1 A bill to be entitled
2 An act relating to disclosure of health care financial
3 information; providing a short title; amending s. 212.08,
4 F.S.; requiring a hospital to meet certain community
5 benefits requirements to retain tax-exempt status;
6 providing definitions; providing duties of tax-exempt
7 hospitals; providing reporting requirements; requiring
8 annual reports of community benefits plans to be available
9 to the public, upon request; requiring a hospital to
10 provide certain notice to health care consumers relating
11 to eligibility for charity care; authorizing the Chief
12 Financial Officer to revoke a hospital's tax-exempt status
13 under certain circumstances; providing that certain
14 disproportionate share hospitals are deemed in compliance
15 with such tax-exemption requirements; amending s. 381.026,
16 F.S.; revising provisions relating to notification of
17 financial disclosure to Medicaid eligible patients;
18 revising requirements for written estimate of charges;
19 revising requirements for submission of health care data;
20 amending s. 395.301, F.S.; revising billing requirements;
21 revising written estimate requirements; amending s.
22 408.05, F.S.; revising determination of patient charge
23 data disclosure; amending s. 408.061, F.S.; revising data
24 submission requirements; amending s. 409.911, F.S.;
25 providing applicability of the terms "charity care" and
26 "uncompensated charity care" to certain hospital reporting
27 requirements; providing an effective date.
28

29 Be It Enacted by the Legislature of the State of Florida:
30
31 Section 1. This act may be cited as the "Health Care
32 Financial Information Act."
33 Section 2. Paragraph (p) of subsection (7) of section
34 212.08, Florida Statutes, is amended to read:
35 212.08 Sales, rental, use, consumption, distribution, and
36 storage tax; specified exemptions.--The sale at retail, the
37 rental, the use, the consumption, the distribution, and the
38 storage to be used or consumed in this state of the following
39 are hereby specifically exempt from the tax imposed by this
40 chapter.
41 (7) MISCELLANEOUS EXEMPTIONS.--Exemptions provided to any
42 entity by this chapter do not inure to any transaction that is
43 otherwise taxable under this chapter when payment is made by a
44 representative or employee of the entity by any means,
45 including, but not limited to, cash, check, or credit card, even
46 when that representative or employee is subsequently reimbursed
47 by the entity. In addition, exemptions provided to any entity by
48 this subsection do not inure to any transaction that is
49 otherwise taxable under this chapter unless the entity has
50 obtained a sales tax exemption certificate from the department
51 or the entity obtains or provides other documentation as
52 required by the department. Eligible purchases or leases made
53 with such a certificate must be in strict compliance with this
54 subsection and departmental rules, and any person who makes an
55 exempt purchase with a certificate that is not in strict
56 compliance with this subsection and the rules is liable for and

57 shall pay the tax. The department may adopt rules to administer
58 this subsection.
59 (p) Section 501(c)(3) organizations.--Also exempt from the
60 tax imposed by this chapter are sales or leases to organizations
61 determined by the Internal Revenue Service to be currently
62 exempt from federal income tax pursuant to s. 501(c)(3) of the
63 Internal Revenue Code of 1986, as amended, when such leases or
64 purchases are used in carrying on their customary nonprofit
65 activities. To retain tax-exempt status under this paragraph, a
66 hospital must meet the community benefits requirements set forth
67 in this paragraph.
68 1. As used in this paragraph:
69 a. "Agency" means the Agency for Health Care
70 Administration.
71 b. "Charity care" means that portion of hospital charges
72 reported to the agency for which there is no compensation, other
73 than restricted or unrestricted revenues provided to a hospital
74 by local governments or tax districts regardless of the method
75 of payment, for care provided to a patient whose family income
76 for the 12 months preceding the determination is equal to or
77 below 200 percent of the federal poverty level, unless the
78 amount of hospital charges due from the patient exceeds 25
79 percent of the patient's annual family income. However, in no
80 case shall the hospital charges for a patient whose family
81 income exceeds four times the federal poverty level for a family
82 of four be considered for charity care.

