

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 of Rural Health; providing for terms
8 of office of the members of the advisory council;
9 authorizing per diem and travel reimbursement for members
10 of the advisory council; requiring the Office of Rural
11 Health to submit an annual report to the Governor and the
12 Legislature; amending s. 381.0406, F.S.; revising
13 legislative findings and intent with respect to rural
14 health networks; redefining the term "rural health
15 network"; establishing requirements for membership in
16 rural health networks; adding functions for the rural
17 health networks; revising requirements for the governance
18 and organization of rural health networks; revising the
19 services to be provided by provider members of rural
20 health networks; requiring coordination among rural health
21 networks and area health education centers, health
22 planning councils, and regional education consortia;
23 establishing requirements for funding rural health
24 networks; establishing performance standards for rural
25 health networks; establishing requirements for the receipt
26 of grant funding; requiring the Office of Rural Health to
27 monitor rural health networks; authorizing the Department
28 of Health to establish rules governing rural health

29 network grant programs and performance standards; amending
30 s. 395.602, F.S.; defining the term "critical access
31 hospital"; deleting the definitions of "emergency care
32 hospital," and "essential access community hospital";
33 revising the definition of "rural primary care hospital";
34 amending s. 395.603, F.S.; deleting a requirement that the
35 Agency for Health Care Administration adopt a rule
36 relating to deactivation of rural hospital beds under
37 certain circumstances; requiring that critical access
38 hospitals and rural primary care hospitals maintain a
39 certain number of actively licensed beds; amending s.
40 395.604, F.S.; removing emergency care hospitals and
41 essential access community hospitals from certain
42 licensure requirements; specifying certain special
43 conditions for rural primary care hospitals; amending s.
44 395.6061, F.S.; specifying the purposes of capital
45 improvement grants for rural hospitals; modifying the
46 conditions for receiving a grant; authorizing the
47 Department of Health to award grants for remaining funds
48 to certain rural hospitals; requiring a rural hospital
49 that receives any remaining funds to be bound by certain
50 terms of a participation agreement in order to receive
51 remaining funds; amending s. 409.908, F.S.; requiring the
52 Agency for Health Care Administration to pay certain
53 physicians a bonus for Medicaid physician services
54 provided within a rural county; amending ss. 408.07,
55 409.9116, and 1009.65, F.S.; conforming cross-references;
56 requiring the Office of Program Policy Analysis and

57 Government Accountability to contract for a study of the
 58 financing options for replacing or changing the use of
 59 certain rural hospitals; requiring a report to the
 60 Legislature by a specified date; repealing s. 395.605,
 61 F.S., relating to the licensure of emergency care
 62 hospitals; providing appropriations and authorizing
 63 additional positions; providing an effective date.
 64

65 Be It Enacted by the Legislature of the State of Florida:
 66

67 Section 1. Section 381.0405, Florida Statutes, is amended
 68 to read:

69 381.0405 Office of Rural Health.--

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

84 (2) PURPOSE.--The Office of Rural Health shall actively

85 | foster the development of service-delivery systems and
 86 | cooperative agreements to enhance the provision of high-quality
 87 | health care services in rural areas and serve as a catalyst for
 88 | improved health services to residents ~~citizens~~ in rural areas of
 89 | the state.

90 | (3) GENERAL FUNCTIONS.--The office shall:

91 | (a) Integrate policies related to physician workforce,
 92 | hospitals, public health, and state regulatory functions.

93 | (b) Work with rural stakeholders in order to foster the
 94 | development of strategic planning that addresses ~~Propose~~
 95 | ~~solutions to~~ problems affecting health care delivery in rural
 96 | areas.

97 | (c) Develop, in coordination with the rural health
 98 | networks, standards, guidelines, and performance objectives for
 99 | rural health networks.

100 | (d) Foster the expansion of rural health network service
 101 | areas to include rural counties that are not covered by a rural
 102 | health network.

103 | (e) ~~(e)~~ Seek grant funds from foundations and the Federal
 104 | Government.

105 | (f) Administer state grant programs for rural hospitals
 106 | and rural health networks.

107 | (4) COORDINATION.--The office shall:

108 | (a) Identify federal and state rural health programs and
 109 | provide information and technical assistance to rural providers
 110 | regarding participation in such programs.

111 | (b) Act as a clearinghouse for collecting and
 112 | disseminating information on rural health care issues, research

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113 findings on rural health care, and innovative approaches to the
 114 delivery of health care in rural areas.

115 (c) Foster the creation of regional health care systems
 116 that promote cooperation through cooperative agreements, rather
 117 than competition.

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

120 (e) Design initiatives and promote cooperative agreements
 121 in order to improve access to primary care, prehospital
 122 emergency care, inpatient acute care, and emergency medical
 123 services and promote the coordination of such services in rural
 124 areas.

125 (f) Assume responsibility for state coordination of ~~the~~
 126 ~~Rural Hospital Transition Grant Program, the Essential Access~~
 127 ~~Community Hospital Program, and other federal~~ rural hospital and
 128 rural health care grant programs.

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

130 (a) Assist ~~Help~~ rural health care providers in recruiting
 131 ~~obtain~~ health care practitioners by promoting the location and
 132 relocation of health care practitioners in rural areas and
 133 promoting policies that create incentives for practitioners to
 134 serve in rural areas.

135 (b) Provide technical assistance to hospitals, community
 136 and migrant health centers, and other health care providers that
 137 serve residents of rural areas.

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

140 (d) Provide technical assistance to rural health networks

141 in the development of their long-range development plans.

142 (e) Provide links to best practices and other technical-
 143 assistance resources on its website.

144 (6) RESEARCH ~~PUBLICATIONS~~ AND SPECIAL STUDIES.--The office
 145 shall:

146 (a) Conduct policy and research studies.

147 (b) Conduct health status studies of rural residents.

148 (c) Collect relevant data on rural health care issues for
 149 use in program planning and ~~department~~ policy development.

