

By Senator Peadar

2-307A-07

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

1 grant funding; requiring the Office of Rural  
2 Health to monitor rural health networks;  
3 authorizing the Department of Health to  
4 establish rules governing rural health network  
5 grant programs and performance standards;  
6 amending s. 395.602, F.S.; defining the term  
7 "critical access hospital"; deleting the  
8 definitions of "emergency care hospital," and  
9 "essential access community hospital"; revising  
10 the definition of "rural primary care  
11 hospital"; amending s. 395.603, F.S.; deleting  
12 a requirement that the Agency for Health Care  
13 Administration adopt a rule relating to  
14 deactivation of rural hospital beds under  
15 certain circumstances; requiring that critical  
16 access hospitals and rural primary care  
17 hospitals maintain a certain number of actively  
18 licensed beds; amending s. 395.604, F.S.;  
19 removing emergency care hospitals and essential  
20 access community hospitals from certain  
21 licensure requirements; specifying certain  
22 special conditions for rural primary care  
23 hospitals; amending s. 395.6061, F.S.;  
24 specifying the purposes of capital improvement  
25 grants for rural hospitals; modifying the  
26 conditions for receiving a grant; authorizing  
27 the Department of Health to award grants for  
28 remaining funds to certain rural hospitals;  
29 requiring a rural hospital that receives any  
30 remaining funds to be bound by certain terms of  
31 a participation agreement in order to receive

1 remaining funds; amending s. 409.908, F.S.;  
2 requiring the Agency for Health Care  
3 Administration to pay certain physicians a  
4 bonus for Medicaid physician services provided  
5 within a rural county; amending ss. 408.07,  
6 409.9116, and 1009.65, F.S.; conforming  
7 cross-references; requiring the Office of  
8 Program Policy Analysis and Government  
9 Accountability to contract for a study of the  
10 financing options for replacing or changing the  
11 use of certain rural hospitals; requiring a  
12 report to the Legislature by a specified date;  
13 repealing s. 395.605, F.S., relating to the  
14 licensure of emergency care hospitals;  
15 providing appropriations and authorizing  
16 additional positions; providing an effective  
17 date.

18  
19 Be It Enacted by the Legislature of the State of Florida:

20  
21 Section 1. Section 381.0405, Florida Statutes, is  
22 amended to read:

23 381.0405 Office of Rural Health.--

24 (1) ESTABLISHMENT.--The Department of Health shall  
25 establish an Office of Rural Health, which shall assist rural  
26 health care providers in improving the health status and  
27 health care of rural residents of this state and help rural  
28 health care providers to integrate their efforts and prepare  
29 for prepaid and at-risk reimbursement. The Office of Rural  
30 Health shall coordinate its activities with rural health  
31 networks established under s. 381.0406, local health councils

1 established under s. 408.033, the area health education center  
2 network established under ~~pursuant to~~ s. 381.0402, and with  
3 any appropriate research and policy development centers within  
4 universities that have state-approved medical schools. The  
5 Office of Rural Health may enter into a formal relationship  
6 with any center that designates the office as an affiliate of  
7 the center.

8 (2) PURPOSE.--The Office of Rural Health shall  
9 actively foster the development of service-delivery systems  
10 and cooperative agreements to enhance the provision of  
11 high-quality health care services in rural areas and serve as  
12 a catalyst for improved health services to residents ~~citizens~~  
13 in rural areas of the state.

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

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

17 (b) Work with rural stakeholders in order to foster  
18 the development of strategic planning that addresses ~~Propose~~  
19 ~~solutions to~~ problems affecting health care delivery in rural  
20 areas.

21 (c) Develop, in coordination with the rural health  
22 networks, standards, guidelines, and performance objectives  
23 for rural health networks.

24 (d) Foster the expansion of rural health network  
25 service areas to include rural counties that are not covered  
26 by a rural health network.

27 (e) ~~(e)~~ Seek grant funds from foundations and the  
28 Federal Government.

29 (f) Administer state grant programs for rural  
30 hospitals and rural health networks.

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

1 (a) Identify federal and state rural health programs  
2 and provide information and technical assistance to rural  
3 providers regarding participation in such programs.

4 (b) Act as a clearinghouse for collecting and  
5 disseminating information on rural health care issues,  
6 research findings on rural health care, and innovative  
7 approaches to the delivery of health care in rural areas.

8 (c) Foster the creation of regional health care  
9 systems that promote cooperation through cooperative  
10 agreements, rather than competition.

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

13 (e) Design initiatives and promote cooperative  
14 agreements in order to improve access to primary care,  
15 prehospital emergency care, inpatient acute care, and  
16 emergency medical services and promote the coordination of  
17 such services in rural areas.

18 (f) Assume responsibility for state coordination of  
19 ~~the Rural Hospital Transition Grant Program, the Essential~~  
20 ~~Access Community Hospital Program, and other federal rural~~  
21 hospital and rural health care grant programs.

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

23 (a) Assist ~~Help~~ rural health care providers in  
24 recruiting ~~obtain~~ health care practitioners by promoting the  
25 location and relocation of health care practitioners in rural  
26 areas and promoting policies that create incentives for  
27 practitioners to serve in rural areas.

28 (b) Provide technical assistance to hospitals,  
29 community and migrant health centers, and other health care  
30 providers that serve residents of rural areas.  
31

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

3           (d) Provide technical assistance to rural health  
4 networks in the development of their long-range development  
5 plans.

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

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

10           (a) Conduct policy and research studies.

