

1                   A bill to be entitled  
2           An act relating to certificates of need; creating s.  
3           381.4066, F.S.; establishing local health councils;  
4           providing for appointment of members; providing powers  
5           and duties; designating health service planning  
6           districts; providing for funding; requiring the Agency  
7           for Health Care Administration to establish rules  
8           relating to imposition of fees and financial  
9           accountability; providing duties of the agency for  
10          planning and data maintenance; requiring the  
11          Department of Health to contract with local health  
12          councils for certain services; amending s. 395.1055,  
13          F.S.; requiring the agency to adopt rules establishing  
14          licensure standards for adult cardiovascular services  
15          providers; requiring providers to comply with certain  
16          national standards; amending s. 395.602, F.S.;  
17          deleting definitions; amending s. 395.603, F.S.;  
18          deleting provisions relating to deactivation and  
19          reactivation of general hospitals beds in certain  
20          rural hospitals; repealing s. 154.245, F.S., relating  
21          to issuance of certificate of need by the Agency for  
22          Health Care Administration as a condition to bond  
23          validation and project construction; repealing s.  
24          395.6025, F.S., relating to rural hospital replacement  
25          facilities; repealing s. 395.604, F.S., relating to

26 other rural hospital programs; repealing s. 395.605,  
27 F.S., relating to emergency care hospitals; repealing  
28 s. 408.031, F.S., relating to the Health Facility and  
29 Services Development Act; repealing s. 408.032, F.S.,  
30 relating to definitions; repealing s. 408.033, F.S.,  
31 relating to local and state health planning; repealing  
32 s. 408.034, F.S., relating to duties and  
33 responsibilities of the agency; repealing s. 408.035,  
34 F.S., relating to review criteria; repealing s.  
35 408.036, F.S., relating to projects subject to review;  
36 repealing s. 408.0361, F.S., relating to  
37 cardiovascular services and burn unit licensure;  
38 repealing s. 408.037, F.S., relating to application  
39 content; repealing s. 408.038, F.S., relating to fees;  
40 repealing s. 408.039, F.S., relating to the review  
41 process for certificates of need; repealing s.  
42 408.040, F.S., relating to conditions imposed on and  
43 monitoring of certificates of need; repealing s.  
44 408.041, F.S., relating to penalties for failure to  
45 obtain certificate of need when required; repealing s.  
46 408.042, F.S., relating to limitation on transfer;  
47 repealing s. 408.043, F.S., relating to special  
48 provisions; repealing s. 408.0436, F.S., relating to  
49 limitation on nursing home certificates of need;  
50 repealing s. 408.044, F.S., relating to injunction;

51 | repealing s. 408.045, F.S., relating to competitive  
 52 | sealed certificate of need proposals; repealing s.  
 53 | 408.0455, F.S., relating to rules and pending  
 54 | proceedings; repealing s. 651.118, F.S., relating to  
 55 | issuance of certificates of need by the Agency for  
 56 | Health Care Administration for nursing home beds;  
 57 | amending ss. 159.27, 186.503, 189.08, 220.1845,  
 58 | 376.30781, 376.86, 383.216, 395.0191, 395.1065,  
 59 | 400.071, 400.606, 400.6085, 408.07, 408.806, 408.808,  
 60 | 408.810, 408.820, 409.9116, 641.60, and 1009.65, F.S.;  
 61 | conforming references and cross-references; providing  
 62 | an effective date.

63 |

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

65 |

66 | Section 1. Section 154.245, Florida Statutes, is repealed.

67 | Section 2. Subsection (16) of section 159.27, Florida  
 68 | Statutes, is amended to read:

69 | 159.27 Definitions.—The following words and terms, unless  
 70 | the context clearly indicates a different meaning, shall have  
 71 | the following meanings:

72 | (16) "Health care facility" means property operated in the  
 73 | private sector, whether operated for profit or not, used for or  
 74 | useful in connection with the diagnosis, treatment, therapy,  
 75 | rehabilitation, housing, or care of or for aged, sick, ill,

