



HB 0441

2003  
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## CHAMBER ACTION

The Committee on Health Care recommends the following:

**Committee Substitute**

Remove the entire bill and insert:

A bill to be entitled

An act relating to rural hospitals; amending ss. 395.602 and 408.07, F.S.; revising the definition of the term "rural hospital"; declaring and continuing such designation for certain hospitals for a specified period; authorizing the granting of such designation for certain other hospitals upon application with supporting documentation; creating s. 395.6025, F.S.; authorizing exemptions from certificate-of-need review for the construction of a replacement facility for a statutory rural hospital; providing conditions for eligibility for the exemption; creating s. 395.6063, F.S.; permitting any statutory rural hospital to contract with the Department of Management Services in order to purchase coverage in the state group health insurance plan for the hospital's employees; requiring a participating hospital to make the employer contributions required and pay an annual administrative fee; providing an effective date.



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

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31 Section 1. Paragraph (e) of subsection (2) of section  
32 395.602, Florida Statutes, is amended to read:

33 395.602 Rural hospitals.--

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

35 (e) "Rural hospital" means an acute care hospital licensed  
36 under this chapter, having 100 or fewer licensed beds and an  
37 emergency room, which is:

38 1. The sole provider within a county with a population  
39 density of no greater than 100 persons per square mile;

40 2. An acute care hospital, in a county with a population  
41 density of no greater than 100 persons per square mile, which is  
42 at least 30 minutes of travel time, on normally traveled roads  
43 under normal traffic conditions, from any other acute care  
44 hospital within the same county;

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

48 4. A hospital in a constitutional charter county with a  
49 population of over 1 million persons that has imposed a local  
50 option health service tax pursuant to law and in an area that  
51 was directly impacted by a catastrophic event on August 24,  
52 1992, for which the Governor of Florida declared a state of  
53 emergency pursuant to chapter 125, and has 120 beds or less that  
54 serves an agricultural community with an emergency room  
55 utilization of no less than 20,000 visits and a Medicaid in-  
56 patient utilization rate greater than 15 percent;



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57 | 5. A hospital with a service area that has a population of  
58 | 100 persons or fewer per square mile. As used in this  
59 | subparagraph, the term "service area" means the fewest number of  
60 | zip codes that account for 75 percent of the hospital's  
61 | discharges for the most recent 5-year period, based on  
62 | information available from the hospital inpatient discharge  
63 | database in the State Center for Health Statistics at the Agency  
64 | for Health Care Administration; or

65 | 6. A hospital designated as a Critical Access Hospital by  
66 | the Department of Health in accordance with federal regulations  
67 | and state requirements.

68 |  
69 | Population densities used in this paragraph must be based upon  
70 | the most recently completed United States census. A hospital  
71 | that received funds under s. 409.9116 for a quarter beginning no  
72 | later than July 1, 2002, is deemed to have been and shall  
73 | continue to be a rural hospital from that date through June 30,  
74 | 2012, if the hospital continues to have 100 or fewer licensed  
75 | beds and an emergency room, or meets the criteria of  
76 | subparagraph 4. An acute care hospital that has not previously  
77 | been designated as a rural hospital and that meets the criteria  
78 | of this paragraph shall be granted such designation upon  
79 | application, including supporting documentation, to the Agency  
80 | for Health Care Administration.

81 | Section 2. Subsection (42) of section 408.07, Florida  
82 | Statutes, is amended to read:

83 | 408.07 Definitions.--As used in this chapter, with the  
84 | exception of ss. 408.031-408.045, the term:



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

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

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

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

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

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

109  
110 Population densities used in this subsection must be based upon  
111 the most recently completed United States census. A hospital  
112 that received funds under s. 409.9116 for a quarter beginning no



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113 later than July 1, 2002, is deemed to have been and shall  
114 continue to be a rural hospital from that date through June 30,  
115 2012, if the hospital continues to have 100 or fewer licensed  
116 beds and an emergency room, or meets the criteria of s.  
117 395.602(2)(e)4. An acute care hospital that has not previously  
118 been designated as a rural hospital and that meets the criteria  
119 of this subsection shall be granted such designation upon  
120 application, including supporting documentation, to the Agency  
121 for Health Care Administration.

122 Section 3. Section 395.6025, Florida Statutes, is created  
123 to read:

124 395.6025 Rural hospital replacement facilities.--  
125 Notwithstanding the provisions of s. 408.036, a hospital defined  
126 as a statutory rural hospital in accordance with s. 395.602 is  
127 not required to obtain a certificate of need for the  
128 construction of a replacement facility, provided that the  
129 replacement facility is located within 10 miles of the site of  
130 the currently licensed rural hospital and within the current  
131 primary service area. As used in this section, the term "service  
132 area" means the fewest number of zip codes that account for 75  
133 percent of the hospital's discharges for the most recent 5-year  
134 period, based on information available from the hospital  
135 inpatient discharge database in the State Center for Health  
136 Statistics at the Agency for Health Care Administration.

137 Section 4. Section 395.6063, Florida Statutes, is created  
138 to read:

139 395.6063 Rural hospital employee health insurance.--  
140 Effective July 1, 2003, any statutory rural hospital may



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141 contract with the Department of Management Services in order to  
142 purchase coverage in the state group health insurance plan for  
143 the hospital's employees and qualified family members at the  
144 same premium cost as that for retirees and surviving spouses.  
145 The hospital shall collect payroll deductions or other  
146 remuneration from qualified employees as may be required for the  
147 employee contribution in accordance with the department's  
148 regulations. The hospital shall also make the employer  
149 contributions required and pay an annual administrative fee of  
150 not less than \$2.61 per enrollee per month.  
151       Section 5. This act shall take effect July 1, 2003.