

CS/CS/HB 1487

2009

1 A bill to be entitled

2 An act relating to licensure of home health agencies, home  
3 medical equipment providers, and health care clinics;  
4 designating Miami-Dade County as a health care fraud area  
5 of special concern for certain purposes; creating s.  
6 408.8065, F.S.; providing requirements for licensure of  
7 home health agencies, home medical equipment providers,  
8 and health care clinics; requiring the posting of a surety  
9 bond in a specified minimum amount under certain  
10 circumstances; requiring demonstration of financial  
11 viability; providing limitations on licensing of home  
12 health agencies in certain counties; providing an  
13 exception for existing applicants accredited by an  
14 organization recognized by the Agency for Health Care  
15 Administration; providing penalties; providing an  
16 effective date.

17  
18 Be It Enacted by the Legislature of the State of Florida:

19  
20 Section 1. The Legislature hereby designates Miami-Dade  
21 County as a health care fraud area of special concern for  
22 purposes of implementing increased scrutiny of home health  
23 agencies, home medical equipment providers, and health care  
24 clinics in Miami-Dade County in order to assist the state's  
25 efforts to prevent Medicaid fraud, waste, and abuse in the  
26 county and throughout the state.

27 Section 2. Section 408.8065, Florida Statutes, is created  
28 to read:

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

hb1487-02-c2

29           408.8065 Licensure requirements for home health agencies,  
 30 home medical equipment providers, and health care clinics.--

31           (1) An applicant for initial licensure, renewal of  
 32 licensure, or change of ownership licensure as a home health  
 33 agency, home medical equipment provider, or health care clinic  
 34 shall comply with the following requirements:

35           (a) For initial, renewal, or change of ownership licenses  
 36 for a home health agency, a home medical equipment provider, or  
 37 a health care clinic, applicants and controlling interests must  
 38 have been legal residents of the United States for at least 5  
 39 years or file a surety bond of at least \$500,000, payable to the  
 40 agency, which guarantees that the home health agency, home  
 41 medical equipment provider, or health care clinic will act in  
 42 full conformity with all legal requirements for operation.

43           (b) An applicant for an initial or a change of ownership  
 44 license must demonstrate financial ability to operate, as  
 45 required under s. 408.810(8), and submit a financial statement,  
 46 including a balance sheet, an income and expense statement, and  
 47 a statement of cash flow for the first 2 years of operation,  
 48 that provides evidence that the applicant has sufficient assets,  
 49 credit, and projected revenues to cover liabilities and  
 50 expenses. The applicant must also prove it has the ability to  
 51 fund all startup costs through the break-even point in  
 52 operations by submitting a statement of estimated provider  
 53 startup costs and sources of funds. The statement shall  
 54 disclose, at a minimum, reasonable anticipated startup costs,  
 55 including operating funds needed to reach the break-even point  
 56 when operating receipts equal or exceed expenditures. To reach

57 the break-even point, at a minimum, operating funds must be  
58 equal to 2 months' average expenses to cover working capital and  
59 contingencies. The minimum amount for contingency funding shall  
60 be not less than 1 month's average projected expenses. The  
61 applicant must provide documented proof that the funds necessary  
62 for startup, working capital, and contingency financing will be  
63 available as needed. The applicant shall have demonstrated the  
64 financial ability to operate if the applicant's assets, credit,  
65 and projected revenues meet or exceed projected liabilities and  
66 expenses. All documentation required under this subsection must  
67 be prepared in accordance with generally accepted accounting  
68 principles and may be in a compilation form. The financial  
69 statement must be signed by a certified public accountant.

70 (3) The agency may not issue an initial or a change of  
71 ownership license to a home health agency under part III of  
72 chapter 400 or this part for the purpose of opening a new home  
73 health agency until July 1, 2010, in any county with at least  
74 one actively licensed home health agency and a population of  
75 persons 65 years of age or older, as indicated in the most  
76 recent population estimates published by the Executive Office of  
77 the Governor, that is fewer than 1,200 per home health agency.  
78 In such counties, for any complete application submitted prior  
79 to July 1, 2009, the agency may issue an initial or a change of  
80 ownership license only if the applicant has received  
81 accreditation before May 1, 2009, from an accrediting  
82 organization that is recognized by the agency.

83 (4) In addition to the requirements of s. 408.812, any  
84 person who offers services that require licensure under part

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85 III, part VII, or part X of chapter 400 without obtaining a  
86 valid license; any person who knowingly files a false or  
87 misleading license, license renewal, or change of ownership  
88 application or who submits false or misleading information  
89 related to such application or agency rule; and any person who  
90 violates or conspires to violate this section commits a felony  
91 of the third degree, punishable as provided in s. 775.082, s.  
92 775.083, or s. 775.084.

93 Section 3. This act shall take effect July 1, 2009.