

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

29 standards; creating s. 381.7366, F.S.; creating the Office  
30 of Minority Health within the Department of Health;  
31 providing legislative intent; providing for organization  
32 and duties of the office; providing for responsibilities  
33 of the office and the department and coordination with  
34 other agencies; amending s. 395.602, F.S.; defining the  
35 term "critical access hospital"; deleting the definitions  
36 of "emergency care hospital," and "essential access  
37 community hospital"; revising the definition of "rural  
38 primary care hospital"; amending s. 395.603, F.S.;  
39 deleting a requirement that the Agency for Health Care  
40 Administration adopt a rule relating to deactivation of  
41 rural hospital beds under certain circumstances; requiring  
42 that critical access hospitals and rural primary care  
43 hospitals maintain a certain number of actively licensed  
44 beds; amending s. 395.604, F.S.; removing emergency care  
45 hospitals and essential access community hospitals from  
46 certain licensure requirements; specifying certain special  
47 conditions for rural primary care hospitals; amending s.  
48 395.6061, F.S.; specifying the purposes of capital  
49 improvement grants for rural hospitals; modifying the  
50 conditions for receiving a grant; authorizing the  
51 Department of Health to award grants for remaining funds  
52 to certain rural hospitals; amending s. 409.908, F.S.;  
53 revising a provision relating to the phase-in of a  
54 Medicaid physician fee schedule to delete obsolete  
55 language; amending ss. 408.07, 409.9116, and 1009.65,  
56 F.S.; conforming cross-references; requiring the

57 Legislative Committee on Intergovernmental Relations to  
 58 contract for a study of the financing options for  
 59 replacing or changing the use of certain rural hospitals;  
 60 requiring a report to the Legislature by a specified date;  
 61 repealing s. 395.605, F.S., relating to the licensure of  
 62 emergency care hospitals; providing a contingent effective  
 63 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

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~~7~~ ~~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; 7 ~~7~~ comply with network quality assurance, quality  
 270 improvement, and utilization-management and risk management  
 271 requirements; and, ~~and~~ 7 ~~7~~ 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

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

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. Section 381.7366, Florida Statutes, is created  
 576 to read:

577 381.7366 Office of Minority Health; legislative intent;  
 578 duties.--

579 (1) LEGISLATIVE INTENT.--The Legislature recognizes that  
 580 despite significant investments in health care programs certain  
 581 racial and ethnic populations suffer disproportionately with  
 582 chronic diseases when compared to the non-Hispanic white  
 583 population. The Legislature intends to address these disparities  
 584 by developing programs that target causal factors and recognize  
 585 the specific health care needs of racial and ethnic minorities.

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

589 of Health.

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

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

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

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

597 (d) Communicate pertinent health information to affected  
 598 racial and ethnic populations.

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

601 (f) Promote and encourage cultural competence education  
 602 and training for health care professionals.

603 (g) Serve as a clearinghouse for the collection and  
 604 dissemination of information and research findings relating to  
 605 innovative approaches to the reduction or elimination of health  
 606 disparities.

607 (h) Dedicate resources to increase public awareness of  
 608 minority health issues.

609 (i) Seek increased funding for local innovative  
 610 initiatives and administer grants designed to support  
 611 initiatives that address health disparities and that can be  
 612 duplicated.

613 (j) Provide staffing and support for the Closing the Gap  
 614 grant program advisory committee.

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

617 (l) Collaborate with other public health care providers,  
 618 community and faith-based organizations, the private health care  
 619 system, historically black colleges and universities and other  
 620 minority institutions of higher education, medical schools, and  
 621 other health providers to establish a comprehensive and  
 622 inclusive approach to reducing health disparities.

623 (m) Encourage and support research in the causes of racial  
 624 and ethnic health disparities.

625 (n) Collaborate with health professional training programs  
 626 to increase the number of minority health care professionals.