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

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

14           (7) ADVISORY COUNCIL.--The Secretary of Health and the  
15 Secretary of Health Care Administration shall each appoint no  
16 more than five members having relevant health care operations  
17 management, practice, and policy experience to an advisory  
18 council to advise the office regarding its responsibilities  
19 under this section and ss. 381.0406 and 395.6061. Members  
20 shall be appointed for 4-year staggered terms and may be  
21 reappointed to a second term of office. Members shall serve  
22 without compensation, but are entitled to reimbursement for  
23 per diem and travel expenses as provided in s. 112.061. The  
24 department shall provide staff and other administrative  
25 assistance reasonably necessary to assist the advisory council  
26 in carrying out its duties. The advisory council shall work  
27 with stakeholders to develop recommendations that address  
28 barriers and identify options for establishing provider  
29 networks in rural counties.

30           (8) REPORTS.--Beginning January 1, 2008, and annually  
31 thereafter, the Office of Rural Health shall submit a report

1 to the Governor, the President of the Senate, and the Speaker  
2 of the House of Representatives summarizing the activities of  
3 the office, including the grants obtained or administered by  
4 the office and the status of rural health networks and rural  
5 hospitals in the state. The report must also include  
6 recommendations that address barriers and identify options for  
7 establishing provider networks in rural counties.

8 ~~(9)(7)~~ APPROPRIATION.--The Legislature shall  
9 appropriate such sums as are necessary to support the Office  
10 of Rural Health.

11 Section 2. Section 381.0406, Florida Statutes, is  
12 amended to read:

13 381.0406 Rural health networks.--

14 (1) LEGISLATIVE FINDINGS AND INTENT.--

15 (a) The Legislature finds that, in rural areas, access  
16 to health care is limited and the quality of health care is  
17 negatively affected by inadequate financing, difficulty in  
18 recruiting and retaining skilled health professionals, and the  
19 ~~because of a~~ migration of patients to urban areas for general  
20 acute care and specialty services.

21 (b) The Legislature further finds that the efficient  
22 and effective delivery of health care services in rural areas  
23 requires:

24 1. The integration of public and private resources;

25 2. The introduction of innovative outreach methods;

26 3. The adoption of quality improvement and  
27 cost-effectiveness measures;

28 4. The organization of health care providers into  
29 joint contracting entities;

30 5. Establishing referral linkages;

31

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

4           7. The coordination of health care providers.

5           (c) The Legislature further finds that the  
6 availability of a continuum of quality health care services,  
7 including preventive, primary, secondary, tertiary, and  
8 long-term care, is essential to the economic and social  
9 vitality of rural communities.

10           (d) The Legislature further finds that health care  
11 providers in rural areas are not prepared for market changes  
12 such as the introduction of managed care and  
13 capitation-reimbursement methodologies into health care  
14 services.

15           (e)(d) The Legislature further finds that the creation  
16 of rural health networks can help to alleviate these problems.  
17 Rural health networks shall act in the broad public interest  
18 and, to the extent possible, seek to improve the  
19 accessibility, quality, and cost-effectiveness of rural health  
20 care by planning, developing, coordinating, and providing ~~be~~  
21 ~~structured to provide~~ a continuum of quality health care  
22 services for rural residents through the cooperative efforts  
23 of rural health network members and other health care  
24 providers.

25           (f)(e) The Legislature further finds that rural health  
26 networks shall have the goal of increasing the financial  
27 stability of statutory rural hospitals by linking rural  
28 hospital services to other services in a continuum of health  
29 care services and by increasing the utilization of statutory  
30 rural hospitals whenever ~~for~~ appropriate ~~health care services~~  
31 ~~whenever feasible, which shall help to ensure their survival~~



1 ~~and thereby~~ support the economy and protect the health and  
2 safety of rural residents.

3       ~~(g)(f)~~ Finally, the Legislature finds that rural  
4 health networks may serve as "laboratories" to determine the  
5 best way of organizing rural health services and linking to  
6 out-of-area services that are not available locally in order,  
7 to move the state closer to ensuring that everyone has access  
8 to health care, and to promote cost-containment ~~cost~~  
9 ~~containment~~ efforts. The ultimate goal of rural health  
10 networks shall be to ensure that quality health care is  
11 available and efficiently delivered to all persons in rural  
12 areas.

13           (2) DEFINITIONS.--

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

18           (b) "Health care provider" means any individual,  
19 group, or entity, public or private, which ~~that~~ provides  
20 health care, including+ preventive health care, primary health  
21 care, secondary and tertiary health care, hospital ~~in hospital~~  
22 health care, public health care, and health promotion and  
23 education.

24           (c) "Rural health network" or "network" means a  
25 nonprofit legal entity whose principal place of business is in  
26 a rural area, whose members consist ~~consisting~~ of rural and  
27 urban health care providers and others, and which ~~that~~ is  
28 established ~~organized~~ to plan, develop, organize, and deliver  
29 health care services on a cooperative basis in a rural area,  
30 ~~except for some secondary and tertiary care services.~~

31           (3) NETWORK MEMBERSHIP.--

1           (a) Because each rural area is unique, with a  
2 different health care provider mix, health care provider  
3 membership may vary, but all networks shall include members  
4 that provide health promotion and disease-prevention services,  
5 public health services, comprehensive primary care, emergency  
6 medical care, and acute inpatient care.

7           (b) Each county health department shall be a member of  
8 the rural health network whose service area includes the  
9 county in which the county health department is located.  
10 Federally qualified health centers and emergency medical  
11 services providers are encouraged to become members of the  
12 rural health networks in the areas in which their patients  
13 reside or receive services.

14           (c)(4) Network membership shall be available to all  
15 health care providers in the network service area if, ~~provided~~  
16 ~~that~~ they render care to all patients referred to them from  
17 other network members; and, ~~comply with network quality assurance,~~  
18 quality improvement, and utilization-management and risk  
19 ~~management~~ requirements; and, ~~abide by the terms and~~  
20 conditions of network provider agreements ~~in paragraph~~  
21 ~~(11)(c), and provide services at a rate or price equal to the~~  
22 ~~rate or price negotiated by the network.~~

23           (4)(5) NETWORK SERVICE AREAS.--Network service areas  
24 are do not required need to conform to local political  
25 boundaries or state administrative district boundaries. The  
26 geographic area of one rural health network, however, may not  
27 overlap the territory of any other rural health network.

