

1 A bill to be entitled
2 An act relating to rural health care; amending s.
3 381.0405, F.S.; revising the purpose and functions of the
4 Office of Rural Health in the Department of Health;
5 requiring the Secretary of Health and the Secretary of
6 Health Care Administration to appoint an advisory council
7 to advise the office; providing for terms of office of the
8 members of the advisory council; authorizing per diem and
9 travel reimbursement for members of the advisory council;
10 requiring a report to the Governor and Legislature;
11 amending s. 381.0406, F.S.; revising legislative findings
12 and intent with respect to rural health networks; revising
13 definitions; providing additional functions of and
14 requirements for membership in rural health networks;
15 requiring rural health networks to submit rural health
16 infrastructure development plans to the office by a
17 specified date; revising provisions relating to the
18 governance and organization of rural health networks;
19 revising the services to be provided by provider members
20 of rural health networks; requiring coordination among
21 rural health networks and area health education centers
22 and health planning councils; establishing performance
23 standards; establishing a grant program for funding rural
24 health networks; defining projects that may be funded
25 through the grant program; requiring the department to
26 establish rules governing rural health network grant
27 programs and performance standards; amending s. 395.602,

28 F.S.; defining "critical access hospital"; revising and
29 deleting definitions; amending s. 395.603, F.S.; deleting
30 a requirement that the Agency for Health Care
31 Administration adopt a rule relating to deactivation of
32 rural hospital beds under certain circumstances; requiring
33 that rural critical access hospitals maintain a certain
34 number of actively licensed beds; amending s. 395.604,
35 F.S.; removing emergency care hospitals and essential
36 access community hospitals from certain licensure
37 requirements; specifying certain special conditions for
38 rural primary care hospitals; amending s. 395.6061, F.S.;
39 specifying the purpose of the rural hospital capital
40 improvement grant program; providing for grant management
41 by the department; modifying the conditions for receiving
42 a grant; providing for preferential assistance for
43 financially distressed rural hospitals; providing purpose
44 of the program; providing requirements for receiving
45 certain assistance; requiring a participation agreement
46 and providing for contents thereof; creating s. 408.7054,
47 F.S.; establishing the Rural Provider Service Network
48 Development Program; providing purposes; authorizing the
49 agency to provide funding through a grant program for the
50 establishment of rural provider service networks;
51 providing eligibility requirements; authorizing
52 preferential funding to certain providers; authorizing the
53 agency to adopt rules; amending ss. 408.07, 409.9116, and
54 1009.65, F.S.; conforming cross-references; repealing s.

55 | 395.605, F.S., relating to the licensure of emergency care
 56 | hospitals; creating s. 381.7366, F.S.; establishing the
 57 | Office of Minority Health; providing legislative intent;
 58 | providing for organization, duties, and responsibilities;
 59 | requiring a report to the Governor and Legislature;
 60 | providing an effective date.

61

62 | Be It Enacted by the Legislature of the State of Florida:

63

64 | Section 1. Section 381.0405, Florida Statutes, is amended
 65 | to read:

66 | 381.0405 Office of Rural Health.--

67 | (1) ESTABLISHMENT.--The Department of Health shall
 68 | establish an Office of Rural Health, which shall assist rural
 69 | health care providers in improving the health status and health
 70 | care of rural residents of this state and assist rural health
 71 | care providers in integrating their efforts. The Office of Rural
 72 | Health shall coordinate its activities with rural health
 73 | networks established under s. 381.0406, local health councils
 74 | established under s. 408.033, the area health education center
 75 | network established under ~~pursuant to~~ s. 381.0402, and ~~with~~ any
 76 | appropriate research and policy development centers within
 77 | universities that have state-approved medical schools. The
 78 | Office of Rural Health may enter into a formal relationship with
 79 | any center that designates the office as an affiliate of the
 80 | center.

81 (2) PURPOSE.--The Office of Rural Health shall actively
 82 foster the provision of high-quality health care services in
 83 rural areas and serve as a catalyst for improved health services
 84 to residents ~~citizens~~ in rural areas of the state.

85 (3) GENERAL FUNCTIONS.--The office shall:

86 (a) Integrate policies related to physician workforce,
 87 hospitals, public health, and state regulatory functions.

88 (b) Work with rural stakeholders in order to foster the
 89 development of strategic planning that addresses ~~Propose~~
 90 ~~solutions to~~ problems affecting health care delivery in rural
 91 areas.

92 (c) Foster the expansion of rural health network service
 93 areas to include rural counties that are not served by a rural
 94 health network.

95 (d)~~(e)~~ Seek grant funds from foundations and the Federal
 96 Government.

97 (e) Administer state grant programs for rural health
 98 networks.

99 (4) COORDINATION.--The office shall:

100 (a) Identify federal and state rural health programs and
 101 provide information and technical assistance to rural providers
 102 regarding participation in such programs.

103 (b) Act as a clearinghouse for collecting and
 104 disseminating information on rural health care issues, research
 105 findings on rural health care, and innovative approaches to the
 106 delivery of health care in rural areas.

107 (c) Foster the creation of regional health care systems
 108 that promote cooperation, ~~rather than competition.~~

109 (d) Coordinate the department's rural health care
 110 activities, programs, and policies.

111 (e) Design initiatives to improve access to primary,
 112 acute, and emergency medical services and promote the
 113 coordination of such services in rural areas.

114 (f) Assume responsibility for state coordination of ~~the~~
 115 ~~Rural Hospital Transition Grant Program, the Essential Access~~
 116 ~~Community Hospital Program, and other~~ federal rural health care
 117 grant programs.

118 (5) TECHNICAL ASSISTANCE.--The office shall:

119 (a) Assist ~~Help~~ rural health care providers in recruiting
 120 ~~obtain~~ health care practitioners by promoting the location and
 121 relocation of health care practitioners in rural areas and
 122 promoting policies that create incentives for practitioners to
 123 serve in rural areas.

124 (b) Provide technical assistance to hospitals, community
 125 and migrant health centers, and other health care providers that
 126 serve residents in rural areas.

127 (c) Assist with the design of strategies to improve health
 128 care workforce recruitment and placement programs.

129 (d) Provide technical assistance to rural health networks
 130 in the formulation of their rural health infrastructure
 131 development plans.