150 (7) ADVISORY COUNCIL.--The Secretary of Health and the
 151 Secretary of Health Care Administration shall each appoint no
 152 more than five members having relevant health care operations
 153 management, practice, and policy experience to an advisory
 154 council to advise the office regarding its responsibilities
 155 under this section and ss. 381.0406 and 395.6061. Members shall
 156 be appointed for 4-year staggered terms and may be reappointed
 157 to a second term of office. Members shall serve without
 158 compensation, but are entitled to reimbursement for per diem and
 159 travel expenses as provided in s. 112.061. The department shall
 160 provide staff and other administrative assistance reasonably
 161 necessary to assist the advisory council in carrying out its
 162 duties. The advisory council shall work with stakeholders to
 163 develop recommendations that address barriers and identify
 164 options for establishing provider networks in rural counties.

165 (8) REPORTS.--Beginning January 1, 2008, and annually
 166 thereafter, the Office of Rural Health shall submit a report to
 167 the Governor, the President of the Senate, and the Speaker of
 168 the House of Representatives summarizing the activities of the

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169 office, including the grants obtained or administered by the
 170 office and the status of rural health networks and rural
 171 hospitals in the state. The report must also include
 172 recommendations that address barriers and identify options for
 173 establishing provider networks in rural counties.

174 (9)-(7) APPROPRIATION.--The Legislature shall appropriate
 175 such sums as are necessary to support the Office of Rural
 176 Health.

177 Section 2. Section 381.0406, Florida Statutes, is amended
 178 to read:

179 381.0406 Rural health networks.--

180 (1) LEGISLATIVE FINDINGS AND INTENT.--

181 (a) The Legislature finds that, in rural areas, access to
 182 health care is limited and the quality of health care is
 183 negatively affected by inadequate financing, difficulty in
 184 recruiting and retaining skilled health professionals, and the
 185 ~~because of a~~ migration of patients to urban areas for general
 186 acute care and specialty services.

187 (b) The Legislature further finds that the efficient and
 188 effective delivery of health care services in rural areas
 189 requires:

190 1. The integration of public and private resources;

191 2. The introduction of innovative outreach methods;

192 3. The adoption of quality improvement and cost-
 193 effectiveness measures;

194 4. The organization of health care providers into joint
 195 contracting entities;

196 5. Establishing referral linkages;

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

199 7. The coordination of health care providers.

200 (c) The Legislature further finds that the availability of
 201 a continuum of quality health care services, including
 202 preventive, primary, secondary, tertiary, and long-term care, is
 203 essential to the economic and social vitality of rural
 204 communities.

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

209 (e)-(d) The Legislature further finds that the creation of
 210 rural health networks can help to alleviate these problems.
 211 Rural health networks shall act in the broad public interest
 212 and, to the extent possible, seek to improve the accessibility,
 213 quality, and cost-effectiveness of rural health care by
 214 planning, developing, coordinating, and providing ~~be structured~~
 215 ~~to provide~~ a continuum of quality health care services for rural
 216 residents through the cooperative efforts of rural health
 217 network members and other health care providers.

218 (f)-(e) The Legislature further finds that rural health
 219 networks shall have the goal of increasing the financial
 220 stability of statutory rural hospitals by linking rural hospital
 221 services to other services in a continuum of health care
 222 services and by increasing the utilization of statutory rural
 223 hospitals whenever ~~for appropriate health care services whenever~~
 224 ~~feasible, which shall help to ensure their survival and thereby~~

225 support the economy and protect the health and safety of rural
 226 residents.

227 (g)~~(f)~~ Finally, the Legislature finds that rural health
 228 networks may serve as "laboratories" to determine the best way
 229 of organizing rural health services and linking to out-of-area
 230 services that are not available locally in order~~7~~ to move the
 231 state closer to ensuring that everyone has access to health
 232 care~~7~~ and to promote cost-containment ~~cost-containment~~ efforts.
 233 The ultimate goal of rural health networks shall be to ensure
 234 that quality health care is available and efficiently delivered
 235 to all persons in rural areas.

236 (2) DEFINITIONS.--

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

240 (b) "Health care provider" means any individual, group, or
 241 entity, public or private, which ~~that~~ provides health care,
 242 including~~+~~ preventive health care, primary health care,
 243 secondary and tertiary health care, hospital ~~in-hospital~~ health
 244 care, public health care, and health promotion and education.

245 (c) "Rural health network" or "network" means a nonprofit
 246 legal entity whose principal place of business is in a rural
 247 area, whose members consist ~~consisting~~ of rural and urban health
 248 care providers and others, and which ~~that~~ is established
 249 ~~organized~~ to plan, develop, organize, and deliver health care
 250 services on a cooperative basis in a rural area, ~~except for some~~
 251 ~~secondary and tertiary care services.~~

252 (3) NETWORK MEMBERSHIP.--

253 (a) Because each rural area is unique, with a different
 254 health care provider mix, health care provider membership may
 255 vary, but all networks shall include members that provide health
 256 promotion and disease-prevention services, public health
 257 services, comprehensive primary care, emergency medical care,
 258 and acute inpatient care.

259 (b) Each county health department shall be a member of the
 260 rural health network whose service area includes the county in
 261 which the county health department is located. Federally
 262 qualified health centers and emergency medical services
 263 providers are encouraged to become members of the rural health
 264 networks in the areas in which their patients reside or receive
 265 services.

266 (c)~~(4)~~ Network membership shall be available to all health
 267 care providers in the network service area if, ~~provided that~~
 268 they render care to all patients referred to them from other
 269 network members;~~;~~ comply with network quality assurance, quality
 270 improvement, and utilization-management ~~and risk management~~
 271 requirements; ~~and~~ abide by the terms and conditions of network
 272 provider agreements in paragraph (11)(c), and provide services
 273 ~~at a rate or price equal to the rate or price negotiated by the~~
 274 ~~network.~~

275 (4)~~(5)~~ NETWORK SERVICE AREAS.--Network service areas are
 276 ~~de~~ not required ~~need~~ to conform to local political boundaries or
 277 state administrative district boundaries. The geographic area of
 278 one rural health network, however, may not overlap the territory
 279 of any other rural health network.