83 c. "Community" means the primary geographic area and
84 patient categories for which a hospital provides health care
85 services.
86 d. "Community benefits" means the unreimbursed cost to a
87 hospital of providing charity care, uncompensated government-
88 sponsored indigent health care, donations, education,
89 uncompensated government-sponsored program services, research,
90 and subsidized health services provided by the hospital.
91 Community benefits do not include the cost to the hospital of
92 paying any taxes or other governmental assessments.
93 e. "Hospital " means a health care institution licensed by
94 the agency as a hospital under chapter 395.
95 f. "Uncompensated government-sponsored indigent health
96 care" means the unreimbursed cost to a hospital of providing
97 health care services to recipients of Medicaid and other
98 federal, state, or local indigent health care programs,
99 eligibility for which is based on financial need.
100 g. "Uncompensated government-sponsored program services"
101 means the unreimbursed cost to the hospital of providing health
102 care services to the beneficiaries of Medicare, the Civilian
103 Health and Medical Program of the Uniformed Services, and other
104 federal, state, or local government health care programs.
105 2. Each exempt hospital shall:
106 a. Develop an organization mission statement that
107 identifies the hospital's commitment to serving the health care
108 needs of the community; and
109 b. Develop a community benefits plan. The plan shall be an
110 operational plan for serving the community's health care needs

111 that sets out goals and objectives for providing community
112 benefits that include charity care and government-sponsored
113 indigent health care and identifies the populations and
114 communities served by the hospital. In developing the community
115 benefits plan, the hospital shall consider the health care needs
116 of the community as determined by a communitywide needs
117 assessment. Elements of the plan shall include, but are not
118 limited to, the following:
119 (I) A mechanism to evaluate the effectiveness of the plan,
120 including, but not limited to, a method for soliciting the views
121 of the individuals in the communities served by the hospital and
122 identification of community groups and other local government
123 officials consulted during the plan's development.
124 (II) Measurable objectives to be achieved within a
125 specified timeframe.
126 (III) A proposed budget.
127 3. Each exempt hospital shall provide community benefits
128 on an annual basis as provided in its community benefits plan.
129 The provision of charity care and government-sponsored indigent
130 health care shall be guided by the prudent business judgment of
131 the hospital which shall determine the appropriate level of
132 charity care and government-sponsored indigent health care based
133 on the needs of the community, the available resources of the
134 hospital, the tax-exempt benefits received by the hospital, and
135 other factors that may be unique to the hospital, such as the
136 number of Medicare and Medicaid patients served by the hospital.
137 The standards provided in sub-subparagraphs b. and c. do not
138 determine the amount of charity care and government-sponsored

139 indigent health care that will be considered reasonable under
140 sub-subparagraph c. The hospital shall provide community
141 benefits according to any one of the following standards:
142 a. Charity care and government-sponsored indigent health
143 care are provided at a level which is reasonable in relation to
144 the community's needs, as determined through the community needs
145 assessment, the available resources of the hospital, and the
146 tax-exempt benefits received by the hospital;
147 b. Charity care and government-sponsored indigent health
148 care are provided in an amount equal to at least 100 percent of
149 the hospital's tax-exempt benefits, excluding federal income
150 tax; or
151 c. Charity care and community benefits provided in a
152 combined amount equal to at least 5 percent of the hospital's
153 net patient revenue, provided that charity care and government-
154 sponsored indigent health care are provided in an amount equal
155 to at least 4 percent of the hospital's net patient revenue.
156
157 For hospitals, a parent corporation may elect to provide the
158 community benefits in order to satisfy the requirements of this
159 paragraph for each of the hospitals within the organization on a
160 consolidated basis.
161 4. Reporting requirements are as follows:
162 a. Each exempt hospital shall submit a community benefits
163 plan for the next fiscal year to the agency no later than April
164 30 of each year.
165 b. Each exempt hospital shall submit a report to the
166 agency no later than 120 days after the end of the hospital's