28           (5)(6) NETWORK FUNCTIONS.-- Networks shall:

29           (a) Seek to develop linkages with provisions for  
30 referral to tertiary inpatient care, specialty physician care,  
31

1 and ~~to~~ other services that are not available in rural service  
2 areas.

3 ~~(b)(7) Networks shall~~ Make available health promotion,  
4 disease prevention, and primary care services, in order to  
5 improve the health status of rural residents and to contain  
6 health care costs.

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

12 ~~(c)(9) Encourage members through training and~~  
13 ~~educational programs to adopt standards of care, and promote~~  
14 ~~the evidence-based practice of medicine.~~ Networks shall  
15 establish standard protocols, coordinate and share patient  
16 records, and develop patient information exchange systems in  
17 order to improve quality and access to services.

18 ~~(d) Develop quality-improvement programs and train~~  
19 ~~network members and other health care providers in the use of~~  
20 ~~such programs.~~

21 ~~(e) Develop disease-management systems and train~~  
22 ~~network members and other health care providers in the use of~~  
23 ~~such systems.~~

24 ~~(f) Promote outreach to areas that have a high need~~  
25 ~~for services.~~

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

28 ~~(h) Emphasize community care alternatives for persons~~  
29 ~~with mental health and substance abuse disorders who are at~~  
30 ~~risk of being admitted to an institution.~~

31

1           (i) Develop and implement a long-range development  
2 plan for an integrated system of care that is responsive to  
3 the unique local health needs and the area health care  
4 services market. Each rural health network long-range  
5 development plan must address strategies to improve access to  
6 specialty care, train health care providers to use standards  
7 of care for chronic illness, develop disease-management  
8 capacity, and link to state and national quality-improvement  
9 initiatives. The initial long-range development plan must be  
10 submitted to the Office of Rural Health for review and  
11 approval no later than July 1, 2008, and thereafter the plans  
12 must be updated and submitted to the Office of Rural Health  
13 every 3 years.

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

16           ~~(6)(11)~~ NETWORK GOVERNANCE AND ORGANIZATION.--

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

21           (b) Each network ~~Networks~~ shall have an independent a  
22 board of directors that derives membership from local  
23 government, health care providers, businesses, consumers,  
24 advocacy groups, and others. Boards of other community health  
25 care entities may not serve in whole as the board of a rural  
26 health network; however, some overlap of board membership with  
27 other community organizations is encouraged. Network staff  
28 must provide an annual orientation and strategic planning  
29 activity for board members.

30           (c) Network boards of directors shall have the  
31 responsibility of determining the content of health care

1 provider agreements that link network members. The written  
2 agreements between the network and its health care provider  
3 members must specify participation in the essential functions  
4 of the network and shall specify:

5 1. Who provides what services.

6 2. The extent to which the health care provider  
7 provides care to persons who lack health insurance or are  
8 otherwise unable to pay for care.

9 3. The procedures for transfer of medical records.

10 4. The method used for the transportation of patients  
11 between providers.

12 5. Referral and patient flow including appointments  
13 and scheduling.

14 6. Payment arrangements for the transfer or referral  
15 of patients.

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

21 ~~(7)(12)~~ NETWORK PROVIDER MEMBER SERVICES.--

22 (a) Networks, to the extent feasible, shall seek to  
23 develop services that provide for a continuum of care for all  
24 residents ~~patients~~ served by the network. Each network shall  
25 recruit members that can provide ~~include~~ the following core  
26 services: disease prevention, health promotion, comprehensive  
27 primary care, emergency medical care, and acute inpatient  
28 care. Each network shall seek to ensure the availability of  
29 comprehensive maternity care, including prenatal, delivery,  
30 and postpartum care for uncomplicated pregnancies, ~~either~~  
31 directly, by contract, or through referral agreements.

1 Networks shall, to the extent feasible, develop local services  
2 and linkages among health care providers in order to also  
3 ensure the availability of the following services: ~~within the~~  
4 ~~specified timeframes, either directly, by contract, or through~~  
5 ~~referral agreements:~~

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

7       1.a. Home health care.

8       2.b. Hospice care.

9       2. ~~Services accessible within 30 minutes travel time~~  
10 ~~or less.~~

11       3.a. Emergency medical services, including advanced  
12 life support, ambulance, and basic emergency room services.

13       4.b. Primary care, including-

14       ~~e.~~ prenatal and postpartum care for uncomplicated  
15 pregnancies.

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

18       6.e. Public health services, including communicable  
19 disease control, disease prevention, health education, and  
20 health promotion.

21       7.f. Outpatient mental health ~~psychiatric~~ and  
22 substance abuse treatment services.

23       3. ~~Services accessible within 45 minutes travel time~~  
24 ~~or less.~~

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

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

29       10.e. Skilled nursing services and, long-term care,  
30 including nursing home care.

31

1           (b) Networks shall seek to foster linkages with  
2 out-of-area services to the extent feasible in order to ensure  
3 the availability of:

4           ~~1.d.~~ Dialysis.

5           ~~2.e.~~ Osteopathic and chiropractic manipulative  
6 therapy.

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

9           ~~3.a.~~ Specialist physician care.

10           ~~4.b.~~ Hospital acute inpatient care for severe  
11 illnesses and medical problems.

12           ~~5.e. Level II and III obstetrical care, which is Labor~~  
13 ~~and delivery care for high-risk patients and neonatal~~  
14 ~~intensive care.~~

15           ~~6.d.~~ Comprehensive medical rehabilitation.

16           ~~7.e.~~ Inpatient mental health ~~psychiatric~~ and substance  
17 abuse treatment services.

18           ~~8.f.~~ Magnetic resonance imaging, lithotripter  
19 treatment, oncology, advanced radiology, and other  
20 technologically advanced services.