280 (5)~~(6)~~ NETWORK FUNCTIONS.--Networks shall:

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

284 ~~(b) (7) Networks shall~~ Make available health promotion,
 285 disease prevention, and primary care services, in order to
 286 improve the health status of rural residents and to contain
 287 health care costs.

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

292 ~~(c) (9) Encourage members through training and educational~~
 293 programs to adopt standards of care and promote the evidence-
 294 based practice of medicine. Networks shall establish standard
 295 protocols, coordinate and share patient records, and develop
 296 patient information exchange systems in order to improve the
 297 quality of and access to services.

298 (d) Develop quality-improvement programs and train network
 299 members and other health care providers in the use of such
 300 programs.

301 (e) Develop disease-management systems and train network
 302 members and other health care providers in the use of such
 303 systems.

304 (f) Promote outreach to areas that have a high need for
 305 services.

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

308 (h) Emphasize community care alternatives for persons with

309 mental health and substance abuse disorders who are at risk of
 310 being admitted to an institution.

311 (i) Develop and implement a long-range development plan
 312 for an integrated system of care that is responsive to the
 313 unique local health needs and the area health care services
 314 market. Each rural health network long-range development plan
 315 must address strategies to improve access to specialty care,
 316 train health care providers to use standards of care for chronic
 317 illness, develop disease-management capacity, and link to state
 318 and national quality-improvement initiatives. The initial long-
 319 range development plan must be submitted to the Office of Rural
 320 Health for review and approval no later than July 1, 2008, and
 321 thereafter the plans must be updated and submitted to the Office
 322 of Rural Health every 3 years.

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

325 (6) ~~(11)~~ NETWORK GOVERNANCE AND ORGANIZATION.--

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

330 (b) Each network ~~Networks~~ shall have an independent a
 331 board of directors that derives membership from local
 332 government, health care providers, businesses, consumers,
 333 advocacy groups, and others. Boards of other community health
 334 care entities may not serve in whole as the board of a rural
 335 health network; however, some overlap of board membership with
 336 other community organizations is encouraged. Network staff must

337 provide an annual orientation and strategic planning activity
 338 for board members.

339 (c) Network boards of directors shall have the
 340 responsibility of determining the content of health care
 341 provider agreements that link network members. The written
 342 agreements between the network and its health care provider
 343 members must specify participation in the essential functions of
 344 the network and shall specify:

- 345 1. Who provides what services.
- 346 2. The extent to which the health care provider provides
 347 care to persons who lack health insurance or are otherwise
 348 unable to pay for care.
- 349 3. The procedures for transfer of medical records.
- 350 4. The method used for the transportation of patients
 351 between providers.
- 352 5. Referral and patient flow including appointments and
 353 scheduling.
- 354 6. Payment arrangements for the transfer or referral of
 355 patients.

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

361 (7)(12) NETWORK PROVIDER MEMBER SERVICES.--

362 (a) Networks, to the extent feasible, shall seek to
 363 develop services that provide for a continuum of care for all
 364 residents ~~patients~~ served by the network. Each network shall

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365 recruit members that can provide ~~include~~ the following core
366 services: disease prevention, health promotion, comprehensive
367 primary care, emergency medical care, and acute inpatient care.
368 Each network shall seek to ensure the availability of
369 comprehensive maternity care, including prenatal, delivery, and
370 postpartum care for uncomplicated pregnancies, ~~either~~ directly,
371 by contract, or through referral agreements. Networks shall, to
372 the extent feasible, develop local services and linkages among
373 health care providers in order to ~~also~~ ensure the availability
374 of the following services: ~~within the specified timeframes,~~
375 ~~either directly, by contract, or through referral agreements:~~

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

377 ~~1.a.~~ Home health care.

378 ~~2.b.~~ Hospice care.

379 ~~2. Services accessible within 30 minutes travel time or~~
380 ~~less.~~

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

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

384 ~~e.~~ prenatal and postpartum care for uncomplicated
385 pregnancies.

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

388 ~~6.e.~~ Public health services, including communicable
389 disease control, disease prevention, health education, and
390 health promotion.

391 ~~7.f.~~ Outpatient mental health ~~psychiatric~~ and substance
392 abuse treatment services.

393 ~~3. Services accessible within 45 minutes travel time or~~
 394 ~~less.~~

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

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

399 ~~10.e.~~ Skilled nursing services and, long-term care,
 400 including nursing home care.

401 (b) Networks shall seek to foster linkages with out-of-
 402 area services to the extent feasible in order to ensure the
 403 availability of:

404 ~~1.d.~~ Dialysis.

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

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

407 ~~3.a.~~ Specialist physician care.

408 ~~4.b.~~ Hospital acute inpatient care for severe illnesses
 409 and medical problems.

410 ~~5.e. Level II and III obstetrical care, which is Labor and~~
 411 ~~delivery care for high-risk patients and neonatal intensive~~
 412 ~~care.~~

413 ~~6.d.~~ Comprehensive medical rehabilitation.

414 ~~7.e.~~ Inpatient mental health ~~psychiatric~~ and substance
 415 abuse treatment services.

416 ~~8.f.~~ Magnetic resonance imaging, lithotripter treatment,
 417 oncology, advanced radiology, and other technologically advanced
 418 services.

419 ~~9.g.~~ Subacute care.

420 (8) COORDINATION WITH OTHER ENTITIES.--

421 (a) Area health education centers, health planning
422 councils, and regional education consortia having technological
423 expertise in continuing education shall participate in the rural
424 health networks' preparation of long-range development plans.
425 The Department of Health may require written memoranda of
426 agreement between a network and an area health education center
427 or health planning council.

