

By the Committee on Health Policy; and Senators Gainer and Montford

588-01939-17

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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; providing criteria for grant application  
10 ranking; establishing allowable use of funds;  
11 requiring the department to submit an annual report to  
12 the Governor and the Legislature; deleting  
13 requirements for certain information in grant  
14 applications; deleting provisions relating to the  
15 disbursement of funds; providing an effective date.

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

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

21 395.6061 Rural hospital capital improvement.—

22 (1) LEGISLATIVE FINDINGS AND INTENT.—The Legislature finds  
23 that rural hospitals have limited ability to increase operating  
24 revenues or to access other public or private funding sources  
25 that are needed to maintain critical infrastructure, including,  
26 but not limited to, the replacement of high-cost medical care  
27 equipment or improvements to facility infrastructure. Rural  
28 hospitals that do not have reasonable access to alternative  
29 sources of revenue to pay for critical infrastructure needs are

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30 at risk, and patient access, care, and quality are threatened.  
31 Therefore, the Legislature finds that it is necessary to  
32 establish the Florida Rural Hospital Capital Improvement  
33 Competitive Grant Program for eligible rural hospitals to ensure  
34 their sustainability.

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

44 (3) GRANT ELIGIBILITY.—In order to be eligible for a grant  
45 award, a hospital must be a rural hospital, as defined in s.  
46 395.602, and must demonstrate that:

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

49 (b) There is a return on investment to the taxpayers of  
50 this state; and

51 (c) A satisfactory recordkeeping system will be in place to  
52 account for the expenditures of grant funds within the rural  
53 county.

54 (4) AWARD OF GRANTS.—The department shall establish by rule  
55 a grant application process and criteria for the evaluation of  
56 applications. The department shall score and rank grant  
57 applications based on criteria that must include, at a minimum,  
58 the following:

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59       (a) The social and economic benefit to the surrounding  
60 community.

61       (b) The promotion of economic development in the  
62 surrounding community.

63       (c) The expansion of available services to the underserved  
64 populations in the community.

65       (d) The availability of private or public matching funds,  
66 or in-kind contributions, for the requested grant funds.

67       (5) ALLOWABLE USES OF FUNDS.—Grant awards may be used only  
68 for hospital medical equipment purchases or facility  
69 infrastructure improvements in the rural area serviced by the  
70 grantee.

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

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

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

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

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

87       ~~(d) The projected longevity of the proposed solution after~~

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88 ~~the grant funds are expended;~~

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

91 ~~(f) Evidence that the rural hospital has difficulty in~~  
92 ~~obtaining funding or that funds available for the proposed~~  
93 ~~solution are inadequate;~~

94 ~~(g) Evidence that the grant funds will assist in~~  
95 ~~maintaining or returning the hospital to an economically stable~~  
96 ~~condition or that any plan for closure or realignment of~~  
97 ~~services will involve development of innovative alternatives for~~  
98 ~~the discontinued services;~~

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

101 ~~(i) A rural health network plan that includes a description~~  
102 ~~of how the plan was developed, the goals of the plan, the links~~  
103 ~~with existing health care providers under the plan, indicators~~  
104 ~~quantifying the hospital's financial well-being, measurable~~  
105 ~~outcome targets, and the current physical and operational~~  
106 ~~condition of the hospital.~~

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

112 ~~(3) Any remaining funds shall annually be disbursed to~~  
113 ~~rural hospitals in accordance with this section. The Department~~  
114 ~~of Health shall establish, by rule, criteria for awarding grants~~  
115 ~~for any remaining funds, which must be used exclusively for the~~  
116 ~~support and assistance of rural hospitals as defined in s.~~

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117 ~~395.602, including criteria relating to the level of~~  
118 ~~uncompensated care rendered by the hospital, the participation~~  
119 ~~in a rural health network as defined in s. 381.0406, and the~~  
120 ~~proposed use of the grant by the rural hospital to resolve a~~  
121 ~~specific problem. The department must consider any information~~  
122 ~~submitted in an application for the grants in accordance with~~  
123 ~~subsection (1) in determining eligibility for and the amount of~~  
124 ~~the grant, and none of the individual items of information by~~  
125 ~~itself may be used to deny grant eligibility.~~

126 ~~(4) The department shall ensure that the funds are used~~  
127 ~~solely for the purposes specified in this section. The total~~  
128 ~~grants awarded pursuant to this section shall not exceed the~~  
129 ~~amount appropriated for this program.~~

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