

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; amending ss. 408.07,
47 409.9116, and 1009.65, F.S.; conforming cross-references;
48 repealing s. 395.605, F.S., relating to the licensure of
49 emergency care hospitals; creating s. 381.7366, F.S.;
50 establishing the Office of Minority Health; providing
51 legislative intent; providing for organization, duties,
52 and responsibilities; requiring a report to the Governor
53 and Legislature; providing an effective date.

54

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

56

57 Section 1. Section 381.0405, Florida Statutes, is amended
58 to read:

59 381.0405 Office of Rural Health.--

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

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

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

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

81 (b) Work with rural stakeholders in order to foster the
 82 development of strategic planning that addresses ~~Propose~~
 83 ~~solutions to~~ problems affecting health care delivery in rural
 84 areas.

85 (c) Foster the expansion of rural health network service
 86 areas to include rural counties that are not served by a rural
 87 health network.

88 ~~(d)-(e)~~ Seek grant funds from foundations and the Federal
 89 Government.

90 (e) Administer state grant programs for rural health
 91 networks.

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

93 (a) Identify federal and state rural health programs and
 94 provide information and technical assistance to rural providers
 95 regarding participation in such programs.

96 (b) Act as a clearinghouse for collecting and
 97 disseminating information on rural health care issues, research
 98 findings on rural health care, and innovative approaches to the
 99 delivery of health care in rural areas.

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

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

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

107 (f) Assume responsibility for state coordination of ~~the~~
108 ~~Rural Hospital Transition Grant Program, the Essential Access~~
109 ~~Community Hospital Program, and other~~ federal rural health care
110 grant programs.

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

112 (a) Assist ~~Help~~ rural health care providers in recruiting
113 ~~obtain~~ health care practitioners by promoting the location and
114 relocation of health care practitioners in rural areas and
115 promoting policies that create incentives for practitioners to
116 serve in rural areas.

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

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

122 (d) Provide technical assistance to rural health networks
123 in the formulation of their rural health infrastructure
124 development plans.

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

127 (6) ADVISORY COUNCIL.--The Secretary of Health and the
128 Secretary of Health Care Administration shall each appoint no
129 more than five members with relevant health care operations
130 management, practice, and policy experience to an advisory
131 council to advise the office regarding its responsibilities
132 under this section and ss. 381.0406, 395.6061, and 395.6063.
133 Members must be appointed for 4-year staggered terms and may be

134 reappointed to a second term of office. Members shall serve
135 without compensation but are entitled to reimbursement for per
136 diem and travel expenses as provided in s. 112.061. The council
137 may appoint technical advisory teams as needed. The department
138 shall provide staff and other administrative assistance
139 reasonably necessary to assist the advisory council in carrying
140 out its duties.

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

150 (8) ~~(6)~~ RESEARCH PUBLICATIONS AND SPECIAL STUDIES.--The
151 office shall:

- 152 (a) Conduct policy and research studies.
153 (b) Conduct health status studies of rural residents.
154 (c) Collect relevant data on rural health care issues for
155 use in department policy development.

156 (9) ~~(7)~~ APPROPRIATION.--The Legislature shall appropriate
157 such sums as are necessary to support the Office of Rural
158 Health.

159 Section 2. Section 381.0406, Florida Statutes, is amended
160 to read:

161 381.0406 Rural health networks.--

162 (1) LEGISLATIVE FINDINGS AND INTENT.--

163 (a) The Legislature finds that, in rural areas, access to
164 health care is limited and the quality of health care is
165 negatively affected by inadequate financing, difficulty in
166 recruiting and retaining skilled health professionals, and the
167 ~~because of a~~ migration of patients to urban areas for general
168 acute care and specialty services.

169 (b) The Legislature further finds that the efficient and
170 effective delivery of health care services in rural areas
171 requires:

172 1. The integration of public and private resources;

173 2. The introduction of innovative outreach methods;

174 3. The adoption of quality improvement and cost-
175 effectiveness measures;

176 4. The organization of health care providers into joint
177 contracting entities;

178 5. The establishment of referral linkages;

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

181 7. The coordination of health care providers.

182 (c) The Legislature further finds that the availability of
183 a continuum of quality health care services, including
184 preventive, primary, secondary, tertiary, and long-term care, is
185 essential to the economic and social vitality of rural
186 communities.