627 (o) Provide an annual report to the Governor, the  
 628 President of the Senate, and the Speaker of the House of  
 629 Representatives on the activities of the office.

630 (4) RESPONSIBILITY AND COORDINATION.--The office and the  
 631 department shall direct and carry out the duties established  
 632 under this section and shall work with other state agencies to  
 633 accomplish these duties.

634 Section 4. Subsection (2) of section 395.602, Florida  
 635 Statutes, is amended to read:

636 395.602 Rural hospitals.--

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

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

- 643 ~~1. Emergency medical treatment; and~~
- 644 ~~2. Inpatient care to ill or injured persons prior to their~~

645 ~~transportation to another hospital or provides inpatient medical~~  
646 ~~care to persons needing care for a period of up to 96 hours. The~~  
647 ~~96-hour limitation on inpatient care does not apply to respite,~~  
648 ~~skilled nursing, hospice, or other nonacute care patients.~~

649 ~~(b) "Essential access community hospital" means any~~  
650 ~~facility which:~~

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

652 ~~2. Is located more than 35 miles from any other essential~~  
653 ~~access community hospital, rural referral center, or urban~~  
654 ~~hospital meeting criteria for classification as a regional~~  
655 ~~referral center;~~

656 ~~3. Is part of a network that includes rural primary care~~  
657 ~~hospitals;~~

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

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

662 ~~6. Accepts patients transferred from rural primary care~~  
663 ~~hospitals in its network.~~

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

667 (c)(d) "Rural area health education center" means an area  
668 health education center (AHEC), as authorized by Pub. L. No. 94-  
669 484, which provides services in a county with a population  
670 density of no greater than 100 persons per square mile.

671 (d)(e) "Rural hospital" means an acute care hospital  
672 licensed under this chapter, having 100 or fewer licensed beds



673 and an emergency room, which is:

674 1. The sole provider within a county with a population

675 density of no greater than 100 persons per square mile;

676 2. An acute care hospital, in a county with a population

677 density of no greater than 100 persons per square mile, which is

678 at least 30 minutes of travel time, on normally traveled roads

679 under normal traffic conditions, from any other acute care

680 hospital within the same county;

681 3. A hospital supported by a tax district or subdistrict

682 whose boundaries encompass a population of 100 persons or fewer

683 per square mile;

684 4. A hospital in a constitutional charter county with a

685 population of over 1 million persons that has imposed a local

686 option health service tax pursuant to law and in an area that

687 was directly impacted by a catastrophic event on August 24,

688 1992, for which the Governor of Florida declared a state of

689 emergency pursuant to chapter 125, and has 120 beds or less that

690 serves an agricultural community with an emergency room

691 utilization of no less than 20,000 visits and a Medicaid

692 inpatient utilization rate greater than 15 percent;

693 5. A hospital with a service area that has a population of

694 100 persons or fewer per square mile. As used in this

695 subparagraph, the term "service area" means the fewest number of

696 zip codes that account for 75 percent of the hospital's

697 discharges for the most recent 5-year period, based on

698 information available from the hospital inpatient discharge

699 database in the Florida Center for Health Information and Policy

700 Analysis at the Agency for Health Care Administration; or

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

703  
704 Population densities used in this paragraph must be based upon  
705 the most recently completed United States census. A hospital  
706 that received funds under s. 409.9116 for a quarter beginning no  
707 later than July 1, 2002, is deemed to have been and shall  
708 continue to be a rural hospital from that date through June 30,  
709 2012, if the hospital continues to have 100 or fewer licensed  
710 beds and an emergency room, or meets the criteria of  
711 subparagraph 4. An acute care hospital that has not previously  
712 been designated as a rural hospital and that meets the criteria  
713 of this paragraph shall be granted such designation upon  
714 application, including supporting documentation to the Agency  
715 for Health Care Administration.