428 (b) Rural health networks shall initiate activities, in
429 coordination with area health education centers, to carry out
430 the objectives of the adopted long-range development plan,
431 including continuing education for health care practitioners
432 performing functions such as disease management, continuous
433 quality improvement, telemedicine, long-distance learning, and
434 the treatment of chronic illness using standards of care. As
435 used in this section, the term "telemedicine" means the use of
436 telecommunications to deliver or expedite the delivery of health
437 care services.

438 (c) Health planning councils shall support the preparation
439 of network long-range development plans through data collection
440 and analysis in order to assess the health status of area
441 residents and the capacity of local health services.

442 (d) Regional education consortia that have the technology
443 available to assist rural health networks in establishing
444 systems for the exchange of patient information and for long-
445 distance learning are encouraged to provide technical assistance
446 upon the request of a rural health network.

447 (e) ~~(b)~~ Networks shall actively participate with area
448 health education center programs, whenever feasible, in

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449 developing and implementing recruitment, training, and retention
450 programs directed at positively influencing the supply and
451 distribution of health care professionals serving in, or
452 receiving training in, network areas.

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

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

461 (f) (13) TRAUMA SERVICES.--In those network areas having
462 which have an established trauma agency approved by the
463 Department of Health, the network shall seek the participation
464 of that trauma agency must be a participant in the network.
465 Trauma services provided within the network area must comply
466 with s. 395.405.

467 (9) (14) NETWORK FINANCING.--

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

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

474 (10) NETWORK PERFORMANCE STANDARDS.--The Department of
475 Health shall develop and enforce performance standards for rural
476 health network operations grants and rural health infrastructure

477 development grants.

478 (a) Operations grant performance standards must include,
479 but are not limited to, standards that require the rural health
480 network to:

481 1. Have a qualified board of directors that meets at least
482 quarterly.

483 2. Have sufficient staff who have the qualifications and
484 experience to perform the requirements of this section, as
485 assessed by the Office of Rural Health, or a written plan to
486 obtain such staff.

487 3. Comply with the department's grant-management standards
488 in a timely and responsive manner.

489 4. Comply with the department's standards for the
490 administration of federal grant funding, including assistance to
491 rural hospitals.

492 5. Demonstrate a commitment to network activities from
493 area health care providers and other stakeholders, as described
494 in letters of support.

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

498 1. During the 2007-2008 fiscal year, develop a long-range
499 development plan and, after July 1, 2008, have a long-range
500 development plan that has been reviewed and approved by the
501 Office of Rural Health.

502 2. Have two or more successful network-development
503 activities, such as:

504 a. Management of a network-development or outreach grant

505 from the federal Office of Rural Health Policy;

506 b. Implementation of outreach programs to address chronic
507 disease, infant mortality, or assistance with prescription
508 medication;

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

511 d. Provision of direct services, such as clinics or mobile
512 units;

513 e. Operation of credentialing services for health care
514 providers or quality-assurance and quality-improvement
515 initiatives that, whenever possible, are consistent with state
516 or federal quality initiatives;

517 f. Support for the development of community health
518 centers, local community health councils, federal designation as
519 a rural critical access hospital, or comprehensive community
520 health planning initiatives; and

521 g. Development of the capacity to obtain federal, state,
522 and foundation grants.

523 ~~(11)-(15)~~ NETWORK IMPLEMENTATION.--As funds become
524 available, networks shall be developed and implemented in two
525 phases.

526 (a) Phase I shall consist of a network planning and
527 development grant program. Planning grants shall be used to
528 organize networks, incorporate network boards, and develop
529 formal provider agreements as provided for in this section. The
530 Department of Health shall develop a request-for-proposal
531 process to solicit grant applications.

532 (b) Phase II shall consist of a network operations grant

533 program. As funds become available, certified networks that meet
534 performance standards shall be eligible to receive grant funds
535 to be used to help defray the costs of rural health network
536 infrastructure development, patient care, and network
537 administration. Rural health network infrastructure development
538 includes, but is not limited to: recruitment and retention of
539 primary care practitioners; enhancement of primary care services
540 through the use of mobile clinics; development of preventive
541 health care programs; linkage of urban and rural health care
542 systems; design and implementation of automated patient records,
543 outcome measurement, quality assurance, and risk management
544 systems; establishment of one-stop service delivery sites;
545 upgrading of medical technology available to network providers;
546 enhancement of emergency medical systems; enhancement of medical
547 transportation; formation of joint contracting entities composed
548 of rural physicians, rural hospitals, and other rural health
549 care providers; establishment of comprehensive disease-
550 management programs that meet Medicaid requirements;
551 establishment of regional quality-improvement programs involving
552 physicians and hospitals consistent with state and national
553 initiatives; establishment of specialty networks connecting
554 rural primary care physicians and urban specialists; development
555 of regional broadband telecommunications systems that have the
556 capacity to share patient information in a secure network,
557 telemedicine, and long-distance learning capacity; and linkage
558 between training programs for health care practitioners and the
559 delivery of health care services in rural areas ~~and development~~
560 ~~of telecommunication capabilities~~. A Phase II award may occur in

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561 the same fiscal year as a Phase I award.

562 ~~(12)-(16)~~ CERTIFICATION.--For the purpose of certifying
 563 networks that are eligible for Phase II funding, the Department
 564 of Health shall certify networks that meet the criteria
 565 delineated in this section and the rules governing rural health
 566 networks. The Office of Rural Health in the Department of Health
 567 shall monitor rural health networks in order to ensure continued
 568 compliance with established certification and performance
 569 standards.

570 ~~(13)-(17)~~ RULES.--The Department of Health shall establish
 571 rules that govern the creation and certification of networks,
 572 the provision of grant funds under Phase I and Phase II, and the
 573 establishment of performance standards including establishing
 574 outcome measures for networks.