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

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

200 (f)~~(e)~~ The Legislature further finds that rural health
201 networks shall have the goal of increasing the financial
202 stability of statutory rural hospitals by linking rural hospital
203 services to other services in a continuum of health care
204 services and by increasing the utilization of statutory rural
205 hospitals whenever ~~for~~ appropriate health care services ~~whenever~~
206 ~~feasible, which shall help to ensure their survival and thereby~~
207 support the economy and protect the health and safety of rural
208 residents.

209 (g)~~(f)~~ Finally, the Legislature finds that rural health
210 networks may serve as "laboratories" to determine the best way
211 of organizing rural health services and linking to out-of-area
212 services that are not available locally in order, to move the
213 state closer to ensuring that everyone has access to health

214 care, and to promote cost containment efforts. The ultimate
215 goal of rural health networks shall be to ensure that quality
216 health care is available and efficiently delivered to all
217 persons in rural areas.

218 (2) DEFINITIONS.--

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

222 (b) "Health care provider" means any individual, group, or
223 entity, public or private, which ~~that~~ provides health care,
224 including+ preventive health care, primary health care,
225 secondary and tertiary health care, hospital ~~in-hospital~~ health
226 care, public health care, and health promotion and education.

227 (c) "Rural health network" or "network" means a nonprofit
228 legal entity, whose members consist ~~consisting~~ of rural and
229 urban health care providers and others, and which ~~that~~ is
230 established ~~organized~~ to plan, develop, organize, and deliver
231 health care services on a cooperative basis in a rural area,
232 ~~except for some secondary and tertiary care services.~~

233 (3) NETWORK MEMBERSHIP.--

234 (a) Because each rural area is unique, with a different
235 health care provider mix, health care provider membership may
236 vary, but all networks shall include members that provide health
237 promotion and disease prevention services, public health
238 services, comprehensive primary care, emergency medical care,
239 and acute inpatient care.

240 (b) Each county health department shall be a member of the
 241 rural health network whose service area includes the county in
 242 which the county health department is located. Federally
 243 qualified health centers and emergency medical services
 244 providers are encouraged to become members of the rural health
 245 networks in the areas in which their patients reside or receive
 246 services.

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

256 (4) ~~(5)~~ NETWORK SERVICE AREAS.--Network service areas are
 257 ~~de~~ not required ~~need~~ to conform to local political boundaries or
 258 state administrative district boundaries. The geographic area of
 259 one rural health network, however, may not overlap the territory
 260 of any other rural health network.

261 (5) ~~(6)~~ NETWORK FUNCTIONS.--Networks shall:

262 (a) Seek to develop linkages with ~~provisions for referral~~
 263 ~~to~~ tertiary inpatient care, specialty physician care, and ~~to~~
 264 other services that are not available in rural service areas.

265 (b) ~~(7)~~ ~~Networks shall~~ Make available health promotion,
 266 disease prevention, and primary care services, in order to

267 improve the health status of rural residents and to contain
268 health care costs.

269 ~~(8) Networks may have multiple points of entry, such as~~
270 ~~through private physicians, community health centers, county~~
271 ~~health departments, certified rural health clinics, hospitals,~~
272 ~~or other providers; or they may have a single point of entry.~~

273 (c)(9) Encourage members through training and educational
274 programs to adopt standards of care, and promote the evidence-
275 based practice of medicine. Networks shall establish standard
276 protocols, coordinate and share patient records, and develop
277 patient information exchange systems in order to improve quality
278 and access to services.

279 (d) Develop quality-improvement programs and train network
280 members and other health care providers in the use of such
281 programs.

282 (e) Develop disease-management systems and train network
283 members and other health care providers in the use of such
284 systems.

285 (f) Promote outreach to areas with a high need for
286 services.

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

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

292 (i) Develop and implement a rural health infrastructure
293 development plan for an integrated system of care that is

294 responsive to the unique local health needs and the area health
 295 care services market. Each rural health infrastructure
 296 development plan must address strategies to improve access to
 297 specialty care, train health care providers to use standards of
 298 care for chronic illness, develop disease-management capacity,
 299 and link to state and national quality-improvement initiatives.
 300 The initial development plan must be submitted to the Office of
 301 Rural Health for review and approval no later than July 1, 2007,
 302 and thereafter the plans must be updated and submitted to the
 303 Office of Rural Health every 3 years.