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

- 719           1. Twenty-four-hour emergency medical care;
- 720           2. Temporary inpatient care for periods of 96 ~~72~~ hours or  
721 less to patients requiring stabilization before discharge or  
722 transfer to another hospital. The 96-hour ~~72-hour~~ limitation  
723 does not apply to respite, skilled nursing, hospice, or other  
724 nonacute care patients; and
- 725           3. Has at least ~~no more than~~ six licensed acute care  
726 inpatient beds.

727           ~~(f)-(g)~~ "Swing-bed" means a bed which can be used  
728 interchangeably as either a hospital, skilled nursing facility

729 (SNF), or intermediate care facility (ICF) bed pursuant to 42  
 730 C.F.R. parts 405, 435, 440, 442, and 447.

731 Section 5. Subsection (1) of section 395.603, Florida  
 732 Statutes, is amended to read:

733 395.603 Deactivation of general hospital beds; rural  
 734 hospital impact statement.--

735 (1) ~~The agency shall establish, by rule, a process by~~  
 736 ~~which~~ A rural hospital, as defined in s. 395.602, which ~~that~~  
 737 seeks licensure as a rural primary care hospital or ~~as an~~  
 738 ~~emergency care hospital, or~~ becomes a certified rural health  
 739 clinic as defined in Pub. L. No. 95-210, or becomes a primary  
 740 care program such as a county health department, community  
 741 health center, or other similar outpatient program that provides  
 742 preventive and curative services, may deactivate general  
 743 hospital beds. A critical access hospital or a rural primary  
 744 care hospital ~~hospitals and emergency care hospitals~~ shall  
 745 maintain the number of actively licensed general hospital beds  
 746 necessary for the facility to be certified for Medicare  
 747 reimbursement. Hospitals that discontinue inpatient care to  
 748 become rural health care clinics or primary care programs shall  
 749 deactivate all licensed general hospital beds. All hospitals,  
 750 clinics, and programs with inactive beds shall provide 24-hour  
 751 emergency medical care by staffing an emergency room. Providers  
 752 with inactive beds shall be subject to the criteria in s.  
 753 395.1041. The agency shall specify in rule requirements for  
 754 making 24-hour emergency care available. Inactive general  
 755 hospital beds shall be included in the acute care bed inventory,  
 756 maintained by the agency for certificate-of-need purposes, for

757 10 years from the date of deactivation of the beds. After 10  
 758 years have elapsed, inactive beds shall be excluded from the  
 759 inventory. The agency shall, at the request of the licensee,  
 760 reactivate the inactive general beds upon a showing by the  
 761 licensee that licensure requirements for the inactive general  
 762 beds are met.

763 Section 6. Section 395.604, Florida Statutes, is amended  
 764 to read:

765 395.604 ~~Other Rural~~ primary care hospitals ~~hospital~~  
 766 ~~programs.~~ --

767 (1) The agency may license rural primary care hospitals  
 768 subject to federal approval for participation in the Medicare  
 769 and Medicaid programs. Rural primary care hospitals shall be  
 770 treated in the same manner as ~~emergency care hospitals~~ and rural  
 771 hospitals with respect to ss. ~~395.605(2)-(8)(a),~~  
 772 408.033(2)(b)3.7 and 408.038.

773 (2) ~~The agency may designate essential access community~~  
 774 ~~hospitals.~~

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

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

781 (4) For the purpose of participation in the Medical  
 782 Education Reimbursement and Loan Repayment Program as defined in  
 783 s. 1009.65 or other loan repayment or incentive programs  
 784 designed to relieve medical workforce shortages, the department

785 shall treat rural primary care hospitals in the same manner as  
 786 rural hospitals.

787 (5) For the purpose of coordinating primary care services  
 788 described in s. 154.011(1)(c)10., the department shall treat  
 789 rural primary care hospitals in the same manner as rural  
 790 hospitals.

791 (6) Rural hospitals that make application under the  
 792 certificate-of-need program to be licensed as rural primary care  
 793 hospitals shall receive expedited review as defined in s.  
 794 408.032. Rural primary care hospitals seeking relicensure as  
 795 acute care general hospitals shall also receive expedited  
 796 review.

