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A bill to be entitled

An act relating to graduate medical education; amending s. 381.0403, F.S.; revising provisions relating to "The Community Hospital Education Act"; renaming the act; providing legislative intent to improve and maintain health care services through the availability of high quality residency and internship programs; deleting the Community Hospital Education Council, the program for community hospital education, and the program of family practice residencies; establishing the Commission on Graduate Medical Education; providing membership and assignment to the Department of Health for administrative purposes; providing duties of the commission; deleting Department of Health duties relating to the program for community hospital education and its funding; revising provisions relating to annual reporting on graduate medical education; requiring the Department of Health to provide the Agency for Health Care Administration with certain information with respect to accredited residency and internship programs; amending s. 409.908, F.S.; conforming provisions; providing an effective date.

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

Section 1. Section 381.0403, Florida Statutes, is amended to read:

381.0403 The Graduate Medical ~~Community Hospital~~ Education Act.--



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29 (1) POPULAR NAME ~~SHORT TITLE~~.--This section shall be known
 30 by the popular name and cited as "The Graduate Medical Community
 31 ~~Hospital~~ Education Act."

32 (2) LEGISLATIVE INTENT.--

33 ~~(a)~~ It is the intent of the Legislature that health care
 34 services for the citizens of this state be improved ~~upgraded~~ and
 35 ~~that a program for continuing these services be maintained~~
 36 through the availability of high quality Florida residency and
 37 internship programs that ensure a plan for community medical
 38 ~~education. The program is intended to provide additional~~
 39 ~~outpatient and inpatient services,~~ a continuing supply of highly
 40 trained physicians for the state, and ~~graduate medical~~
 41 ~~education.~~

42 ~~(b)~~ The Legislature further acknowledges the critical need
 43 for increased numbers of primary care physicians to provide the
 44 necessary current and projected health and medical services. ~~In~~
 45 ~~order to meet both present and anticipated needs, the~~
 46 ~~Legislature supports an expansion in the number of family~~
 47 ~~practice residency positions. The Legislature intends that the~~
 48 ~~funding for graduate education in family practice be maintained~~
 49 ~~and that funding for all primary care specialties be provided at~~
 50 ~~a minimum of \$10,000 per resident per year. Should funding for~~
 51 ~~this act remain constant or be reduced, it is intended that all~~
 52 ~~programs funded by this act be maintained or reduced~~
 53 ~~proportionately.~~

54 (3) PRIMARY CARE SPECIALTIES PROGRAM FOR COMMUNITY
 55 HOSPITAL EDUCATION; STATE AND LOCAL PLANNING.--

56 ~~(a)~~ There is established under the Department of Health a
 57 ~~program for statewide graduate medical education. It is intended~~
 58 ~~that continuing graduate medical education programs for interns~~



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59 ~~and residents be established on a statewide basis. The program~~
60 ~~shall provide financial support for primary care specialty~~
61 ~~interns and residents based on policies recommended and approved~~
62 ~~by the Community Hospital Education Council, herein established,~~
63 ~~and the Department of Health. Only those programs with at least~~
64 ~~three residents or interns in each year of the training program~~
65 ~~are qualified to apply for financial support. Programs with~~
66 ~~fewer than three residents or interns per training year are~~
67 ~~qualified to apply for financial support, but only if the~~
68 ~~appropriate accrediting entity for the particular specialty has~~
69 ~~approved the program for fewer positions. Programs added after~~
70 ~~fiscal year 1997-1998 shall have 5 years to attain the requisite~~
71 ~~number of residents or interns. When feasible and to the extent~~
72 ~~allowed through the General Appropriations Act, state funds~~
73 ~~shall be used to generate federal matching funds under Medicaid,~~
74 ~~or other federal programs, and the resulting combined state and~~
75 ~~federal funds shall be allocated to participating hospitals for~~
76 ~~the support of graduate medical education. The department may~~
77 ~~spend up to \$75,000 of the state appropriation for~~
78 ~~administrative costs associated with the production of the~~
79 ~~annual report as specified in subsection (9), and for~~
80 ~~administration of the program.~~

81 ~~(b)~~ For the purposes of this section, primary care
82 specialties include emergency medicine, family practice,
83 internal medicine, pediatrics, psychiatry,
84 obstetrics/gynecology, and combined pediatrics and internal
85 medicine, and other primary care specialties as may be included
86 by the Commission on Graduate Medical Education established in
87 subsection (5) council and the Department of Health.



