

Bill No. CS for CS for SB 1252

Amendment No. \_\_\_\_ Barcode 435458

CHAMBER ACTION

Senate

House

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Senator Bennett moved the following amendment:

**Senate Amendment (with title amendment)**

On page 6, line 23, through  
page 16, line 12, delete those lines

and insert:

Section 6. Subsection (17) of section 408.032, Florida Statutes, is amended to read:

408.032 Definitions relating to Health Facility and Services Development Act.--As used in ss. 408.031-408.045, the term:

(17) "Tertiary health service" means a health service which, due to its high level of intensity, complexity, specialized or limited applicability, and cost, should be limited to, and concentrated in, a limited number of hospitals to ensure the quality, availability, and cost-effectiveness of such service. Examples of such service include, but are not limited to, organ transplantation, adult and pediatric open heart surgery, specialty burn units, neonatal intensive care units, comprehensive rehabilitation, and medical or surgical

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1 services which are experimental or developmental in nature to  
2 the extent that the provision of such services is not yet  
3 contemplated within the commonly accepted course of diagnosis  
4 or treatment for the condition addressed by a given service.  
5 The agency shall establish by rule a list of all tertiary  
6 health services.

7 Section 7. Paragraph (g) is added to subsection (2) of  
8 section 408.033, Florida Statutes, to read:

9 408.033 Local and state health planning.--

10 (2) FUNDING.--

11 (g) Effective July 1, 2003, funding for the local  
12 health councils shall be at the level provided on July 1,  
13 2002.

14 Section 8. Subsection (5) of section 408.034, Florida  
15 Statutes, is amended to read:

16 408.034 Duties and responsibilities of agency;  
17 rules.--

18 (5) The agency shall establish by rule a  
19 nursing-home-bed-need methodology that has a goal of  
20 maintaining a district average occupancy rate of 94 percent  
21 and that reduces the community nursing home bed need for the  
22 areas of the state where the agency establishes pilot  
23 community diversion programs through the Title XIX aging  
24 waiver program.

25 Section 9. Section 408.036, Florida Statutes, is  
26 amended to read:

27 408.036 Projects subject to review; exemptions.--

28 (1) APPLICABILITY.--Unless exempt under subsection  
29 (3), all health-care-related projects, as described in  
30 paragraphs (a)-(h), are subject to review and must file an  
31 application for a certificate of need with the agency. The

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1 agency is exclusively responsible for determining whether a  
2 health-care-related project is subject to review under ss.  
3 408.031-408.045.

4 (a) The addition of beds by new construction or  
5 alteration.

6 (b) The new construction or establishment of  
7 additional health care facilities, including a replacement  
8 health care facility when the proposed project site is not  
9 located on the same site as the existing health care facility.

10 (c) The conversion from one type of health care  
11 facility to another.

12 (d) An increase in the total licensed bed capacity of  
13 a health care facility.

14 (e) The establishment of a hospice or hospice  
15 inpatient facility, except as provided in s. 408.043.

16 (f) The establishment of inpatient health services by  
17 a health care facility, or a substantial change in such  
18 services.

19 (g) An increase in the number of beds for acute care,  
20 nursing home care beds, specialty burn units, neonatal  
21 intensive care units, comprehensive rehabilitation, mental  
22 health services, or hospital-based distinct part skilled  
23 nursing units, or at a long-term care hospital.

24 (h) The establishment of tertiary health services.

25 (2) PROJECTS SUBJECT TO EXPEDITED REVIEW.--Unless  
26 exempt pursuant to subsection (3), projects subject to an  
27 expedited review shall include, but not be limited to:

28 (a) Research, education, and training programs.

29 ~~(b) Shared services contracts or projects.~~

30 ~~(b)(c)~~ A transfer of a certificate of need, except  
31 when an existing hospital is acquired by a purchaser, in which

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1 case all pending certificates of need filed by the existing  
2 hospital and all approved certificates of need owned by that  
3 hospital would be acquired by the purchaser.

