

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 33 Administration and Management of Nursing Home Facilities  
**SPONSOR(S):** Gibson and others  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 266

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Elder & Long-Term Care Committee	8 Y, 0 N	Walsh	Liem
2) Insurance Committee	20 Y, 0 N	Cooper	Cooper
3) Health & Families Council	10 Y, 0 N	Walsh	Moore
4) _____	_____	_____	_____
5) _____	_____	_____	_____

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### SUMMARY ANALYSIS

Currently, with one exception, all licensed nursing home facilities in Florida must maintain general and professional liability insurance that is in force at all times. The exception from this requirement is for a state-designated teaching nursing home and its affiliated assisted living facilities. To qualify, the facility must demonstrate financial responsibility in a minimum amount of \$750,000. This exemption expires July 1, 2005. The bill deletes the exemption's expiration date.

There is no fiscal impact to any governmental agency associated with this bill. Facilities qualifying for the exception should experience a positive fiscal impact.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

**STORAGE NAME:** h0033e.HFC.doc  
**DATE:** 3/30/2005

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

This bill does not appear to implicate any of the House principles.

#### B. EFFECT OF PROPOSED CHANGES:

##### Background

In 1999, the Legislature enacted a "Teaching Nursing Home Pilot Project"<sup>1</sup> to implement a comprehensive multidisciplinary program of geriatric education and research in a nursing home facility designated by the Agency for Health Care Administration (AHCA) as a teaching nursing home. The Miami Jewish Home and Hospital for the Aged at Douglas Gardens ("MJHHA") was licensed in July 2000 as a teaching nursing home<sup>2</sup>, and it remains the only nursing home so designated.

As part of its mission as a teaching nursing home, MJHHA has developed programs intended to promote and enhance research and training of health care professionals who treat Florida's frail elders in an institutionalized setting. Under its contracts with AHCA since 2000, MJHHA has undertaken many research and training projects, including:

- Development of "Geri-U," an Online Geriatric University, an information and decision-sharing program to support physician and nursing education and research in long-term care
- Development of a 4-year medical student curriculum, including a statewide collaboration on physician education in geriatrics involving all of Florida's medical schools.
- Conducting nursing education activities, including establishment of formal training programs for LPNs and CNAs in long-term care facilities
- Collaborating with other major residential care facilities with academic affiliations, such as Jacksonville's River Garden facility
- Development of training tools for staff involved in the direct care of persons with dementia, including creation of a CD-ROM for use in LPN training.

In 2001, the Legislature mandated that all nursing homes maintain liability insurance<sup>3</sup>. The next year, the Legislature amended both the nursing home licensing statute and the teaching nursing home pilot statute to provide an exception to the licensure requirement for nursing homes to maintain liability insurance coverage<sup>4</sup>. Specifically, s. 400.141(20), F.S., was amended to allow teaching nursing homes to demonstrate proof of financial responsibility by the alternative means enumerated in s. 430.80(3)(h), F.S. This statute permits a teaching nursing home to either maintain insurance coverage or provide proof of financial responsibility in a minimum amount of \$750,000 by; among other means:

- Maintenance of an escrow account consisting of cash or assets, or

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<sup>1</sup> Chapter 99-394, L.O.F., creating s. 430.80, F.S.

<sup>2</sup> Pursuant to s. 430.80(1) and (2), a teaching nursing home is a nursing home facility licensed under chapter 400 which contains a minimum of 400 licensed nursing home beds; has access to a resident senior population of sufficient size to support education, training, and research relating to geriatric care; and has a contractual relationship with a federally funded accredited geriatric research center in this state. The facility must also meet certain accreditation and educational requirements.

<sup>3</sup> Section 22, Chapter 2001-45, L.O.F.

<sup>4</sup> Section 29 and 30, Chapter 2002-223, L.O.F.

- Maintenance of an unexpired, irrevocable, nontransferable and nonassignable letter of credit which shall be used to satisfy final judgments or settlements of liability claims.<sup>5</sup>

The exception provided in s. 400.141(20), F.S., expires on July 1, 2005.

### Effect of Proposed Changes

The bill deletes the expiration of the exception to maintenance of liability coverage for teaching nursing homes, thereby allowing such facilities to demonstrate alternative financial responsibility.

#### C. SECTION DIRECTORY:

Section 1: Amends s. 400.141(20), F.S.; deletes the expiration of the exception to maintenance of liability coverage for teaching nursing homes.

Section 2: Provides that the act is effective upon becoming law.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

There is no fiscal impact associated with this bill.

#### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

There is no fiscal impact associated with this bill.

#### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

An exemption from the requirement to purchase liability insurance should have a positive fiscal on any state-designated teaching nursing home facility.

#### D. FISCAL COMMENTS:

None.

## **III. COMMENTS**

#### A. CONSTITUTIONAL ISSUES:

##### 1. Applicability of Municipality/County Mandates Provision:

The mandates provision is not implicated by this bill.

##### 2. Other:

None.

#### B. RULE-MAKING AUTHORITY:

None.

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<sup>5</sup> MJHHA maintains a \$750,000 letter of credit to meet its nursing home licensure requirement, in addition to a \$250,000 escrow account.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**