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

577 395.602 Rural hospitals.--

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

579 (a) "Critical access hospital" means a hospital that meets
 580 the definition of rural hospital in paragraph (d) and meets the
 581 requirements for reimbursement by Medicare and Medicaid under 42
 582 C.F.R. ss. 485.601-485.647. "Emergency care hospital" means a
 583 medical facility which provides:

- 584 ~~1. Emergency medical treatment; and~~
- 585 ~~2. Inpatient care to ill or injured persons prior to their~~
 586 ~~transportation to another hospital or provides inpatient medical~~
 587 ~~care to persons needing care for a period of up to 96 hours. The~~
 588 ~~96-hour limitation on inpatient care does not apply to respite,~~

589 ~~skilled nursing, hospice, or other nonacute care patients.~~

590 ~~(b) "Essential access community hospital" means any~~
 591 ~~facility which:~~

592 ~~1. Has at least 100 beds;~~

593 ~~2. Is located more than 35 miles from any other essential~~
 594 ~~access community hospital, rural referral center, or urban~~
 595 ~~hospital meeting criteria for classification as a regional~~
 596 ~~referral center;~~

597 ~~3. Is part of a network that includes rural primary care~~
 598 ~~hospitals;~~

599 ~~4. Provides emergency and medical backup services to rural~~
 600 ~~primary care hospitals in its rural health network;~~

601 ~~5. Extends staff privileges to rural primary care hospital~~
 602 ~~physicians in its network; and~~

603 ~~6. Accepts patients transferred from rural primary care~~
 604 ~~hospitals in its network.~~

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

608 (c) ~~(d)~~ "Rural area health education center" means an area
 609 health education center (AHEC), as authorized by Pub. L. No. 94-
 610 484, which provides services in a county with a population
 611 density of no greater than 100 persons per square mile.

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

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

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617 2. An acute care hospital, in a county with a population
618 density of no greater than 100 persons per square mile, which is
619 at least 30 minutes of travel time, on normally traveled roads
620 under normal traffic conditions, from any other acute care
621 hospital within the same county;

622 3. A hospital supported by a tax district or subdistrict
623 whose boundaries encompass a population of 100 persons or fewer
624 per square mile;

625 4. A hospital in a constitutional charter county with a
626 population of over 1 million persons that has imposed a local
627 option health service tax pursuant to law and in an area that
628 was directly impacted by a catastrophic event on August 24,
629 1992, for which the Governor of Florida declared a state of
630 emergency pursuant to chapter 125, and has 120 beds or less that
631 serves an agricultural community with an emergency room
632 utilization of no less than 20,000 visits and a Medicaid
633 inpatient utilization rate greater than 15 percent;

634 5. A hospital with a service area that has a population of
635 100 persons or fewer per square mile. As used in this
636 subparagraph, the term "service area" means the fewest number of
637 zip codes that account for 75 percent of the hospital's
638 discharges for the most recent 5-year period, based on
639 information available from the hospital inpatient discharge
640 database in the Florida Center for Health Information and Policy
641 Analysis at the Agency for Health Care Administration; or

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

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645 Population densities used in this paragraph must be based upon
646 the most recently completed United States census. A hospital
647 that received funds under s. 409.9116 for a quarter beginning no
648 later than July 1, 2002, is deemed to have been and shall
649 continue to be a rural hospital from that date through June 30,
650 2012, if the hospital continues to have 100 or fewer licensed
651 beds and an emergency room, or meets the criteria of
652 subparagraph 4. An acute care hospital that has not previously
653 been designated as a rural hospital and that meets the criteria
654 of this paragraph shall be granted such designation upon
655 application, including supporting documentation to the Agency
656 for Health Care Administration.

657 (e)~~(f)~~ "Rural primary care hospital" means any facility
658 that meeting the criteria in paragraph (e) or s. 395.605 which
659 provides:

- 660 1. Twenty-four-hour emergency medical care;
- 661 2. Temporary inpatient care for periods of 96 ~~72~~ hours or
662 less to patients requiring stabilization before discharge or
663 transfer to another hospital. The 96-hour ~~72-hour~~ limitation
664 does not apply to respite, skilled nursing, hospice, or other
665 nonacute care patients; and
- 666 3. Has at least ~~no more than~~ six licensed acute care
667 inpatient beds.

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

672 Section 4. Subsection (1) of section 395.603, Florida

673 Statutes, is amended to read:

674 395.603 Deactivation of general hospital beds; rural
675 hospital impact statement.--

676 (1) ~~The agency shall establish, by rule, a process by~~
677 ~~which~~ A rural hospital, as defined in s. 395.602, which that
678 seeks licensure as a rural primary care hospital or ~~as an~~
679 ~~emergency care hospital, or~~ becomes a certified rural health
680 clinic as defined in Pub. L. No. 95-210, or becomes a primary
681 care program such as a county health department, community
682 health center, or other similar outpatient program that provides
683 preventive and curative services, may deactivate general
684 hospital beds. A critical access hospital or a rural primary
685 care hospital ~~hospitals and emergency care hospitals~~ shall
686 maintain the number of actively licensed general hospital beds
687 necessary for the facility to be certified for Medicare
688 reimbursement. Hospitals that discontinue inpatient care to
689 become rural health care clinics or primary care programs shall
690 deactivate all licensed general hospital beds. All hospitals,
691 clinics, and programs with inactive beds shall provide 24-hour
692 emergency medical care by staffing an emergency room. Providers
693 with inactive beds shall be subject to the criteria in s.
694 395.1041. The agency shall specify in rule requirements for
695 making 24-hour emergency care available. Inactive general
696 hospital beds shall be included in the acute care bed inventory,
697 maintained by the agency for certificate-of-need purposes, for
698 10 years from the date of deactivation of the beds. After 10
699 years have elapsed, inactive beds shall be excluded from the
700 inventory. The agency shall, at the request of the licensee,

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701 reactivate the inactive general beds upon a showing by the
 702 licensee that licensure requirements for the inactive general
 703 beds are met.