132 (e) Provide links to best practices and other technical
 133 assistance resources on the office's Internet website.

134 (6) ADVISORY COUNCIL.--The Secretary of Health and the
 135 Secretary of Health Care Administration shall each appoint no
 136 more than five members with relevant health care operations
 137 management, practice, and policy experience to an advisory
 138 council to advise the office regarding its responsibilities
 139 under this section and ss. 381.0406, 395.6061, and 395.6063.
 140 Members must be appointed for 4-year staggered terms and may be
 141 reappointed to a second term of office. Members shall serve
 142 without compensation but are entitled to reimbursement for per
 143 diem and travel expenses as provided in s. 112.061. The council
 144 may appoint technical advisory teams as needed. The department
 145 shall provide staff and other administrative assistance
 146 reasonably necessary to assist the advisory council in carrying
 147 out its duties.

148 (7) REPORTS.--Beginning January 1, 2007, and annually
 149 thereafter, the Office of Rural Health shall submit a report to
 150 the Governor, the President of the Senate, and the Speaker of
 151 the House of Representatives summarizing the activities of the
 152 office, including the grants obtained or administered by the
 153 office and the status of rural health networks and rural
 154 hospitals in the state. The report must also include
 155 recommendations for improvements in health care delivery in
 156 rural areas of the state.

157 (8) ~~(6)~~ RESEARCH PUBLICATIONS AND SPECIAL STUDIES.--The
 158 office shall:

- 159 (a) Conduct policy and research studies.
- 160 (b) Conduct health status studies of rural residents.

161 (c) Collect relevant data on rural health care issues for
 162 use in department policy development.

163 (9)~~(7)~~ APPROPRIATION.--The Legislature shall appropriate
 164 such sums as are necessary to support the Office of Rural
 165 Health.

166 Section 2. Section 381.0406, Florida Statutes, is amended
 167 to read:

168 381.0406 Rural health networks.--

169 (1) LEGISLATIVE FINDINGS AND INTENT.--

170 (a) The Legislature finds that, in rural areas, access to
 171 health care is limited and the quality of health care is
 172 negatively affected by inadequate financing, difficulty in
 173 recruiting and retaining skilled health professionals, and the
 174 ~~because of a~~ migration of patients to urban areas for general
 175 acute care and specialty services.

176 (b) The Legislature further finds that the efficient and
 177 effective delivery of health care services in rural areas
 178 requires:

179 1. The integration of public and private resources;

180 2. The introduction of innovative outreach methods;

181 3. The adoption of quality improvement and cost-
 182 effectiveness measures;

183 4. The organization of health care providers into joint
 184 contracting entities;

185 5. The establishment of referral linkages;

186 6. The analysis of costs and services in order to prepare
 187 health care providers for prepaid and at-risk financing; and

188 7. The coordination of health care providers.

189 (c) The Legislature further finds that the availability of
 190 a continuum of quality health care services, including
 191 preventive, primary, secondary, tertiary, and long-term care, is
 192 essential to the economic and social vitality of rural
 193 communities.

194 (d) The Legislature further finds that health care
 195 providers in rural areas are not prepared for market changes
 196 such as the introduction of managed care and capitation-
 197 reimbursement methodologies into health care services.

198 (e)~~(d)~~ The Legislature further finds that the creation of
 199 rural health networks can help to alleviate these problems.
 200 Rural health networks shall act in the broad public interest
 201 and, to the extent possible, seek to improve the accessibility,
 202 quality, and cost-effectiveness of rural health care by
 203 planning, developing, coordinating, and providing ~~be structured~~
 204 ~~to provide~~ a continuum of quality health care services for rural
 205 residents through the cooperative efforts of rural health
 206 network members and other health care providers.

207 (f)~~(e)~~ The Legislature further finds that rural health
 208 networks shall have the goal of increasing the financial
 209 stability of statutory rural hospitals by linking rural hospital
 210 services to other services in a continuum of health care
 211 services and by increasing the utilization of statutory rural
 212 hospitals whenever ~~for~~ appropriate health care services ~~whenever~~
 213 ~~feasible, which shall help to ensure their survival and thereby~~

214 support the economy and protect the health and safety of rural
215 residents.

216 (g)~~(f)~~ Finally, the Legislature finds that rural health
217 networks may serve as "laboratories" to determine the best way
218 of organizing rural health services and linking to out-of-area
219 services that are not available locally in order~~7~~ to move the
220 state closer to ensuring that everyone has access to health
221 care~~7~~ and to promote cost containment efforts. The ultimate
222 goal of rural health networks shall be to ensure that quality
223 health care is available and efficiently delivered to all
224 persons in rural areas.

225 (2) DEFINITIONS.--

226 (a) "Rural" means an area having ~~with~~ a population density
227 of fewer ~~less~~ than 100 individuals per square mile or an area
228 defined by the most recent United States Census as rural.

229 (b) "Health care provider" means any individual, group, or
230 entity, public or private, which ~~that~~ provides health care,
231 including~~+~~ preventive health care, primary health care,
232 secondary and tertiary health care, hospital ~~in hospital~~ health
233 care, public health care, and health promotion and education.

234 (c) "Rural health network" or "network" means a nonprofit
235 legal entity, whose members consist ~~consisting~~ of rural and
236 urban health care providers and others, and which ~~that~~ is
237 established ~~organized~~ to plan, develop, organize, and deliver
238 health care services on a cooperative basis in a rural area~~7~~
239 ~~except for some secondary and tertiary care services.~~

240 (3) NETWORK MEMBERSHIP.--

241 (a) Because each rural area is unique, with a different
 242 health care provider mix, health care provider membership may
 243 vary, but all networks shall include members that provide health
 244 promotion and disease prevention services, public health
 245 services, comprehensive primary care, emergency medical care,
 246 and acute inpatient care.

247 (b) Each county health department shall be a member of the
 248 rural health network whose service area includes the county in
 249 which the county health department is located. Federally
 250 qualified health centers and emergency medical services
 251 providers are encouraged to become members of the rural health
 252 networks in the areas in which their patients reside or receive
 253 services.