76 | injured, infirm, impaired, disabled, or handicapped persons,  
 77 | without discrimination among such persons due to race, religion,  
 78 | or national origin; or for the prevention, detection, and  
 79 | control of disease, including, without limitation thereto,  
 80 | hospital, clinic, emergency, outpatient, and intermediate care,  
 81 | including, but not limited to, facilities for the elderly such  
 82 | as assisted living facilities, facilities defined in s.  
 83 | 154.205(8), day care and share-a-home facilities, nursing homes,  
 84 | and the following related property when used for or in  
 85 | connection with the foregoing: laboratory; research; pharmacy;  
 86 | laundry; health personnel training and lodging; patient, guest,  
 87 | and health personnel food service facilities; and offices and  
 88 | office buildings for persons engaged in health care professions  
 89 | or services; ~~provided, if required by ss. 400.601-400.611 and~~  
 90 | ~~ss. 408.031-408.045, a certificate of need therefor is obtained~~  
 91 | ~~prior to the issuance of the bonds.~~

92 | Section 3. Subsection (7) of section 186.503, Florida  
 93 | Statutes, is amended to read:

94 | 186.503 Definitions relating to Florida Regional Planning  
 95 | Council Act.—As used in this act, the term:

96 | (7) "Local health council" means an ~~a regional~~ agency  
 97 | established pursuant to s. 381.4066 ~~408.033~~.

98 | Section 4. Subsection (3) of section 189.08, Florida  
 99 | Statutes, is amended to read:

100 | 189.08 Special district public facilities report.—

101 ~~(3) A special district proposing to build, improve, or~~  
 102 ~~expand a public facility which requires a certificate of need~~  
 103 ~~pursuant to chapter 408 shall elect to notify the appropriate~~  
 104 ~~local general-purpose government of its plans either in its 7-~~  
 105 ~~year plan or at the time the letter of intent is filed with the~~  
 106 ~~Agency for Health Care Administration pursuant to s. 408.039.~~

107 Section 5. Paragraph (k) of subsection (2) of section  
 108 220.1845, Florida Statutes, is amended to read:

109 220.1845 Contaminated site rehabilitation tax credit.—

110 (2) AUTHORIZATION FOR TAX CREDIT; LIMITATIONS.—

111 (k) In order to encourage the construction and operation  
 112 of a new health care facility as defined in ~~s. 408.032~~ or s.  
 113 408.07, or a health care provider as defined in s. 408.07 or s.  
 114 408.7056, on a brownfield site, an applicant for a tax credit  
 115 may claim an additional 25 percent of the total site  
 116 rehabilitation costs, not to exceed \$500,000, if the applicant  
 117 meets the requirements of this paragraph. In order to receive  
 118 this additional tax credit, the applicant must provide  
 119 documentation indicating that the construction of the health  
 120 care facility or health care provider by the applicant on the  
 121 brownfield site has received a certificate of occupancy or a  
 122 license or certificate has been issued for the operation of the  
 123 health care facility or health care provider.

124 Section 6. Paragraph (f) of subsection (3) of section  
 125 376.30781, Florida Statutes, is amended to read:

126           376.30781 Tax credits for rehabilitation of drycleaning-  
 127 solvent-contaminated sites and brownfield sites in designated  
 128 brownfield areas; application process; rulemaking authority;  
 129 revocation authority.—

130           (3)

131           (f) In order to encourage the construction and operation  
 132 of a new health care facility or a health care provider, as  
 133 defined in ~~s. 408.032~~, s. 408.07~~7~~, or s. 408.7056, on a  
 134 brownfield site, an applicant for a tax credit may claim an  
 135 additional 25 percent of the total site rehabilitation costs,  
 136 not to exceed \$500,000, if the applicant meets the requirements  
 137 of this paragraph. In order to receive this additional tax  
 138 credit, the applicant must provide documentation indicating that  
 139 the construction of the health care facility or health care  
 140 provider by the applicant on the brownfield site has received a  
 141 certificate of occupancy or a license or certificate has been  
 142 issued for the operation of the health care facility or health  
 143 care provider.