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

306 (6) ~~(11)~~ NETWORK GOVERNANCE AND ORGANIZATION.--

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

311 (b) Each network ~~Networks~~ shall have an independent a
 312 board of directors that derives membership from local
 313 government, health care providers, businesses, consumers,
 314 advocacy groups, and others. Boards of other community health
 315 care entities may not serve in whole as the board of a rural
 316 health network; however, some overlap of board membership with
 317 other community organizations is encouraged. Network staff must
 318 provide an annual orientation and strategic planning activity
 319 for board members.

320 (c) Network boards of directors shall have the
 321 responsibility of determining the content of health care
 322 provider agreements that link network members. The written
 323 agreements between the network and its health care provider
 324 members must specify participation in the essential functions of
 325 the network and shall specify:

- 326 1. Who provides what services.
- 327 2. The extent to which the health care provider provides
 328 care to persons who lack health insurance or are otherwise
 329 unable to pay for care.
- 330 3. The procedures for transfer of medical records.
- 331 4. The method used for the transportation of patients
 332 between providers.
- 333 5. Referral and patient flow including appointments and
 334 scheduling.
- 335 6. Payment arrangements for the transfer or referral of
 336 patients.

337 (d) There shall be no liability on the part of, and no
 338 cause of action of any nature shall arise against, any member of
 339 a network board of directors, or its employees or agents, for
 340 any lawful action taken by them in the performance of their
 341 administrative powers and duties under this subsection.

342 ~~(7)-(12)~~ NETWORK PROVIDER MEMBER SERVICES.--

343 (a) Networks, to the extent feasible, shall seek to
 344 develop services that provide for a continuum of care for all
 345 residents ~~patients~~ served by the network. Each network shall
 346 recruit members that can provide ~~include~~ the following core

347 services: disease prevention, health promotion, comprehensive
348 primary care, emergency medical care, and acute inpatient care.
349 Each network shall seek to ensure the availability of
350 comprehensive maternity care, including prenatal, delivery, and
351 postpartum care for uncomplicated pregnancies, either directly,
352 by contract, or through referral agreements. Networks shall, to
353 the extent feasible, develop local services and linkages among
354 health care providers to ~~also~~ ensure the availability of the
355 following services: ~~within the specified timeframes, either~~
356 ~~directly, by contract, or through referral agreements:~~

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

358 ~~1.a.~~ Home health care.

359 ~~2.b.~~ Hospice care.

360 ~~2. Services accessible within 30 minutes travel time or~~
361 ~~less.~~

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

364 ~~4.b.~~ Primary care, including-

365 ~~e.~~ prenatal and postpartum care for uncomplicated
366 pregnancies.

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

369 ~~6.e.~~ Public health services, including communicable
370 disease control, disease prevention, health education, and
371 health promotion.

372 ~~7.f.~~ Outpatient mental health ~~psychiatric~~ and substance
373 abuse services.

374 ~~3. Services accessible within 45 minutes travel time or~~
 375 ~~less.~~

376 8.a. Hospital acute inpatient care for persons whose
 377 illnesses or medical problems are not severe.

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

380 10.e. Skilled nursing services and, long-term care,
 381 including nursing home care.

382 (b) Networks shall seek to foster linkages with out-of-
 383 area services to the extent feasible to ensure the availability
 384 of:

385 1.d. Dialysis.

386 2.e. Osteopathic and chiropractic manipulative therapy.

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

388 3.a. Specialist physician care.

389 ~~4.b.~~ Hospital acute inpatient care for severe illnesses
 390 and medical problems.

391 ~~5.e. Level II and III obstetrical care, which is~~ Labor and
 392 delivery care for high-risk patients and neonatal intensive
 393 care.

394 6.d. Comprehensive medical rehabilitation.

395 7.e. Inpatient mental health ~~psychiatric~~ and substance
 396 abuse services.

397 ~~8.f.~~ Magnetic resonance imaging, lithotripter treatment,
 398 oncology, advanced radiology, and other technologically advanced
 399 services.

400 9.g. Subacute care.