704 Section 5. Section 395.604, Florida Statutes, is amended
 705 to read:

706 395.604 ~~Other~~ Rural primary care hospitals ~~hospital~~
 707 ~~programs.~~ --

708 (1) The agency may license rural primary care hospitals
 709 subject to federal approval for participation in the Medicare
 710 and Medicaid programs. Rural primary care hospitals shall be
 711 treated in the same manner as ~~emergency care hospitals and rural~~
 712 hospitals with respect to ss. ~~395.605(2) (8) (a),~~
 713 408.033(2) (b)3.7 and 408.038.

714 (2) ~~The agency may designate essential access community~~
 715 ~~hospitals.~~

716 ~~(3)~~ The agency may adopt licensure rules for rural primary
 717 care hospitals ~~and essential access community hospitals.~~ Such
 718 rules must conform to s. 395.1055.

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

722 (4) For the purpose of participation in the Medical
 723 Education Reimbursement and Loan Repayment Program as defined in
 724 s. 1009.65 or other loan repayment or incentive programs
 725 designed to relieve medical workforce shortages, the department
 726 shall treat rural primary care hospitals in the same manner as
 727 rural hospitals.

728 (5) For the purpose of coordinating primary care services

729 described in s. 154.011(1)(c)10., the department shall treat
 730 rural primary care hospitals in the same manner as rural
 731 hospitals.

732 (6) Rural hospitals that make application under the
 733 certificate-of-need program to be licensed as rural primary care
 734 hospitals shall receive expedited review as defined in s.
 735 408.032. Rural primary care hospitals seeking relicensure as
 736 acute care general hospitals shall also receive expedited
 737 review.

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

742 (8) Rural primary care hospitals shall have agreements
 743 with other hospitals, skilled nursing facilities, home health
 744 agencies, and providers of diagnostic-imaging and laboratory
 745 services that are not provided on site but are needed by
 746 patients.

747 ~~(4) The department may seek federal recognition of~~
 748 ~~emergency care hospitals authorized by s. 395.605 under the~~
 749 ~~essential access community hospital program authorized by the~~
 750 ~~Omnibus Budget Reconciliation Act of 1989.~~

751 Section 6. Section 395.6061, Florida Statutes, is amended
 752 to read:

753 395.6061 Rural hospital capital improvement.--There is
 754 established a rural hospital capital improvement grant program.

755 (1) A rural hospital as defined in s. 395.602 may apply to
 756 the department for a grant to acquire, repair, improve, or

757 upgrade systems, facilities, or equipment. The grant application
 758 must provide information that includes:

759 (a) A statement indicating the problem the rural hospital
 760 proposes to solve with the grant funds;

761 (b) The strategy proposed to resolve the problem;

762 (c) The organizational structure, financial system, and
 763 facilities that are essential to the proposed solution;

764 (d) The projected longevity of the proposed solution after
 765 the grant funds are expended;

766 (e) Evidence of participation in a rural health network as
 767 defined in s. 381.0406 and evidence that, after July 1, 2008,
 768 the application is consistent with the rural health network's
 769 long-range development plan;

770 (f) Evidence that the rural hospital has difficulty in
 771 obtaining funding or that funds available for the proposed
 772 solution are inadequate;

773 (g) Evidence that the grant funds will assist in
 774 maintaining or returning the hospital to an economically stable
 775 condition or that any plan for closure of the hospital or
 776 realignment of services will involve development of innovative
 777 alternatives for the provision of needed ~~discontinued~~ services;

778 (h) Evidence of a satisfactory record-keeping system to
 779 account for grant fund expenditures within the rural county; and

780 (i) ~~A rural health network plan that includes a~~
 781 ~~description of how the plan was developed, the goals of the~~
 782 ~~plan, the links with existing health care providers under the~~
 783 ~~plan,~~ Indicators quantifying the hospital's financial status
 784 ~~well being,~~ measurable outcome targets, and the current physical

785 and operational condition of the hospital.

786 (2) Each rural hospital as defined in s. 395.602 shall
787 receive a minimum of \$200,000 ~~\$100,000~~ annually, subject to
788 legislative appropriation, upon application to the Department of
789 Health, for projects to acquire, repair, improve, or upgrade
790 systems, facilities, or equipment.

791 (3) Any remaining funds may ~~shall~~ annually be disbursed to
792 rural hospitals in accordance with this section. The Department
793 of Health shall establish, by rule, criteria for awarding grants
794 for any remaining funds, which must be used exclusively for the
795 support and assistance of rural hospitals as defined in s.
796 395.602, including criteria relating to the level of charity
797 ~~uncompensated~~ care rendered by the hospital, the financial
798 stability of the hospital, financial and quality indicators for
799 the hospital, whether the project is sustainable beyond the
800 funding period, the hospital's ability to improve or expand
801 services, the hospital's participation in a rural health network
802 as defined in s. 381.0406, and the proposed use of the grant by
803 the rural hospital to resolve a specific problem. The department
804 must consider any information submitted in an application for
805 the grants in accordance with subsection (1) in determining
806 eligibility for and the amount of the grant, ~~and none of the~~
807 ~~individual items of information by itself may be used to deny~~
808 ~~grant eligibility.~~

809 (4) To receive any of the remaining funds, a rural
810 hospital must agree to be bound by the terms of a participation
811 agreement with the department, which may include:

812 (a) The appointment of a health care expert under contract

813 with the department to analyze and monitor the hospital's
 814 operations.

815 (b) The establishment of an orientation and development
 816 program for members of the board.

817 (c) The approval of any facility relocation plans.

818 ~~(5)-(4)~~ The department shall ensure that the funds are used
 819 solely for the purposes specified in this section. The total
 820 grants awarded pursuant to this section shall not exceed the
 821 amount appropriated for this program.