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

801 (8) Rural primary care hospitals shall have agreements  
 802 with other hospitals, skilled nursing facilities, home health  
 803 agencies, and providers of diagnostic-imaging and laboratory  
 804 services that are not provided on site but are needed by  
 805 patients.

806 ~~(4) The department may seek federal recognition of~~  
 807 ~~emergency care hospitals authorized by s. 395.605 under the~~  
 808 ~~essential access community hospital program authorized by the~~  
 809 ~~Omnibus Budget Reconciliation Act of 1989.~~

810 Section 7. Section 395.6061, Florida Statutes, is amended  
 811 to read:

812 395.6061 Rural hospital capital improvement.--There is

813 established a rural hospital capital improvement grant program.

814 (1) A rural hospital as defined in s. 395.602 may apply to  
815 the department for a grant to acquire, repair, improve, or  
816 upgrade systems, facilities, or equipment. The grant application  
817 must provide information that includes:

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

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

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

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

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

829 (f) Evidence that the rural hospital has difficulty in  
830 obtaining funding or that funds available for the proposed  
831 solution are inadequate;

832 (g) Evidence that the grant funds will assist in  
833 maintaining or returning the hospital to an economically stable  
834 condition or that any plan for closure of the hospital or  
835 realignment of services will involve development of innovative  
836 alternatives for the provision of needed ~~discontinued~~ services;

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

839 (i) ~~A rural health network plan that includes a~~  
840 ~~description of how the plan was developed, the goals of the~~

841 ~~plan, the links with existing health care providers under the~~  
842 ~~plan,~~ Indicators quantifying the hospital's financial status  
843 ~~well-being,~~ measurable outcome targets, and the current physical  
844 and operational condition of the hospital.

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

850 (3) Any remaining funds may ~~shall~~ annually be disbursed to  
851 rural hospitals in accordance with this section. The Department  
852 of Health shall establish, by rule, criteria for awarding grants  
853 for any remaining funds, which must be used exclusively for the  
854 support and assistance of rural hospitals as defined in s.  
855 395.602, including criteria relating to the level of charity  
856 ~~uncompensated~~ care rendered by the hospital, the financial  
857 stability of the hospital, financial and quality indicators for  
858 the hospital, whether the project is sustainable beyond the  
859 funding period, the hospital's ability to improve or expand  
860 services, the hospital's participation in a rural health network  
861 as defined in s. 381.0406, and the proposed use of the grant by  
862 the rural hospital to resolve a specific problem. The department  
863 must consider any information submitted in an application for  
864 the grants in accordance with subsection (1) in determining  
865 eligibility for and the amount of the grant, ~~and none of the~~  
866 ~~individual items of information by itself may be used to deny~~  
867 ~~grant eligibility.~~

868 (4) The department shall ensure that the funds are used

869 solely for the purposes specified in this section. The total  
 870 grants awarded pursuant to this section shall not exceed the  
 871 amount appropriated for this program.

872 Section 8. Paragraph (b) of subsection (12) of section  
 873 409.908, Florida Statutes, is amended to read:

874 409.908 Reimbursement of Medicaid providers.--Subject to  
 875 specific appropriations, the agency shall reimburse Medicaid  
 876 providers, in accordance with state and federal law, according  
 877 to methodologies set forth in the rules of the agency and in  
 878 policy manuals and handbooks incorporated by reference therein.  
 879 These methodologies may include fee schedules, reimbursement  
 880 methods based on cost reporting, negotiated fees, competitive  
 881 bidding pursuant to s. 287.057, and other mechanisms the agency  
 882 considers efficient and effective for purchasing services or  
 883 goods on behalf of recipients. If a provider is reimbursed based  
 884 on cost reporting and submits a cost report late and that cost  
 885 report would have been used to set a lower reimbursement rate  
 886 for a rate semester, then the provider's rate for that semester  
 887 shall be retroactively calculated using the new cost report, and  
 888 full payment at the recalculated rate shall be effected  
 889 retroactively. Medicare-granted extensions for filing cost  
 890 reports, if applicable, shall also apply to Medicaid cost  
 891 reports. Payment for Medicaid compensable services made on  
 892 behalf of Medicaid eligible persons is subject to the  
 893 availability of moneys and any limitations or directions  
 894 provided for in the General Appropriations Act or chapter 216.  
 895 Further, nothing in this section shall be construed to prevent  
 896 or limit the agency from adjusting fees, reimbursement rates,



