

By Senator Peadar

2-1051A-05

1 A bill to be entitled  
 2 An act relating to hospitals; amending s.  
 3 395.002, F.S.; redefining the term "hospital"  
 4 to exclude designated critical access hospitals  
 5 from certain requirements; amending ss. 395.003  
 6 and 408.061, F.S.; conforming cross-references;  
 7 amending s. 408.07, F.S.; defining the term  
 8 "critical access hospital"; redefining the term  
 9 "rural hospital" to delete certain requirements  
 10 applicable to the designation of a critical  
 11 access hospital; amending ss. 458.345 and  
 12 459.021, F.S.; conforming cross-references;  
 13 providing an effective date.  
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 15 Be It Enacted by the Legislature of the State of Florida:  
 16  
 17 Section 1. Subsections (13) and (24) of section  
 18 395.002, Florida Statutes, are amended to read:  
 19 395.002 Definitions.--As used in this chapter:  
 20 (13) "Hospital" means any establishment that:  
 21 (a) Offers services more intensive than those required  
 22 for room, board, personal services, and general nursing care,  
 23 and offers facilities and beds for use beyond 24 hours by  
 24 individuals requiring diagnosis, treatment, or care for  
 25 illness, injury, deformity, infirmity, abnormality, disease,  
 26 or pregnancy; and  
 27 (b) Regularly makes available at least clinical  
 28 laboratory services, diagnostic X-ray services, and treatment  
 29 facilities for surgery or obstetrical care, or other  
 30 definitive medical treatment of similar extent, except that a  
 31 critical access hospital, as defined in s. 408.07, is not

1 required to make available treatment facilities for surgery,  
2 obstetrical care, or similar services as long as it maintains  
3 its designation as a critical access hospital, but must make  
4 such facilities available if it ceases to be designated as a  
5 critical access hospital.

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7 However, the provisions of this chapter do not apply to any  
8 institution conducted by or for the adherents of any  
9 well-recognized church or religious denomination that depends  
10 exclusively upon prayer or spiritual means to heal, care for,  
11 or treat any person. For purposes of local zoning matters,  
12 the term "hospital" includes a medical office building located  
13 on the same premises as a hospital facility, provided the land  
14 on which the medical office building is constructed is zoned  
15 for use as a hospital; provided the premises were zoned for  
16 hospital purposes on January 1, 1992.

17 (24) "Premises" means those buildings, beds, and  
18 equipment located at the address of the licensed facility and  
19 all other buildings, beds, and equipment for the provision of  
20 hospital, ambulatory surgical, or mobile surgical care located  
21 in such reasonable proximity to the address of the licensed  
22 facility as to appear to the public to be under the dominion  
23 and control of the licensee. For any licensee that is a  
24 teaching hospital as defined in s. 408.07(45) ~~s. 408.07(44)~~,  
25 reasonable proximity includes any buildings, beds, services,  
26 programs, and equipment under the dominion and control of the  
27 licensee that are located at a site with a main address that  
28 is within 1 mile of the main address of the licensed facility;  
29 and all such buildings, beds, and equipment may, at the  
30 request of a licensee or applicant, be included on the  
31 facility license as a single premises.

1           Section 2. Paragraph (e) of subsection (2) of section  
2 395.003, Florida Statutes, is amended to read:

3           395.003 Licensure; issuance, renewal, denial,  
4 modification, suspension, and revocation.--

5           (2)

6           (e) The agency shall, at the request of a licensee  
7 that is a teaching hospital as defined in s. 408.07(45) ~~s.~~  
8 ~~408.07(44)~~, issue a single license to a licensee for  
9 facilities that have been previously licensed as separate  
10 premises, provided such separately licensed facilities, taken  
11 together, constitute the same premises as defined in s.  
12 395.002(24). Such license for the single premises shall  
13 include all of the beds, services, and programs that were  
14 previously included on the licenses for the separate premises.  
15 The granting of a single license under this paragraph shall  
16 not in any manner reduce the number of beds, services, or  
17 programs operated by the licensee.

