

By Senator Fasano

11-613-03

1 A bill to be entitled
2 An act relating to public medical assistance;
3 amending s. 395.701, F.S.; removing the annual
4 assessment on hospital outpatient services to
5 fund public medical assistance; repealing s.
6 395.7015, F.S., which provides for an annual
7 assessment on certain other health care
8 entities to fund public medical assistance;
9 amending s. 395.7016, F.S., which provides for
10 annual appropriations to replace funds lost due
11 to reductions made by ch. 2000-256, Laws of
12 Florida, to remove reductions in the assessment
13 under s. 395.7015, F.S.; providing an effective
14 date.

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

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18 Section 1. Section 395.701, Florida Statutes, is
19 amended to read:

20 395.701 Annual assessments on net operating revenues
21 for inpatient ~~and outpatient~~ services to fund public medical
22 assistance; administrative fines for failure to pay
23 assessments when due; exemption.--

24 (1) For the purposes of this section, the term:

25 (a) "Agency" means the Agency for Health Care
26 Administration.

27 (b) "Gross operating revenue" or "gross revenue" means
28 the sum of daily hospital service charges, ambulatory service
29 charges, ancillary service charges, and other operating
30 revenue.

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1 (c) "Hospital" means a health care institution as
2 defined in s. 395.002(13), but does not include any hospital
3 operated by the agency or the Department of Corrections.

4 (d) "Net operating revenue" or "net revenue" means
5 gross revenue less deductions from revenue.

6 (e) "Total deductions from gross revenue" or
7 "deductions from revenue" means reductions from gross revenue
8 resulting from inability to collect payment of charges. Such
9 reductions include bad debts; contractual adjustments;
10 uncompensated care; administrative, courtesy, and policy
11 discounts and adjustments; and other such revenue deductions,
12 but also includes the offset of restricted donations and
13 grants for indigent care.

14 (2)~~(a)~~ There is imposed upon each hospital an
15 assessment in an amount equal to 1.5 percent of the annual net
16 operating revenue for inpatient services for each hospital,
17 such revenue to be determined by the agency, based on the
18 actual experience of the hospital as reported to the agency.
19 Within 6 months after the end of each hospital fiscal year,
20 the agency shall certify the amount of the assessment for each
21 hospital. The assessment shall be payable to and collected by
22 the agency in equal quarterly amounts, on or before the first
23 day of each calendar quarter, beginning with the first full
24 calendar quarter that occurs after the agency certifies the
25 amount of the assessment for each hospital. All moneys
26 collected pursuant to this subsection shall be deposited into
27 the Public Medical Assistance Trust Fund.

28 ~~(b) There is imposed upon each hospital an assessment~~
29 ~~in an amount equal to 1 percent of the annual net operating~~
30 ~~revenue for outpatient services for each hospital, such~~
31 ~~revenue to be determined by the agency, based on the actual~~

1 ~~experience of the hospital as reported to the agency. While~~
2 ~~prior year report worksheets may be reconciled to the~~
3 ~~hospital's audited financial statements, no additional audited~~
4 ~~financial components may be required for the purposes of~~
5 ~~determining the amount of the assessment imposed pursuant to~~
6 ~~this section other than those in effect on July 1, 2000.~~
7 ~~Within 6 months after the end of each hospital fiscal year,~~
8 ~~the agency shall certify the amount of the assessment for each~~
9 ~~hospital. The assessment shall be payable to and collected by~~
10 ~~the agency in equal quarterly amounts, on or before the first~~
11 ~~day of each calendar quarter, beginning with the first full~~
12 ~~calendar quarter that occurs after the agency certifies the~~
13 ~~amount of the assessment for each hospital. All moneys~~
14 ~~collected pursuant to this subsection shall be deposited into~~
15 ~~the Public Medical Assistance Trust Fund.~~

16 (3) The agency shall impose an administrative fine,
17 not to exceed \$500 per day, for failure of any hospital to pay
18 its assessment by the first day of the calendar quarter on
19 which it is due. The failure of a hospital to pay its
20 assessment within 30 days after the assessment is due is
21 ground for the agency to impose an administrative fine not to
22 exceed \$5,000 per day.

23 (4) The purchaser, successor, or assignee of a
24 facility subject to the agency's jurisdiction shall assume
25 full liability for any assessments, fines, or penalties of the
26 facility or its employees, regardless of when identified.
27 Such assessments, fines, or penalties shall be paid by the
28 employee, owner, or licensee who incurred them, within 15 days
29 of the sale, transfer, or assignment. However, the purchaser,
30 successor, or assignee of the facility may withhold such
31 assessments, fines, or penalties from purchase moneys or

1 payment due to the seller, transferor, or employee, and shall
2 make such payment on behalf of the seller, transferor, or
3 employee. Any employer, purchaser, successor, or assignee who
4 fails to withhold sufficient funds to pay assessments, fines,
5 or penalties arising under the provisions of chapter 408 shall
6 make such payments within 15 days of the date of the transfer,
7 purchase, or assignment. Failure by the transferee to make
8 payments as provided in this subsection shall subject such
9 transferee to the penalties and assessments provided in
10 chapter 408. Further, in the event of sale, transfer, or
11 assignment of any facility under the agency's jurisdiction,
12 future assessments shall be based upon the most recently
13 available prior year report or audited actual experience for
14 the facility. It shall be the responsibility of the new owner
15 or licensee to require the production of the audited financial
16 data for the period of operation of the prior owner. If the
17 transferee fails to obtain current audited financial data from
18 the previous owner or licensee, the new owner shall be
19 assessed based upon the most recent year of operation for
20 which 12 months of audited actual experience are available or
21 upon a reasonable estimate of 12 months of full operation as
22 calculated by the agency.

23 (5) A statutory teaching hospital that had 100,000 or
24 more Medicaid covered days during the most recent fiscal year
25 may elect to have its assessment imposed pursuant to
26 subsection (2) deducted from any Medicaid disproportionate
27 share payment due to such hospital for the quarter ending 6
28 months after the assessment due date. If the assessment is
29 greater than the disproportionate share payment, or if no
30 disproportionate share payment is due the hospital, the
31 difference, or full amount of the assessment in cases in which

1 no payment is due, shall be paid on or before the date the
2 disproportionate share payment is made or would have been
3 made.

4 (6) Outpatient radiation therapy services provided by
5 a hospital subject to this section are exempt from the
6 provisions of this section.

7 Section 2. Section 395.7015, Florida Statutes, is
8 repealed.

9 Section 3. Section 395.7016, Florida Statutes, is
10 amended to read:

11 395.7016 Annual appropriation.--The Legislature shall
12 appropriate each fiscal year from either the General Revenue
13 Fund or the Agency for Health Care Administration Tobacco
14 Settlement Trust Fund an amount sufficient to replace the
15 funds lost due to reduction by chapter 2000-256, Laws of
16 Florida, ~~of the assessment on other health care entities under~~
17 ~~s. 395.7015, and the reduction by chapter 2000-256 in the~~
18 assessment on hospitals under s. 395.701, and to maintain
19 federal approval of the reduced amount of funds deposited into
20 the Public Medical Assistance Trust Fund under s. 395.701, as
21 state match for the state's Medicaid program.

22 Section 4. This act shall take effect upon becoming a
23 law.

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26 SENATE SUMMARY

27 Removes the annual assessments on hospital outpatient
28 services and certain other health care entities to fund
29 public medical assistance.
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