4 ~~(c)(d)~~ A 50-percent increase in nursing home beds for  
5 a facility incorporated and operating in this state for at  
6 least 60 years on or before July 1, 1988, which has a licensed  
7 nursing home facility located on a campus providing a variety  
8 of residential settings and supportive services. The increased  
9 nursing home beds shall be for the exclusive use of the campus  
10 residents. ~~Any application on behalf of an applicant meeting~~  
11 ~~this requirement shall be subject to the base fee of \$5,000~~  
12 ~~provided in s. 408.038.~~

13 ~~(d)(e)~~ Replacement of a health care facility when the  
14 proposed project site is located in the same district and  
15 within a 1-mile radius of the replaced health care facility.

16 ~~(e)(f)~~ The conversion of mental health services beds  
17 licensed under chapter 395 ~~or hospital-based distinct part~~  
18 ~~skilled nursing unit beds to general acute care beds; the~~  
19 ~~conversion of mental health services beds between or among the~~  
20 ~~licensed bed categories defined as beds for mental health~~  
21 ~~services; or the conversion of general acute care beds to beds~~  
22 for mental health services.

23 1. Conversion under this paragraph shall not establish  
24 a new licensed bed category at the hospital but shall apply  
25 only to categories of beds licensed at that hospital.

26 2. Beds converted under this paragraph must be  
27 licensed and operational for at least 12 months before the  
28 hospital may apply for additional conversion affecting beds of  
29 the same type.

30 (f) Replacement of a nursing home within the same  
31 district, provided the proposed project site is located within

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1 a geographic area that contains at least 65 percent of the  
2 facility's current residents and is within a 30-mile radius of  
3 the replaced nursing home.

4 (g) Relocation of a portion of a nursing home's  
5 licensed beds to a replacement facility within the same  
6 district, provided the relocation is within a 30-mile radius  
7 of the existing facility and the total number of nursing home  
8 beds in the district does not increase.

9  
10 The agency shall develop rules to implement the provisions for  
11 expedited review, including time schedule, application content  
12 which may be reduced from the full requirements of s.  
13 408.037(1), and application processing.

14 (3) EXEMPTIONS.--Upon request, the following projects  
15 are subject to exemption from the provisions of subsection  
16 (1):

17 (a) For replacement of a licensed health care facility  
18 on the same site, provided that the number of beds in each  
19 licensed bed category will not increase.

20 (b) For hospice services or for swing beds in a rural  
21 hospital, as defined in s. 395.602, in a number that does not  
22 exceed one-half of its licensed beds.

23 (c) For the conversion of licensed acute care hospital  
24 beds to Medicare and Medicaid certified skilled nursing beds  
25 in a rural hospital, as defined in s. 395.602, so long as the  
26 conversion of the beds does not involve the construction of  
27 new facilities. The total number of skilled nursing beds,  
28 including swing beds, may not exceed one-half of the total  
29 number of licensed beds in the rural hospital as of July 1,  
30 1993. Certified skilled nursing beds designated under this  
31 paragraph, excluding swing beds, shall be included in the

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1 community nursing home bed inventory. A rural hospital which  
2 subsequently decertifies any acute care beds exempted under  
3 this paragraph shall notify the agency of the decertification,  
4 and the agency shall adjust the community nursing home bed  
5 inventory accordingly.

6 (d) For the addition of nursing home beds at a skilled  
7 nursing facility that is part of a retirement community that  
8 provides a variety of residential settings and supportive  
9 services and that has been incorporated and operated in this  
10 state for at least 65 years on or before July 1, 1994. All  
11 nursing home beds must not be available to the public but must  
12 be for the exclusive use of the community residents.

13 (e) For an increase in the bed capacity of a nursing  
14 facility licensed for at least 50 beds as of January 1, 1994,  
15 under part II of chapter 400 which is not part of a continuing  
16 care facility if, after the increase, the total licensed bed  
17 capacity of that facility is not more than 60 beds and if the  
18 facility has been continuously licensed since 1950 and has  
19 received a superior rating on each of its two most recent  
20 licensure surveys.

