

By the Committee on Health, Aging, and Long-Term Care; and
Senators Peaden, Jones, Klein, Saunders and Fasano

317-1835-03

1 A bill to be entitled
2 An act relating to rural hospitals; amending
3 ss. 395.602 and 408.07, F.S.; revising the
4 definition of the term "rural hospital";
5 creating s. 395.6025, F.S.; authorizing
6 exemptions from certificate-of-need review for
7 the construction of a replacement facility for
8 a rural hospital; providing conditions for
9 eligibility for the exemption; creating s.
10 395.6063, F.S.; permitting any statutory rural
11 hospital to contract with the Department of
12 Management Services in order to purchase
13 coverage in the state group health insurance
14 plan for the hospital's employees; requiring a
15 participating hospital to pay a fee; providing
16 an effective date.

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

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20 Section 1. Paragraph (e) of subsection (2) of section
21 395.602, Florida Statutes, is amended to read:

- 22 395.602 Rural hospitals.--
23 (2) DEFINITIONS.--As used in this part:
24 (e) "Rural hospital" means an acute care hospital
25 licensed under this chapter, having 100 or fewer licensed beds
26 and an emergency room, which is:
27 1. The sole provider within a county with a population
28 density of no greater than 100 persons per square mile;
29 2. An acute care hospital, in a county with a
30 population density of no greater than 100 persons per square
31 mile, which is at least 30 minutes of travel time, on normally

1 traveled roads under normal traffic conditions, from any other
2 acute care hospital within the same county;

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

6 4. A hospital in a constitutional charter county with
7 a population of over 1 million persons that has imposed a
8 local option health service tax pursuant to law and in an area
9 that was directly impacted by a catastrophic event on August
10 24, 1992, for which the Governor of Florida declared a state
11 of emergency pursuant to chapter 125, and has 120 beds or less
12 that serves an agricultural community with an emergency room
13 utilization of no less than 20,000 visits and a Medicaid
14 in-patient utilization rate greater than 15 percent;

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

23 6. A hospital designated as a Critical Access Hospital
24 by the Department of Health in accordance with federal
25 regulations and state requirements.

26
27 Population densities used in this paragraph must be based upon
28 the most recently completed United States census. A hospital
29 that received funds under s. 409.9116 for a quarter beginning
30 no later than July 1, 2002, is deemed to have been and shall
31 continue to be a rural hospital from that date through June

1 30, 2012, if the hospital continues to have 100 or fewer
2 licensed beds and an emergency room, or meets the criteria of
3 subparagraph 4. An acute care hospital that has not previously
4 been designated as a rural hospital and that meets the
5 criteria of this paragraph shall be granted such designation
6 upon application, including supporting documentation to the
7 Medicaid program office of the Agency for Health Care
8 Administration.

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

11 408.07 Definitions.--As used in this chapter, with the
12 exception of ss. 408.031-408.045, the term:

13 (42) "Rural hospital" means an acute care hospital
14 licensed under chapter 395, having 100 or fewer licensed beds
15 and an emergency room, and which is:

16 (a) The sole provider within a county with a
17 population density of no greater than 100 persons per square
18 mile;

19 (b) An acute care hospital, in a county with a
20 population density of no greater than 100 persons per square
21 mile, which is at least 30 minutes of travel time, on normally
22 traveled roads under normal traffic conditions, from another
23 acute care hospital within the same county;

24 (c) A hospital supported by a tax district or
25 subdistrict whose boundaries encompass a population of 100
26 persons or fewer per square mile;

27 (d) A hospital with a service area that has a
28 population of 100 persons or fewer per square mile. As used
29 in this paragraph, the term "service area" means the fewest
30 number of zip codes that account for 75 percent of the
31 hospital's discharges for the most recent 5-year period, based

1 on information available from the hospital inpatient discharge
2 database in the State Center for Health Statistics at the
3 Agency for Health Care Administration; or

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

7
8 Population densities used in this subsection must be based
9 upon the most recently completed United States census. A
10 hospital that received funds under s. 409.9116 for a quarter
11 beginning no later than July 1, 2002, is deemed to have been
12 and shall continue to be a rural hospital from that date
13 through June 30, 2012, if the hospital continues to have 100
14 or fewer licensed beds and an emergency room, or meets the
15 criteria of s. 395.602(2)(e)4. An acute care hospital that has
16 not previously been designated as a rural hospital and that
17 meets the criteria of this subsection shall be granted such
18 designation upon application, including supporting
19 documentation, to the Medicaid program office of the Agency
20 for Health Care Administration.

21 Section 3. Section 395.6025, Florida Statutes, is
22 created to read:

23 395.6025 Rural hospital replacement facilities.--
24 Notwithstanding the provisions of s. 408.0356, hospitals
25 defined as statutory rural hospitals in accordance with s.
26 395.602 shall not be required to obtain a Certificate of Need
27 for the construction of a replacement facility, provided that
28 the replacement facility is located within 10 miles of the
29 site of the currently licensed rural hospital and within the
30 current primary service area. As used in this subparagraph,
31 the term "service area" means the fewest number of zip codes

1 that account for 75 percent of the hospital's discharges for
2 the most recent 5-year period, based on information available
3 from the hospital inpatient discharge database in the State
4 Center for Health Statistics at the Agency for Health Care
5 Administration.

6 Section 4. Section 395.6063, Florida Statutes, is
7 created to read:

8 395.6063 Rural hospital employee health
9 insurance.--Effective July 1, 2003, any statutory rural
10 hospital may contract with the Department of Management
11 Services in order to purchase coverage in the state group
12 health insurance plan for the hospital's employees and
13 qualified family members at the same premium cost as that for
14 retirees and surviving spouses. The hospital shall collect
15 payroll deductions or other remuneration from qualified
16 employees as may be required for the employee contribution in
17 accordance with the department's regulations. The hospital
18 shall also make the employer contributions required and pay an
19 annual administrative fee of not less than \$2.61 per enrollee
20 per month.

21 Section 5. This act shall take effect July 1, 2003.

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23 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
24 COMMITTEE SUBSTITUTE FOR
25 Senate Bill 250

26 The committee substitute differs from SB 250 in the following
ways:

- 27 1. The committee substitute creates s. 395.6025, F.S., to
28 permit a rural hospital to be exempt from certificate-of-need
review for construction of a replacement facility provided
certain conditions are met.
- 29 2. The committee substitute creates s. 395.6063, F.S., to
30 permit a rural hospital to contract with the Department of
31 Management Services to purchase coverage in the state group
health insurance program for the hospital's employees and
their families.