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1 A bill to be entitled
 2 An act relating to assessments for the Florida Birth-
 3 Related Neurological Injury Compensation Plan; amending s.
 4 766.314, F.S.; providing that assessments shall not be
 5 required for children born in a family practice teaching
 6 hospital; updating terminology; providing for retroactive
 7 application; providing an effective date.

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

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 11 Section 1. Paragraph (a) of subsection (4) of section
 12 766.314, Florida Statutes, is amended, and subsection (7) of
 13 said section is reenacted for the purpose of incorporating a
 14 reference to subsection (4) of said section, to read:

15 766.314 Assessments; plan of operation.--

16 (4) The following persons and entities shall pay into the
 17 association an initial assessment in accordance with the plan of
 18 operation:

19 (a) On or before October 1, 1988, each hospital licensed
 20 under chapter 395 shall pay an initial assessment of \$50 per
 21 infant delivered in the hospital during the prior calendar year,
 22 as reported to the Agency for Health Care Administration;
 23 provided, however, that a hospital owned or operated by the
 24 state or a county, special taxing district, or other political
 25 subdivision of the state shall not be required to pay the
 26 initial assessment or any assessment required by subsection (5).
 27 The term "infant delivered" includes live births and not
 28 stillbirths, but the term does not include infants delivered by
 29 employees or agents of the former Board of Regents, the Board of
 30 Governors, or the board of trustees of a state university or



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31 those born in a teaching hospital as defined in s. 408.07 or a
 32 family practice teaching hospital as defined in s. 395.806. The
 33 initial assessment and any assessment imposed pursuant to
 34 subsection (5) may not include any infant born to a charity
 35 patient (as defined by rule of the Agency for Health Care
 36 Administration) or born to a patient for whom the hospital
 37 receives Medicaid reimbursement, if the sum of the annual
 38 charges for charity patients plus the annual Medicaid
 39 contractals of the hospital exceeds 10 percent of the total
 40 annual gross operating revenues of the hospital. The hospital is
 41 responsible for documenting, to the satisfaction of the
 42 association, the exclusion of any birth from the computation of
 43 the assessment. Upon demonstration of financial need by a
 44 hospital, the association may provide for installment payments
 45 of assessments.

46 (7) (a) The Department of Insurance shall undertake an
 47 actuarial investigation of the requirements of the plan based on
 48 the plan's experience in the first year of operation and any
 49 additional relevant information, including without limitation
 50 the assets and liabilities of the plan. Pursuant to such
 51 investigation, the Department of Insurance shall establish the
 52 rate of contribution of the entities listed in paragraph (5) (c)
 53 for the tax year beginning January 1, 1990. Following the
 54 initial valuation, the Department of Insurance shall cause an
 55 actuarial valuation to be made of the assets and liabilities of
 56 the plan no less frequently than biennially. Pursuant to the
 57 results of such valuations, the Department of Insurance shall
 58 prepare a statement as to the contribution rate applicable to
 59 the entities listed in paragraph (5) (c). However, at no time



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60 shall the rate be greater than 0.25 percent of net direct
61 premiums written.

62 (b) If the Department of Insurance finds that the plan
63 cannot be maintained on an actuarially sound basis based on the
64 assessments and appropriations listed in subsections (4) and
65 (5), the department shall increase the assessments specified in
66 subsection (4) on a proportional basis as needed.

67 Section 2. This act shall take effect upon becoming a law
68 and those provisions eliminating assessments for children born
69 in a family practice teaching hospital shall be given
70 retroactive application to July 1, 1997.