167 fiscal year. The report shall document compliance with the
168 community benefits plan and shall include, but not be limited
169 to, the following information:
170 (I) The hospital's mission statement.
171 (II) Disclosure of the health care needs of the community
172 considered by the hospital in developing the community benefits
173 plan.
174 (III) Disclosure of the amount and types of community
175 benefits provided, including charity care. Charity care shall be
176 reported as a separate item from other community benefits.
177 (IV) A statement of total operating expenses computed in
178 accordance with generally accepted accounting principles for
179 hospitals, including a completed worksheet that computes the
180 ratio of cost-to-charge for the fiscal year, from the most
181 recent completed and audited prior fiscal year of the hospital.
182 (V) Disclosure of the amount of tax-exempt benefits for
183 that fiscal year if the hospital provides community benefits
184 according to the standards provided in sub-subparagraph 3.a. or
185 sub-subparagraph 3.b.
186 c. The agency shall publish and submit to the Attorney
187 General and the Chief Financial Officer, no later than January 1
188 of each year, a report listing each exempt hospital that did not
189 meet the requirements of this paragraph during the previous
190 fiscal year and delineating the manner of noncompliance.
191 d. The agency shall publish and submit to the Attorney
192 General and the Chief Financial Officer, no later than January 1
193 of each year, a report containing the following information for
194 each exempt hospital during the preceding fiscal year:

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

195 (I) The amount of charity care provided.
196 (II) The amount of government-sponsored indigent health
197 care provided.
198 (III) The amount of community benefits provided.
199 (IV) The amount of net patient revenue and the amount
200 constituting 4 percent of the net patient revenue.
201 (V) The dollar amount of the hospital's charity care and
202 community benefits requirements met.
203 (VI) The amount of tax-exempt benefits if the hospital
204 provides community benefits according to the standards provided
205 in sub-subparagraph 3.a. or sub-subparagraph 3.b.
206 (VII) The amount of charity care expenses reported to the
207 hospital's audited financial statement.
208 5. Each exempt hospital shall notify the public that the
209 annual report of the community benefits plan is public
210 information, that it is filed with the agency, and that it is
211 available to the public by request to the hospital. The
212 statement shall be posted in prominent places throughout the
213 hospital, including, but not limited to, the emergency room
214 waiting area and the admissions office waiting area. The
215 statement shall also be printed in the hospital patient guide or
216 other material that provides the patient with information about
217 the admissions criteria of the hospital.
218 6. Each exempt hospital shall provide notice to each
219 person who seeks any health care, in appropriate languages,
220 about the availability of charity care in that hospital,
221 including the charity care and eligibility policies of the
222 program, and how to apply for charity care. Such notice shall

223 also be conspicuously posted in the general waiting area, in the
224 waiting area for emergency services, in the business office, and
225 in such other locations as the hospital deems likely to give
226 notice of the charity care program and policies. Each hospital
227 shall annually publish notice of the hospital's charity care
228 program and polices in a local newspaper of general circulation
229 in the county. Each notice under this paragraph must be written
230 in language readily understandable by the average reader.
231 7. The Chief Financial Officer shall revoke the tax-exempt
232 status of a hospital that fails to comply with any provision of
233 this paragraph. Any hospital facing revocation of the hospital's
234 tax-exempt status may apply for a grace period of 1 fiscal year
235 in order to meet the provisions in this paragraph. During such
236 time, the hospital in question must provide an additional amount
237 of charity care and government-sponsored indigent health care
238 that is equal to the shortfall from the previous fiscal year. A
239 hospital may apply for such grace period one time in a 5-year
240 period.
241 8. An exempt hospital that has been designated as a
242 disproportionate share hospital under the state Medicaid program
243 in the current fiscal year or in either of the previous 2 fiscal
244 years shall be deemed in compliance with the requirements of
245 this paragraph.
246 Section 3. Paragraph (c) of subsection (4) of section
247 381.026, Florida Statutes, is amended to read:
248 381.026 Florida Patient's Bill of Rights and
249 Responsibilities.--