21 (f) For an inmate health care facility built by or for  
22 the exclusive use of the Department of Corrections as provided  
23 in chapter 945. This exemption expires when such facility is  
24 converted to other uses.

25 (g) For the termination of an inpatient health care  
26 service, upon 30 days' written notice to the agency.

27 (h) For the delicensure of beds, upon 30 days' written  
28 notice to the agency. A request for exemption submitted under  
29 this paragraph must identify the number, the category of beds,  
30 and the name of the facility in which the beds to be  
31 delicensed are located.

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1 (i) For the provision of adult inpatient diagnostic  
2 cardiac catheterization services in a hospital.

3 1. In addition to any other documentation otherwise  
4 required by the agency, a request for an exemption submitted  
5 under this paragraph must comply with the following criteria:

6 a. The applicant must certify it will not provide  
7 therapeutic cardiac catheterization pursuant to the grant of  
8 the exemption.

9 b. The applicant must certify it will meet and  
10 continuously maintain the minimum licensure requirements  
11 adopted by the agency governing such programs pursuant to  
12 subparagraph 2.

13 c. The applicant must certify it will provide a  
14 minimum of 2 percent of its services to charity and Medicaid  
15 patients.

16 2. The agency shall adopt licensure requirements by  
17 rule which govern the operation of adult inpatient diagnostic  
18 cardiac catheterization programs established pursuant to the  
19 exemption provided in this paragraph. The rules shall ensure  
20 that such programs:

21 a. Perform only adult inpatient diagnostic cardiac  
22 catheterization services authorized by the exemption and will  
23 not provide therapeutic cardiac catheterization or any other  
24 services not authorized by the exemption.

25 b. Maintain sufficient appropriate equipment and  
26 health personnel to ensure quality and safety.

27 c. Maintain appropriate times of operation and  
28 protocols to ensure availability and appropriate referrals in  
29 the event of emergencies.

30 d. Maintain appropriate program volumes to ensure  
31 quality and safety.

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1 e. Provide a minimum of 2 percent of its services to  
2 charity and Medicaid patients each year.

3 3.a. The exemption provided by this paragraph shall  
4 not apply unless the agency determines that the program is in  
5 compliance with the requirements of subparagraph 1. and that  
6 the program will, after beginning operation, continuously  
7 comply with the rules adopted pursuant to subparagraph 2. The  
8 agency shall monitor such programs to ensure compliance with  
9 the requirements of subparagraph 2.

10 b.(I) The exemption for a program shall expire  
11 immediately when the program fails to comply with the rules  
12 adopted pursuant to sub-subparagraphs 2.a., b., and c.

13 (II) Beginning 18 months after a program first begins  
14 treating patients, the exemption for a program shall expire  
15 when the program fails to comply with the rules adopted  
16 pursuant to sub-subparagraphs 2.d. and e.

17 (III) If the exemption for a program expires pursuant  
18 to sub-sub-subparagraph (I) or sub-sub-subparagraph (II), the  
19 agency shall not grant an exemption pursuant to this paragraph  
20 for an adult inpatient diagnostic cardiac catheterization  
21 program located at the same hospital until 2 years following  
22 the date of the determination by the agency that the program  
23 failed to comply with the rules adopted pursuant to  
24 subparagraph 2.

25 (j) For the provision of percutaneous coronary  
26 intervention for patients presenting with emergency myocardial  
27 infarctions in a hospital without an approved adult open heart  
28 surgery program. In addition to any other documentation  
29 required by the agency, a request for an exemption submitted  
30 under this paragraph must comply with the following:

31 1. The applicant must certify that it will meet and



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1 continuously maintain the requirements adopted by the agency  
2 for the provision of these services. These licensure  
3 requirements are to be adopted by rule pursuant to ss.  
4 120.536(1) and 120.54 and are to be consistent with the  
5 guidelines published by the American College of Cardiology and  
6 the American Heart Association for the provision of  
7 percutaneous coronary interventions in hospitals without adult  
8 open heart services. At a minimum, the rules shall require the  
9 following:

10 a. Cardiologists must be experienced  
11 interventionalists who have performed a minimum of 75  
12 interventions within the previous 12 months.