144           Section 7. Subsection (1) of section 376.86, Florida  
 145 Statutes, is amended to read:

146           376.86 Brownfield Areas Loan Guarantee Program.—

147           (1) The Brownfield Areas Loan Guarantee Council is created  
 148 to review and approve or deny, by a majority vote of its  
 149 membership, the situations and circumstances for participation  
 150 in partnerships by agreements with local governments, financial

151 institutions, and others associated with the redevelopment of  
152 brownfield areas pursuant to the Brownfields Redevelopment Act  
153 for a limited state guaranty of up to 5 years of loan guarantees  
154 or loan loss reserves issued pursuant to law. The limited state  
155 loan guaranty applies only to 50 percent of the primary lenders  
156 loans for redevelopment projects in brownfield areas. If the  
157 redevelopment project is for affordable housing, as defined in  
158 s. 420.0004, in a brownfield area, the limited state loan  
159 guaranty applies to 75 percent of the primary lender's loan. If  
160 the redevelopment project includes the construction and  
161 operation of a new health care facility or a health care  
162 provider, as defined in ~~s. 408.032~~, s. 408.07~~7~~ or s. 408.7056,  
163 on a brownfield site and the applicant has obtained  
164 documentation in accordance with s. 376.30781 indicating that  
165 the construction of the health care facility or health care  
166 provider by the applicant on the brownfield site has received a  
167 certificate of occupancy or a license or certificate has been  
168 issued for the operation of the health care facility or health  
169 care provider, the limited state loan guaranty applies to 75  
170 percent of the primary lender's loan. A limited state guaranty  
171 of private loans or a loan loss reserve is authorized for  
172 lenders licensed to operate in the state upon a determination by  
173 the council that such an arrangement would be in the public  
174 interest and the likelihood of the success of the loan is great.  
175 Section 8. Section 381.4066, Florida Statutes, is created

176 to read:

177 381.4066 Local and state health planning.-

178 (1) LOCAL HEALTH COUNCILS.-

179 (a) Local health councils are hereby established as public  
180 or private nonprofit agencies serving the counties of a health  
181 service planning district. The members of each council shall be  
182 appointed in an equitable manner by the county commissions  
183 having jurisdiction in the respective district. Each council  
184 shall be composed of a number of persons equal to one and one  
185 half times the number of counties which compose the district or  
186 12 members, whichever is greater. Each county in a district  
187 shall be entitled to at least one member on the council. The  
188 balance of the membership of the council shall be allocated  
189 among the counties of the district on the basis of population  
190 rounded to the nearest whole number, except that in a district  
191 composed of only two counties, each county shall have at least  
192 four members. The appointees shall be representatives of health  
193 care providers, health care purchasers, and nongovernmental  
194 health care consumers, not excluding elected government  
195 officials. The members of the consumer group shall include a  
196 representative number of persons over 60 years of age. A  
197 majority of council members shall consist of health care  
198 purchasers and health care consumers. The local health council  
199 shall provide each county commission a schedule for appointing  
200 council members to ensure that council membership complies with

201 the requirements of this paragraph. The members of the council  
202 shall elect a chair. Members shall serve for terms of 2 years  
203 and may be eligible for reappointment.

204 (b) Health service planning districts are composed of the  
205 following counties:

206 District 1.—Escambia, Santa Rosa, Okaloosa, and Walton  
207 Counties.

208 District 2.—Holmes, Washington, Bay, Jackson, Franklin,  
209 Gulf, Gadsden, Liberty, Calhoun, Leon, Wakulla, Jefferson,  
210 Madison, and Taylor Counties.

211 District 3.—Hamilton, Suwannee, Lafayette, Dixie, Columbia,  
212 Gilchrist, Levy, Union, Bradford, Putnam, Alachua, Marion,  
213 Citrus, Hernando, Sumter, and Lake Counties.

214 District 4.—Baker, Nassau, Duval, Clay, St. Johns, Flagler,  
215 and Volusia Counties.

216 District 5.—Pasco and Pinellas Counties.

217 District 6.—Hillsborough, Manatee, Polk, Hardee, and  
218 Highlands Counties.

219 District 7.—Seminole, Orange, Osceola, and Brevard  
220 Counties.

221 District 8.—Sarasota, DeSoto, Charlotte, Lee, Glades,  
222 Hendry, and Collier Counties.

223 District 9.—Indian River, Okeechobee, St. Lucie, Martin,  
224 and Palm Beach Counties.

225 District 10.—Broward County.

226 District 11.—Miami-Dade and Monroe Counties.

227 (c) Each local health council may:

228 1. Develop a district area health plan that permits each  
229 local health council to develop strategies and set priorities  
230 for implementation based on its unique local health needs.

