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Proposed Committee Substitute by the Committee on Health Regulation

1 A bill to be entitled

> An act relating to hospitals; amending s. 395.003, F.S.; revising provisions designating classes of disease; exempting certain cancer center hospitals from licensure restrictions; amending s. 408.0361, F.S.; revising provisions relating to licensing standards for adult cardiovascular services; revising the period of validity for certain licenses authorized under a grandfather provision; revising the criteria for the adoption of rules by the Agency for Health Care Administration; requiring certain hospitals to participate in clinical outcome-reporting systems operated by the American College of Cardiology and the Society for Thoracic Surgeons for purposes of such rule criteria; removing a requirement that the agency include specified data in rules; providing an effective date.

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

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Section 1. Subsection (9) of section 395.003, Florida Statutes, is amended to read:

395.003 Licensure; issuance, renewal, denial, modification, suspension, and revocation .--

- (9) A hospital may not be licensed or relicensed if:
- The diagnosis-related groups for 65 percent or more of the discharges from the hospital, in the most recent year for which data is available to the Agency for Health Care 31 Administration pursuant to s. 408.061, are for diagnosis,

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care, and treatment of patients who have:

- 1. Cardiac-related diseases and disorders classified 2 3 as diagnosis-related groups in major diagnostic category 5 <del>103-145, 478-479, 514-518, or 525-527</del>;
  - 2. Orthopedic-related diseases and disorders classified as diagnosis-related groups in major diagnostic <u>category 8</u> <del>209-256, 471, 491, 496-503, or 519-520</del>;
  - 3. Cancer-related diseases and disorders classified as discharges in which the principal diagnosis is neoplasm or carcinoma or is for an admission for radiotherapy or antineoplastic chemotherapy or immunotherapy diagnosis-related groups 64, 82, 172, 173, 199, 200, 203, 257-260, 274, 275, 303, 306, 307, 318, 319, 338, 344, 346, 347, 363, 366, 367, <del>400-414, 473, or 492</del>; or
  - 4. Any combination of the above discharges. Any hospital classified as an exempt cancer center hospital pursuant to 42 C.F.R. s. 412.23(f) as of December 31, 2005, is exempt from the licensure restrictions of this subsection.
  - (b) The hospital restricts its medical and surgical services to primarily or exclusively cardiac, orthopedic, surgical, or oncology specialties.
- Section 2. Section 408.0361, Florida Statutes, is 22 amended to read: 23
  - 408.0361 <u>Cardiovascular</u> <del>Cardiology</del> services and burn unit licensure. --
- (1) Each provider of diagnostic cardiac catheterization services shall comply with rules adopted by the agency that establish licensure standards governing the operation of adult inpatient diagnostic cardiac catheterization programs. The rules shall ensure that such 31 programs:

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- (a) Comply with the most recent guidelines of the American College of Cardiology and American Heart Association Guidelines for Cardiac Catheterization and Cardiac Catheterization Laboratories.
- (b) Perform only adult inpatient diagnostic cardiac catheterization services and will not provide therapeutic cardiac catheterization or any other cardiology services.
- (c) Maintain sufficient appropriate equipment and health care personnel to ensure quality and safety.
- (d) Maintain appropriate times of operation and protocols to ensure availability and appropriate referrals in the event of emergencies.
- (e) Demonstrate a plan to provide services to Medicaid and charity care patients.
- (2) Each provider of adult cardiovascular interventional cardiology services or operator of a burn unit shall comply with rules adopted by the agency that establish licensure standards that govern the provision of adult cardiovascular interventional cardiology services or the operation of a burn unit. Such rules shall consider, at a minimum, staffing, equipment, physical plant, operating protocols, the provision of services to Medicaid and charity care patients, accreditation, licensure period and fees, and enforcement of minimum standards. The certificate-of-need rules for adult <u>cardiovascular</u> interventional cardiology services and burn units in effect on June 30, 2004, are authorized pursuant to this subsection and shall remain in effect and shall be enforceable by the agency until the licensure rules are adopted. Existing providers and any provider with a notice of intent to grant a certificate of 31 | need or a final order of the agency granting a certificate of

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need for adult cardiovascular interventional cardiology services or burn units shall be considered grandfathered and receive a license for their programs effective on the effective date of this act. The grandfathered licensure shall be for at least 3 years or until July 1, 2008 a period specified in the rule, whichever is longer, but shall be required to meet licensure standards applicable to existing programs for every subsequent licensure period.