254 (c) ~~(4)~~ Network membership shall be available to all health
 255 care providers in the network service area if, ~~provided that~~
 256 they render care to all patients referred to them from other
 257 network members; and, ~~comply with network quality assurance, quality~~
 258 improvement, and utilization-management ~~and risk management~~
 259 requirements; and, ~~abide by the terms and conditions of network~~
 260 provider agreements ~~in paragraph (11)(c), and provide services~~
 261 ~~at a rate or price equal to the rate or price negotiated by the~~
 262 ~~network.~~

263 (4) ~~(5)~~ NETWORK SERVICE AREAS.--Network service areas are
 264 ~~do~~ not required ~~need~~ to conform to local political boundaries or
 265 state administrative district boundaries. The geographic area of
 266 one rural health network, however, may not overlap the territory
 267 of any other rural health network.

268 ~~(5)-(6)~~ NETWORK FUNCTIONS.--Networks shall:

269 (a) Seek to develop linkages with provisions for referral

270 ~~to~~ tertiary inpatient care, specialty physician care, and ~~to~~

271 other services that are not available in rural service areas.

272 ~~(b)-(7)~~ ~~Networks shall~~ Make available health promotion,

273 disease prevention, and primary care services, in order to

274 improve the health status of rural residents and to contain

275 health care costs.

276 ~~(8)~~ ~~Networks may have multiple points of entry, such as~~

277 ~~through private physicians, community health centers, county~~

278 ~~health departments, certified rural health clinics, hospitals,~~

279 ~~or other providers; or they may have a single point of entry.~~

280 ~~(c)-(9)~~ Encourage members through training and educational

281 programs to adopt standards of care, and promote the evidence-

282 based practice of medicine. Networks shall establish standard

283 protocols, coordinate and share patient records, and develop

284 patient information exchange systems in order to improve quality

285 and access to services.

286 (d) Develop quality-improvement programs and train network

287 members and other health care providers in the use of such

288 programs.

289 (e) Develop disease-management systems and train network

290 members and other health care providers in the use of such

291 systems.

292 (f) Promote outreach to areas with a high need for

293 services.

294 (g) Seek to develop community care alternatives for elders
 295 who would otherwise be placed in nursing homes.

296 (h) Emphasize community care alternatives for persons with
 297 mental health and substance abuse disorders who are at risk of
 298 being admitted to an institution.

299 (i) Develop and implement a rural health infrastructure
 300 development plan for an integrated system of care that is
 301 responsive to the unique local health needs and the area health
 302 care services market. Each rural health infrastructure
 303 development plan must address strategies to improve access to
 304 specialty care, train health care providers to use standards of
 305 care for chronic illness, develop disease-management capacity,
 306 and link to state and national quality-improvement initiatives.
 307 The initial development plan must be submitted to the Office of
 308 Rural Health for review and approval no later than July 1, 2007,
 309 and thereafter the plans must be updated and submitted to the
 310 Office of Rural Health every 3 years.

311 ~~(10) Networks shall develop risk management and quality~~
 312 ~~assurance programs for network providers.~~

313 (6)~~(11)~~ NETWORK GOVERNANCE AND ORGANIZATION.--

314 (a) Networks shall be incorporated as not-for-profit
 315 corporations under chapter 617, with articles of incorporation
 316 that set forth purposes consistent with this section ~~the laws of~~
 317 ~~the state.~~

318 (b) Each network ~~Networks~~ shall have an independent a
 319 board of directors that derives membership from local
 320 government, health care providers, businesses, consumers,

321 advocacy groups, and others. Boards of other community health
322 care entities may not serve in whole as the board of a rural
323 health network; however, some overlap of board membership with
324 other community organizations is encouraged. Network staff must
325 provide an annual orientation and strategic planning activity
326 for board members.

327 (c) Network boards of directors shall have the
328 responsibility of determining the content of health care
329 provider agreements that link network members. The written
330 agreements between the network and its health care provider
331 members must specify participation in the essential functions of
332 the network and shall specify:

- 333 1. Who provides what services.
- 334 2. The extent to which the health care provider provides
335 care to persons who lack health insurance or are otherwise
336 unable to pay for care.
- 337 3. The procedures for transfer of medical records.
- 338 4. The method used for the transportation of patients
339 between providers.
- 340 5. Referral and patient flow including appointments and
341 scheduling.
- 342 6. Payment arrangements for the transfer or referral of
343 patients.

344 (d) There shall be no liability on the part of, and no
345 cause of action of any nature shall arise against, any member of
346 a network board of directors, or its employees or agents, for

347 any lawful action taken by them in the performance of their
 348 administrative powers and duties under this subsection.

349 ~~(7)~~ ~~(12)~~ NETWORK PROVIDER MEMBER SERVICES.--

350 (a) Networks, to the extent feasible, shall seek to
 351 develop services that provide for a continuum of care for all
 352 residents ~~patients~~ served by the network. Each network shall
 353 recruit members that can provide ~~include~~ the following core
 354 services: disease prevention, health promotion, comprehensive
 355 primary care, emergency medical care, and acute inpatient care.
 356 Each network shall seek to ensure the availability of
 357 comprehensive maternity care, including prenatal, delivery, and
 358 postpartum care for uncomplicated pregnancies, either directly,
 359 by contract, or through referral agreements. Networks shall, to
 360 the extent feasible, develop local services and linkages among
 361 health care providers to ~~also~~ ensure the availability of the
 362 following services: ~~within the specified timeframes, either~~
 363 ~~directly, by contract, or through referral agreements:~~

364 ~~1. Services available in the home.~~

365 ~~1.a.~~ Home health care.

366 ~~2.b.~~ Hospice care.

367 ~~2. Services accessible within 30 minutes travel time or~~
 368 ~~less.~~

369 ~~3.a.~~ Emergency medical services, including advanced life
 370 support, ambulance, and basic emergency room services.

371 ~~4.b.~~ Primary care, including

372 ~~e.~~ prenatal and postpartum care for uncomplicated
 373 pregnancies.

374 ~~5.d.~~ Community-based services for elders, such as adult
375 day care and assistance with activities of daily living.

376 ~~6.e.~~ Public health services, including communicable
377 disease control, disease prevention, health education, and
378 health promotion.

379 ~~7.f.~~ Outpatient mental health ~~psychiatric~~ and substance
380 abuse services.

381 ~~3. Services accessible within 45 minutes travel time or~~
382 ~~less.~~

383 ~~8.a.~~ Hospital acute inpatient care for persons whose
384 illnesses or medical problems are not severe.