231 2. Advise the Agency for Health Care Administration on  
232 health care issues and resource allocations.

233 3. Promote public awareness of community health needs,  
234 emphasizing health promotion and cost-effective health service  
235 selection.

236 4. Collect data and conduct analyses and studies related  
237 to health care needs of the district, including the needs of  
238 medically indigent persons, and assist the Agency for Health  
239 Care Administration and other state agencies in carrying out  
240 data collection activities that relate to the functions in this  
241 subsection.

242 5. Advise and assist any regional planning councils within  
243 each district that have elected to address health issues in  
244 their strategic regional policy plans with the development of  
245 the health element of the plans to address the health goals and  
246 policies in the State Comprehensive Plan.

247 6. Advise and assist local governments within each  
248 district on the development of an optional health plan element  
249 of the comprehensive plan provided in chapter 163, to ensure  
250 compatibility with the health goals and policies in the State

251 Comprehensive Plan and district health plan. To facilitate the  
252 implementation of this section, the local health council shall  
253 annually provide the local governments in its service area, upon  
254 request, with:

255 a. A copy and appropriate updates of the district health  
256 plan.

257 b. A report of hospital and nursing home utilization  
258 statistics for facilities within the local government  
259 jurisdiction.

260 7. Monitor and evaluate the adequacy, appropriateness, and  
261 effectiveness, within the district, of local, state, federal,  
262 and private funds distributed to meet the needs of the medically  
263 indigent and other underserved population groups.

264 8. In conjunction with the Department of Health, plan for  
265 the provision of services at the local level for persons  
266 infected with the human immunodeficiency virus.

267 9. Provide technical assistance to encourage and support  
268 activities by providers, purchasers, consumers, and local,  
269 regional, and state agencies in meeting the health care goals,  
270 objectives, and policies adopted by the local health council.

271 (d) Each local health council shall enter into a  
272 memorandum of agreement with each regional planning council in  
273 its district that elects to address health issues in its  
274 strategic regional policy plan. In addition, each local health  
275 council shall enter into a memorandum of agreement with each

276 local government that includes an optional health element in its  
277 comprehensive plan. Each memorandum of agreement must specify  
278 the manner in which each local government, regional planning  
279 council, and local health council will coordinate its activities  
280 to ensure a unified approach to health planning and  
281 implementation efforts.

282 (e) Local health councils may employ personnel or contract  
283 for staffing services with persons who possess appropriate  
284 qualifications to carry out the councils' purposes. Such  
285 personnel are not state employees.

286 (f) Personnel of the local health councils shall provide  
287 an annual orientation to council members about council member  
288 responsibilities.

289 (g) Each local health council may accept and receive, in  
290 furtherance of its health planning functions, funds, grants, and  
291 services from governmental agencies and from private or civic  
292 sources to perform studies related to local health planning in  
293 exchange for such funds, grants, or services. Each council  
294 shall, no later than January 30 of each year, render to the  
295 Department of Health an accounting of the receipt and  
296 disbursement of such funds received.

297 (2) FUNDING.—

298 (a) The Legislature intends that the cost of local health  
299 councils be borne by assessments on selected health care  
300 facilities subject to facility licensure by the Agency for

301 Health Care Administration, including abortion clinics, assisted  
302 living facilities, ambulatory surgical centers, birthing  
303 centers, clinical laboratories, except community nonprofit blood  
304 banks and clinical laboratories operated by practitioners for  
305 exclusive use regulated under s. 483.035, home health agencies,  
306 hospices, hospitals, intermediate care facilities for the  
307 developmentally disabled, nursing homes, health care clinics,  
308 and multiphasic testing centers and by assessments on  
309 organizations subject to certification by the agency pursuant to  
310 part III of chapter 641, including health maintenance  
311 organizations and prepaid health clinics. Fees assessed may be  
312 collected prospectively at the time of licensure renewal and  
313 prorated for the licensure period.