897 | lengths of stay, number of visits, or number of services, or  
 898 | making any other adjustments necessary to comply with the  
 899 | availability of moneys and any limitations or directions  
 900 | provided for in the General Appropriations Act, provided the  
 901 | adjustment is consistent with legislative intent.

902 | (12)

903 | (b) The agency shall adopt a fee schedule, subject to any  
 904 | limitations or directions provided for in the General  
 905 | Appropriations Act, based on a resource-based relative value  
 906 | scale for pricing Medicaid physician services. Under this fee  
 907 | schedule, physicians shall be paid a dollar amount for each  
 908 | service based on the average resources required to provide the  
 909 | service, including, but not limited to, estimates of average  
 910 | physician time and effort, practice expense, and the costs of  
 911 | professional liability insurance. The fee schedule shall provide  
 912 | increased reimbursement for preventive and primary care services  
 913 | and lowered reimbursement for specialty services by using at  
 914 | least two conversion factors, one for cognitive services and  
 915 | another for procedural services. The fee schedule shall not  
 916 | increase total Medicaid physician expenditures unless moneys are  
 917 | available, ~~and shall be phased in over a 2-year period beginning~~  
 918 | ~~on July 1, 1994.~~ The Agency for Health Care Administration shall  
 919 | seek the advice of a 16-member advisory panel in formulating and  
 920 | adopting the fee schedule. The panel shall consist of Medicaid  
 921 | physicians licensed under chapters 458 and 459 and shall be  
 922 | composed of 50 percent primary care physicians and 50 percent  
 923 | specialty care physicians.

924 | Section 9. Subsection (43) of section 408.07, Florida

925 Statutes, is amended to read:

926 408.07 Definitions.--As used in this chapter, with the  
 927 exception of ss. 408.031-408.045, the term:

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

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

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

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

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

949 (e) A critical access hospital.

950

951 Population densities used in this subsection must be based upon  
 952 the most recently completed United States census. A hospital

953 that received funds under s. 409.9116 for a quarter beginning no  
 954 later than July 1, 2002, is deemed to have been and shall  
 955 continue to be a rural hospital from that date through June 30,  
 956 2012, if the hospital continues to have 100 or fewer licensed  
 957 beds and an emergency room, or meets the criteria of s.  
 958 395.602(2)(d)4. ~~s. 395.602(2)(e)4.~~ An acute care hospital that  
 959 has not previously been designated as a rural hospital and that  
 960 meets the criteria of this subsection shall be granted such  
 961 designation upon application, including supporting  
 962 documentation, to the Agency for Health Care Administration.

963 Section 10. Subsection (6) of section 409.9116, Florida  
 964 Statutes, is amended to read:

965 409.9116 Disproportionate share/financial assistance  
 966 program for rural hospitals.--In addition to the payments made  
 967 under s. 409.911, the Agency for Health Care Administration  
 968 shall administer a federally matched disproportionate share  
 969 program and a state-funded financial assistance program for  
 970 statutory rural hospitals. The agency shall make  
 971 disproportionate share payments to statutory rural hospitals  
 972 that qualify for such payments and financial assistance payments  
 973 to statutory rural hospitals that do not qualify for  
 974 disproportionate share payments. The disproportionate share  
 975 program payments shall be limited by and conform with federal  
 976 requirements. Funds shall be distributed quarterly in each  
 977 fiscal year for which an appropriation is made. Notwithstanding  
 978 the provisions of s. 409.915, counties are exempt from  
 979 contributing toward the cost of this special reimbursement for  
 980 hospitals serving a disproportionate share of low-income

981 patients.