18           Section 3. Subsection (4) of section 408.061, Florida  
19 Statutes, is amended to read:

20           408.061 Data collection; uniform systems of financial  
21 reporting; information relating to physician charges;  
22 confidential information; immunity.--

23           (4) Within 120 days after the end of its fiscal year,  
24 each health care facility, excluding continuing care  
25 facilities and nursing homes as defined in s. 408.07(14) and  
26 ~~(37)(36)~~, shall file with the agency, on forms adopted by the  
27 agency and based on the uniform system of financial reporting,  
28 its actual financial experience for that fiscal year,  
29 including expenditures, revenues, and statistical measures.  
30 Such data may be based on internal financial reports which are  
31 certified to be complete and accurate by the provider.

1 | However, hospitals' actual financial experience shall be their  
2 | audited actual experience. Every nursing home shall submit to  
3 | the agency, in a format designated by the agency, a  
4 | statistical profile of the nursing home residents. The agency,  
5 | in conjunction with the Department of Elderly Affairs and the  
6 | Department of Health, shall review these statistical profiles  
7 | and develop recommendations for the types of residents who  
8 | might more appropriately be placed in their homes or other  
9 | noninstitutional settings.

10 |         Section 4. Section 408.07, Florida Statutes, is  
11 | amended to read:

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

14 |             (1) "Accepted" means that the agency has found that a  
15 | report or data submitted by a health care facility or a health  
16 | care provider contains all schedules and data required by the  
17 | agency and has been prepared in the format specified by the  
18 | agency, and otherwise conforms to applicable rule or Florida  
19 | Hospital Uniform Reporting System manual requirements  
20 | regarding reports in effect at the time such report was  
21 | submitted, and the data are mathematically reasonable and  
22 | accurate.

23 |             (2) "Adjusted admission" means the sum of acute and  
24 | intensive care admissions divided by the ratio of inpatient  
25 | revenues generated from acute, intensive, ambulatory, and  
26 | ancillary patient services to gross revenues. If a hospital  
27 | reports only subacute admissions, then "adjusted admission"  
28 | means the sum of subacute admissions divided by the ratio of  
29 | total inpatient revenues to gross revenues.

30 |             (3) "Agency" means the Agency for Health Care  
31 | Administration.

1           (4) "Alcohol or chemical dependency treatment center"  
2 means an organization licensed under chapter 397.

3           (5) "Ambulatory care center" means an organization  
4 which employs or contracts with licensed health care  
5 professionals to provide diagnosis or treatment services  
6 predominantly on a walk-in basis and the organization holds  
7 itself out as providing care on a walk-in basis. Such an  
8 organization is not an ambulatory care center if it is wholly  
9 owned and operated by five or fewer health care providers.

10          (6) "Ambulatory surgical center" means a facility  
11 licensed as an ambulatory surgical center under chapter 395.

12          (7) "Audited actual data" means information contained  
13 within financial statements examined by an independent,  
14 Florida-licensed, certified public accountant in accordance  
15 with generally accepted auditing standards, but does not  
16 include data within a financial statement about which the  
17 certified public accountant does not express an opinion or  
18 issues a disclaimer.

19          (8) "Birth center" means an organization licensed  
20 under s. 383.305.

21          (9) "Cardiac catheterization laboratory" means a  
22 freestanding facility that employs or contracts with licensed  
23 health care professionals to provide diagnostic or therapeutic  
24 services for cardiac conditions such as cardiac  
25 catheterization or balloon angioplasty.

26          (10) "Case mix" means a calculated index for each  
27 health care facility or health care provider, based on patient  
28 data, reflecting the relative costliness of the mix of cases  
29 to that facility or provider compared to a state or national  
30 mix of cases.

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1           (11) "Clinical laboratory" means a facility licensed  
2 under s. 483.091, excluding: any hospital laboratory defined  
3 under s. 483.041(6); any clinical laboratory operated by the  
4 state or a political subdivision of the state; any blood or  
5 tissue bank where the majority of revenues are received from  
6 the sale of blood or tissue and where blood, plasma, or tissue  
7 is procured from volunteer donors and donated, processed,  
8 stored, or distributed on a nonprofit basis; and any clinical  
9 laboratory which is wholly owned and operated by physicians  
10 who are licensed pursuant to chapter 458 or chapter 459 and  
11 who practice in the same group practice, and at which no  
12 clinical laboratory work is performed for patients referred by  
13 any health care provider who is not a member of that same  
14 group practice.