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88 ~~(c) Medical institutions throughout the state may apply to~~
89 ~~the Community Hospital Education Council for grants-in-aid for~~
90 ~~financial support of their approved programs. Recommendations~~
91 ~~for funding of approved programs shall be forwarded to the~~
92 ~~Department of Health.~~

93 ~~(d) The program shall provide a plan for community~~
94 ~~clinical teaching and training with the cooperation of the~~
95 ~~medical profession, hospitals, and clinics. The plan shall also~~
96 ~~include formal teaching opportunities for intern and resident~~
97 ~~training. In addition, the plan shall establish an off-campus~~
98 ~~medical faculty with university faculty review to be located~~
99 ~~throughout the state in local communities.~~

100 (4) PROGRAM FOR GRADUATE MEDICAL EDUCATION INNOVATIONS.--

101 (a) There is established under the Department of Health a
102 program for fostering graduate medical education innovations.
103 Funds appropriated annually by the Legislature for this purpose
104 shall be distributed to participating hospitals or consortia of
105 participating hospitals and Florida medical schools or to a
106 Florida medical school for the direct costs of providing
107 graduate medical education in community-based clinical settings
108 on a competitive grant or formula basis to achieve state health
109 care workforce policy objectives, including, but not limited to:

110 1. Increasing the number of residents in primary care and
111 other high demand specialties or fellowships;

112 2. Enhancing retention of primary care physicians in
113 Florida practice;

114 3. Promoting practice in medically underserved areas of
115 the state;

116 4. Encouraging racial and ethnic diversity within the
117 state's physician workforce; and



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118 5. Encouraging increased production of geriatricians.

119 (b) Participating hospitals or consortia of participating
 120 hospitals and Florida medical schools or a Florida medical
 121 school providing graduate medical education in community-based
 122 clinical settings may apply to the Commission on Graduate
 123 Medical Education ~~Community Hospital Education Council~~ for
 124 funding under this innovations program, ~~except when such~~
 125 ~~innovations directly compete with services or programs provided~~
 126 ~~by participating hospitals or consortia of participating~~
 127 ~~hospitals, or by both hospitals and consortia.~~ Innovations
 128 program funding shall provide funding based on policies
 129 recommended and approved by the Commission on Graduate Medical
 130 Education ~~Community Hospital Education Council~~ and the
 131 Department of Health.

132 (c) Participating hospitals or consortia of participating
 133 hospitals and Florida medical schools or Florida medical schools
 134 awarded an innovations grant shall provide the Commission on
 135 Graduate Medical Education ~~Community Hospital Education Council~~
 136 and the Department of Health with an annual report on their
 137 project.

138 ~~(5) FAMILY PRACTICE RESIDENCIES.--In addition to the~~
 139 ~~programs established in subsection (3), the Community Hospital~~
 140 ~~Education Council and the Department of Health shall establish~~
 141 ~~an ongoing statewide program of family practice residencies. The~~
 142 ~~administration of this program shall be in the manner described~~
 143 ~~in this section.~~

144 ~~(5)-(6) COMMISSION ON GRADUATE MEDICAL EDUCATION COUNCIL~~
 145 ~~AND DIRECTOR.--~~

146 (a) There is established the Commission on Graduate
 147 Medical Education ~~Community Hospital Education Council,~~



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148 hereinafter referred to as the commission ~~council~~, which shall
 149 consist of 17 ~~11~~ members, as follows:

150 1. Six ~~Seven~~ members must be program directors of
 151 accredited Florida graduate medical education programs or
 152 practicing physicians who have faculty appointments in
 153 accredited Florida graduate medical education programs. ~~Six of~~
 154 These members must be board certified or board eligible in
 155 family practice, internal medicine, pediatrics, emergency
 156 medicine, obstetrics-gynecology, and psychiatry, respectively,
 157 and licensed pursuant to chapter 458 or chapter 459. The
 158 Governor shall appoint the family practice member from nominees
 159 submitted by the Florida Council of Family Practice Teaching
 160 Hospitals and shall appoint the internal medicine, pediatrics,
 161 emergency medicine, obstetrics-gynecology, and psychiatry
 162 members from nominees submitted by the Florida Statutory
 163 Teaching Hospital Council. No more than one of these members may
 164 be appointed from any one specialty. One member must be licensed
 165 pursuant to chapter 459.