13 b. The hospital must provide a minimum of 36 emergency  
14 interventions annually in order to continue to provide the  
15 service.

16 c. The hospital must offer sufficient physician,  
17 nursing, and laboratory staff to provide the services 24 hours  
18 a day, 7 days a week.

19 d. Nursing and technical staff must have demonstrated  
20 experience in handling acutely ill patients requiring  
21 intervention based on previous experience in dedicated  
22 interventional laboratories or surgical centers.

23 e. Cardiac care nursing staff must be adept in  
24 hemodynamic monitoring and Intra-aortic Balloon Pump (IABP)  
25 management.

26 f. Formalized written transfer agreements must be  
27 developed with a hospital with an adult open heart surgery  
28 program, and written transport protocols must be in place to  
29 ensure safe and efficient transfer of a patient within 60  
30 minutes. Transfer and transport agreements must be reviewed  
31 and tested, with appropriate documentation maintained at least

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1 every 3 months.

2 g. Hospitals implementing the service must first  
3 undertake a training program of 3 to 6 months which includes  
4 establishing standards, testing logistics, creating quality  
5 assessment and error management practices, and formalizing  
6 patient selection criteria.

7 2. The applicant must certify that it will utilize at  
8 all times the patient selection criteria for the performance  
9 of primary angioplasty at hospitals without adult open heart  
10 surgery programs issued by the American College of Cardiology  
11 and the American Heart Association. At a minimum, these  
12 criteria would provide for the following:

13 a. Avoidance of interventions in hemodynamically  
14 stable patients presenting with identified symptoms or medical  
15 histories.

16 b. Transfer of patients presenting with a history of  
17 coronary disease and clinical presentation of hemodynamic  
18 instability.

19 3. The applicant must agree to submit a quarterly  
20 report to the agency detailing patient characteristics,  
21 treatment, and outcomes for all patients receiving emergency  
22 percutaneous coronary interventions pursuant to this  
23 paragraph. This report must be submitted within 15 days after  
24 the close of each calendar quarter.

25 4. The exemption provided by this paragraph shall not  
26 apply unless the agency determines that the hospital has taken  
27 all necessary steps to be in compliance with all requirements  
28 of this paragraph, including the training program required  
29 pursuant to sub-subparagraph 1.g.

30 5. Failure of the hospital to continuously comply with  
31 the requirements of sub-subparagraphs 1.c.-f. and

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1 subparagraphs 2. and 3. will result in the immediate  
 2 expiration of this exemption.

3 6. Failure of the hospital to meet the volume  
 4 requirements of sub-subparagraphs 1.a.-b. within 18 months  
 5 after the program begins offering the service will result in  
 6 the immediate expiration of the exemption.

7 7. If the exemption for this service expires pursuant  
 8 to subparagraph 5. or subparagraph 6., the agency shall not  
 9 grant another exemption for this service to the same hospital  
 10 for a period of 2 years and then only upon a showing that the  
 11 hospital will remain in compliance with the requirements of  
 12 this paragraph through a demonstration of corrections to the  
 13 deficiencies which caused expiration of the exemption.

14 Compliance with the requirements of this paragraph includes  
 15 compliance with the rules adopted pursuant to this paragraph.

16 (k)(j) For mobile surgical facilities and related  
 17 health care services provided under contract with the  
 18 Department of Corrections or a private correctional facility  
 19 operating pursuant to chapter 957.

20 (l)(k) For state veterans' nursing homes operated by  
 21 or on behalf of the Florida Department of Veterans' Affairs in  
 22 accordance with part II of chapter 296 for which at least 50  
 23 percent of the construction cost is federally funded and for  
 24 which the Federal Government pays a per diem rate not to  
 25 exceed one-half of the cost of the veterans' care in such  
 26 state nursing homes. These beds shall not be included in the  
 27 nursing home bed inventory.