15           (12) "Comprehensive rehabilitative hospital" or  
16 "rehabilitative hospital" means a hospital licensed by the  
17 agency as a specialty hospital as defined in s. 395.002;  
18 provided that the hospital provides a program of comprehensive  
19 medical rehabilitative services and is designed, equipped,  
20 organized, and operated solely to deliver comprehensive  
21 medical rehabilitative services, and further provided that all  
22 licensed beds in the hospital are classified as "comprehensive  
23 rehabilitative beds" pursuant to s. 395.003(4), and are not  
24 classified as "general beds."

25           (13) "Consumer" means any person other than a person  
26 who administers health activities, is a member of the  
27 governing body of a health care facility, provides health  
28 services, has a fiduciary interest in a health facility or  
29 other health agency or its affiliated entities, or has a  
30 material financial interest in the rendering of health  
31 services.

1           (14) "Continuing care facility" means a facility  
2 licensed under chapter 651.

3           (15) "Critical access hospital" means a hospital that  
4 meets the definition of the term "critical access hospital" in  
5 42 U.S.C. s. 1395i-4(e) under the Social Security Act and is  
6 certified by the Secretary of the United States Department of  
7 Health and Human Services as a critical access hospital.

8           ~~(16)~~~~(15)~~ "Cross-subsidization" means that the revenues  
9 from one type of hospital service are sufficiently higher than  
10 the costs of providing such service as to offset some of the  
11 costs of providing another type of service in the hospital.  
12 Cross-subsidization results from the lack of a direct  
13 relationship between charges and the costs of providing a  
14 particular hospital service or type of service.

15           ~~(17)~~~~(16)~~ "Deductions from gross revenue" or  
16 "deductions from revenue" means reductions from gross revenue  
17 resulting from inability to collect payment of charges. For  
18 hospitals, such reductions include contractual adjustments;  
19 uncompensated care; administrative, courtesy, and policy  
20 discounts and adjustments; and other such revenue deductions,  
21 but also includes the offset of restricted donations and  
22 grants for indigent care.

23           ~~(18)~~~~(17)~~ "Diagnostic-imaging center" means a  
24 freestanding outpatient facility that provides specialized  
25 services for the diagnosis of a disease by examination and  
26 also provides radiological services. Such a facility is not a  
27 diagnostic-imaging center if it is wholly owned and operated  
28 by physicians who are licensed pursuant to chapter 458 or  
29 chapter 459 and who practice in the same group practice and no  
30 diagnostic-imaging work is performed at such facility for  
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1 patients referred by any health care provider who is not a  
2 member of that same group practice.

3 ~~(19)~~~~(18)~~ "FHURS" means the Florida Hospital Uniform  
4 Reporting System developed by the agency.

5 ~~(20)~~~~(19)~~ "Freestanding" means that a health facility  
6 bills and receives revenue which is not directly subject to  
7 the hospital assessment for the Public Medical Assistance  
8 Trust Fund as described in s. 395.701.

9 ~~(21)~~~~(20)~~ "Freestanding radiation therapy center" means  
10 a facility where treatment is provided through the use of  
11 radiation therapy machines that are registered under s. 404.22  
12 and the provisions of the Florida Administrative Code  
13 implementing s. 404.22. Such a facility is not a freestanding  
14 radiation therapy center if it is wholly owned and operated by  
15 physicians licensed pursuant to chapter 458 or chapter 459 who  
16 practice within the specialty of diagnostic or therapeutic  
17 radiology.

18 ~~(22)~~~~(21)~~ "GRAA" means gross revenue per adjusted  
19 admission.

20 ~~(23)~~~~(22)~~ "Gross revenue" means the sum of daily  
21 hospital service charges, ambulatory service charges,  
22 ancillary service charges, and other operating revenue. Gross  
23 revenues do not include contributions, donations, legacies, or  
24 bequests made to a hospital without restriction by the donors.

25 ~~(24)~~~~(23)~~ "Health care facility" means an ambulatory  
26 surgical center, a hospice, a nursing home, a hospital, a  
27 diagnostic-imaging center, a freestanding or hospital-based  
28 therapy center, a clinical laboratory, a home health agency, a  
29 cardiac catheterization laboratory, a medical equipment  
30 supplier, an alcohol or chemical dependency treatment center,  
31 a physical rehabilitation center, a lithotripsy center, an



1 ambulatory care center, a birth center, or a nursing home  
2 component licensed under chapter 400 within a continuing care  
3 facility licensed under chapter 651.