166 2. One member must be an allopathic physician licensed
 167 pursuant to chapter 458 and appointed by the Governor from
 168 nominees submitted by the Florida Medical Association. a
 169 ~~representative of the administration of a hospital with an~~
 170 ~~approved community hospital medical education program;~~

171 3. Five members ~~One member~~ must be deans ~~the dean~~ of the a
 172 medical schools, or their designees. school in this state; and

173 4. One member must be an osteopathic physician licensed
 174 pursuant to chapter 459 and appointed by the Governor from
 175 nominees submitted by the Florida Osteopathic Medical
 176 Association. Two members must be consumer representatives.



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177 5. One member must be appointed by the Governor from
 178 nominees submitted by the Florida Council of Family Practice
 179 Teaching Hospitals.

180 6. One member must be appointed by the Governor from
 181 nominees submitted by the Florida Statutory Teaching Hospital
 182 Council.

183 7. One member must be appointed by the Governor from
 184 nominees submitted by the Secretary of Health Care
 185 Administration.

186 8. One member must appointed by the Governor from nominees
 187 submitted by the Secretary of Health.

188 (b) All of the members other than medical school deans, or
 189 their designees, shall be appointed by the Governor for terms of
 190 4 years each.

191 (c) ~~(b)~~ Commission Council membership shall cease when a
 192 member's representative status no longer exists. Members of
 193 similar representative status shall be appointed to replace
 194 retiring or resigning members of the commission council.

195 (d) ~~(e)~~ The commission shall be assigned to the Department
 196 of Health for administrative purposes. The Secretary of ~~the~~
 197 ~~Department of~~ Health shall designate an administrator to serve
 198 as staff director. For administrative purposes, each year the
 199 commission council shall elect a chair and a vice chair from
 200 among its membership. Such other personnel as may be necessary
 201 to carry out the program shall be employed as authorized by the
 202 Department of Health.

203 (e) Commission members shall serve without compensation
 204 but may be reimbursed for travel and per diem expenses.

205 ~~(7) DEPARTMENT OF HEALTH; STANDARDS.---~~



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206 ~~(a) The Department of Health, with recommendations from~~
 207 ~~the council, shall establish standards and policies for the use~~
 208 ~~and expenditure of graduate medical education funds appropriated~~
 209 ~~pursuant to subsection (8) for a program of community hospital~~
 210 ~~education. The Department of Health shall establish requirements~~
 211 ~~for hospitals to be qualified for participation in the program~~
 212 ~~which shall include, but not be limited to:~~

213 ~~1. Submission of an educational plan and a training~~
 214 ~~schedule.~~

215 ~~2. A determination by the council to ascertain that each~~
 216 ~~portion of the program of the hospital provides a high degree of~~
 217 ~~academic excellence and is accredited by the Accreditation~~
 218 ~~Council for Graduate Medical Education of the American Medical~~
 219 ~~Association or is accredited by the American Osteopathic~~
 220 ~~Association.~~

221 ~~3. Supervision of the educational program of the hospital~~
 222 ~~by a physician who is not the hospital administrator.~~

223 ~~(b) The Department of Health shall periodically review the~~
 224 ~~educational program provided by a participating hospital to~~
 225 ~~assure that the program includes a reasonable amount of both~~
 226 ~~formal and practical training and that the formal sessions are~~
 227 ~~presented as scheduled in the plan submitted by each hospital.~~

228 ~~(c) In years that funds are transferred to the Agency for~~
 229 ~~Health Care Administration, the Department of Health shall~~
 230 ~~certify to the Agency for Health Care Administration on a~~
 231 ~~quarterly basis the number of primary care specialty residents~~
 232 ~~and interns at each of the participating hospitals for which the~~
 233 ~~Community Hospital Education Council and the department~~
 234 ~~recommends funding.~~



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235 ~~(8) MATCHING FUNDS. State funds shall be used to match~~
236 ~~funds from any local governmental or hospital source. The state~~
237 ~~shall provide up to 50 percent of the funds, and the community~~
238 ~~hospital medical education program shall provide the remainder.~~
239 ~~However, except for fixed capital outlay, the provisions of this~~
240 ~~subsection shall not apply to any program authorized under the~~
241 ~~provisions of subsection (5) for the first 3 years after such~~
242 ~~program is in operation.~~

