint may receive, upon request, a copy of 12 13 the department's expert report that supported the recommendation for closure, if such a report was relied upon 14 by the department. In no way does this require the department 15 to procure an expert opinion or report if none was used. 16 17 Additionally, the identity of the expert shall remain 18 confidential. In any administrative proceeding under s. 19 120.57, the person who filed the disciplinary complaint shall have the right to present oral or written communication 20 21 relating to the alleged disciplinary violations or to the 22 appropriate penalty. 23 (10) The complaint and all information obtained 24 pursuant to the investigation by the department are confidential and exempt from s. 119.07(1) until 10 days after 25 probable cause has been found to exist by the probable cause 26 panel or by the department, or until the regulated 27 28 professional or subject of the investigation waives his or her 29 privilege of confidentiality, whichever occurs first. Upon completion of the investigation and a recommendation by the 30 department to find probable cause, and pursuant to a written 31

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1 request by the subject or the subject's attorney, the 2 department shall provide the subject an opportunity to inspect 3 the investigative file or, at the subject's expense, forward to the subject a copy of the investigative file. 4 5 Notwithstanding s. 456.057, the subject may inspect or receive 6 a copy of any expert witness report or patient record 7 connected with the investigation if the subject agrees in writing to maintain the confidentiality of any information 8 received under this subsection until 10 days after probable 9 10 cause is found and to maintain the confidentiality of patient 11 records pursuant to s. 456.057. The subject may file a written response to the information contained in the investigative 12 13 file. Such response must be filed within 20 days of mailing by 14 the department, unless an extension of time has been granted by the department. This subsection does not prohibit the 15 department from providing such information to any law 16 17 enforcement agency or to any other regulatory agency. (11) A privilege against civil liability is hereby 18 19 granted to any complainant or any witness with regard to 20 information furnished with respect to any investigation or proceeding pursuant to this section, unless the complainant or 21 witness acted in bad faith or with malice in providing such 22 information. 23 24 (12)(a) No person who reports in any capacity, whether

or not required by law, information to the department with regard to the incompetence, impairment, or unprofessional conduct of any health care provider licensed under chapter 458, chapter 459, chapter 460, chapter 461, chapter 462, chapter 463, chapter 464, chapter 465, or chapter 466 shall be held liable in any civil action for reporting against such

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health care provider if such person acts without intentional
fraud or malice.

3 (b) No facility licensed under chapter 395, health maintenance organization certificated under part I of chapter 4 5 641, physician licensed under chapter 458, or osteopathic б physician licensed under chapter 459 shall discharge, threaten to discharge, intimidate, or coerce any employee or staff 7 member by reason of such employee's or staff member's report 8 9 to the department about a physician licensed under chapter 10 458, chapter 459, chapter 460, chapter 461, or chapter 466 who 11 may be guilty of incompetence, impairment, or unprofessional conduct so long as such report is given without intentional 12 fraud or malice. 13

(c) In any civil suit brought outside the protections of paragraphs (a) and (b) in which intentional fraud or malice is alleged, the person alleging intentional fraud or malice shall be liable for all court costs and for the other party's reasonable attorney's fees if intentional fraud or malice is not proved.

20 (13) Notwithstanding any provision of law to the contrary, an administrative complaint against a licensee shall 21 22 be filed within 6 years after the time of the incident or occurrence giving rise to the complaint against the licensee. 23 24 If such incident or occurrence involved criminal actions, diversion of controlled substances, sexual misconduct, or 25 impairment by the licensee, this subsection does not apply to 26 bar initiation of an investigation or filing of an 27 28 administrative complaint beyond the 6-year timeframe. In those 29 cases covered by this subsection in which it can be shown that fraud, concealment, or intentional misrepresentation of fact 30 31 prevented the discovery of the violation of law, the period of

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limitations is extended forward, but in no event to exceed 12 years after the time of the incident or occurrence. Section 6. This act shall take effect upon becoming a law and shall apply to any loan or scholarship that is in default on or after the effective date. б LEGISLATIVE SUMMARY Provides for an emergency order suspending the license of any health care practitioner who has defaulted on a student loan issued or guaranteed by the state or the Federal Government. Clarifies the ground for Federal Government. Clarifies the ground for disciplinary action for failing to perform a statutory or legal obligation to include failing to repay a student loan issued or guaranteed by the state or the Federal Government in accordance with the terms of the loan and for failing to comply with service scholarship obligations. Directs the Department of Health to obtain from the United States Department of Health and Human Services and financial and educational institutions information necessary to investigate and prosecute health care practitioners who fail to repay student loans or comply with scholarship service obligations. Directs the department to include related information in its annual report to the Legislature. (See bill for details.)