4 ~~(25)~~(24) "Health care provider" means a health care  
5 professional licensed under chapter 458, chapter 459, chapter  
6 460, chapter 461, chapter 463, chapter 464, chapter 465,  
7 chapter 466, part I, part III, part IV, part V, or part X of  
8 chapter 468, chapter 483, chapter 484, chapter 486, chapter  
9 490, or chapter 491.

10 ~~(26)~~(25) "Health care purchaser" means an employer in  
11 the state, other than a health care facility, health insurer,  
12 or health care provider, who provides health care coverage for  
13 her or his employees.

14 ~~(27)~~(26) "Health insurer" means any insurance company  
15 authorized to transact health insurance in the state, any  
16 insurance company authorized to transact health insurance or  
17 casualty insurance in the state that is offering a minimum  
18 premium plan or stop-loss coverage for any person or entity  
19 providing health care benefits, any self-insurance plan as  
20 defined in s. 624.031, any health maintenance organization  
21 authorized to transact business in the state pursuant to part  
22 I of chapter 641, any prepaid health clinic authorized to  
23 transact business in the state pursuant to part II of chapter  
24 641, any multiple-employer welfare arrangement authorized to  
25 transact business in the state pursuant to ss. 624.436-624.45,  
26 or any fraternal benefit society providing health benefits to  
27 its members as authorized pursuant to chapter 632.

28 ~~(28)~~(27) "Home health agency" means an organization  
29 licensed under part IV of chapter 400.

30 ~~(29)~~(28) "Hospice" means an organization licensed  
31 under part VI of chapter 400.

1           ~~(30)~~(29) "Hospital" means a health care institution  
2 licensed by the Agency for Health Care Administration as a  
3 hospital under chapter 395.

4           ~~(31)~~(30) "Lithotripsy center" means a freestanding  
5 facility that employs or contracts with licensed health care  
6 professionals to provide diagnosis or treatment services using  
7 electro-hydraulic shock waves.

8           ~~(32)~~(31) "Local health council" means the agency  
9 defined in s. 408.033.

10           ~~(33)~~(32) "Market basket index" means the Florida  
11 hospital input price index (FHIPI), which is a statewide  
12 market basket index used to measure inflation in hospital  
13 input prices weighted for the Florida-specific experience  
14 which uses multistate regional and state-specific price  
15 measures, when available. The index shall be constructed in  
16 the same manner as the index employed by the Secretary of the  
17 United States Department of Health and Human Services for  
18 determining the inflation in hospital input prices for  
19 purposes of Medicare reimbursement.

20           ~~(34)~~(33) "Medical equipment supplier" means an  
21 organization that provides medical equipment and supplies used  
22 by health care providers and health care facilities in the  
23 diagnosis or treatment of disease.

24           ~~(35)~~(34) "Net revenue" means gross revenue minus  
25 deductions from revenue.

26           ~~(36)~~(35) "New hospital" means a hospital in its  
27 initial year of operation as a licensed hospital and does not  
28 include any facility which has been in existence as a licensed  
29 hospital, regardless of changes in ownership, for over 1  
30 calendar year.

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1           ~~(37)~~(36) "Nursing home" means a facility licensed  
2 under s. 400.062 or, for resident level and financial data  
3 collection purposes only, any institution licensed under  
4 chapter 395 and which has a Medicare or Medicaid certified  
5 distinct part used for skilled nursing home care, but does not  
6 include a facility licensed under chapter 651.

7           ~~(38)~~(37) "Operating expenses" means total expenses  
8 excluding income taxes.

9           ~~(39)~~(38) "Other operating revenue" means all revenue  
10 generated from hospital operations other than revenue directly  
11 associated with patient care.

12           ~~(40)~~(39) "Physical rehabilitation center" means an  
13 organization that employs or contracts with health care  
14 professionals licensed under part I or part III of chapter 468  
15 or chapter 486 to provide speech, occupational, or physical  
16 therapy services on an outpatient or ambulatory basis.

17           ~~(41)~~(40) "Prospective payment arrangement" means a  
18 financial agreement negotiated between a hospital and an  
19 insurer, health maintenance organization, preferred provider  
20 organization, or other third-party payor which contains, at a  
21 minimum, the elements provided for in s. 408.50.

22           ~~(42)~~(41) "Rate of return" means the financial  
23 indicators used to determine or demonstrate reasonableness of  
24 the financial requirements of a hospital. Such indicators  
25 shall include, but not be limited to: return on assets,  
26 return on equity, total margin, and debt service coverage.

