

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 49 Cardiology Services

SPONSOR(S): Davis and others

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Committee on Health Innovation</u>	<u>7 Y, 0 N</u>	<u>Ciccone</u>	<u>Calamas</u>
2) <u>Healthcare Council</u>	<u></u>	<u>Ciccone</u>	<u>Gormley</u>
3) <u></u>	<u></u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

House Bill 49 amends s. 408.0361(3)(b), F.S., to require the Agency for Health Care Administration (AHCA) to adopt rules providing alternative criteria for a hospital to gain licensure as a Level I adult interventional cardiology program.

The bill appears to have no fiscal impact on state or local governments.

The effective date is July 1, 2007.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government --- The bill requires AHCA to adopt rules providing alternative criteria for a hospital to gain licensure as a Level I adult interventional cardiology program.

B. EFFECT OF PROPOSED CHANGES:

Background

The Certificate of Need (CON) regulatory review process under chapter 408, F.S., requires that, before specified health care services and facilities may be offered to the public, they must be approved by AHCA. Pursuant to s. 408.036(1), F.S., the establishment of tertiary health services,¹ such as adult interventional cardiology,² in hospitals is generally subject to such review. Section 408.036(3), F.S., provides certain exemptions from the CON review requirements.

Section 408.036(3)(o), F.S.

In 2004, the Legislature amended s. 408.036(3), F.S., to provide for an exemption from CON review for hospitals providing diagnostic cardiac catheterization services without an approved adult open-heart surgery program. Section 408.036(3)(o), F.S., establishes criteria with which a hospital must comply in order to be granted and keep an exemption.

Section 408.0361, F.S.

The Legislature also revised s. 408.0361, F.S., in 2004 to require that AHCA adopt administrative rules for the licensure of diagnostic cardiac catheterization services and adult interventional cardiology services in Florida hospitals. This licensure would revise the regulation of adult interventional cardiology services to create licensure of this service, rather than a service that is authorized through an exemption from CON review. AHCA has initiated rule development which will establish standards based on the guidelines of the American College of Cardiology and the American Heart Association Guidelines for Cardiac Catheterization and Cardiac Catheterization Laboratories.

Effect of Proposed Legislation

HB 49 amends s. 408.0361(3)(b), F. S., to require AHCA to adopt rules providing alternative criteria for a hospital to gain licensure as a Level I adult interventional cardiology program. The bill permits a hospital to become so licensed if it meets the following criteria:

- The hospital is a newly licensed hospital (the newly-licensed hospital) that has a CON and is physically located in a building that was previously licensed and operated as a hospital under a Level II program license (the former hospital).
- The former hospital provided a minimum of 300 adult inpatient and outpatient diagnostic cardiac catheterizations for the most recent 12-month period as reported to AHCA.
- The newly licensed hospital has a formalized, written transfer agreement with a hospital that has a Level II program, including written transport protocols to ensure safe and efficient transfer of a patient within 60 minutes.
- The newly licensed hospital must certify that it can provide a minimum of 300 adult inpatient and outpatient diagnostic cardiac catheterizations by the end of its first year of operation.

¹ A "tertiary health service" is one which is highly intense, complex, specialized or of limited applicability, and costly. Accordingly, the Legislature has determined that, in order to maintain quality and cost-effectiveness, its availability should be limited. See s. 408.032(17), F.S.

² See, generally, Rule 59A-3.2085, F.A.C.

If the newly licensed hospital does not provide 300 adult inpatient and outpatient diagnostic cardiac catheterizations by the end of the first year of operation, its license shall be modified to delete Level I services.

The newly licensed hospital may apply for certification as a Level I program before taking possession of the former hospital. The effective date of certification is the same as the date the license is issued.

The act is effective July 1, 2007.

C. SECTION DIRECTORY:

Section 1. Amends s. 408.0361(3)(b), F.S.; provides alternative criteria for hospital licensure as a Level I program for adult interventional cardiology.

Section 2. Provides an effective date of July 1, 2007.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Providers authorized to perform Level II programs would benefit from revenues received under this bill. Hospitals relocating to other facilities could also receive potential benefits from increased values of the vacated facilities.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill requires AHCA to adopt rules providing alternative criteria for a hospital to gain licensure as a Level I adult interventional cardiology program.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

HB 49 will effectively change the requirements for obtaining a certificate of need (CON) for hospitals providing diagnostic cardiac catheterization services. This bill will greatly benefit St. Luke's Hospital in Jacksonville and other hospitals that meet the same criteria.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On March 20, 2007, the Health Innovation Committee adopted one strike-all amendment to the bill. This amendment:

- Provided licensure criteria for a hospital Level I program.

The bill was reported favorably with one amendment.