- (3) In establishing rules for adult <u>cardiovascular</u> interventional cardiology services, the agency shall include provisions that allow for:
- (a) Establishment of two hospital program licensure levels: a Level I program authorizing the performance of adult percutaneous cardiac intervention without onsite cardiac surgery and a Level II program authorizing the performance of percutaneous cardiac intervention with onsite cardiac surgery.
- (b) For a hospital seeking a Level I program, demonstration that, for the most recent 12-month period as reported to the agency, it has provided a minimum of 300 adult inpatient and outpatient diagnostic cardiac catheterizations or, for the most recent 12-month period, has discharged or transferred at least 300 inpatients with the principal diagnosis of ischemic heart disease and that it 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.
- (c) For a hospital seeking a Level II program, demonstration that, for the most recent 12-month period as reported to the agency, it has performed a minimum of 1,100 31 adult inpatient and outpatient cardiac catheterizations, of

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which at least 400 must be therapeutic catheterizations, or, for the most recent 12-month period, has discharged at least 800 patients with the principal diagnosis of ischemic heart disease.

- Compliance with the most recent guidelines of the (d) American College of Cardiology and American Heart Association guidelines for staffing, physician training and experience, operating procedures, equipment, physical plant, and patient selection criteria to ensure patient quality and safety.
- (e) Establishment of appropriate hours of operation and protocols to ensure availability and timely referral in the event of emergencies.
- (f) Demonstration of a plan to provide services to Medicaid and charity care patients.
- (4)(a) The agency shall establish a technical advisory panel to develop procedures and standards for measuring outcomes of <u>adult cardiovascular services</u> <u>interventional</u> cardiac programs. Members of the panel shall include representatives of the Florida Hospital Association, the Florida Society of Thoracic and Cardiovascular Surgeons, the Florida Chapter of the American College of Cardiology, and the Florida Chapter of the American Heart Association and others with experience in statistics and outcome measurement. Based on recommendations from the panel, the agency shall develop and adopt rules for the adult cardiovascular services which interventional cardiac programs that include at least the following:
- (a) A standard data set consisting primarily of data elements reported to the agency in accordance with s. 408.061.
- 1.(b) A risk adjustment procedure that accounts for 31 | the variations in severity and case mix found in hospitals in

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2.(c) Outcome standards specifying expected levels of performance in Level I and Level II adult <u>cardiovascular</u> interventional cardiology services. Such standards may include, but shall not be limited to, in-hospital mortality, infection rates, nonfatal myocardial infarctions, length of stay, postoperative bleeds, and returns to surgery.

3.(d) Specific steps to be taken by the agency and licensed hospitals that do not meet the outcome standards within specified time periods, including time periods for detailed case reviews and development and implementation of corrective action plans.

- (b) Hospitals licensed for Level I or Level II adult cardiovascular services shall participate in clinical outcome-reporting systems operated by the American College of Cardiology and the Society for Thoracic Surgeons.
- (5) The Secretary of Health Care Administration shall appoint an advisory group to study the issue of replacing certificate-of-need review of organ transplant programs under this chapter with licensure regulation of organ transplant programs under chapter 395. The advisory group shall include three representatives of organ transplant providers, one representative of an organ procurement organization, one representative of the Division of Health Quality Assurance, one representative of Medicaid, and one organ transplant patient advocate. The advisory group shall, at minimum, make recommendations regarding access to organs, delivery of services to Medicaid and charity care patients, staff training, and resource requirements for organ transplant programs in a report due to the secretary and the Legislature 31 by July 1, 2005.

## Barcode 081070

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- (6) The Secretary of Health Care Administration shall appoint a workgroup to study certificate-of-need regulations and changing market conditions related to the supply and distribution of hospital beds. The assessment by the workgroup shall include, but not be limited to, the following:
- (a) The appropriateness of current certificate-of-need methodologies and other criteria for evaluating proposals for new hospitals and transfer of beds to new sites.
- (b) Additional factors that should be considered, including the viability of safety net services, the extent of market competition, and the accessibility of hospital services.

The workgroup shall submit a report by January 1, 2005, to the secretary and the Legislature identifying specific problem areas and recommending needed changes in statutes or rules.

Section 3. This act shall take effect July 1, 2007.