250 (4) RIGHTS OF PATIENTS.--Each health care facility or
251 provider shall observe the following standards:
252 (c) Financial information and disclosure.--
253 1. A patient has the right to be given, upon request, by
254 the responsible provider, his or her designee, or a
255 representative of the health care facility full information and
256 necessary counseling on the availability of known financial
257 resources for the patient's health care.
258 2. A health care provider or a health care facility shall~~,~~
259 ~~upon request,~~ disclose to each patient who is eligible for
260 Medicare, in advance of treatment, whether the health care
261 provider or the health care facility in which the patient is
262 receiving medical services accepts assignment under Medicare
263 reimbursement as payment in full for medical services and
264 treatment rendered in the health care provider's office or
265 health care facility.
266 3. A health care provider or a health care facility shall,
267 upon request, furnish a person, prior to provision of medical
268 services, a reasonable itemized estimate of charges for such
269 services. Such reasonable itemized estimate shall not preclude
270 the health care provider or health care facility from exceeding
271 the estimate or making additional charges based on changes in
272 the patient's condition or treatment needs.
273 4. Each licensed facility not operated by the state shall
274 make available to the public on its Internet website or by other
275 electronic means a description of and a link to the performance
276 outcome and financial data that is published by the agency
277 pursuant to s. 408.05(3)(k). The facility shall place a notice

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

278 in the reception area that such information is available
279 electronically and the website address. The licensed facility
280 shall publish pricing information, including the lowest charge,
281 the average charge, and the highest charge. The facility may
282 indicate that the pricing information is based on a compilation
283 of charges for the average patient and that each patient's bill
284 may vary from the average depending upon the severity of illness
285 and individual resources consumed. The licensed facility may
286 also indicate that the price of service is negotiable for
287 eligible patients based upon the patient's ability to pay.
288 5. A patient has the right to receive a copy of an
289 itemized bill upon request. A patient has a right to be given an
290 explanation of charges upon request.
291 Section 4. Subsections (1) and (7) of section 395.301,
292 Florida Statutes, are amended to read:
293 395.301 Itemized patient bill; form and content prescribed
294 by the agency.--
295 (1) A licensed facility not operated by the state shall
296 notify each patient during admission and at discharge of his or
297 her right to receive an itemized bill upon request. Within 7
298 days following the patient's discharge or release from a
299 licensed facility not operated by the state, the licensed
300 facility providing the service shall, upon request, submit to
301 the patient, or to the patient's survivor or legal guardian as
302 may be appropriate, an itemized statement detailing in language
303 comprehensible to an ordinary layperson the specific nature of
304 charges or expenses incurred by the patient, which in the
305 initial billing shall contain a statement of specific services

306 received and expenses incurred for such items of service,
307 enumerating in detail the constituent components of the services
308 received within each department of the licensed facility and
309 including unit price data on rates charged by the licensed
310 facility, as prescribed by the agency.
311 (7) Each licensed facility not operated by the state shall
312 provide in writing, prior to provision of any nonemergency
313 medical services, an itemized ~~a written~~ good faith estimate of
314 reasonably anticipated charges for the facility to treat the
315 patient's condition upon written request of a prospective
316 patient. The estimate shall be provided to the prospective
317 patient within 7 business days after the receipt of the request.
318 ~~The estimate may be the average charges for that diagnosis~~
319 ~~related group or the average charges for that procedure. Upon~~
320 ~~request,~~ The facility shall notify the patient of any revision
321 to the good faith estimate. Such estimate shall not preclude the
322 health care provider or health care facility ~~actual charges~~ from
323 exceeding the estimate or making additional charges based on
324 changes in the patient's condition or treatment needs if such
325 charges are itemized on the patient's billing statement. The
326 facility shall place a notice in the reception area that such
327 information is available. Failure to provide the estimate within
328 the provisions established pursuant to this section shall result
329 in a fine of $500 for each instance of the facility's failure to
330 provide the requested information.
331 Section 5. Paragraph (k) of subsection (3) of section
332 408.05, Florida Statutes, is amended to read:

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

333 408.05 Florida Center for Health Information and Policy
334 Analysis.--
335 (3) COMPREHENSIVE HEALTH INFORMATION SYSTEM.--In order to
336 produce comparable and uniform health information and statistics
337 for the development of policy recommendations, the agency shall
338 perform the following functions:
339 (k) Develop, in conjunction with the State Consumer Health
340 Information and Policy Advisory Council, and implement a long-
341 range plan for making available health care quality measures and
342 financial data that will allow consumers to compare health care
343 services. The health care quality measures and financial data
344 the agency must make available shall include, but is not limited
345 to, pharmaceuticals, physicians, health care facilities, and
346 health plans and managed care entities. The agency shall submit
347 the initial plan to the Governor, the President of the Senate,
348 and the Speaker of the House of Representatives by January 1,
349 2006, and shall update the plan and report on the status of its
350 implementation annually thereafter. The agency shall also make
351 the plan and status report available to the public on its
352 Internet website. As part of the plan, the agency shall identify
353 the process and timeframes for implementation, any barriers to
354 implementation, and recommendations of changes in the law that
355 may be enacted by the Legislature to eliminate the barriers. As
356 preliminary elements of the plan, the agency shall:
357 1. Make available patient-safety indicators, inpatient
358 quality indicators, and performance outcome and patient charge
359 data collected from health care facilities pursuant to s.
360 408.061(1)(a) and (2). The terms "patient-safety indicators" and

361 "inpatient quality indicators" shall be as defined by the
362 Centers for Medicare and Medicaid Services, the National Quality
363 Forum, the Joint Commission on Accreditation of Healthcare
364 Organizations, the Agency for Healthcare Research and Quality,
365 the Centers for Disease Control and Prevention, or a similar
366 national entity that establishes standards to measure the
367 performance of health care providers, or by other states. The
368 agency shall determine which conditions, procedures, health care
369 quality measures, and patient charge data to disclose based upon
370 input from the council. When determining which conditions and
371 procedures are to be disclosed, the council and the agency shall
372 consider variation in costs, variation in outcomes, and
373 magnitude of variations and other relevant information. When
374 determining which health care quality measures to disclose, the
375 agency:
376 a. Shall consider such factors as volume of cases; average
377 patient charges; average length of stay; complication rates;
378 mortality rates; and infection rates, among others, which shall
379 be adjusted for case mix and severity, if applicable.
380 b. May consider such additional measures that are adopted
381 by the Centers for Medicare and Medicaid Studies, National
382 Quality Forum, the Joint Commission on Accreditation of
383 Healthcare Organizations, the Agency for Healthcare Research and
384 Quality, Centers for Disease Control and Prevention, or a
385 similar national entity that establishes standards to measure
386 the performance of health care providers, or by other states.
387

388 When determining which patient charge data to disclose, the
389 agency shall consider such measures as a price list of
390 procedures, supplies, and services; average charge;, range of
391 charges from lowest charge to highest charge; average net
392 revenue per adjusted patient day;, average cost per adjusted
393 patient day;, and average cost per admission, among other
394 measures others.
395 2. Make available performance measures, benefit design,
396 and premium cost data from health plans licensed pursuant to
397 chapter 627 or chapter 641. The agency shall determine which
398 health care quality measures and member and subscriber cost data
399 to disclose, based upon input from the council. When determining
400 which data to disclose, the agency shall consider information
401 that may be required by either individual or group purchasers to
402 assess the value of the product, which may include membership
403 satisfaction, quality of care, current enrollment or membership,
404 coverage areas, accreditation status, premium costs, plan costs,
405 premium increases, range of benefits, copayments and
406 deductibles, accuracy and speed of claims payment, credentials
407 of physicians, number of providers, names of network providers,
408 and hospitals in the network. Health plans shall make available
409 to the agency any such data or information that is not currently
410 reported to the agency or the office.
411 3. Determine the method and format for public disclosure
412 of data reported pursuant to this paragraph. The agency shall
413 make its determination based upon input from the State Consumer
414 Health Information and Policy Advisory Council. At a minimum,
415 the data shall be made available on the agency's Internet

CODING: Words stricken are deletions; words underlined are additions.