243 ~~(9) ANNUAL REPORT ON GRADUATE MEDICAL EDUCATION;~~
244 ~~COMMITTEE. The Executive Office of the Governor, the Department~~
245 ~~of Health, and the Agency for Health Care Administration shall~~
246 ~~collaborate to establish a committee that shall produce an~~
247 ~~annual report on graduate medical education. The committee shall~~
248 ~~be comprised of 11 members: five members shall be deans of the~~
249 ~~medical schools or their designees; the Governor shall appoint~~
250 ~~two members, one of whom must be a representative of the Florida~~
251 ~~Medical Association who has supervised or currently supervises~~
252 ~~residents or interns and one of whom must be a representative of~~
253 ~~the Florida Hospital Association; the Secretary of Health Care~~
254 ~~Administration shall appoint two members, one of whom must be a~~
255 ~~representative of a statutory teaching hospital and one of whom~~
256 ~~must be a physician who has supervised or is currently~~
257 ~~supervising residents or interns; and the Secretary of Health~~
258 ~~shall appoint two members, one of whom must be a representative~~
259 ~~of a statutory family practice teaching hospital and one of whom~~
260 ~~must be a physician who has supervised or is currently~~
261 ~~supervising residents or interns. With the exception of the~~
262 ~~deans, members shall serve 4-year terms. In order to stagger the~~
263 ~~terms, the Governor's appointees shall serve initial terms of 4~~
264 ~~years, the Secretary of Health's appointees shall serve initial~~



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265 ~~terms of 3 years, and the Secretary of Health Care~~
 266 ~~Administration's appointees shall serve initial terms of 2~~
 267 ~~years. A member's term shall be deemed terminated when the~~
 268 ~~member's representative status no longer exists. Once the~~
 269 ~~committee is appointed, it shall elect a chair to serve for a 1-~~
 270 ~~year term. The report shall be provided to the Governor, the~~
 271 ~~President of the Senate, and the Speaker of the House of~~
 272 ~~Representatives by January 15 annually. Committee members shall~~
 273 ~~serve without compensation. The report shall address the~~
 274 ~~following:~~

275 (f) The commission shall be responsible for advising the
 276 Governor, the President of the Senate, the Speaker of the House
 277 of Representatives, the Secretary of Health, the Commissioner of
 278 Education, and the Secretary of Health Care Administration on
 279 the following:

280 1.(a) The role of residents and medical faculty in the
 281 provision of health care.

282 2.(b) The availability and adequacy of the state's
 283 graduate medical education programs to meet state physician
 284 workforce needs. The relationship of graduate medical education
 285 to the state's physician workforce.

286 3.(e) The costs of training medical residents for
 287 hospitals, medical schools, teaching hospitals, including all
 288 hospital-medical affiliations, practice plans at all of the
 289 medical schools, and municipalities.

290 4.(d) The availability and adequacy of all sources of
 291 revenue to support graduate medical education and recommend
 292 alternative sources of funding for graduate medical education.

293 5.(e) The use of state and federal appropriated funds for
 294 graduate medical education by hospitals receiving such funds.



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295 (g) The commission shall produce an annual report of its
 296 findings and recommendations that shall be submitted by January
 297 15 to the Governor, the President of the Senate, the Speaker of
 298 the House of Representatives, the Secretary of Health, the
 299 Commissioner of Education, and the Secretary of Health Care
 300 Administration.

301 (6) DEPARTMENT OF HEALTH; REPORTING.--

302 (a) Annually, prior to June 30, each hospital and medical
 303 school supporting a graduate medical education program shall
 304 report to the Department of Health the following:

305 1. Name of each accredited residency and internship
 306 program.

307 2. Number of residents and interns in each program.

308 3. Medicare Cost Report for the most recent year-end
 309 period.

310 4. Data on the cost of graduate medical education, as
 311 prescribed by the commission.

312 5. Other information required to be reported by the
 313 commission in the performance of its functions.

314 (b) In any year that funding for graduate medical
 315 education is provided through special Medicaid payments or
 316 through the Medicaid disproportionate share program, the
 317 Department of Health shall provide the Agency for Health Care
 318 Administration with the number of accredited residency and
 319 internship programs and the number of residents and interns at
 320 each of the participating hospitals so that the agency may
 321 calculate distribution amounts.