385 ~~9.b. Level I obstetrical care, which is Labor and delivery~~
386 ~~for low-risk patients.~~

387 ~~10.e.~~ Skilled nursing services and, long-term care,
388 including nursing home care.

389 (b) Networks shall seek to foster linkages with out-of-
390 area services to the extent feasible to ensure the availability
391 of:

392 ~~1.d.~~ Dialysis.

393 ~~2.e.~~ Osteopathic and chiropractic manipulative therapy.

394 ~~4. Services accessible within 2 hours travel time or less.~~

395 ~~3.a.~~ Specialist physician care.

396 ~~4.b.~~ Hospital acute inpatient care for severe illnesses
397 and medical problems.

398 ~~5.e. Level II and III obstetrical care, which is Labor and~~
399 ~~delivery care for high-risk patients and neonatal intensive~~
400 ~~care.~~

401 ~~6.d.~~ Comprehensive medical rehabilitation.

402 ~~7.e.~~ Inpatient mental health ~~psychiatric~~ and substance
403 abuse services.

404 ~~8.f.~~ Magnetic resonance imaging, lithotripter treatment,
405 oncology, advanced radiology, and other technologically advanced
406 services.

407 ~~9.g.~~ Subacute care.

408 (8) COORDINATION WITH OTHER ENTITIES.--

409 (a) Area health education centers and health planning
410 councils shall participate in the rural health networks'
411 preparation of development plans. The Department of Health may
412 require a written memorandum of agreement between a network and
413 an area health education center or health planning council.

414 (b) Rural health networks shall initiate activities, in
415 coordination with area health education centers, to carry out
416 the objectives of the adopted development plan, including
417 continuing education for health care practitioners performing
418 functions such as disease management, continuous quality
419 improvement, telemedicine, long-distance learning, and the
420 treatment of chronic illness using standards of care. As used in
421 this section, the term "telemedicine" means the use of
422 telecommunications to deliver or expedite the delivery of health
423 care services.

424 (c) Rural health networks shall contract with local health
425 planning councils to support the preparation of development
426 plans through data collection and analysis in order to assess

427 the health status of area residents and the capacity of local
428 health services.

429 ~~(d)(b)~~ Networks shall actively participate with area
430 health education center programs, whenever feasible, in
431 developing and implementing recruitment, training, and retention
432 programs directed at positively influencing the supply and
433 distribution of health care professionals serving in, or
434 receiving training in, network areas.

435 ~~(c) As funds become available, networks shall emphasize~~
436 ~~community care alternatives for elders who would otherwise be~~
437 ~~placed in nursing homes.~~

438 ~~(d) To promote the most efficient use of resources,~~
439 ~~networks shall emphasize disease prevention, early diagnosis and~~
440 ~~treatment of medical problems, and community care alternatives~~
441 ~~for persons with mental health and substance abuse disorders who~~
442 ~~are at risk to be institutionalized.~~

443 ~~(e)(13) TRAUMA SERVICES.~~ In those network areas having
444 which have an established trauma agency approved by the
445 Department of Health, the network shall seek the participation
446 of that trauma agency ~~must be a participant in the network.~~
447 Trauma services provided within the network area must comply
448 with s. 395.405.

449 ~~(9)(14) NETWORK FINANCING.--~~

450 (a) Networks may use all sources of public and private
451 funds to support network activities. Nothing in this section
452 prohibits networks from becoming managed care providers.

453 (b) The Department of Health shall establish grant
454 programs to provide funding to support the administrative costs
455 of developing and operating rural health networks.

456 (10) NETWORK PERFORMANCE STANDARDS.--The Department of
457 Health shall develop and enforce performance standards for rural
458 health network operations grants and rural health infrastructure
459 development grants.

460 (a) Operations grant performance standards must include,
461 but are not limited to, standards that require the rural health
462 network to:

463 1. Have a qualified board of directors that meets at least
464 quarterly.

465 2. Have sufficient staff who have the qualifications and
466 experience to perform the requirements of this section, as
467 assessed by the Office of Rural Health, or a written plan to
468 obtain such staff.

469 3. Comply with the department's grant management standards
470 in a timely and responsive manner.

471 4. Comply with the department's standards for the
472 administration of federal grant funding, including assistance to
473 rural hospitals.

474 5. Demonstrate a commitment to network activities from
475 area health care providers and other stakeholders, as described
476 in letters of support.

477 (b) Rural health infrastructure development grant
478 performance standards must include, but are not limited to,
479 standards that require the rural health network to:

480 1. During the 2006-2007 fiscal year prepare a development
481 plan and, after July 1, 2007, have a development plan that has
482 been reviewed and approved by the Office of Rural Health.

483 2. Have two or more successful network-development
484 activities, such as:

485 a. Management of a network development or outreach grant
486 from the federal Office of Rural Health Policy;

487 b. Implementation of outreach programs to address chronic
488 disease, infant mortality, or assistance with prescription
489 medication;

490 c. Development of partnerships with community and faith-
491 based organizations to address area health problems;

492 d. Provision of direct services, such as clinics or mobile
493 units;

494 e. Operation of credentialing services for health care
495 providers or quality assurance and quality improvement
496 initiatives that, whenever possible, are consistent with state
497 or federal quality initiatives;

498 f. Support for the development of community health
499 centers, local community health councils, federal designation as
500 a rural critical access hospital, or comprehensive community
501 health planning initiatives; and

502 g. Development of the capacity to obtain federal, state,
503 and foundation grants.

504 (11)-(15) NETWORK IMPLEMENTATION.--As funds become
505 available, networks shall be developed and implemented in two
506 phases.

507 (a) Phase I shall consist of a network planning and
508 development grant program. Planning grants shall be used to
509 organize networks, incorporate network boards, and develop
510 formal provider agreements as provided for in this section. The
511 Department of Health shall develop a request-for-proposal
512 process to solicit grant applications.