314 (b)1. A hospital licensed under chapter 395, a nursing  
315 home licensed under chapter 400, and an assisted living facility  
316 licensed under chapter 429 shall be assessed an annual fee based  
317 on number of beds.

318 2. All other facilities and organizations listed in  
319 paragraph (a) shall each be assessed an annual fee of \$150.

320 3. Facilities operated by the Department of Children and  
321 Families, the Department of Health, or the Department of  
322 Corrections and any hospital that meets the definition of rural  
323 hospital pursuant to s. 395.602 are exempt from the assessment  
324 required in this subsection.

325 (c) The agency shall, by rule, establish:

326 1. Fees for hospitals and nursing homes based on an  
 327 assessment of \$2 per bed. However, no such facility shall be  
 328 assessed more than a total of \$500 under this subsection.

329 2. Fees for assisted living facilities based on an  
 330 assessment of \$1 per bed. However, no such facility shall be  
 331 assessed more than a total of \$150 under this subsection.

332 3. An annual fee of \$150 for all other facilities and  
 333 organizations listed in paragraph (a).

334 (d) The agency shall, by rule, establish a facility  
 335 billing and collection process for the billing and collection of  
 336 the health facility fees authorized by this subsection.

337 (e) A health facility which is assessed a fee under this  
 338 subsection is subject to a fine of \$100 per day for each day in  
 339 which the facility is late in submitting its annual fee up to  
 340 the maximum of the annual fee owed by the facility. A facility  
 341 that refuses to pay the fee or fine is subject to the forfeiture  
 342 of its license.

343 (f) The agency shall deposit all health care facility  
 344 assessments that are assessed under this subsection in the  
 345 Health Care Trust Fund and shall transfer such funds to the  
 346 Department of Health for funding of the local health councils.

347 (3) DUTIES AND RESPONSIBILITIES OF THE AGENCY FOR HEALTH  
 348 CARE ADMINISTRATION.—

349 (a) The agency is responsible for the coordinated planning  
 350 of health care services in the state.

351        (b) The agency shall develop and maintain a comprehensive  
352 health care database. The agency or its contractor is authorized  
353 to require the submission of information from health facilities,  
354 health service providers, and licensed health professionals  
355 which is determined by the agency, through rule, to be necessary  
356 for meeting the agency's responsibilities as established in this  
357 section.

358        (c) The Department of Health shall contract with the local  
359 health councils for the services specified in subsection (1).  
360 All contract funds shall be distributed according to an  
361 allocation plan developed by the department. The department may  
362 withhold funds from a local health council or cancel its  
363 contract with a local health council that does not meet  
364 performance standards agreed upon by the department and local  
365 health councils.

366        Section 9. Subsection (1) of section 383.216, Florida  
367 Statutes, is amended to read:

368        383.216 Community-based prenatal and infant health care.—

369        (1) The Department of Health shall cooperate with  
370 localities which wish to establish prenatal and infant health  
371 care coalitions, and shall acknowledge and incorporate, if  
372 appropriate, existing community children's services  
373 organizations, pursuant to this section within the resources  
374 allocated. The purpose of this program is to establish a  
375 partnership among the private sector, the public sector, state

376 government, local government, community alliances, and maternal  
377 and child health care providers, for the provision of  
378 coordinated community-based prenatal and infant health care. The  
379 prenatal and infant health care coalitions must work in a  
380 coordinated, nonduplicative manner with local health planning  
381 councils established pursuant to s. 381.4066 ~~408.033~~.