21           ~~9.g.~~ Subacute care.

22           (8) COORDINATION WITH OTHER ENTITIES.--

23           (a) Area health education centers, health planning  
24 councils, and regional education consortia having  
25 technological expertise in continuing education shall  
26 participate in the rural health networks' preparation of  
27 long-range development plans. The Department of Health may  
28 require written memoranda of agreement between a network and  
29 an area health education center or health planning council.

30           (b) Rural health networks shall initiate activities,  
31 in coordination with area health education centers, to carry

1 out the objectives of the adopted long-range development plan,  
2 including continuing education for health care practitioners  
3 performing functions such as disease management, continuous  
4 quality improvement, telemedicine, long-distance learning, and  
5 the treatment of chronic illness using standards of care. As  
6 used in this section, the term "telemedicine" means the use of  
7 telecommunications to deliver or expedite the delivery of  
8 health care services.

9 (c) Health planning councils shall support the  
10 preparation of network long-range development plans through  
11 data collection and analysis in order to assess the health  
12 status of area residents and the capacity of local health  
13 services.

14 (d) Regional education consortia that have the  
15 technology available to assist rural health networks in  
16 establishing systems for the exchange of patient information  
17 and for long-distance learning are encouraged to provide  
18 technical assistance upon the request of a rural health  
19 network.

20 (e)(b) Networks shall actively participate with area  
21 health education center programs, whenever feasible, in  
22 developing and implementing recruitment, training, and  
23 retention programs directed at positively influencing the  
24 supply and distribution of health care professionals serving  
25 in, or receiving training in, network areas.

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

29 ~~(d) To promote the most efficient use of resources,~~  
30 ~~networks shall emphasize disease prevention, early diagnosis~~  
31 ~~and treatment of medical problems, and community care~~



1 ~~alternatives for persons with mental health and substance~~  
2 ~~abuse disorders who are at risk to be institutionalized.~~

3 ~~(f)(13) TRAUMA SERVICES.--~~In those network areas  
4 having which have an established trauma agency approved by the  
5 Department of Health, the network shall seek the participation  
6 of that trauma agency ~~must be a participant in the network.~~  
7 Trauma services provided within the network area must comply  
8 with s. 395.405.

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

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

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

16 (10) NETWORK PERFORMANCE STANDARDS.--The Department of  
17 Health shall develop and enforce performance standards for  
18 rural health network operations grants and rural health  
19 infrastructure development grants.

20 (a) Operations grant performance standards must  
21 include, but are not limited to, standards that require the  
22 rural health network to:

23 1. Have a qualified board of directors that meets at  
24 least quarterly.

25 2. Have sufficient staff who have the qualifications  
26 and experience to perform the requirements of this section, as  
27 assessed by the Office of Rural Health, or a written plan to  
28 obtain such staff.

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

31

1           4. Comply with the department's standards for the  
2 administration of federal grant funding, including assistance  
3 to rural hospitals.

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

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

10           1. During the 2007-2008 fiscal year develop a  
11 long-range development plan and, after July 1, 2008, have a  
12 long-range development plan that has been reviewed and  
13 approved by the Office of Rural Health.

14           2. Have two or more successful network-development  
15 activities, such as:

16           a. Management of a network-development or outreach  
17 grant from the federal Office of Rural Health Policy;

18           b. Implementation of outreach programs to address  
19 chronic disease, infant mortality, or assistance with  
20 prescription medication;

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

23           d. Provision of direct services, such as clinics or  
24 mobile units;

25           e. Operation of credentialing services for health care  
26 providers or quality-assurance and quality-improvement  
27 initiatives that, whenever possible, are consistent with state  
28 or federal quality initiatives;

29           f. Support for the development of community health  
30 centers, local community health councils, federal designation  
31

1 as a rural critical access hospital, or comprehensive  
2 community health planning initiatives; and

3 g. Development of the capacity to obtain federal,  
4 state, and foundation grants.

5 ~~(11)(15)~~ NETWORK IMPLEMENTATION.--As funds become  
6 available, networks shall be developed and implemented in two  
7 phases.

8 (a) Phase I shall consist of a network planning and  
9 development grant program. Planning grants shall be used to  
10 organize networks, incorporate network boards, and develop  
11 formal provider agreements as provided for in this section.  
12 The Department of Health shall develop a request-for-proposal  
13 process to solicit grant applications.

14 (b) Phase II shall consist of a network operations  
15 grant program. As funds become available, certified networks  
16 that meet performance standards shall be eligible to receive  
17 grant funds to be used to help defray the costs of rural  
18 health network infrastructure development, patient care, and  
19 network administration. Rural health network infrastructure  
20 development includes, but is not limited to: recruitment and  
21 retention of primary care practitioners; enhancements of  
22 primary care services through the use of mobile clinics;  
23 development of preventive health care programs; linkage of  
24 urban and rural health care systems; design and implementation  
25 of automated patient records, outcome measurement, quality  
26 assurance, and risk management systems; establishment of  
27 one-stop service delivery sites; upgrading of medical  
28 technology available to network providers; enhancement of  
29 emergency medical systems; enhancement of medical  
30 transportation; formation of joint contracting entities  
31 composed of rural physicians, rural hospitals, and other rural

1 health care providers; establishment of comprehensive  
2 disease-management programs that meet Medicaid requirements;  
3 establishment of regional quality-improvement programs  
4 involving physicians and hospitals consistent with state and  
5 national initiatives; establishment of speciality networks  
6 connecting rural primary care physicians and urban  
7 specialists; development of regional broadband  
8 telecommunications systems that have the capacity to share  
9 patient information in a secure network, telemedicine, and  
10 long-distance learning capacity; and linkage between training  
11 programs for health care practitioners and the delivery of  
12 health care services in rural areas ~~and development of~~  
13 ~~telecommunication capabilities~~. A Phase II award may occur in  
14 the same fiscal year as a Phase I award.