401 (8) COORDINATION WITH OTHER ENTITIES.--

402 (a) Area health education centers and health planning
403 councils shall participate in the rural health networks'
404 preparation of development plans. The Department of Health may
405 require a written memorandum of agreement between a network and
406 an area health education center or health planning council.

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

417 (c) Rural health networks shall contract with local health
418 planning councils to support the preparation of development
419 plans through data collection and analysis in order to assess
420 the health status of area residents and the capacity of local
421 health services.

422 (d) ~~(b)~~ Networks shall actively participate with area
423 health education center programs, whenever feasible, in
424 developing and implementing recruitment, training, and retention
425 programs directed at positively influencing the supply and
426 distribution of health care professionals serving in, or
427 receiving training in, network areas.

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

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

436 (e) (13) TRAUMA SERVICES. -- In those network areas having
437 which have an established trauma agency approved by the
438 Department of Health, the network shall seek the participation
439 of that trauma agency must be a participant in the network.
440 Trauma services provided within the network area must comply
441 with s. 395.405.

442 (9) (14) NETWORK FINANCING. --

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

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

449 (10) NETWORK PERFORMANCE STANDARDS. -- The Department of
450 Health shall develop and enforce performance standards for rural
451 health network operations grants and rural health infrastructure
452 development grants.

453 (a) Operations grant performance standards must include,
454 but are not limited to, standards that require the rural health
455 network to:

456 1. Have a qualified board of directors that meets at least
457 quarterly.

458 2. Have sufficient staff who have the qualifications and
459 experience to perform the requirements of this section, as
460 assessed by the Office of Rural Health, or a written plan to
461 obtain such staff.

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

464 4. Comply with the department's standards for the
465 administration of federal grant funding, including assistance to
466 rural hospitals.

467 5. Demonstrate a commitment to network activities from
468 area health care providers and other stakeholders, as described
469 in letters of support.

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

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

476 2. Have two or more successful network-development
477 activities, such as:

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

480 b. Implementation of outreach programs to address chronic
481 disease, infant mortality, or assistance with prescription
482 medication;

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

485 d. Provision of direct services, such as clinics or mobile
486 units;

487 e. Operation of credentialing services for health care
488 providers or quality assurance and quality improvement
489 initiatives that, whenever possible, are consistent with state
490 or federal quality initiatives;

491 f. Support for the development of community health
492 centers, local community health councils, federal designation as
493 a rural critical access hospital, or comprehensive community
494 health planning initiatives; and

495 g. Development of the capacity to obtain federal, state,
496 and foundation grants.

497 ~~(11)-(15)~~ NETWORK IMPLEMENTATION.--As funds become
498 available, networks shall be developed and implemented in two
499 phases.

500 (a) Phase I shall consist of a network planning and
501 development grant program. Planning grants shall be used to
502 organize networks, incorporate network boards, and develop
503 formal provider agreements as provided for in this section. The
504 Department of Health shall develop a request-for-proposal
505 process to solicit grant applications.

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

533 programs for health care practitioners and the delivery of
 534 health care services in rural areas ~~and development of~~
 535 ~~telecommunication capabilities~~. A Phase II award may occur in
 536 the same fiscal year as a Phase I award.

537 (12) ~~(16)~~ CERTIFICATION.--For the purpose of certifying
 538 networks that are eligible for Phase II funding, the Department
 539 of Health shall certify networks that meet the criteria
 540 delineated in this section and the rules governing rural health
 541 networks. The Office of Rural Health in the Department of Health
 542 shall monitor rural health networks in order to ensure continued
 543 compliance with established certification and performance
 544 standards.

545 (13) ~~(17)~~ RULES.--The Department of Health shall establish
 546 rules pursuant to s. 120.536(1) and 120.54 that govern the
 547 creation and certification of networks, the provision of grant
 548 funds under Phase I and Phase II, and the establishment of
 549 performance standards ~~including establishing outcome measures~~
 550 for networks.

