

By Senator Gainer

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1 A bill to be entitled
 2 An act relating to a grant program for rural
 3 hospitals; amending s. 395.6061, F.S.; providing
 4 legislative findings and intent; requiring the
 5 Department of Health to establish and administer the
 6 Florida Rural Hospital Capital Improvement Competitive
 7 Grant Program for certain rural hospitals; revising
 8 the amount of a grant award; revising grant
 9 eligibility and preferences; establishing allowable
 10 uses of funds; requiring the department to submit an
 11 annual report to the Governor and the Legislature;
 12 deleting requirements for certain information in grant
 13 applications; deleting provisions relating to the
 14 disbursal of funds; providing an effective date.

15
 16 Be It Enacted by the Legislature of the State of Florida:

17
 18 Section 1. Section 395.6061, Florida Statutes, is amended
 19 to read:

20 395.6061 Rural hospital capital improvement.—

21 (1) LEGISLATIVE FINDINGS AND INTENT.—The Legislature finds
 22 that rural hospitals have limited ability to increase operating
 23 revenues or to access other public or private funding sources
 24 that are needed to maintain critical infrastructure, including,
 25 but not limited to, the replacement of high-cost medical care
 26 equipment or improvements to facility infrastructure. Rural
 27 hospitals that do not have reasonable access to alternative
 28 sources of revenue to pay for critical infrastructure needs are
 29 at risk, and patient access, care, and quality are threatened.
 30 Therefore, the Legislature finds that it is necessary to
 31 establish the Florida Rural Hospital Capital Improvement
 32 Competitive Grant Program for eligible rural hospitals to ensure

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33 their sustainability.

34 (2) FLORIDA RURAL HOSPITAL CAPITAL IMPROVEMENT COMPETITIVE
35 GRANT PROGRAM.—The Department of Health shall establish and
36 administer the Florida Rural Hospital Capital Improvement
37 Competitive Grant Program for rural hospitals. Subject to annual
38 appropriation, the department shall establish grant awards up to
39 \$750,000 for each hospital that meets the eligibility
40 requirements in subsection (3). Grants must be made available to
41 eligible rural hospitals based on the competitive grant program
42 and on criteria established by the agency.

43 (3) GRANT ELIGIBILITY.—In order to be eligible for a grant
44 award, a hospital must be a rural hospital, as defined in s.
45 395.602, and must demonstrate that:

46 (a) Grant funds are necessary to maintain or improve the
47 quality of its health care services; and

48 (b) There is a return on investment to the taxpayers of
49 this state.

50 (4) AWARD OF GRANTS.—The department shall establish by rule
51 a grant application process and criteria for the evaluation of
52 applications. It shall score and rank grant applications based
53 on these criteria. Preference in grant award decisions shall be
54 given to any applicant that leverages additional private or
55 public matching funds or in-kind contributions. Preference in
56 grant award decisions shall also be given to any applicant that
57 demonstrates hospital practices targeted to reducing unnecessary
58 emergency room visits and preventable hospitalizations through
59 increased access to primary care services.

60 (5) ALLOWABLE USES OF FUNDS.—Grant awards may be used only
61 for hospital medical equipment purchases or facility

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62 infrastructure improvements in the rural area serviced by the
63 grantee.

64 (6) REPORT.—The department shall provide an annual report
65 to the Governor, the President of the Senate, and the Speaker of
66 the House of Representatives which includes the list of grantees
67 and, for each grantee, the amount awarded, a brief description
68 detailing what the funds will be used for, the anticipated
69 outcomes to be achieved, and the return on investment to the
70 taxpayers of this state. There is established a rural hospital
71 capital improvement grant program.

72 ~~(1) A rural hospital as defined in s. 395.602 may apply to~~
73 ~~the department for a grant. The grant application must provide~~
74 ~~information that includes:~~

75 ~~(a) A statement indicating the problem the rural hospital~~
76 ~~proposes to solve with the grant funds;~~

77 ~~(b) The strategy proposed to resolve the problem;~~

78 ~~(c) The organizational structure, financial system, and~~
79 ~~facilities that are essential to the proposed solution;~~

80 ~~(d) The projected longevity of the proposed solution after~~
81 ~~the grant funds are expended;~~

82 ~~(e) Evidence of participation in a rural health network as~~
83 ~~defined in s. 381.0406;~~

84 ~~(f) Evidence that the rural hospital has difficulty in~~
85 ~~obtaining funding or that funds available for the proposed~~
86 ~~solution are inadequate;~~

87 ~~(g) Evidence that the grant funds will assist in~~
88 ~~maintaining or returning the hospital to an economically stable~~
89 ~~condition or that any plan for closure or realignment of~~
90 ~~services will involve development of innovative alternatives for~~

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91 ~~the discontinued services;~~

92 ~~(h) Evidence of a satisfactory record-keeping system to~~
93 ~~account for grant fund expenditures within the rural county;~~

94 ~~(i) A rural health network plan that includes a description~~
95 ~~of how the plan was developed, the goals of the plan, the links~~
96 ~~with existing health care providers under the plan, indicators~~
97 ~~quantifying the hospital's financial well-being, measurable~~
98 ~~outcome targets, and the current physical and operational~~
99 ~~condition of the hospital.~~

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

105 ~~(3) Any remaining funds shall annually be disbursed to~~
106 ~~rural hospitals in accordance with this section. The Department~~
107 ~~of Health shall establish, by rule, criteria for awarding grants~~
108 ~~for any remaining funds, which must be used exclusively for the~~
109 ~~support and assistance of rural hospitals as defined in s.~~
110 ~~395.602, including criteria relating to the level of~~
111 ~~uncompensated care rendered by the hospital, the participation~~
112 ~~in a rural health network as defined in s. 381.0406, and the~~
113 ~~proposed use of the grant by the rural hospital to resolve a~~
114 ~~specific problem. The department must consider any information~~
115 ~~submitted in an application for the grants in accordance with~~
116 ~~subsection (1) in determining eligibility for and the amount of~~
117 ~~the grant, and none of the individual items of information by~~
118 ~~itself may be used to deny grant eligibility.~~

119 ~~(4) The department shall ensure that the funds are used~~

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120 ~~solely for the purposes specified in this section. The total~~
121 ~~grants awarded pursuant to this section shall not exceed the~~
122 ~~amount appropriated for this program.~~

123 Section 2. This act shall take effect upon becoming a law.