822 Section 7. Subsection (12) of section 409.908, Florida
 823 Statutes, is amended to read:

824 409.908 Reimbursement of Medicaid providers.--Subject to
 825 specific appropriations, the agency shall reimburse Medicaid
 826 providers, in accordance with state and federal law, according
 827 to methodologies set forth in the rules of the agency and in
 828 policy manuals and handbooks incorporated by reference therein.
 829 These methodologies may include fee schedules, reimbursement
 830 methods based on cost reporting, negotiated fees, competitive
 831 bidding pursuant to s. 287.057, and other mechanisms the agency
 832 considers efficient and effective for purchasing services or
 833 goods on behalf of recipients. If a provider is reimbursed based
 834 on cost reporting and submits a cost report late and that cost
 835 report would have been used to set a lower reimbursement rate
 836 for a rate semester, then the provider's rate for that semester
 837 shall be retroactively calculated using the new cost report, and
 838 full payment at the recalculated rate shall be effected
 839 retroactively. Medicare-granted extensions for filing cost
 840 reports, if applicable, shall also apply to Medicaid cost

841 reports. Payment for Medicaid compensable services made on
842 behalf of Medicaid eligible persons is subject to the
843 availability of moneys and any limitations or directions
844 provided for in the General Appropriations Act or chapter 216.
845 Further, nothing in this section shall be construed to prevent
846 or limit the agency from adjusting fees, reimbursement rates,
847 lengths of stay, number of visits, or number of services, or
848 making any other adjustments necessary to comply with the
849 availability of moneys and any limitations or directions
850 provided for in the General Appropriations Act, provided the
851 adjustment is consistent with legislative intent.

852 (12) (a) A physician shall be reimbursed the lesser of the
853 amount billed by the provider or the Medicaid maximum allowable
854 fee established by the agency.

855 (b) The agency shall adopt a fee schedule, subject to any
856 limitations or directions provided for in the General
857 Appropriations Act, based on a resource-based relative value
858 scale for pricing Medicaid physician services. Under this fee
859 schedule, physicians shall be paid a dollar amount for each
860 service based on the average resources required to provide the
861 service, including, but not limited to, estimates of average
862 physician time and effort, practice expense, and the costs of
863 professional liability insurance. The fee schedule shall provide
864 increased reimbursement for preventive and primary care services
865 and lowered reimbursement for specialty services by using at
866 least two conversion factors, one for cognitive services and
867 another for procedural services. The fee schedule shall not
868 increase total Medicaid physician expenditures unless moneys are

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869 available, ~~and shall be phased in over a 2 year period beginning~~
870 ~~on July 1, 1994.~~ The Agency for Health Care Administration shall
871 seek the advice of a 16-member advisory panel in formulating and
872 adopting the fee schedule. The panel shall consist of Medicaid
873 physicians licensed under chapters 458 and 459 and shall be
874 composed of 50 percent primary care physicians and 50 percent
875 specialty care physicians.

876 (c) Notwithstanding paragraph (b), reimbursement fees to
877 physicians for providing total obstetrical services to Medicaid
878 recipients, which include prenatal, delivery, and postpartum
879 care, shall be at least \$1,500 per delivery for a pregnant woman
880 with low medical risk and at least \$2,000 per delivery for a
881 pregnant woman with high medical risk. However, reimbursement to
882 physicians working in Regional Perinatal Intensive Care Centers
883 designated pursuant to chapter 383, for services to certain
884 pregnant Medicaid recipients with a high medical risk, may be
885 made according to obstetrical care and neonatal care groupings
886 and rates established by the agency. Nurse midwives licensed
887 under part I of chapter 464 or midwives licensed under chapter
888 467 shall be reimbursed at no less than 80 percent of the low
889 medical risk fee. The agency shall by rule determine, for the
890 purpose of this paragraph, what constitutes a high or low
891 medical risk pregnant woman and shall not pay more based solely
892 on the fact that a caesarean section was performed, rather than
893 a vaginal delivery. The agency shall by rule determine a
894 prorated payment for obstetrical services in cases where only
895 part of the total prenatal, delivery, or postpartum care was
896 performed. The Department of Health shall adopt rules for

897 appropriate insurance coverage for midwives licensed under
 898 chapter 467. Prior to the issuance and renewal of an active
 899 license, or reactivation of an inactive license for midwives
 900 licensed under chapter 467, such licensees shall submit proof of
 901 coverage with each application.

902 (d) Notwithstanding other provisions of this subsection,
 903 physicians licensed under chapter 458 or chapter 459 who have a
 904 provider agreement with a rural health network as established in
 905 s. 381.0406 shall be paid a 10-percent bonus over the Medicaid
 906 physician fee schedule for any physician service provided within
 907 the geographic boundary of a rural county as defined by the most
 908 recent United States Census as rural.

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

911 408.07 Definitions.--As used in this chapter, with the
 912 exception of ss. 408.031-408.045, the term:

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

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

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

923 (c) A hospital supported by a tax district or subdistrict
 924 whose boundaries encompass a population of 100 persons or fewer

925 per square mile;

926 (d) A hospital with a service area that has a population
 927 of 100 persons or fewer per square mile. As used in this
 928 paragraph, the term "service area" means the fewest number of
 929 zip codes that account for 75 percent of the hospital's
 930 discharges for the most recent 5-year period, based on
 931 information available from the hospital inpatient discharge
 932 database in the Florida Center for Health Information and Policy
 933 Analysis at the Agency for Health Care Administration; or

934 (e) A critical access hospital.

935

936 Population densities used in this subsection must be based upon
 937 the most recently completed United States census. A hospital
 938 that received funds under s. 409.9116 for a quarter beginning no
 939 later than July 1, 2002, is deemed to have been and shall
 940 continue to be a rural hospital from that date through June 30,
 941 2012, if the hospital continues to have 100 or fewer licensed
 942 beds and an emergency room, or meets the criteria of s.