15 ~~(12)(16)~~ CERTIFICATION.--For the purpose of certifying  
16 networks that are eligible for Phase II funding, the  
17 Department of Health shall certify networks that meet the  
18 criteria delineated in this section and the rules governing  
19 rural health networks. The Office of Rural Health in the  
20 Department of Health shall monitor rural health networks in  
21 order to ensure continued compliance with established  
22 certification and performance standards.

23 ~~(13)(17)~~ RULES.--The Department of Health shall  
24 establish rules that govern the creation and certification of  
25 networks, the provision of grant funds under Phase I and Phase  
26 II, and the establishment of performance standards including  
27 ~~establishing outcome measures~~ for networks.

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

30 395.602 Rural hospitals.--

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

1           (a) "Critical access hospital" means a hospital that  
2 meets the definition of rural hospital in paragraph (d) and  
3 meets the requirements for reimbursement by Medicare and  
4 Medicaid under 42 C.F.R. ss. 485.601-485.647. ~~"Emergency care~~  
5 ~~hospital" means a medical facility which provides:~~  
6           1. ~~Emergency medical treatment; and~~  
7           2. ~~Inpatient care to ill or injured persons prior to~~  
8 ~~their transportation to another hospital or provides inpatient~~  
9 ~~medical care to persons needing care for a period of up to 96~~  
10 ~~hours. The 96 hour limitation on inpatient care does not~~  
11 ~~apply to respite, skilled nursing, hospice, or other nonacute~~  
12 ~~care patients.~~  
13           ~~(b) "Essential access community hospital" means any~~  
14 ~~facility which:~~  
15           1. ~~Has at least 100 beds;~~  
16           2. ~~Is located more than 35 miles from any other~~  
17 ~~essential access community hospital, rural referral center, or~~  
18 ~~urban hospital meeting criteria for classification as a~~  
19 ~~regional referral center;~~  
20           3. ~~Is part of a network that includes rural primary~~  
21 ~~care hospitals;~~  
22           4. ~~Provides emergency and medical backup services to~~  
23 ~~rural primary care hospitals in its rural health network;~~  
24           5. ~~Extends staff privileges to rural primary care~~  
25 ~~hospital physicians in its network; and~~  
26           6. ~~Accepts patients transferred from rural primary~~  
27 ~~care hospitals in its network.~~  
28           ~~(b)(c)~~ "Inactive rural hospital bed" means a licensed  
29 acute care hospital bed, as defined in s. 395.002(14), that is  
30 inactive in that it cannot be occupied by acute care  
31 inpatients.

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

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

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

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

16           3. A hospital supported by a tax district or  
17 subdistrict whose boundaries encompass a population of 100  
18 persons or fewer per square mile;

19           4. A hospital in a constitutional charter county with  
20 a population of over 1 million persons that has imposed a  
21 local option health service tax pursuant to law and in an area  
22 that was directly impacted by a catastrophic event on August  
23 24, 1992, for which the Governor of Florida declared a state  
24 of emergency pursuant to chapter 125, and has 120 beds or less  
25 that serves an agricultural community with an emergency room  
26 utilization of no less than 20,000 visits and a Medicaid  
27 inpatient utilization rate greater than 15 percent;

28           5. A hospital with a service area that has a  
29 population of 100 persons or fewer per square mile. As used in  
30 this subparagraph, the term "service area" means the fewest  
31 number of zip codes that account for 75 percent of the

1 hospital's discharges for the most recent 5-year period, based  
2 on information available from the hospital inpatient discharge  
3 database in the Florida Center for Health Information and  
4 Policy Analysis at the Agency for Health Care Administration;  
5 or

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

8  
9 Population densities used in this paragraph must be based upon  
10 the most recently completed United States census. A hospital  
11 that received funds under s. 409.9116 for a quarter beginning  
12 no later than July 1, 2002, is deemed to have been and shall  
13 continue to be a rural hospital from that date through June  
14 30, 2012, if the hospital continues to have 100 or fewer  
15 licensed beds and an emergency room, or meets the criteria of  
16 subparagraph 4. An acute care hospital that has not previously  
17 been designated as a rural hospital and that meets the  
18 criteria of this paragraph shall be granted such designation  
19 upon application, including supporting documentation to the  
20 Agency for Health Care Administration.

21           ~~(e)(f)~~ "Rural primary care hospital" means any  
22 facility that ~~meeting the criteria in paragraph (c) or s.~~  
23 ~~395.605 which~~ provides:

- 24           1. Twenty-four-hour emergency medical care;  
25           2. Temporary inpatient care for periods of 96 ~~72~~ hours  
26 or less to patients requiring stabilization before discharge  
27 or transfer to another hospital. The 96-hour ~~72-hour~~  
28 limitation does not apply to respite, skilled nursing,  
29 hospice, or other nonacute care patients; and  
30           3. Has at least ~~no more than~~ six licensed acute care  
31 inpatient beds.

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

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

7           395.603 Deactivation of general hospital beds; rural  
8 hospital impact statement.--

9           (1) ~~The agency shall establish, by rule, a process by~~  
10 ~~which~~ A rural hospital, as defined in s. 395.602, which that  
11 seeks licensure as a rural primary care hospital or ~~as an~~  
12 ~~emergency care hospital, or~~ becomes a certified rural health  
13 clinic as defined in Pub. L. No. 95-210, or becomes a primary  
14 care program such as a county health department, community  
15 health center, or other similar outpatient program that  
16 provides preventive and curative services, may deactivate  
17 general hospital beds. A critical access hospital or a rural  
18 primary care ~~hospital~~ hospitals and emergency care hospitals  
19 shall maintain the number of actively licensed general  
20 hospital beds necessary for the facility to be certified for  
21 Medicare reimbursement. Hospitals that discontinue inpatient  
22 care to become rural health care clinics or primary care  
23 programs shall deactivate all licensed general hospital beds.  
24 All hospitals, clinics, and programs with inactive beds shall  
25 provide 24-hour emergency medical care by staffing an  
26 emergency room. Providers with inactive beds shall be subject  
27 to the criteria in s. 395.1041. The agency shall specify in  
28 rule requirements for making 24-hour emergency care available.  
29 Inactive general hospital beds shall be included in the acute  
30 care bed inventory, maintained by the agency for  
31 certificate-of-need purposes, for 10 years from the date of



1 deactivation of the beds. After 10 years have elapsed,  
2 inactive beds shall be excluded from the inventory. The agency  
3 shall, at the request of the licensee, reactivate the inactive  
4 general beds upon a showing by the licensee that licensure  
5 requirements for the inactive general beds are met.