28 (m)(l) For combination within one nursing home  
 29 facility of the beds or services authorized by two or more  
 30 certificates of need issued in the same planning subdistrict.

31 An exemption granted under this paragraph shall extend the

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1 validity period of the certificates of need to be consolidated  
 2 by the length of the period beginning upon submission of the  
 3 exemption request and ending with issuance of the exemption.  
 4 The longest validity period among the certificates shall be  
 5 applicable to each of the combined certificates.

6 ~~(n)(m)~~ For division into two or more nursing home  
 7 facilities of beds or services authorized by one certificate  
 8 of need issued in the same planning subdistrict. An exemption  
 9 granted under this paragraph shall extend the validity period  
 10 of the certificate of need to be divided by the length of the  
 11 period beginning upon submission of the exemption request and  
 12 ending with issuance of the exemption.

13 ~~(o)(m)~~ For the addition of hospital beds licensed  
 14 under chapter 395 for acute care, ~~mental health services~~, or a  
 15 hospital-based distinct part skilled nursing unit in a number  
 16 that may not exceed 10 total beds or 10 percent of the  
 17 licensed capacity of the bed category being expanded,  
 18 whichever is greater; for the addition of medical  
 19 rehabilitation beds licensed under chapter 395 in a number  
 20 that may not exceed eight total beds or 10 percent of  
 21 capacity, whichever is greater; or for the addition of mental  
 22 health services beds licensed under chapter 395 in a number  
 23 that may not exceed 10 total beds or 10 percent of the  
 24 licensed capacity of the bed category being expended,  
 25 whichever is greater. Beds for specialty burn units ~~or~~  
 26 neonatal intensive care units, ~~or comprehensive~~  
 27 ~~rehabilitation~~, or at a long-term care hospital, may not be  
 28 increased under this paragraph.

29 1. In addition to any other documentation otherwise  
 30 required by the agency, a request for exemption submitted  
 31 under this paragraph must:

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1 a. Certify that the prior 12-month average occupancy  
 2 rate for the category of licensed beds being expanded at the  
 3 facility meets or exceeds 75 ~~80~~ percent or, for a  
 4 hospital-based distinct part skilled nursing unit, the prior  
 5 12-month average occupancy rate meets or exceeds 96 percent  
 6 or, for medical rehabilitation beds, the prior 12-month  
 7 average occupancy meets or exceeds 90 percent.

8 b. Certify that any beds of the same type authorized  
 9 for the facility under this paragraph before the date of the  
 10 current request for an exemption have been licensed and  
 11 operational for at least 12 months.

12 2. The timeframes and monitoring process specified in  
 13 s. 408.040(2)(a)-(c) apply to any exemption issued under this  
 14 paragraph.

15 3. The agency shall count beds authorized under this  
 16 paragraph as approved beds in the published inventory of  
 17 hospital beds until the beds are licensed.

18 ~~(p)(o)~~ For the addition of acute care beds, as  
 19 authorized by rule consistent with s. 395.003(4), in a number  
 20 that may not exceed 30 ~~40~~ total beds or 10 percent of licensed  
 21 bed capacity, whichever is greater, for temporary beds in a  
 22 hospital that has experienced high seasonal occupancy within  
 23 the prior 12-month period or in a hospital that must respond  
 24 to emergency circumstances.

25 ~~(q)(p)~~ For the addition of nursing home beds licensed  
 26 under chapter 400 in a number not exceeding 10 total beds or  
 27 10 percent of the number of beds licensed in the facility  
 28 being expanded, whichever is greater.

29 1. In addition to any other documentation required by  
 30 the agency, a request for exemption submitted under this  
 31 paragraph must:

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1 a. ~~Effective until June 30, 2001,~~ Certify that the  
 2 facility has not had any class I or class II deficiencies  
 3 within the 30 months preceding the request for addition.