27           ~~(43)~~(42) "Rural hospital" means an acute care hospital  
28 licensed under chapter 395, having 100 or fewer licensed beds  
29 and an emergency room, and which is:  
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1 (a) The sole provider within a county with a  
2 population density of no greater than 100 persons per square  
3 mile;

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

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

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

20 (e) ~~A hospital designated as~~ A critical access  
21 hospital ~~by the Department of Health in accordance with~~  
22 ~~federal regulations and state requirements.~~

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24 Population densities used in this subsection must be based  
25 upon the most recently completed United States census. A  
26 hospital that received funds under s. 409.9116 for a quarter  
27 beginning no later than July 1, 2002, is deemed to have been  
28 and shall continue to be a rural hospital from that date  
29 through June 30, 2012, if the hospital continues to have 100  
30 or fewer licensed beds and an emergency room, or meets the  
31 criteria of s. 395.602(2)(e)4. An acute care hospital that has

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

5 ~~(44)~~~~(43)~~ "Special study" means a nonrecurring  
6 data-gathering and analysis effort designed to aid the agency  
7 in meeting its responsibilities pursuant to this chapter.

8 ~~(45)~~~~(44)~~ "Teaching hospital" means any Florida  
9 hospital officially affiliated with an accredited Florida  
10 medical school which exhibits activity in the area of graduate  
11 medical education as reflected by at least seven different  
12 graduate medical education programs accredited by the  
13 Accreditation Council for Graduate Medical Education or the  
14 Council on Postdoctoral Training of the American Osteopathic  
15 Association and the presence of 100 or more full-time  
16 equivalent resident physicians. The Director of the Agency for  
17 Health Care Administration shall be responsible for  
18 determining which hospitals meet this definition.

19 Section 5. Subsection (1) of section 458.345, Florida  
20 Statutes, is amended to read:

21 458.345 Registration of resident physicians, interns,  
22 and fellows; list of hospital employees; prescribing of  
23 medicinal drugs; penalty.--

24 (1) Any person desiring to practice as a resident  
25 physician, assistant resident physician, house physician,  
26 intern, or fellow in fellowship training which leads to  
27 subspecialty board certification in this state, or any person  
28 desiring to practice as a resident physician, assistant  
29 resident physician, house physician, intern, or fellow in  
30 fellowship training in a teaching hospital in this state as  
31 defined in s. 408.07(45) ~~s. 408.07(44)~~ or s. 395.805(2), who

1 | does not hold a valid, active license issued under this  
2 | chapter shall apply to the department to be registered and  
3 | shall remit a fee not to exceed \$300 as set by the board. The  
4 | department shall register any applicant the board certifies  
5 | has met the following requirements:

6 |       (a) Is at least 21 years of age.

7 |       (b) Has not committed any act or offense within or  
8 | without the state which would constitute the basis for refusal  
9 | to certify an application for licensure pursuant to s.

10 | 458.331.

11 |       (c) Is a graduate of a medical school or college as  
12 | specified in s. 458.311(1)(f).

13 |       Section 6. Subsection (1) of section 459.021, Florida  
14 | Statutes, is amended to read:

15 |       459.021 Registration of resident physicians, interns,  
16 | and fellows; list of hospital employees; penalty.--

17 |       (1) Any person who holds a degree of Doctor of  
18 | Osteopathic Medicine from a college of osteopathic medicine  
19 | recognized and approved by the American Osteopathic  
20 | Association who desires to practice as a resident physician,  
21 | assistant resident physician, house physician, intern, or  
22 | fellow in fellowship training which leads to subspecialty  
23 | board certification in this state, or any person desiring to  
24 | practice as a resident physician, assistant resident  
25 | physician, house physician, intern, or fellow in fellowship  
26 | training in a teaching hospital in this state as defined in s.  
27 | 408.07(45) ~~s. 408.07(44)~~ or s. 395.805(2), who does not hold  
28 | an active license issued under this chapter shall apply to the  
29 | department to be registered, on an application provided by the  
30 | department, within 30 days of commencing such a training

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1 program and shall remit a fee not to exceed \$300 as set by the  
2 board.

3 Section 7. This act shall take effect upon becoming a  
4 law.

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7 SENATE SUMMARY

8 Redefines the term "hospital" to exclude designated  
9 critical access hospitals from certain requirements.  
10 Defines the term "critical access hospital."

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