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

553 395.602 Rural hospitals.--

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

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

560 ~~1. Emergency medical treatment; and~~
561 ~~2. Inpatient care to ill or injured persons prior to their~~
562 ~~transportation to another hospital or provides inpatient medical~~
563 ~~care to persons needing care for a period of up to 96 hours. The~~
564 ~~96-hour limitation on inpatient care does not apply to respite,~~
565 ~~skilled nursing, hospice, or other nonacute care patients.~~
566 ~~(b) "Essential access community hospital" means any~~
567 ~~facility which:~~
568 ~~1. Has at least 100 beds;~~
569 ~~2. Is located more than 35 miles from any other essential~~
570 ~~access community hospital, rural referral center, or urban~~
571 ~~hospital meeting criteria for classification as a regional~~
572 ~~referral center;~~
573 ~~3. Is part of a network that includes rural primary care~~
574 ~~hospitals;~~
575 ~~4. Provides emergency and medical backup services to rural~~
576 ~~primary care hospitals in its rural health network;~~
577 ~~5. Extends staff privileges to rural primary care hospital~~
578 ~~physicians in its network; and~~
579 ~~6. Accepts patients transferred from rural primary care~~
580 ~~hospitals in its network.~~
581 (b)(e) "Inactive rural hospital bed" means a licensed
582 acute care hospital bed, as defined in s. 395.002(14), that is
583 inactive in that it cannot be occupied by acute care inpatients.
584 (c)(d) "Rural area health education center" means an area
585 health education center (AHEC), as authorized by Pub. L. No. 94-

586 484, that ~~which~~ provides services in a county with a population
587 density of no greater than 100 persons per square mile.

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

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

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

598 3. A hospital supported by a tax district or subdistrict
599 whose boundaries encompass a population of 100 persons or fewer
600 per square mile;

601 4. A hospital in a constitutional charter county with a
602 population of over 1 million persons that has imposed a local
603 option health service tax pursuant to law and in an area that
604 was directly impacted by a catastrophic event on August 24,
605 1992, for which the Governor of Florida declared a state of
606 emergency pursuant to chapter 125, and has 120 beds or fewer
607 ~~less~~ that serves an agricultural community with an emergency
608 room utilization of no less than 20,000 visits and a Medicaid
609 inpatient utilization rate greater than 15 percent;

610 5. A hospital with a service area that has a population of
611 100 persons or fewer per square mile. As used in this
612 subparagraph, the term "service area" means the fewest number of

613 zip codes that account for 75 percent of the hospital's
614 discharges for the most recent 5-year period, based on
615 information available from the hospital inpatient discharge
616 database in the State Center for Health Statistics at the Agency
617 for Health Care Administration; or

618 6. A hospital designated as a critical access hospital, as
619 defined in s. 408.07(15).

620

621 Population densities used in this paragraph must be based upon
622 the most recently completed United States census. A hospital
623 that received funds under s. 409.9116 for a quarter beginning no
624 later than July 1, 2002, is deemed to have been and shall
625 continue to be a rural hospital from that date through June 30,
626 2012, if the hospital continues to have 100 or fewer licensed
627 beds and an emergency room, or meets the criteria of
628 subparagraph 4. An acute care hospital that has not previously
629 been designated as a rural hospital and that meets the criteria
630 of this paragraph shall be granted such designation upon
631 application, including supporting documentation to the Agency
632 for Health Care Administration.

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

- 636 1. Twenty-four-hour emergency medical care;
637 2. Temporary inpatient care for periods of 96 ~~72~~ hours or
638 less to patients requiring stabilization before discharge or
639 transfer to another hospital. The 96-hour ~~72-hour~~ limitation

640 does not apply to respite, skilled nursing, hospice, or other
 641 nonacute care patients; and

642 3. Has at least ~~no more than~~ six licensed acute care
 643 inpatient beds.

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

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

650 395.603 Deactivation of general hospital beds; rural
 651 hospital impact statement.--

652 (1) ~~The agency shall establish, by rule, a process by~~
 653 ~~which~~ A rural hospital, as defined in s. 395.602, that ~~seeks~~
 654 ~~licensure as a rural primary care hospital or as an emergency~~
 655 ~~care hospital, or~~ becomes a certified rural health clinic as
 656 defined in Pub. L. No. 95-210~~7~~, or becomes a primary care program
 657 such as a county health department, community health center, or
 658 other similar outpatient program that provides preventive and
 659 curative services~~7~~, may deactivate general hospital beds. A rural
 660 critical access hospital ~~Rural primary care hospitals and~~
 661 ~~emergency care hospitals~~ shall maintain the number of actively
 662 licensed general hospital beds necessary for the facility to be
 663 certified for Medicare reimbursement. Hospitals that discontinue
 664 inpatient care to become rural health care clinics or primary
 665 care programs shall deactivate all licensed general hospital
 666 beds. All hospitals, clinics, and programs with inactive beds