416 website in a manner that allows consumers to conduct an
417 interactive search that allows them to view and compare the
418 information for specific providers. The website must include
419 such additional information as is determined necessary to ensure
420 that the website enhances informed decisionmaking among
421 consumers and health care purchasers, which shall include, at a
422 minimum, appropriate guidance on how to use the data and an
423 explanation of why the data may vary from provider to provider.
424 The data specified in subparagraph 1. shall be released no later
425 than January 1, 2006, for the reporting of infection rates, and
426 no later than October 1, 2005, for mortality rates and
427 complication rates. The data specified in subparagraph 2. shall
428 be released no later than October 1, 2006.
429 Section 6. Paragraph (a) of subsection (1) of section
430 408.061, Florida Statutes, is amended to read:
431 408.061 Data collection; uniform systems of financial
432 reporting; information relating to physician charges;
433 confidential information; immunity.--
434 (1) The agency shall require the submission by health care
435 facilities, health care providers, and health insurers of data
436 necessary to carry out the agency's duties. Specifications for
437 data to be collected under this section shall be developed by
438 the agency with the assistance of technical advisory panels
439 including representatives of affected entities, consumers,
440 purchasers, and such other interested parties as may be
441 determined by the agency.
442 (a) Data submitted by health care facilities, including
443 the facilities as defined in chapter 395, shall include, but are

444 not limited to: case-mix data, patient admission and discharge
445 data, hospital emergency department data which shall include the
446 number of patients treated in the emergency department of a
447 licensed hospital reported by patient acuity level, data on
448 hospital-acquired infections as specified by rule, data on
449 complications as specified by rule, data on readmissions as
450 specified by rule, with patient and provider-specific
451 identifiers included, actual charge data by diagnostic groups, a
452 price list for not fewer than the 100 most commonly performed
453 procedures, based on a statewide average of procedures, and the
454 500 most commonly used supplies, financial data, accounting
455 data, operating expenses, expenses incurred for rendering
456 services to patients who cannot or do not pay, interest charges,
457 depreciation expenses based on the expected useful life of the
458 property and equipment involved, and demographic data. The
459 agency shall adopt nationally recognized risk adjustment
460 methodologies or software consistent with the standards of the
461 Agency for Healthcare Research and Quality and as selected by
462 the agency for all data submitted as required by this section.
463 Data may be obtained from documents such as, but not limited to:
464 leases, contracts, debt instruments, itemized patient bills,
465 medical record abstracts, and related diagnostic information.
466 Reported data elements shall be reported electronically in
467 accordance with rule 59E-7.012, Florida Administrative Code.
468 Data submitted shall be certified by the chief executive officer
469 or an appropriate and duly authorized representative or employee
470 of the licensed facility that the information submitted is true
471 and accurate.

472 Section 7. Paragraph (c) of subsection (1) of section
473 409.911, Florida Statutes, is amended to read:
474 409.911 Disproportionate share program.--Subject to
475 specific allocations established within the General
476 Appropriations Act and any limitations established pursuant to
477 chapter 216, the agency shall distribute, pursuant to this
478 section, moneys to hospitals providing a disproportionate share
479 of Medicaid or charity care services by making quarterly
480 Medicaid payments as required. Notwithstanding the provisions of
481 s. 409.915, counties are exempt from contributing toward the
482 cost of this special reimbursement for hospitals serving a
483 disproportionate share of low-income patients.
484 (1) DEFINITIONS.--As used in this section, s. 409.9112,
485 and the Florida Hospital Uniform Reporting System manual:
486 (c) "Charity care" or "uncompensated charity care" means
487 that portion of hospital charges reported to the Agency for
488 Health Care Administration for which there is no compensation,
489 other than restricted or unrestricted revenues provided to a
490 hospital by local governments or tax districts regardless of the
491 method of payment, for care provided to a patient whose family
492 income for the 12 months preceding the determination is less
493 than or equal to 200 percent of the federal poverty level,
494 unless the amount of hospital charges due from the patient
495 exceeds 25 percent of the annual family income. However, in no
496 case shall the hospital charges for a patient whose family
497 income exceeds four times the federal poverty level for a family
498 of four be considered charity. The amount of charity care or

499 uncompensated charity care shall only be valued and reported at
500 Medicaid rates.
501 Section 8. This act shall take effect July 1, 2008.