6 Section 5. Section 395.604, Florida Statutes, is  
7 amended to read:

8 395.604 ~~Other Rural~~ primary care hospitals ~~hospital~~  
9 ~~programs.--~~

10 (1) The agency may license rural primary care  
11 hospitals subject to federal approval for participation in the  
12 Medicare and Medicaid programs. Rural primary care hospitals  
13 shall be treated in the same manner as ~~emergency care~~  
14 ~~hospitals and~~ rural hospitals with respect to ss.  
15 ~~395.605(2) (8)(a),~~ 408.033(2)(b)3.7 and 408.038.

16 (2) ~~The agency may designate essential access~~  
17 ~~community hospitals.~~

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

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

25 (4) For the purpose of participation in the Medical  
26 Education Reimbursement and Loan Repayment Program as defined  
27 in s. 1009.65 or other loan repayment or incentive programs  
28 designed to relieve medical workforce shortages, the  
29 department shall treat rural primary care hospitals in the  
30 same manner as rural hospitals.

31

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

5           (6) Rural hospitals that make application under the  
6 certificate-of-need program to be licensed as rural primary  
7 care hospitals shall receive expedited review as defined in s.  
8 408.032. Rural primary care hospitals seeking relicensure as  
9 acute care general hospitals shall also receive expedited  
10 review.

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

15           (8) Rural primary care hospitals shall have agreements  
16 with other hospitals, skilled nursing facilities, home health  
17 agencies, and providers of diagnostic-imaging and laboratory  
18 services that are not provided on site but are needed by  
19 patients.

20           ~~(4) The department may seek federal recognition of~~  
21 ~~emergency care hospitals authorized by s. 395.605 under the~~  
22 ~~essential access community hospital program authorized by the~~  
23 ~~Omnibus Budget Reconciliation Act of 1989.~~

24           Section 6. Section 395.6061, Florida Statutes, is  
25 amended to read:

26           395.6061 Rural hospital capital improvement.--There is  
27 established a rural hospital capital improvement grant  
28 program.

29           (1) A rural hospital as defined in s. 395.602 may  
30 apply to the department for a grant to acquire, repair,  
31

1 improve, or upgrade systems, facilities, or equipment. The  
2 grant application must provide information that includes:  
3 (a) A statement indicating the problem the rural  
4 hospital proposes to solve with the grant funds;  
5 (b) The strategy proposed to resolve the problem;  
6 (c) The organizational structure, financial system,  
7 and facilities that are essential to the proposed solution;  
8 (d) The projected longevity of the proposed solution  
9 after the grant funds are expended;  
10 (e) Evidence of participation in a rural health  
11 network as defined in s. 381.0406 and evidence that, after  
12 July 1, 2008, the application is consistent with the rural  
13 health network long-range development plan;  
14 (f) Evidence that the rural hospital has difficulty in  
15 obtaining funding or that funds available for the proposed  
16 solution are inadequate;  
17 (g) Evidence that the grant funds will assist in  
18 maintaining or returning the hospital to an economically  
19 stable condition or that any plan for closure of the hospital  
20 or realignment of services will involve development of  
21 innovative alternatives for the provision of needed  
22 ~~discontinued~~ services;  
23 (h) Evidence of a satisfactory record-keeping system  
24 to account for grant fund expenditures within the rural  
25 county; and  
26 (i) ~~A rural health network plan that includes a~~  
27 ~~description of how the plan was developed, the goals of the~~  
28 ~~plan, the links with existing health care providers under the~~  
29 ~~plan,~~ Indicators quantifying the hospital's financial status  
30 ~~well being~~, measurable outcome targets, and the current  
31 physical and operational condition of the hospital.

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

6           (3) Any remaining funds ~~may~~shall annually be  
7 disbursed to rural hospitals in accordance with this section.  
8 The Department of Health shall establish, by rule, criteria  
9 for awarding grants for any remaining funds, which must be  
10 used exclusively for the support and assistance of rural  
11 hospitals as defined in s. 395.602, including criteria  
12 relating to the level of charity uncompensated care rendered  
13 by the hospital, the financial stability of the hospital,  
14 financial and quality indicators for the hospital, whether the  
15 project is sustainable beyond the funding period, the  
16 hospital's ability to improve or expand services, the  
17 hospital's participation in a rural health network as defined  
18 in s. 381.0406, and the proposed use of the grant by the rural  
19 hospital to resolve a specific problem. The department must  
20 consider any information submitted in an application for the  
21 grants in accordance with subsection (1) in determining  
22 eligibility for and the amount of the grant,~~and none of the~~  
23 ~~individual items of information by itself may be used to deny~~  
24 ~~grant eligibility.~~

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

29           (a) The appointment of a health care expert under  
30 contract with the department to analyze and monitor the  
31 hospital's operations.