513 (b) Phase II shall consist of a network operations grant
514 program. As funds become available, certified networks that meet
515 performance standards shall be eligible to receive grant funds
516 to be used to help defray the costs of rural health network
517 infrastructure development, patient care, and network
518 administration. Rural health network infrastructure development
519 includes, but is not limited to: recruitment and retention of
520 primary care practitioners; enhancements of primary care
521 services through the use of mobile clinics; development of
522 preventive health care programs; linkage of urban and rural
523 health care systems; design and implementation of automated
524 patient records, outcome measurement, quality assurance, and
525 risk management systems; establishment of one-stop service
526 delivery sites; upgrading of medical technology available to
527 network providers; enhancement of emergency medical systems;
528 enhancement of medical transportation; formation of joint
529 contracting entities composed of rural physicians, rural
530 hospitals, and other rural health care providers; establishment
531 of comprehensive disease management programs that meet Medicaid
532 requirements; establishment of regional quality improvement
533 programs involving physicians and hospitals consistent with

534 state and national initiatives; establishment of specialty
535 networks connecting rural primary care physicians and urban
536 specialists; development of regional broadband
537 telecommunications systems that have the capacity to share
538 patient information in a secure network, telemedicine, and long-
539 distance learning capacity; and linkage between training
540 programs for health care practitioners and the delivery of
541 health care services in rural areas ~~and development of~~
542 ~~telecommunication capabilities~~. A Phase II award may occur in
543 the same fiscal year as a Phase I award.

544 ~~(12)(16)~~ CERTIFICATION.--For the purpose of certifying
545 networks that are eligible for Phase II funding, the Department
546 of Health shall certify networks that meet the criteria
547 delineated in this section and the rules governing rural health
548 networks. The Office of Rural Health in the Department of Health
549 shall monitor rural health networks in order to ensure continued
550 compliance with established certification and performance
551 standards.

552 ~~(13)(17)~~ RULES.--The Department of Health shall establish
553 rules pursuant to s. 120.536(1) and 120.54 that govern the
554 creation and certification of networks, the provision of grant
555 funds under Phase I and Phase II, and the establishment of
556 performance standards ~~including establishing outcome measures~~
557 for networks.

558 Section 3. Subsection (2) of section 395.602, Florida
559 Statutes, is amended to read:

560 395.602 Rural hospitals.--

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

562 (a) "Critical access hospital" means a hospital that meets
 563 the definition of rural hospital in paragraph (d) and meets the
 564 requirements for reimbursement by Medicare and Medicaid under 42
 565 C.F.R. ss. 485.601-485.647. ~~"Emergency care hospital" means a~~
 566 ~~medical facility which provides:~~

- 567 1. ~~Emergency medical treatment; and~~
- 568 2. ~~Inpatient care to ill or injured persons prior to their~~
 569 ~~transportation to another hospital or provides inpatient medical~~
 570 ~~care to persons needing care for a period of up to 96 hours. The~~
 571 ~~96-hour limitation on inpatient care does not apply to respite,~~
 572 ~~skilled nursing, hospice, or other nonacute care patients.~~

573 ~~(b) "Essential access community hospital" means any~~
 574 ~~facility which:~~

- 575 1. ~~Has at least 100 beds;~~
- 576 2. ~~Is located more than 35 miles from any other essential~~
 577 ~~access community hospital, rural referral center, or urban~~
 578 ~~hospital meeting criteria for classification as a regional~~
 579 ~~referral center;~~
- 580 3. ~~Is part of a network that includes rural primary care~~
 581 ~~hospitals;~~
- 582 4. ~~Provides emergency and medical backup services to rural~~
 583 ~~primary care hospitals in its rural health network;~~
- 584 5. ~~Extends staff privileges to rural primary care hospital~~
 585 ~~physicians in its network; and~~
- 586 6. ~~Accepts patients transferred from rural primary care~~
 587 ~~hospitals in its network.~~

588 (b)~~(e)~~ "Inactive rural hospital bed" means a licensed
 589 acute care hospital bed, as defined in s. 395.002(14), that is
 590 inactive in that it cannot be occupied by acute care inpatients.

591 (c)~~(d)~~ "Rural area health education center" means an area
 592 health education center (AHEC), as authorized by Pub. L. No. 94-
 593 484, that ~~which~~ provides services in a county with a population
 594 density of no greater than 100 persons per square mile.

595 (d)~~(e)~~ "Rural hospital" means an acute care hospital
 596 licensed under this chapter, having 100 or fewer licensed beds
 597 and an emergency room, that ~~which~~ is:

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

600 2. An acute care hospital, in a county with a population
 601 density of no greater than 100 persons per square mile, that
 602 ~~which~~ is at least 30 minutes of travel time, on normally
 603 traveled roads under normal traffic conditions, from any other
 604 acute care hospital within the same county;

605 3. A hospital supported by a tax district or subdistrict
 606 whose boundaries encompass a population of 100 persons or fewer
 607 per square mile;

608 4. A hospital in a constitutional charter county with a
 609 population of over 1 million persons that has imposed a local
 610 option health service tax pursuant to law and in an area that
 611 was directly impacted by a catastrophic event on August 24,
 612 1992, for which the Governor of Florida declared a state of
 613 emergency pursuant to chapter 125, and has 120 beds or fewer
 614 ~~less~~ that serves an agricultural community with an emergency

615 | room utilization of no less than 20,000 visits and a Medicaid
616 | inpatient utilization rate greater than 15 percent;

617 | 5. A hospital with a service area that has a population of
618 | 100 persons or fewer per square mile. As used in this
619 | subparagraph, the term "service area" means the fewest number of
620 | zip codes that account for 75 percent of the hospital's
621 | discharges for the most recent 5-year period, based on
622 | information available from the hospital inpatient discharge
623 | database in the State Center for Health Statistics at the Agency
624 | for Health Care Administration; or

625 | 6. A hospital designated as a critical access hospital, as
626 | defined in s. 408.07(15).

627 |

628 | Population densities used in this paragraph must be based upon
629 | the most recently completed United States census. A hospital
630 | that received funds under s. 409.9116 for a quarter beginning no
631 | later than July 1, 2002, is deemed to have been and shall
632 | continue to be a rural hospital from that date through June 30,
633 | 2012, if the hospital continues to have 100 or fewer licensed
634 | beds and an emergency room, or meets the criteria of
635 | subparagraph 4. An acute care hospital that has not previously
636 | been designated as a rural hospital and that meets the criteria
637 | of this paragraph shall be granted such designation upon
638 | application, including supporting documentation to the Agency
639 | for Health Care Administration.