4 b. ~~Effective on July 1, 2001, certify that the~~  
 5 ~~facility has been designated as a Gold Seal nursing home under~~  
 6 ~~s. 400.235.~~

7 b.c. Certify that the prior 12-month average occupancy  
 8 rate for the nursing home beds at the facility meets or  
 9 exceeds 96 percent.

10 e.d. Certify that any beds authorized for the facility  
 11 under this paragraph before the date of the current request  
 12 for an exemption have been licensed and operational for at  
 13 least 12 months.

14 2. The timeframes and monitoring process specified in  
 15 s. 408.040(2)(a)-(c) apply to any exemption issued under this  
 16 paragraph.

17 3. The agency shall count beds authorized under this  
 18 paragraph as approved beds in the published inventory of  
 19 nursing home beds until the beds are licensed.

20 ~~(q) For establishment of a specialty hospital offering~~  
 21 ~~a range of medical service restricted to a defined age or~~  
 22 ~~gender group of the population or a restricted range of~~  
 23 ~~services appropriate to the diagnosis, care, and treatment of~~  
 24 ~~patients with specific categories of medical illnesses or~~  
 25 ~~disorders, through the transfer of beds and services from an~~  
 26 ~~existing hospital in the same county.~~

27 (r) For the conversion of hospital-based Medicare and  
 28 Medicaid certified skilled nursing beds to acute care beds, if  
 29 the conversion does not involve the construction of new  
 30 facilities.

31 (s) For the replacement of a statutory rural hospital

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1 when the proposed project site is located in the same district  
2 and within 10 miles of the existing facility and within the  
3 current primary service area, defined as the least number of  
4 zip codes comprising 75 percent of the hospital's inpatient  
5 admissions. For fiscal year 2001-2002 only, for transfer by a  
6 health care system of existing services and not more than 100  
7 licensed and approved beds from a hospital in district 1,  
8 subdistrict 1, to another location within the same subdistrict  
9 in order to establish a satellite facility that will improve  
10 access to outpatient and inpatient care for residents of the  
11 district and subdistrict and that will use new medical  
12 technologies, including advanced diagnostics, computer  
13 assisted imaging, and telemedicine to improve care. This  
14 paragraph is repealed on July 1, 2002.

15 (t) For the conversion of mental health services beds  
16 between or among the licensed bed categories defined as beds  
17 for mental health services.

18 (u) For the creation of at least a 10-bed Level II  
19 neonatal intensive care unit upon demonstrating to the agency  
20 that the applicant hospital had a minimum of 1,500 live births  
21 during the previous 12 months.

22 (v) For the addition of Level II or Level III neonatal  
23 intensive care beds in a number not to exceed six beds or 10  
24 percent of licensed capacity in that category, whichever is  
25 greater, provided that the hospital certifies that the prior  
26 12-month average occupancy rate for the category of licensed  
27 neonatal intensive care beds meets or exceeds 75 percent.

28 (w) For replacement of a licensed nursing home on the  
29 same site, or within 3 miles of the same site, provided the  
30 number of licensed beds does not increase.

31 (x) For consolidation or combination of licensed

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1 nursing homes or transfer of beds between licensed nursing  
2 homes within the same district, by providers that operate  
3 multiple nursing homes within that district, provided there is  
4 no increase in the district total of nursing home beds and the  
5 relocation does not exceed 30 miles from the original  
6 location.

7 (4) A request for exemption under subsection (3) may  
8 be made at any time and is not subject to the batching  
9 requirements of this section. The request shall be supported  
10 by such documentation as the agency requires by rule. The  
11 agency shall assess a fee of \$250 for each request for  
12 exemption submitted under subsection (3).

13 Section 10. Section 408.038, Florida Statutes, is  
14 amended to read:

15 408.038 Fees.--The agency shall assess fees on  
16 certificate-of-need applications. Such fees shall be for the  
17 purpose of funding the functions of the local health councils  
18 and the activities of the agency and shall be allocated as  
19 provided in s. 408.033. The fee shall be determined as  
20 follows:

21 (1) A minimum base fee of ~~\$10,000~~~~\$5,000~~.

