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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 new or replacement
8 facility for a rural hospital; providing
9 conditions for eligibility for the exemption;
10 amending s. 766.314, F.S.; expanding the
11 definition of the term "infant delivered" for
12 the purposes of payment of an initial
13 assessment for each infant delivered in a
14 hospital; providing an effective date.

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

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18 Section 1. Paragraph (e) of subsection (2) of section
19 395.602, Florida Statutes, is amended to read:

20 395.602 Rural hospitals.--

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

22 (e) "Rural hospital" means an acute care hospital
23 licensed under this chapter, having 100 or fewer licensed beds
24 and an emergency room, which is:25 1. The sole provider within a county with a population
26 density of no greater than 100 persons per square mile;27 2. An acute care hospital, in a county with a
28 population density of no greater than 100 persons per square
29 mile, which is at least 30 minutes of travel time, on normally
30 traveled roads under normal traffic conditions, from any other
31 acute care hospital within the same county;

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

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

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

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

24
25 Population densities used in this paragraph must be based upon
26 the most recently completed United States census. A hospital
27 that received funds under s. 409.9116 for a quarter beginning
28 no later than July 1, 2002, is deemed to have been and shall
29 continue to be a rural hospital from that date through June
30 30, 2012, if the hospital continues to have 100 or fewer
31 licensed beds and an emergency room, or meets the criteria of

1 subparagraph 4. An acute care hospital that has not previously
2 been designated as a rural hospital and that meets the
3 criteria of this paragraph shall be granted such designation
4 upon application, including supporting documentation to the
5 Agency for Health Care Administration.

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

8 408.07 Definitions.--As used in this chapter, with the
9 exception of ss. 408.031-408.045, the term:

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

13 (a) The sole provider within a county with a
14 population density of no greater than 100 persons per square
15 mile;

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

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

24 (d) A hospital with a service area that has a
25 population of 100 persons or fewer per square mile. As used
26 in this paragraph, the term "service area" means the fewest
27 number of zip codes that account for 75 percent of the
28 hospital's discharges for the most recent 5-year period, based
29 on information available from the hospital inpatient discharge
30 database in the State Center for Health Statistics at the
31 Agency for Health Care Administration; or

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

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

17 Section 3. Section 395.6025, Florida Statutes, is
18 created to read:

19 395.6025 Rural hospital replacement facilities.--
20 Notwithstanding the provisions of s. 408.036, a hospital
21 defined as a statutory rural hospital in accordance with s.
22 395.602, or a not-for-profit operator of rural hospitals, is
23 not required to obtain a certificate of need for the
24 construction of a new hospital located in a county with a
25 population of at least 15,000 but no more than 18,000 and a
26 density of less than 30 persons per square mile, or a
27 replacement facility, provided that the replacement, or new,
28 facility is located within 10 miles of the site of the
29 currently licensed rural hospital and within the current
30 primary service area. As used in this section, the term
31 "service area" means the fewest number of zip codes that

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

6 Section 4. Paragraph (a) of subsection (4) of section
7 766.314, Florida Statutes, is amended to read:

8 766.314 Assessments; plan of operation.--

9 (4) The following persons and entities shall pay into
10 the association an initial assessment in accordance with the
11 plan of operation:

12 (a) On or before October 1, 1988, each hospital
13 licensed under chapter 395 shall pay an initial assessment of
14 \$50 per infant delivered in the hospital during the prior
15 calendar year, as reported to the Agency for Health Care
16 Administration; provided, however, that a hospital owned or
17 operated by the state or a county, special taxing district, or
18 other political subdivision of the state shall not be required
19 to pay the initial assessment or any assessment required by
20 subsection (5). The term "infant delivered" includes live
21 births and not stillbirths, but the term does not include
22 infants delivered by employees or agents of the Board of
23 Regents, or those born in a teaching hospital as defined in s.
24 408.07, or those born in a teaching hospital as defined in s.
25 395.806 that have been deemed by the association as being
26 exempt from assessments since fiscal year 1997 to fiscal year
27 2001. The initial assessment and any assessment imposed
28 pursuant to subsection (5) may not include any infant born to
29 a charity patient (as defined by rule of the Agency for Health
30 Care Administration) or born to a patient for whom the
31 hospital receives Medicaid reimbursement, if the sum of the

1 annual charges for charity patients plus the annual Medicaid
2 contractals of the hospital exceeds 10 percent of the total
3 annual gross operating revenues of the hospital. The hospital
4 is responsible for documenting, to the satisfaction of the
5 association, the exclusion of any birth from the computation
6 of the assessment. Upon demonstration of financial need by a
7 hospital, the association may provide for installment payments
8 of assessments.

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

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