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

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

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

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

10           409.908 Reimbursement of Medicaid providers.--Subject  
11 to specific appropriations, the agency shall reimburse  
12 Medicaid providers, in accordance with state and federal law,  
13 according to methodologies set forth in the rules of the  
14 agency and in policy manuals and handbooks incorporated by  
15 reference therein. These methodologies may include fee  
16 schedules, reimbursement methods based on cost reporting,  
17 negotiated fees, competitive bidding pursuant to s. 287.057,  
18 and other mechanisms the agency considers efficient and  
19 effective for purchasing services or goods on behalf of  
20 recipients. If a provider is reimbursed based on cost  
21 reporting and submits a cost report late and that cost report  
22 would have been used to set a lower reimbursement rate for a  
23 rate semester, then the provider's rate for that semester  
24 shall be retroactively calculated using the new cost report,  
25 and full payment at the recalculated rate shall be effected  
26 retroactively. Medicare-granted extensions for filing cost  
27 reports, if applicable, shall also apply to Medicaid cost  
28 reports. Payment for Medicaid compensable services made on  
29 behalf of Medicaid eligible persons is subject to the  
30 availability of moneys and any limitations or directions  
31 provided for in the General Appropriations Act or chapter 216.

1 Further, nothing in this section shall be construed to prevent  
2 or limit the agency from adjusting fees, reimbursement rates,  
3 lengths of stay, number of visits, or number of services, or  
4 making any other adjustments necessary to comply with the  
5 availability of moneys and any limitations or directions  
6 provided for in the General Appropriations Act, provided the  
7 adjustment is consistent with legislative intent.

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

11 (b) The agency shall adopt a fee schedule, subject to  
12 any limitations or directions provided for in the General  
13 Appropriations Act, based on a resource-based relative value  
14 scale for pricing Medicaid physician services. Under this fee  
15 schedule, physicians shall be paid a dollar amount for each  
16 service based on the average resources required to provide the  
17 service, including, but not limited to, estimates of average  
18 physician time and effort, practice expense, and the costs of  
19 professional liability insurance. The fee schedule shall  
20 provide increased reimbursement for preventive and primary  
21 care services and lowered reimbursement for specialty services  
22 by using at least two conversion factors, one for cognitive  
23 services and another for procedural services. The fee schedule  
24 shall not increase total Medicaid physician expenditures  
25 unless moneys are available, ~~and shall be phased in over a~~  
26 ~~2-year period beginning on July 1, 1994.~~ The Agency for Health  
27 Care Administration shall seek the advice of a 16-member  
28 advisory panel in formulating and adopting the fee schedule.  
29 The panel shall consist of Medicaid physicians licensed under  
30 chapters 458 and 459 and shall be composed of 50 percent  
31

1 primary care physicians and 50 percent specialty care  
2 physicians.

3 (c) Notwithstanding paragraph (b), reimbursement fees  
4 to physicians for providing total obstetrical services to  
5 Medicaid recipients, which include prenatal, delivery, and  
6 postpartum care, shall be at least \$1,500 per delivery for a  
7 pregnant woman with low medical risk and at least \$2,000 per  
8 delivery for a pregnant woman with high medical risk. However,  
9 reimbursement to physicians working in Regional Perinatal  
10 Intensive Care Centers designated pursuant to chapter 383, for  
11 services to certain pregnant Medicaid recipients with a high  
12 medical risk, may be made according to obstetrical care and  
13 neonatal care groupings and rates established by the agency.  
14 Nurse midwives licensed under part I of chapter 464 or  
15 midwives licensed under chapter 467 shall be reimbursed at no  
16 less than 80 percent of the low medical risk fee. The agency  
17 shall by rule determine, for the purpose of this paragraph,  
18 what constitutes a high or low medical risk pregnant woman and  
19 shall not pay more based solely on the fact that a caesarean  
20 section was performed, rather than a vaginal delivery. The  
21 agency shall by rule determine a prorated payment for  
22 obstetrical services in cases where only part of the total  
23 prenatal, delivery, or postpartum care was performed. The  
24 Department of Health shall adopt rules for appropriate  
25 insurance coverage for midwives licensed under chapter 467.  
26 Prior to the issuance and renewal of an active license, or  
27 reactivation of an inactive license for midwives licensed  
28 under chapter 467, such licensees shall submit proof of  
29 coverage with each application.

30 (d) Notwithstanding other provisions of this  
31 subsection, physicians licensed under chapter 458 or chapter

1 459 who have a provider agreement with a rural health network  
2 as established in s. 381.0406 shall be paid a 10-percent bonus  
3 over the Medicaid physician fee schedule for any physician  
4 service provided within the geographic boundary of a rural  
5 county as defined by the most recent United States Census as  
6 rural.

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

9 408.07 Definitions.--As used in this chapter, with the  
10 exception of ss. 408.031-408.045, the term:

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

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

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

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

25 (d) A hospital with a service area that has a  
26 population of 100 persons or fewer per square mile. As used in  
27 this paragraph, the term "service area" means the fewest  
28 number of zip codes that account for 75 percent of the  
29 hospital's discharges for the most recent 5-year period, based  
30 on information available from the hospital inpatient discharge  
31 database in the Florida Center for Health Information and



1 Policy Analysis at the Agency for Health Care Administration;  
2 or  
3 (e) A critical access hospital.  
4

5 Population densities used in this subsection must be based  
6 upon the most recently completed United States census. A  
7 hospital that received funds under s. 409.9116 for a quarter  
8 beginning no later than July 1, 2002, is deemed to have been  
9 and shall continue to be a rural hospital from that date  
10 through June 30, 2012, if the hospital continues to have 100  
11 or fewer licensed beds and an emergency room, or meets the  
12 criteria of s. 395.602(2)(d)4. ~~s. 395.602(2)(e)4.~~ An acute  
13 care hospital that has not previously been designated as a  
14 rural hospital and that meets the criteria of this subsection  
15 shall be granted such designation upon application, including  
16 supporting documentation, to the Agency for Health Care  
17 Administration.