640 ~~(e)-(f)~~ "Rural primary care hospital" means any facility
641 ~~that meeting the criteria in paragraph (e) or s. 395.605 which~~
642 provides:

- 643 1. Twenty-four-hour emergency medical care;
- 644 2. Temporary inpatient care for periods of 96 ~~72~~ hours or
645 less to patients requiring stabilization before discharge or
646 transfer to another hospital. The 96-hour ~~72-hour~~ limitation
647 does not apply to respite, skilled nursing, hospice, or other
648 nonacute care patients; and
- 649 3. Has at least ~~no more than~~ six licensed acute care
650 inpatient beds.

651 ~~(f)-(g)~~ "Swing-bed" means a bed that ~~which~~ can be used
652 interchangeably as either a hospital, skilled nursing facility
653 (SNF), or intermediate care facility (ICF) bed pursuant to 42
654 C.F.R. parts 405, 435, 440, 442, and 447.

655 Section 4. Subsection (1) of section 395.603, Florida
656 Statutes, is amended to read:

657 395.603 Deactivation of general hospital beds; rural
658 hospital impact statement.--

659 ~~(1) The agency shall establish, by rule, a process by~~
660 ~~which~~ A rural hospital, as defined in s. 395.602, that ~~seeks~~
661 ~~licensure as a rural primary care hospital or as an emergency~~
662 ~~care hospital, or~~ becomes a certified rural health clinic as
663 defined in Pub. L. No. 95-210~~7~~, or becomes a primary care program
664 such as a county health department, community health center, or
665 other similar outpatient program that provides preventive and
666 curative services~~7~~, may deactivate general hospital beds. A rural

667 critical access hospital ~~Rural primary care hospitals and~~
 668 ~~emergency care hospitals~~ shall maintain the number of actively
 669 licensed general hospital beds necessary for the facility to be
 670 certified for Medicare reimbursement. Hospitals that discontinue
 671 inpatient care to become rural health care clinics or primary
 672 care programs shall deactivate all licensed general hospital
 673 beds. All hospitals, clinics, and programs with inactive beds
 674 shall provide 24-hour emergency medical care by staffing an
 675 emergency room. Providers with inactive beds shall be subject to
 676 the criteria in s. 395.1041. The agency shall specify in rule
 677 requirements for making 24-hour emergency care available.
 678 Inactive general hospital beds shall be included in the acute
 679 care bed inventory, maintained by the agency for certificate-of-
 680 need purposes, for 10 years from the date of deactivation of the
 681 beds. After 10 years have elapsed, inactive beds shall be
 682 excluded from the inventory. The agency shall, at the request of
 683 the licensee, reactivate the inactive general beds upon a
 684 showing by the licensee that licensure requirements for the
 685 inactive general beds are met.

686 Section 5. Section 395.604, Florida Statutes, is amended
 687 to read:

688 395.604 ~~Other~~ Rural primary care hospitals ~~hospital~~
 689 ~~programs~~. --

690 (1) The agency may license rural primary care hospitals
 691 subject to federal approval for participation in the Medicare
 692 and Medicaid programs. Rural primary care hospitals shall be
 693 treated in the same manner as ~~emergency care hospitals and~~ rural

694 hospitals with respect to ss. ~~395.605(2)-(8)(a)~~,
 695 408.033(2)(b)3.7 and 408.038.

696 ~~(2) The agency may designate essential access community~~
 697 ~~hospitals.~~

698 (2)(3) The agency may adopt licensure rules for rural
 699 primary care hospitals ~~and essential access community hospitals.~~
 700 Such rules must conform to s. 395.1055.

701 (3) For the purpose of Medicaid swing-bed reimbursement
 702 pursuant to the Medicaid program, the agency shall treat rural
 703 primary care hospitals in the same manner as rural hospitals.

704 (4) For the purpose of participation in the Medical
 705 Education Reimbursement and Loan Repayment Program as defined in
 706 s. 1009.65 or other loan repayment or incentive programs
 707 designed to relieve medical workforce shortages, the department
 708 shall treat rural primary care hospitals in the same manner as
 709 rural hospitals.

710 (5) For the purpose of coordinating primary care services
 711 described in s. 154.011(1)(c)10., the department shall treat
 712 rural primary care hospitals in the same manner as rural
 713 hospitals.

714 (6) Rural hospitals that make application under the
 715 certificate-of-need program to be licensed as rural primary care
 716 hospitals shall receive expedited review as defined in s.
 717 408.032. Rural primary care hospitals seeking relicensure as
 718 acute care general hospitals shall also receive expedited
 719 review.

720 (7) Rural primary care hospitals are exempt from
 721 certificate-of-need requirements for home health and hospice
 722 services and for swing beds in a number that does not exceed
 723 one-half of the facility's licensed beds.

724 (8) Rural primary care hospitals shall have agreements
 725 with other hospitals, skilled nursing facilities, home health
 726 agencies, and providers of diagnostic-imaging and laboratory
 727 services that are not provided on site but are needed by
 728 patients.

729 ~~(4) The department may seek federal recognition of~~
 730 ~~emergency care hospitals authorized by s. 395.605 under the~~
 731 ~~essential access community hospital program authorized by the~~
 732 ~~Omnibus Budget Reconciliation Act of 1989.~~

733 Section 6. Section 395.6061, Florida Statutes, is amended
 734 to read:

735 395.6061 Rural hospital capital improvement.--There is
 736 established a rural hospital capital improvement grant program.

737 (1) (a) The purpose of the program is to provide targeted
 738 funding to rural hospitals to enable them to adapt to changes in
 739 health care delivery and funding and address disparities in
 740 rural health care by:

- 741 1. Assisting in the development of needed infrastructure.
- 742 2. Assisting financially distressed rural hospitals.
- 743 3. Ensuring accountability for state and federal funding.

744 (b) The rural hospital capital improvement grant program
 745 includes technical assistance and grants managed by the agency.

746 ~~(1)~~ (2) A rural hospital as defined in s. 395.602 may apply
 747 to the department for a capital improvement grant to acquire,
 748 repair, improve, or upgrade systems, facilities, or equipment.