322 (c) In any year that Medicaid rate reimbursement caps are
 323 lifted for hospitals that received funding from Specific
 324 Appropriation 195A of the 1999-2000 General Appropriations Act,



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325 the Department of Health shall provide the Agency for Health
326 Care Administration with the number of accredited primary care
327 residency and internship programs and the number of primary care
328 residents and interns at each of the hospitals. In the event
329 that the primary care residency and internship programs have not
330 been maintained at the level of participation and funding
331 provided by the hospital in fiscal year 1999-2000, the
332 hospital's Medicaid reimbursement rate shall not be adjusted in
333 accordance with the General Appropriations Act. The Agency for
334 Health Care Administration shall provide data substantiating
335 hospital compliance with this provision upon the request of the
336 commission.

337 (7)~~(10)~~ RULEMAKING.--The department has authority to adopt
338 rules pursuant to ss. 120.536(1) and 120.54 to implement the
339 provisions of this section.

340 Section 2. Paragraph (a) of subsection (1) of section
341 409.908, Florida Statutes, is amended to read:

342 409.908 Reimbursement of Medicaid providers.--Subject to
343 specific appropriations, the agency shall reimburse Medicaid
344 providers, in accordance with state and federal law, according
345 to methodologies set forth in the rules of the agency and in
346 policy manuals and handbooks incorporated by reference therein.
347 These methodologies may include fee schedules, reimbursement
348 methods based on cost reporting, negotiated fees, competitive
349 bidding pursuant to s. 287.057, and other mechanisms the agency
350 considers efficient and effective for purchasing services or
351 goods on behalf of recipients. If a provider is reimbursed based
352 on cost reporting and submits a cost report late and that cost
353 report would have been used to set a lower reimbursement rate
354 for a rate semester, then the provider's rate for that semester



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355 shall be retroactively calculated using the new cost report, and
356 full payment at the recalculated rate shall be affected
357 retroactively. Medicare-granted extensions for filing cost
358 reports, if applicable, shall also apply to Medicaid cost
359 reports. Payment for Medicaid compensable services made on
360 behalf of Medicaid eligible persons is subject to the
361 availability of moneys and any limitations or directions
362 provided for in the General Appropriations Act or chapter 216.
363 Further, nothing in this section shall be construed to prevent
364 or limit the agency from adjusting fees, reimbursement rates,
365 lengths of stay, number of visits, or number of services, or
366 making any other adjustments necessary to comply with the
367 availability of moneys and any limitations or directions
368 provided for in the General Appropriations Act, provided the
369 adjustment is consistent with legislative intent.

370 (1) Reimbursement to hospitals licensed under part I of
371 chapter 395 must be made prospectively or on the basis of
372 negotiation.

373 (a) Reimbursement for inpatient care is limited as
374 provided for in s. 409.905(5), except for:

375 1. The raising of rate reimbursement caps, excluding rural
376 hospitals.

377 2. Recognition of the costs of graduate medical education.

378 3. Other methodologies recognized in the General
379 Appropriations Act.

380 4. Hospital inpatient rates shall be reduced by 6 percent
381 effective July 1, 2001, and restored effective April 1, 2002.

382
383 ~~During the years funds are transferred from the Department of~~
384 ~~Health, any reimbursement supported by such funds shall be~~



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385 ~~subject to certification by the Department of Health that the~~
 386 ~~hospital has complied with s. 381.0403.~~ The agency is authorized
 387 to receive funds from state entities, including, but not limited
 388 to, the Department of Health, local governments, and other local
 389 political subdivisions, for the purpose of making special
 390 exception payments, including federal matching funds, through
 391 the Medicaid inpatient reimbursement methodologies. Funds
 392 received from state entities or local governments for this
 393 purpose shall be separately accounted for and shall not be
 394 commingled with other state or local funds in any manner. The
 395 agency may certify all local governmental funds used as state
 396 match under Title XIX of the Social Security Act, to the extent
 397 that the identified local health care provider that is otherwise
 398 entitled to and is contracted to receive such local funds is the
 399 benefactor under the state's Medicaid program as determined
 400 under the General Appropriations Act and pursuant to an
 401 agreement between the Agency for Health Care Administration and
 402 the local governmental entity. The local governmental entity
 403 shall use a certification form prescribed by the agency. At a
 404 minimum, the certification form shall identify the amount being
 405 certified and describe the relationship between the certifying
 406 local governmental entity and the local health care provider.
 407 The agency shall prepare an annual statement of impact which
 408 documents the specific activities undertaken during the previous
 409 fiscal year pursuant to this paragraph, to be submitted to the
 410 Legislature no later than January 1, annually.

411 Section 3. This act shall take effect upon becoming a law.