667 shall provide 24-hour emergency medical care by staffing an
 668 emergency room. Providers with inactive beds shall be subject to
 669 the criteria in s. 395.1041. The agency shall specify in rule
 670 requirements for making 24-hour emergency care available.
 671 Inactive general hospital beds shall be included in the acute
 672 care bed inventory, maintained by the agency for certificate-of-
 673 need purposes, for 10 years from the date of deactivation of the
 674 beds. After 10 years have elapsed, inactive beds shall be
 675 excluded from the inventory. The agency shall, at the request of
 676 the licensee, reactivate the inactive general beds upon a
 677 showing by the licensee that licensure requirements for the
 678 inactive general beds are met.

679 Section 5. Section 395.604, Florida Statutes, is amended
 680 to read:

681 395.604 ~~Other~~ Rural primary care hospitals ~~hospital~~
 682 ~~programs~~.--

683 (1) The agency may license rural primary care hospitals
 684 subject to federal approval for participation in the Medicare
 685 and Medicaid programs. Rural primary care hospitals shall be
 686 treated in the same manner as ~~emergency care hospitals and rural~~
 687 hospitals with respect to ss. ~~395.605(2)-(8)(a),~~
 688 408.033(2)(b)3., and 408.038.

689 ~~(2) The agency may designate essential access community~~
 690 ~~hospitals.~~

691 (2)(3) The agency may adopt licensure rules for rural
 692 primary care hospitals ~~and essential access community hospitals.~~
 693 Such rules must conform to s. 395.1055.

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

697 (4) For the purpose of participation in the Medical
698 Education Reimbursement and Loan Repayment Program as defined in
699 s. 1009.65 or other loan repayment or incentive programs
700 designed to relieve medical workforce shortages, the department
701 shall treat rural primary care hospitals in the same manner as
702 rural hospitals.

703 (5) For the purpose of coordinating primary care services
704 described in s. 154.011(1)(c)10., the department shall treat
705 rural primary care hospitals in the same manner as rural
706 hospitals.

707 (6) Rural hospitals that make application under the
708 certificate-of-need program to be licensed as rural primary care
709 hospitals shall receive expedited review as defined in s.
710 408.032. Rural primary care hospitals seeking relicensure as
711 acute care general hospitals shall also receive expedited
712 review.

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

717 (8) Rural primary care hospitals shall have agreements
718 with other hospitals, skilled nursing facilities, home health
719 agencies, and providers of diagnostic-imaging and laboratory

720 services that are not provided on site but are needed by
 721 patients.

722 ~~(4) The department may seek federal recognition of~~
 723 ~~emergency care hospitals authorized by s. 395.605 under the~~
 724 ~~essential access community hospital program authorized by the~~
 725 ~~Omnibus Budget Reconciliation Act of 1989.~~

726 Section 6. Section 395.6061, Florida Statutes, is amended
 727 to read:

728 395.6061 Rural hospital capital improvement.--There is
 729 established a rural hospital capital improvement grant program.

730 (1) (a) The purpose of the program is to provide targeted
 731 funding to rural hospitals to enable them to adapt to changes in
 732 health care delivery and funding and address disparities in
 733 rural health care by:

- 734 1. Assisting in the development of needed infrastructure.
- 735 2. Assisting financially distressed rural hospitals.
- 736 3. Ensuring accountability for state and federal funding.

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

739 ~~(2)~~ (1) A rural hospital as defined in s. 395.602 may apply
 740 to the department for a capital improvement grant to acquire,
 741 repair, improve, or upgrade systems, facilities, or equipment.