943 395.602(2)(d)4. ~~s. 395.602(2)(e)4.~~ An acute care hospital that
 944 has not previously been designated as a rural hospital and that
 945 meets the criteria of this subsection shall be granted such
 946 designation upon application, including supporting
 947 documentation, to the Agency for Health Care Administration.

948 Section 9. Subsection (6) of section 409.9116, Florida
 949 Statutes, is amended to read:

950 409.9116 Disproportionate share/financial assistance
 951 program for rural hospitals.--In addition to the payments made
 952 under s. 409.911, the Agency for Health Care Administration

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953 shall administer a federally matched disproportionate share
954 program and a state-funded financial assistance program for
955 statutory rural hospitals. The agency shall make
956 disproportionate share payments to statutory rural hospitals
957 that qualify for such payments and financial assistance payments
958 to statutory rural hospitals that do not qualify for
959 disproportionate share payments. The disproportionate share
960 program payments shall be limited by and conform with federal
961 requirements. Funds shall be distributed quarterly in each
962 fiscal year for which an appropriation is made. Notwithstanding
963 the provisions of s. 409.915, counties are exempt from
964 contributing toward the cost of this special reimbursement for
965 hospitals serving a disproportionate share of low-income
966 patients.

967 (6) This section applies only to hospitals that were
968 defined as statutory rural hospitals, or their successor-in-
969 interest hospital, prior to January 1, 2001. Any additional
970 hospital that is defined as a statutory rural hospital, or its
971 successor-in-interest hospital, on or after January 1, 2001, is
972 not eligible for programs under this section unless additional
973 funds are appropriated each fiscal year specifically to the
974 rural hospital disproportionate share and financial assistance
975 programs in an amount necessary to prevent any hospital, or its
976 successor-in-interest hospital, eligible for the programs prior
977 to January 1, 2001, from incurring a reduction in payments
978 because of the eligibility of an additional hospital to
979 participate in the programs. A hospital, or its successor-in-
980 interest hospital, which received funds pursuant to this section

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981 before January 1, 2001, and which qualifies under s.
 982 395.602(2)(d) ~~s. 395.602(2)(e)~~, shall be included in the
 983 programs under this section and is not required to seek
 984 additional appropriations under this subsection.

985 Section 10. Paragraph (b) of subsection (2) of section
 986 1009.65, Florida Statutes, is amended to read:

987 1009.65 Medical Education Reimbursement and Loan Repayment
 988 Program.--

989 (2) From the funds available, the Department of Health
 990 shall make payments to selected medical professionals as
 991 follows:

992 (b) All payments shall be contingent on continued proof of
 993 primary care practice in an area defined in s. 395.602(2)(d) ~~s.~~
 994 ~~395.602(2)(e)~~, or an underserved area designated by the
 995 Department of Health, provided the practitioner accepts Medicaid
 996 reimbursement if eligible for such reimbursement. Correctional
 997 facilities, state hospitals, and other state institutions that
 998 employ medical personnel shall be designated by the Department
 999 of Health as underserved locations. Locations with high
 1000 incidences of infant mortality, high morbidity, or low Medicaid
 1001 participation by health care professionals may be designated as
 1002 underserved.

1003 Section 11. The Office of Program Policy Analysis and
 1004 Government Accountability shall contract with an entity having
 1005 expertise in the financing of rural hospital capital improvement
 1006 projects to study the financing options for replacing or
 1007 changing the use of rural hospital facilities having 55 or fewer
 1008 beds which were built before 1985 and which have not had major

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1009 renovations since 1985. For each such hospital, the contractor
1010 shall assess the need to replace or convert the facility,
1011 identify all available sources of financing for such replacement
1012 or conversion and assess each community's capacity to maximize
1013 these funding options, propose a model replacement facility if a
1014 facility should be replaced, and propose alternative uses of the
1015 facility if continued operation of the hospital is not
1016 financially feasible. Based on the results of the contract
1017 study, the Office of Program Policy Analysis and Government
1018 Accountability shall submit recommendations to the Legislature
1019 by February 1, 2008, regarding whether the state should provide
1020 financial assistance to replace or convert these rural hospital
1021 facilities and what form that assistance should take.

1022 Section 12. Section 395.605, Florida Statutes, is
1023 repealed.

1024 Section 13. The sum of \$440,000 in nonrecurring general
1025 revenue is appropriated from the General Revenue Fund to the
1026 Office of Program Policy Analysis and Government Accountability
1027 for the 2007-2008 fiscal year to implement section 11 of this
1028 act.

1029 Section 14. The sums of \$3,638,709 in recurring revenue
1030 from the General Revenue Fund and \$5,067,392 in recurring
1031 revenue from the Medical Care Trust Fund are appropriated to the
1032 Agency for Health Care Administration for the 2007-2008 fiscal
1033 year to implement the 10-percent Medicaid fee schedule bonus
1034 payment as provided in s. 409.908, Florida Statutes, as amended
1035 by this act.

1036 Section 15. The sum of \$3 million in recurring revenue is

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1037 appropriated from the General Revenue Fund to the Department of
1038 Health for the 2007-2008 fiscal year to implement rural health
1039 network infrastructure development as provided in s. 381.0406,
1040 Florida Statutes, as amended by this act.

1041 Section 16. The sum of \$7.5 million in nonrecurring
1042 revenue is appropriated from the General Revenue Fund to the
1043 Department of Health for the 2007-2008 fiscal year to implement
1044 the rural hospital capital improvement grant program as provided
1045 in s. 395.6061, Florida Statutes, as amended by this act.

1046 Section 17. The sums of \$196,818 in recurring revenue from
1047 the General Revenue Fund and \$17,556 in nonrecurring revenue
1048 from the General Revenue Fund are appropriated to the
1049 Department of Health, and three full-time equivalent positions
1050 and associated salary rate of 121,619 are authorized to
1051 implement this act.

1052 Section 18. This act shall take effect July 1, 2007.