22 (2) In addition to the base fee of ~~\$10,000~~~~\$5,000~~,  
23 0.015 of each dollar of proposed expenditure, except that a  
24 fee may not exceed ~~\$50,000~~~~\$22,000~~.

25 Section 11. Paragraph (e) of subsection (5) and  
26 paragraph (c) of subsection (6) of section 408.039, Florida  
27 Statutes, are amended to read:

28 408.039 Review process.--The review process for  
29 certificates of need shall be as follows:

30 (5) ADMINISTRATIVE HEARINGS.--

31 (e) The agency shall issue its final order within 45



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1 days after receipt of the recommended order. If the agency  
 2 fails to take action within 45 days, the recommended order of  
 3 the Division of Administrative Hearings is deemed approved  
 4 ~~such time, or as otherwise agreed to by the applicant and the~~  
 5 ~~agency, the applicant may take appropriate legal action to~~  
 6 ~~compel the agency to act.~~ When making a determination on an  
 7 application for a certificate of need, the agency is  
 8 specifically exempt from the time limitations provided in s.  
 9 120.60(1).

10 (6) JUDICIAL REVIEW.--

11 (c) The court, in its discretion, may award reasonable  
 12 attorney's fees and costs to the prevailing party if the court  
 13 finds that there was a complete absence of a justiciable issue  
 14 of law or fact raised by the losing party. If the losing party  
 15 is a hospital, the court shall order it to pay the reasonable  
 16 attorney's fees and costs, which shall include fees and costs  
 17 incurred as a result of the administrative hearing and the  
 18 judicial appeal, of the prevailing hospital party.

19 Section 12. Paragraph (c) of subsection (1) of section  
 20 408.037, Florida Statutes, is amended to read:

21 408.037 Application content.--

22 (1) An application for a certificate of need must  
 23 contain:

24 (c) An audited financial statement of the applicant,  
 25 or an audited financial statement of the parent company if the  
 26 applicant is included in a parent company's consolidated audit  
 27 which details each entity separately. In an application  
 28 submitted by an existing health care facility, health  
 29 maintenance organization, or hospice, financial condition  
 30 documentation must include, but need not be limited to, a  
 31 balance sheet and a profit-and-loss statement of the 2

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1 previous fiscal years' operation.

2           Section 13. Hospital Statutory and Regulatory Reform  
 3 Council; legislative intent; creation; membership; duties.--

4           (1) It is the intent of the Legislature to provide for  
 5 the protection of the public health and safety in the  
 6 establishment, construction, maintenance, and operation of  
 7 hospitals. However, the Legislature further intends that the  
 8 police power of the state be exercised toward that purpose  
 9 only to the extent necessary and that regulation remain  
 10 current with the ever-changing standard of care and not  
 11 restrict the introduction and use of new medical technologies  
 12 and procedures.

13           (2) In order to achieve the purposes expressed in  
 14 subsection (1), it is necessary that the state establish a  
 15 mechanism for the ongoing review and updating of laws  
 16 regulating hospitals. The Hospital Statutory and Regulatory  
 17 Reform Council is created and located, for administrative  
 18 purposes only, within the Agency for Health Care  
 19 Administration. The council shall consist of no more than 15  
 20 members, including:

21           (a) Nine members appointed by the Florida Hospital  
 22 Association who represent acute care, teaching, specialty,  
 23 rural, government-owned, for-profit, and not-for-profit  
 24 hospitals.

25           (b) Two members appointed by the Governor who  
 26 represent patients.

27           (c) Two members appointed by the President of the  
 28 Senate who represent private businesses that provide health  
 29 insurance coverage for their employees, one of whom represents  
 30 small private businesses and one of whom represents large  
 31 private businesses. As used in this paragraph, the term

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1 "private business" does not include an entity licensed under  
2 chapter 627, Florida Statutes, or chapter 641, Florida  
3 Statutes, or otherwise licensed or authorized to provide  
4 health insurance services, either directly or indirectly, in  
5 this state.