749 The grant application must provide information that includes:

750 (a) A statement indicating the problem the rural hospital
 751 proposes to solve with the grant funds.†

752 (b) The strategy proposed to resolve the problem.†

753 (c) The organizational structure, financial system, and
 754 facilities that are essential to the proposed solution.†

755 (d) The projected longevity of the proposed solution after
 756 the grant funds are expended.†

757 (e) Evidence of participation in a rural health network as
 758 defined in s. 381.0406 and evidence that the application is
 759 consistent with the required rural health infrastructure
 760 development plan.†

761 (f) Evidence that the rural hospital has difficulty in
 762 obtaining funding or that funds available for the proposed
 763 solution are inadequate.†

764 (g) Evidence that the grant funds will assist in
 765 maintaining or returning the hospital to an economically stable
 766 condition or enable the transition to the status of rural
 767 primary care hospital or that any plan for closure of the
 768 hospital or realignment of services will involve development of
 769 innovative alternatives for the provision of needed ~~discontinued~~
 770 services.†

771 (h) Evidence of a satisfactory record-keeping system to
 772 account for grant fund expenditures within the rural county.†

773 (i) ~~A rural health network plan that includes a~~
774 ~~description of how the plan was developed, the goals of the~~
775 ~~plan, the links with existing health care providers under the~~
776 ~~plan,~~ Indicators quantifying the hospital's financial status
777 ~~well-being~~, measurable outcome targets, and the current physical
778 and operational condition of the hospital.

779 (3)~~(2)~~ Each rural hospital as defined in s. 395.602 shall
780 receive a minimum of \$100,000 annually, subject to legislative
781 appropriation, upon application to the Department of Health, for
782 projects to acquire, repair, improve, or upgrade systems,
783 facilities, or equipment.

784 (4)~~(3)~~ Any remaining funds shall annually be disbursed to
785 rural hospitals in accordance with this section. The Department
786 of Health shall establish, by rule, criteria for awarding grants
787 ~~for any remaining funds~~, which must be used exclusively for the
788 support and assistance of rural hospitals as defined in s.
789 395.602, including criteria relating to the level of charity
790 ~~uncompensated~~ care rendered by the hospital, the financial
791 status of the hospital, the performance standards of the
792 hospital, the participation in a rural health network as defined
793 in s. 381.0406, and the proposed use of the grant by the rural
794 hospital to resolve a specific problem. The department must
795 consider any information submitted in an application for the
796 grants in accordance with subsection (2) ~~(1)~~ in determining
797 eligibility for and the amount of the grant, ~~and none of the~~
798 ~~individual items of information by itself may be used to deny~~
799 ~~grant eligibility~~.

800 (5) Financially distressed rural hospitals may receive
 801 preferential assistance under the capital improvement grant
 802 program to provide planning, management, and financial support.

803 To receive this assistance the hospital must:

804 (a) Provide additional information that includes:

805 1. A statement of support from the board of directors of
 806 the hospital, the county commission, and the city commission.

807 2. Evidence that the rural hospital and the community have
 808 difficulty obtaining funding or that funds available for the
 809 proposed solution are inadequate.

810 (b) Agree to be bound by the terms of a participation
 811 agreement with the agency, which may include:

812 1. The appointment of a health care expert under contract
 813 with the agency to analyze and monitor the hospital operations
 814 during the period of distress.

815 2. The establishment of minimum standards for the
 816 education and experience of the managers and administrators of
 817 the hospital.

818 3. The oversight and monitoring of a strategic plan to
 819 restore the hospital to an economically stable condition or
 820 transition to an alternative means to provide services.

821 4. The establishment of a board orientation and
 822 development program.

823 5. The approval of any facility relocation plans.

824 ~~(6)-(4)~~ The department shall ensure that the funds are used
 825 solely for the purposes specified in this section. The total

826 grants awarded pursuant to this section shall not exceed the
827 amount appropriated for this program.

828 Section 7. Section 408.7054, Florida Statutes, is created
829 to read:

830 408.7054 Rural Provider Service Network Development
831 Program.--

832 (1) There is established within the Agency for Health Care
833 Administration the Rural Provider Service Network Development
834 Program to support the implementation of provider service
835 networks in rural counties of the state. The purpose of the
836 program is to assist in the establishment of the infrastructure
837 needed for Medicaid reform relating to prepaid and at-risk
838 reimbursement plans to improve access to quality health care in
839 rural areas.

840 (2) The agency is authorized to provide funding through a
841 grant program to entities seeking to establish rural provider
842 service networks that have demonstrated an interest and have
843 experience in organizing rural health care providers for this
844 purpose.

845 (3) Entities eligible for rural provider service network
846 development grants must:

847 (a) Have a written agreement signed by prospective
848 members, 45 percent of whom must be providers in the targeted
849 service area.

850 (b) Include all rural hospitals, at least one federally
851 qualified health center, and one county health department
852 located in the service area.

853 (c) Have a defined service area.

854 (4) Each applicant for this funding shall provide the
855 agency with a detailed written proposal that includes, at a
856 minimum, a statement of need; a defined purpose; identification
857 and explanation of the role of prospective partners; a signed
858 memorandum of agreement or similar document attesting to the
859 role of prospective partners; documented actions related to
860 provider service network development; measurable objectives for
861 the development of clinical and administrative infrastructure; a
862 process of evaluation; and a process for developing a business
863 plan and securing additional funding.

864 (5) The agency is authorized to grant preferential funding
865 to a rural provider service network based on the number of rural
866 counties within the network's proposed service area that are
867 Medically Underserved Areas or Health Professional Shortage
868 Areas as defined by the Health Resources Services
869 Administration, Office of Rural Health Policy, and based on
870 whether the provider service network has a principal place of
871 business located in a rural county in the state.

872 (6) The agency is granted authority to develop rules
873 pursuant to ss. 120.53(1) and 120.54 necessary to implement this
874 section.

875 Section 8. Subsection (43) of section 408.07, Florida
876 Statutes, is amended to read:

877 408.07 Definitions.--As used in this chapter, with the
878 exception of ss. 408.031-408.045, the term:

879 (43) "Rural hospital" means an acute care hospital
880 licensed under chapter 395, having 100 or fewer licensed beds
881 and an emergency room, and which is:

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

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

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

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

900 (e) A critical access hospital.