742 The grant application must provide information that includes:

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

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

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

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

750 (e) Evidence of participation in a rural health network as
 751 defined in s. 381.0406 and evidence that the application is
 752 consistent with the required rural health infrastructure
 753 development plan.†

754 (f) Evidence that the rural hospital has difficulty in
 755 obtaining funding or that funds available for the proposed
 756 solution are inadequate.†

757 (g) Evidence that the grant funds will assist in
 758 maintaining or returning the hospital to an economically stable
 759 condition or enable the transition to the status of rural
 760 primary care hospital or that any plan for closure of the
 761 hospital or realignment of services will involve development of
 762 innovative alternatives for the provision of needed discontinued
 763 services.†

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

766 (i) ~~A rural health network plan that includes a~~
 767 ~~description of how the plan was developed, the goals of the~~
 768 ~~plan, the links with existing health care providers under the~~
 769 ~~plan,~~ Indicators quantifying the hospital's financial status
 770 ~~well-being~~, measurable outcome targets, and the current physical
 771 and operational condition of the hospital.

772 ~~(3)~~(2) Each rural hospital as defined in s. 395.602 shall
773 receive a minimum of \$100,000 annually, subject to legislative
774 appropriation, upon application to the Department of Health, for
775 projects to acquire, repair, improve, or upgrade systems,
776 facilities, or equipment.

777 ~~(4)~~(3) Any remaining funds shall annually be disbursed to
778 rural hospitals in accordance with this section. The Department
779 of Health shall establish, by rule, criteria for awarding grants
780 ~~for any remaining funds~~, which must be used exclusively for the
781 support and assistance of rural hospitals as defined in s.
782 395.602, including criteria relating to the level of charity
783 ~~uncompensated~~ care rendered by the hospital, the financial
784 status of the hospital, the performance standards of the
785 hospital, the participation in a rural health network as defined
786 in s. 381.0406, and the proposed use of the grant by the rural
787 hospital to resolve a specific problem. The department must
788 consider any information submitted in an application for the
789 grants in accordance with subsection (2) ~~(1)~~ in determining
790 eligibility for and the amount of the grant, ~~and none of the~~
791 ~~individual items of information by itself may be used to deny~~
792 ~~grant eligibility~~.

793 (5) Financially distressed rural hospitals may receive
794 preferential assistance under the capital improvement grant
795 program to provide planning, management, and financial support.
796 To receive this assistance the hospital must:

797 (a) Provide additional information that includes:

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

800 2. Evidence that the rural hospital and the community have
 801 difficulty obtaining funding or that funds available for the
 802 proposed solution are inadequate.

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

805 1. The appointment of a health care expert under contract
 806 with the agency to analyze and monitor the hospital operations
 807 during the period of distress.

808 2. The establishment of minimum standards for the
 809 education and experience of the managers and administrators of
 810 the hospital.

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

814 4. The establishment of a board orientation and
 815 development program.

816 5. The approval of any facility relocation plans.

817 (6)-(4) The department shall ensure that the funds are used
 818 solely for the purposes specified in this section. The total
 819 grants awarded pursuant to this section shall not exceed the
 820 amount appropriated for this program.

821 Section 7. Subsection (43) of section 408.07, Florida
 822 Statutes, is amended to read:

823 408.07 Definitions.--As used in this chapter, with the
 824 exception of ss. 408.031-408.045, the term:

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

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

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

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

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

846 (e) A critical access hospital.

847
848 Population densities used in this subsection must be based upon
849 the most recently completed United States census. A hospital
850 that received funds under s. 409.9116 for a quarter beginning no
851 later than July 1, 2002, is deemed to have been and shall

852 continue to be a rural hospital from that date through June 30,
853 2012, if the hospital continues to have 100 or fewer licensed
854 beds and an emergency room, or meets the criteria of s.
855 395.602(2) (d)~~(e)~~4. An acute care hospital that has not
856 previously been designated as a rural hospital and that meets
857 the criteria of this subsection shall be granted such
858 designation upon application, including supporting
859 documentation, to the Agency for Health Care Administration.

860 Section 8. Subsection (6) of section 409.9116, Florida
861 Statutes, is amended to read:

862 409.9116 Disproportionate share/financial assistance
863 program for rural hospitals.--In addition to the payments made
864 under s. 409.911, the Agency for Health Care Administration
865 shall administer a federally matched disproportionate share
866 program and a state-funded financial assistance program for
867 statutory rural hospitals. The agency shall make
868 disproportionate share payments to statutory rural hospitals
869 that qualify for such payments and financial assistance payments
870 to statutory rural hospitals that do not qualify for
871 disproportionate share payments. The disproportionate share
872 program payments shall be limited by and conform with federal
873 requirements. Funds shall be distributed quarterly in each
874 fiscal year for which an appropriation is made. Notwithstanding
875 the provisions of s. 409.915, counties are exempt from
876 contributing toward the cost of this special reimbursement for
877 hospitals serving a disproportionate share of low-income
878 patients.