6 (d) Two members appointed by the Speaker of the House  
7 of Representatives who represent physicians.

8 (3) Council members shall be appointed to serve 2-year  
9 terms and may be reappointed. A member shall serve until his  
10 or her successor is appointed. The council shall annually  
11 elect from among its members a chair and a vice chair. The  
12 council shall meet at least twice a year and shall hold  
13 additional meetings as it considers necessary. Members  
14 appointed by the Florida Hospital Association may not receive  
15 compensation or reimbursement of expenses for their services.  
16 Members appointed by the Governor, the President of the  
17 Senate, or the Speaker of the House of Representatives may be  
18 reimbursed for travel expenses by the agency.

19 (4) The council, as its first priority, shall review  
20 chapters 395 and 408, Florida Statutes, and shall make  
21 recommendations to the Legislature for the repeal of  
22 regulatory provisions that are no longer necessary or that  
23 fail to promote cost-efficient, high-quality medicine.

24 (5) The council, as its second priority, shall  
25 recommend to the Secretary of Health and the Secretary of  
26 Health Care Administration regulatory changes relating to  
27 hospital licensure and regulation to assist the Department of  
28 Health and the Agency for Health Care Administration in  
29 carrying out their duties and to ensure that the intent of the  
30 Legislature as expressed in this section is carried out.

31 (6) In determining whether a statute or rule is

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1 appropriate or necessary, the council shall consider whether:

2       (a) The statute or rule is necessary to prevent  
3 substantial harm, which is recognizable and not remote, to the  
4 public health, safety, or welfare.

5       (b) The statute or rule restricts the use of new  
6 medical technologies or encourages the implementation of more  
7 cost-effective medical procedures.

8       (c) The statute or rule has an unreasonable effect on  
9 job creation or job retention in the state.

10       (d) The public is or can be effectively protected by  
11 other means.

12       (e) The overall cost-effectiveness and economic effect  
13 of the proposed statute or rule, including the indirect costs  
14 to consumers, will be favorable.

15       (f) A lower-cost regulatory alternative to the statute  
16 or rule could be adopted.

17  
18 (Redesignate subsequent sections.)

19  
20  
21 ===== T I T L E    A M E N D M E N T =====

22 And the title is amended as follows:

23       On page 1, line 31, through  
24       page 2, line 13, delete those lines

25  
26 and insert:

27       home facility; amending s. 408.032, F.S.;

28       revising the definition of "tertiary health

29       service" under the Health Facility and Services

30       Development Act; amending s. 408.033, F.S.;

31       providing for the level of funding for local

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1 health councils; amending s. 408.034, F.S.;

2 requiring the nursing-home-bed-need methodology

3 established by the Agency for Health Care

4 Administration by rule to include a goal of

5 maintaining a specified district average

6 occupancy rate; amending s. 408.036, F.S.,

7 relating to health-care-related projects

8 subject to review for a certificate of need;

9 removing certain projects from and subjection

10 certain projects to expedited review and

11 revising requirements for other projects

12 subject to expedited review; removing the

13 exemption from review for certain projects;

14 revising requirements for certain projects that

15 are exempt from review; exempting certain

16 projects from review; amending s. 408.038,

17 F.S.; increasing fees of the

18 certificate-of-need program; amending s.

19 408.039, F.S.; providing for approval of

20 recommended orders of the Division of

21 Administrative Hearings when the Agency for

22 Health Care Administration fails to take action

23 on an application for a certificate of need

24 within a specified time period; amending s.

25 408.037, F.S.; providing that an audited

26 financial statement of the parent company may

27 be used to fulfill an application for a

28 certificate of need; creating the Hospital

29 Statutory and Regulatory Reform Council;

30 providing legislative intent; providing for

31 membership and duties of the council;