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

20 409.9116 Disproportionate share/financial assistance  
21 program for rural hospitals.--In addition to the payments made  
22 under s. 409.911, the Agency for Health Care Administration  
23 shall administer a federally matched disproportionate share  
24 program and a state-funded financial assistance program for  
25 statutory rural hospitals. The agency shall make  
26 disproportionate share payments to statutory rural hospitals  
27 that qualify for such payments and financial assistance  
28 payments to statutory rural hospitals that do not qualify for  
29 disproportionate share payments. The disproportionate share  
30 program payments shall be limited by and conform with federal  
31 requirements. Funds shall be distributed quarterly in each

1 | fiscal year for which an appropriation is made.

2 | Notwithstanding the provisions of s. 409.915, counties are  
3 | exempt from contributing toward the cost of this special  
4 | reimbursement for hospitals serving a disproportionate share  
5 | of low-income patients.

6 |         (6) This section applies only to hospitals that were  
7 | defined as statutory rural hospitals, or their  
8 | successor-in-interest hospital, prior to January 1, 2001. Any  
9 | additional hospital that is defined as a statutory rural  
10 | hospital, or its successor-in-interest hospital, on or after  
11 | January 1, 2001, is not eligible for programs under this  
12 | section unless additional funds are appropriated each fiscal  
13 | year specifically to the rural hospital disproportionate share  
14 | and financial assistance programs in an amount necessary to  
15 | prevent any hospital, or its successor-in-interest hospital,  
16 | eligible for the programs prior to January 1, 2001, from  
17 | incurring a reduction in payments because of the eligibility  
18 | of an additional hospital to participate in the programs. A  
19 | hospital, or its successor-in-interest hospital, which  
20 | received funds pursuant to this section before January 1,  
21 | 2001, and which qualifies under s. 395.602(2)(d) ~~s.~~  
22 | ~~395.602(2)(e)~~, shall be included in the programs under this  
23 | section and is not required to seek additional appropriations  
24 | under this subsection.

25 |         Section 10. Paragraph (b) of subsection (2) of section  
26 | 1009.65, Florida Statutes, is amended to read:

27 |         1009.65 Medical Education Reimbursement and Loan  
28 | Repayment Program.--

29 |         (2) From the funds available, the Department of Health  
30 | shall make payments to selected medical professionals as  
31 | follows:

1 (b) All payments shall be contingent on continued  
2 proof of primary care practice in an area defined in s.  
3 395.602(2)(d) ~~s. 395.602(2)(e)~~, or an underserved area  
4 designated by the Department of Health, provided the  
5 practitioner accepts Medicaid reimbursement if eligible for  
6 such reimbursement. Correctional facilities, state hospitals,  
7 and other state institutions that employ medical personnel  
8 shall be designated by the Department of Health as underserved  
9 locations. Locations with high incidences of infant mortality,  
10 high morbidity, or low Medicaid participation by health care  
11 professionals may be designated as underserved.

12 Section 11. The Office of Program Policy Analysis and  
13 Government Accountability shall contract with an entity having  
14 expertise in the financing of rural hospital capital  
15 improvement projects to study the financing options for  
16 replacing or changing the use of rural hospital facilities  
17 having 55 or fewer beds which were built before 1985 and which  
18 have not had major renovations since 1985. For each such  
19 hospital, the contractor shall assess the need to replace or  
20 convert the facility, identify all available sources of  
21 financing for such replacement or conversion and assess each  
22 community's capacity to maximize these funding options,  
23 propose a model replacement facility if a facility should be  
24 replaced, and propose alternative uses of the facility if  
25 continued operation of the hospital is not financially  
26 feasible. Based on the results of the contract study, the  
27 Office of Program Policy Analysis and Government  
28 Accountability shall submit recommendations to the Legislature  
29 by February 1, 2008, regarding whether the state should  
30 provide financial assistance to replace or convert these rural  
31 hospital facilities and what form that assistance should take.

1           Section 12. Section 395.605, Florida Statutes, is  
2 repealed.

3           Section 13. The sum of \$440,000 from nonrecurring  
4 general revenue funds is appropriated to the Office of Program  
5 Policy Analysis and Government Accountability to implement  
6 section 11 of this act.

7           Section 14. The sums of \$3,638,709 in recurring  
8 general revenue funds and \$5,067,392 in recurring funds from  
9 the Medical Care Trust Fund are appropriated to the Agency for  
10 Health Care Administration to implement the 10-percent  
11 Medicaid fee schedule bonus payment as provided in this act.

12           Section 15. The sum of \$3 million in recurring general  
13 revenue funds is appropriated to the Department of Health to  
14 implement rural health network infrastructure development as  
15 provided in section 2 of this act.

16           Section 16. The sum of \$7.5 million in nonrecurring  
17 general revenue funds is appropriated to the Department of  
18 Health to implement the rural hospital capital improvement  
19 grant program as provided in section 6 of this act.

20           Section 17. The sums of \$196,818 in recurring general  
21 revenue funds and \$17,556 in nonrecurring general revenue  
22 funds are appropriated to the Department of Health, and three  
23 full-time equivalent positions and associated salary rate of  
24 121,619 are authorized to implement this act.

25           Section 18. This act shall take effect July 1, 2007.  
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SENATE SUMMARY

Revises various provisions relating to rural health care. Revises the duties of the Office of Rural Health within the Department of Health. Requires the appointment of an advisory council to the Office of Rural Health. Requires the office to submit an annual report to the Governor and Legislature. Revises the functions of the rural health networks and establishes requirements for funding the networks. Requires that the Office of Rural Health monitor rural health networks. Revises requirements for rural primary care hospitals and emergency care hospitals. Provides for the Department of Health to award grants to rural hospitals. Provides for a bonus to be paid for certain services provided under the Medicaid program. Requires the Office of Program Policy Analysis and Government Accountability to award a contract for a study concerning replacing or changing the use of certain rural hospitals. (See bill for details.)