879 (6) This section applies only to hospitals that were
880 defined as statutory rural hospitals, or their successor-in-
881 interest hospital, prior to January 1, 2001. Any additional
882 hospital that is defined as a statutory rural hospital, or its
883 successor-in-interest hospital, on or after January 1, 2001, is
884 not eligible for programs under this section unless additional
885 funds are appropriated each fiscal year specifically to the
886 rural hospital disproportionate share and financial assistance
887 programs in an amount necessary to prevent any hospital, or its
888 successor-in-interest hospital, eligible for the programs prior
889 to January 1, 2001, from incurring a reduction in payments
890 because of the eligibility of an additional hospital to
891 participate in the programs. A hospital, or its successor-in-
892 interest hospital, which received funds pursuant to this section
893 before January 1, 2001, and which qualifies under s.
894 395.602(2) (d) ~~(e)~~, shall be included in the programs under this
895 section and is not required to seek additional appropriations
896 under this subsection.

897 Section 9. Paragraph (b) of subsection (2) of section
898 1009.65, Florida Statutes, is amended to read:

899 1009.65 Medical Education Reimbursement and Loan Repayment
900 Program.--

901 (2) From the funds available, the Department of Health
902 shall make payments to selected medical professionals as
903 follows:

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

906 or an underserved area designated by the Department of Health,
 907 provided the practitioner accepts Medicaid reimbursement if
 908 eligible for such reimbursement. Correctional facilities, state
 909 hospitals, and other state institutions that employ medical
 910 personnel shall be designated by the Department of Health as
 911 underserved locations. Locations with high incidences of infant
 912 mortality, high morbidity, or low Medicaid participation by
 913 health care professionals may be designated as underserved.

914 Section 10. Section 395.605, Florida Statutes, is
 915 repealed.

916 Section 11. Section 381.7366, Florida Statutes, is created
 917 to read:

918 381.7366 Office of Minority Health; legislative intent;
 919 duties.--

920 (1) LEGISLATIVE INTENT.--The Legislature recognizes that
 921 despite significant investments in health care programs certain
 922 racial and ethnic populations suffer disproportionately with
 923 chronic diseases when compared to non-Hispanic whites. The
 924 Legislature intends to address these disparities by developing
 925 programs that target causal factors and recognize the specific
 926 health care needs of racial and ethnic minorities.

927 (2) ORGANIZATION.--The Office of Minority Health is
 928 established within the Department of Health. The office shall be
 929 headed by a director who shall report directly to the Secretary
 930 of Health.

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

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

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

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

938 (d) Communicate pertinent health information to affected
939 racial and ethnic populations.

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

942 (f) Promote and encourage cultural competence education
943 and training for healthcare professionals.

944 (g) Serve as a clearinghouse for the collection and
945 dissemination of information and research findings relating to
946 innovative approaches to the reduction or elimination of health
947 disparities.

948 (h) Dedicate resources to increase public awareness of
949 minority health issues.

950 (i) Seek increased funding for local innovative
951 initiatives and administer grants designed to support
952 initiatives that address health disparities and that can be
953 duplicated.

954 (j) Provide staffing and support for the Closing the Gap
955 grant advisory council.

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

958 (1) Collaborate with other public healthcare providers,
 959 community and faith-based organizations, the private healthcare
 960 system, historically black colleges and universities and other
 961 minority institutions of higher education, medical schools, and
 962 other health providers to establish a comprehensive and
 963 inclusive approach to reducing health disparities.

964 (m) Encourage and support research into causes of racial
 965 and ethnic health disparities.

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

968 (o) Provide an annual report to the Governor, the
 969 President of the Senate, and the Speaker of the House of
 970 Representatives on the activities of the office.

971 (4) RESPONSIBILITY AND COORDINATION.--The office and the
 972 department shall direct and carry out the duties established
 973 under this section and shall work with other state agencies in
 974 accomplishing these tasks.

975 Section 12. This act shall take effect July 1, 2006.