901
902 Population densities used in this subsection must be based upon
903 the most recently completed United States census. A hospital
904 that received funds under s. 409.9116 for a quarter beginning no
905 later than July 1, 2002, is deemed to have been and shall

906 | continue to be a rural hospital from that date through June 30,
907 | 2012, if the hospital continues to have 100 or fewer licensed
908 | beds and an emergency room, or meets the criteria of s.
909 | 395.602(2) (d)~~(e)~~4. An acute care hospital that has not
910 | previously been designated as a rural hospital and that meets
911 | the criteria of this subsection shall be granted such
912 | designation upon application, including supporting
913 | documentation, to the Agency for Health Care Administration.

914 | Section 9. Subsection (6) of section 409.9116, Florida
915 | Statutes, is amended to read:

916 | 409.9116 Disproportionate share/financial assistance
917 | program for rural hospitals.--In addition to the payments made
918 | under s. 409.911, the Agency for Health Care Administration
919 | shall administer a federally matched disproportionate share
920 | program and a state-funded financial assistance program for
921 | statutory rural hospitals. The agency shall make
922 | disproportionate share payments to statutory rural hospitals
923 | that qualify for such payments and financial assistance payments
924 | to statutory rural hospitals that do not qualify for
925 | disproportionate share payments. The disproportionate share
926 | program payments shall be limited by and conform with federal
927 | requirements. Funds shall be distributed quarterly in each
928 | fiscal year for which an appropriation is made. Notwithstanding
929 | the provisions of s. 409.915, counties are exempt from
930 | contributing toward the cost of this special reimbursement for
931 | hospitals serving a disproportionate share of low-income
932 | patients.

933 (6) This section applies only to hospitals that were
934 defined as statutory rural hospitals, or their successor-in-
935 interest hospital, prior to January 1, 2001. Any additional
936 hospital that is defined as a statutory rural hospital, or its
937 successor-in-interest hospital, on or after January 1, 2001, is
938 not eligible for programs under this section unless additional
939 funds are appropriated each fiscal year specifically to the
940 rural hospital disproportionate share and financial assistance
941 programs in an amount necessary to prevent any hospital, or its
942 successor-in-interest hospital, eligible for the programs prior
943 to January 1, 2001, from incurring a reduction in payments
944 because of the eligibility of an additional hospital to
945 participate in the programs. A hospital, or its successor-in-
946 interest hospital, which received funds pursuant to this section
947 before January 1, 2001, and which qualifies under s.
948 395.602(2) (d) ~~(e)~~, shall be included in the programs under this
949 section and is not required to seek additional appropriations
950 under this subsection.

951 Section 10. Paragraph (b) of subsection (2) of section
952 1009.65, Florida Statutes, is amended to read:

953 1009.65 Medical Education Reimbursement and Loan Repayment
954 Program.--

955 (2) From the funds available, the Department of Health
956 shall make payments to selected medical professionals as
957 follows:

958 (b) All payments shall be contingent on continued proof of
959 primary care practice in an area defined in s. 395.602(2) (d) ~~(e)~~,

960 or an underserved area designated by the Department of Health,
961 provided the practitioner accepts Medicaid reimbursement if
962 eligible for such reimbursement. Correctional facilities, state
963 hospitals, and other state institutions that employ medical
964 personnel shall be designated by the Department of Health as
965 underserved locations. Locations with high incidences of infant
966 mortality, high morbidity, or low Medicaid participation by
967 health care professionals may be designated as underserved.

968 Section 11. Section 395.605, Florida Statutes, is
969 repealed.

970 Section 12. Section 381.7366, Florida Statutes, is created
971 to read:

972 381.7366 Office of Minority Health; legislative intent;
973 duties.--

974 (1) LEGISLATIVE INTENT.--The Legislature recognizes that
975 despite significant investments in health care programs certain
976 racial and ethnic populations suffer disproportionately with
977 chronic diseases when compared to non-Hispanic whites. The
978 Legislature intends to address these disparities by developing
979 programs that target causal factors and recognize the specific
980 health care needs of racial and ethnic minorities.

981 (2) ORGANIZATION.--The Office of Minority Health is
982 established within the Department of Health. The office shall be
983 headed by a director who shall report directly to the Secretary
984 of Health.

985 (3) DUTIES.--The office shall:

986 (a) Protect and promote the health and well-being of
987 racial and ethnic populations in the state.

988 (b) Focus on the issue of health disparities between
989 racial and ethnic minority groups and the general population.

990 (c) Coordinate the department's initiatives, programs, and
991 policies to address racial and ethnic health disparities.

992 (d) Communicate pertinent health information to affected
993 racial and ethnic populations.

994 (e) Collect and analyze data on the incidence and
995 frequency of racial and ethnic health disparities.

996 (f) Promote and encourage cultural competence education
997 and training for healthcare professionals.

998 (g) Serve as a clearinghouse for the collection and
999 dissemination of information and research findings relating to
1000 innovative approaches to the reduction or elimination of health
1001 disparities.

1002 (h) Dedicate resources to increase public awareness of
1003 minority health issues.

1004 (i) Seek increased funding for local innovative
1005 initiatives and administer grants designed to support
1006 initiatives that address health disparities and that can be
1007 duplicated.

1008 (j) Provide staffing and support for the Closing the Gap
1009 grant advisory council.

1010 (k) Coordinate with other agencies, states, and the
1011 Federal Government to reduce or eliminate health disparities.

1012 (l) Collaborate with other public healthcare providers,
 1013 community and faith-based organizations, the private healthcare
 1014 system, historically black colleges and universities and other
 1015 minority institutions of higher education, medical schools, and
 1016 other health providers to establish a comprehensive and
 1017 inclusive approach to reducing health disparities.

1018 (m) Encourage and support research into causes of racial
 1019 and ethnic health disparities.

1020 (n) Collaborate with health professional training programs
 1021 to increase the number of minority healthcare professionals.

1022 (o) Provide an annual report to the Governor, the
 1023 President of the Senate, and the Speaker of the House of
 1024 Representatives on the activities of the office.

1025 (4) RESPONSIBILITY AND COORDINATION.--The office and the
 1026 department shall direct and carry out the duties established
 1027 under this section and shall work with other state agencies in
 1028 accomplishing these tasks.

1029 Section 13. This act shall take effect July 1, 2006.