982 (6) This section applies only to hospitals that were  
 983 defined as statutory rural hospitals, or their successor-in-  
 984 interest hospital, prior to January 1, 2001. Any additional  
 985 hospital that is defined as a statutory rural hospital, or its  
 986 successor-in-interest hospital, on or after January 1, 2001, is  
 987 not eligible for programs under this section unless additional  
 988 funds are appropriated each fiscal year specifically to the  
 989 rural hospital disproportionate share and financial assistance  
 990 programs in an amount necessary to prevent any hospital, or its  
 991 successor-in-interest hospital, eligible for the programs prior  
 992 to January 1, 2001, from incurring a reduction in payments  
 993 because of the eligibility of an additional hospital to  
 994 participate in the programs. A hospital, or its successor-in-  
 995 interest hospital, which received funds pursuant to this section  
 996 before January 1, 2001, and which qualifies under s.  
 997 395.602(2)(d) ~~s. 395.602(2)(e)~~, shall be included in the  
 998 programs under this section and is not required to seek  
 999 additional appropriations under this subsection.

1000 Section 11. Paragraph (b) of subsection (2) of section  
 1001 1009.65, Florida Statutes, is amended to read:

1002 1009.65 Medical Education Reimbursement and Loan Repayment  
 1003 Program.--

1004 (2) From the funds available, the Department of Health  
 1005 shall make payments to selected medical professionals as  
 1006 follows:

1007 (b) All payments shall be contingent on continued proof of  
 1008 primary care practice in an area defined in s. 395.602(2)(d) ~~s.~~

1009 ~~395.602(2)(e)~~, or an underserved area designated by the  
 1010 Department of Health, provided the practitioner accepts Medicaid  
 1011 reimbursement if eligible for such reimbursement. Correctional  
 1012 facilities, state hospitals, and other state institutions that  
 1013 employ medical personnel shall be designated by the Department  
 1014 of Health as underserved locations. Locations with high  
 1015 incidences of infant mortality, high morbidity, or low Medicaid  
 1016 participation by health care professionals may be designated as  
 1017 underserved.

1018       Section 12. The Legislative Committee on Intergovernmental  
 1019 Relations shall study the financing options for replacing or  
 1020 changing the use of rural hospital facilities having 55 or fewer  
 1021 beds which were built before 1985 and which have not had major  
 1022 renovations since 1985. For each such hospital, the Legislative  
 1023 Committee on Intergovernmental Relations staff shall assess the  
 1024 need to replace or convert the facility, identify all available  
 1025 sources of financing for such replacement or conversion and  
 1026 assess each community's capacity to maximize these funding  
 1027 options, propose a model replacement facility if a facility  
 1028 should be replaced, and propose alternative uses of the facility  
 1029 if continued operation of the hospital is not financially  
 1030 feasible. Based on the results of the contract study, the  
 1031 Legislative Committee on Intergovernmental Relations shall  
 1032 submit recommendations to the Legislature by February 1, 2008,  
 1033 regarding whether the state should provide financial assistance  
 1034 to replace or convert these rural hospital facilities and what  
 1035 form that assistance should take.

1036       Section 13. Section 395.605, Florida Statutes, is

CS/HB 1575

2007

1037 | repealed.

1038 |       Section 14. This act shall take effect July 1, 2007, only  
1039 | if specific appropriations are made in the General  
1040 | Appropriations Act for fiscal year 2007-2008 to the Department  
1041 | of Health to fund rural health network infrastructure  
1042 | implementation and the rural hospital capital improvement grant  
1043 | program.