382 Section 10. Subsection (10) of section 395.0191, Florida  
383 Statutes, is amended to read:

384 395.0191 Staff membership and clinical privileges.—

385 ~~(10) Nothing herein shall be construed by the agency as~~  
386 ~~requiring an applicant for a certificate of need to establish~~  
387 ~~proof of discrimination in the granting of or denial of hospital~~  
388 ~~staff membership or clinical privileges as a precondition to~~  
389 ~~obtaining such certificate of need under the provisions of s.~~  
390 ~~408.043.~~

391 Section 11. Paragraph (f) of subsection (1) of section  
392 395.1055, Florida Statutes, is amended, and subsections (10)  
393 through (13) are added to that section, to read:

394 395.1055 Rules and enforcement.—

395 (1) The agency shall adopt rules pursuant to ss.  
396 120.536(1) and 120.54 to implement the provisions of this part,  
397 which shall include reasonable and fair minimum standards for  
398 ensuring that:

399 ~~(f) All hospitals submit such data as necessary to conduct~~  
400 ~~certificate-of-need reviews required under part I of chapter~~

401 ~~408. Such data shall include, but shall not be limited to,~~  
402 ~~patient origin data, hospital utilization data, type of service~~  
403 ~~reporting, and facility staffing data. The agency may not~~  
404 ~~collect data that identifies or could disclose the identity of~~  
405 ~~individual patients. The agency shall utilize existing uniform~~  
406 ~~statewide data sources when available and shall minimize~~  
407 ~~reporting costs to hospitals.~~

408 (10) Each provider of adult diagnostic cardiac  
409 catheterization services shall comply with most recent  
410 guidelines of the American College of Cardiology and American  
411 Heart Association Guidelines for Cardiac Catheterization and  
412 Cardiac Catheterization Laboratories and rules adopted by the  
413 agency that establish licensure standards governing the  
414 operation of adult inpatient diagnostic cardiac catheterization  
415 programs. The rules shall ensure that such programs:

416 (a) Perform only adult inpatient diagnostic cardiac  
417 catheterization services and will not provide therapeutic  
418 cardiac catheterization or any other cardiology services.

419 (b) Maintain sufficient appropriate equipment and health  
420 care personnel to ensure quality and safety.

421 (c) Maintain appropriate times of operation and protocols  
422 to ensure availability and appropriate referrals in the event of  
423 emergencies.

424 (d) Demonstrate a plan to provide services to Medicaid and  
425 charity care patients.

426        (11) Each provider of adult cardiovascular services or  
427 operator of a burn unit shall comply with rules adopted by the  
428 agency that establish licensure standards that govern the  
429 provision of adult cardiovascular services or the operation of a  
430 burn unit. Such rules shall consider, at a minimum, staffing,  
431 equipment, physical plant, operating protocols, the provision of  
432 services to Medicaid and charity care patients, accreditation,  
433 licensure period and fees, and enforcement of minimum standards.

434        (12) In establishing rules for adult cardiovascular  
435 services, the agency shall include provisions that allow for:

436            (a) Establishment of two hospital program licensure  
437 levels:

438                1. A Level I program that authorizes the performance of  
439 adult percutaneous cardiac intervention without onsite cardiac  
440 surgery.

441                2. A Level II program that authorizes the performance of  
442 percutaneous cardiac intervention with onsite cardiac surgery.

443            (b) For a hospital seeking a Level I program,  
444 demonstration that, for the most recent 12-month period as  
445 reported to the agency, it has provided a minimum of 300 adult  
446 inpatient and outpatient diagnostic cardiac catheterizations or,  
447 for the most recent 12-month period, has discharged or  
448 transferred at least 300 inpatients with the principal diagnosis  
449 of ischemic heart disease and that it has a formalized, written  
450 transfer agreement with a hospital that has a Level II program,

451 including written transport protocols to ensure safe and  
452 efficient transfer of a patient within 60 minutes. However, a  
453 hospital located more than 100 road miles from the closest Level  
454 II adult cardiovascular services program does not need to meet  
455 the 60-minute transfer time protocol if the hospital  
456 demonstrates that it has a formalized, written transfer  
457 agreement with a hospital that has a Level II program. The  
458 agreement must include written transport protocols to ensure the  
459 safe and efficient transfer of a patient, taking into  
460 consideration the patient's clinical and physical  
461 characteristics, road and weather conditions, and viability of  
462 ground and air ambulance service to transfer the patient.

463 (c) For a hospital seeking a Level II program,  
464 demonstration that, for the most recent 12-month period as  
465 reported to the agency, it has performed a minimum of 1,100  
466 adult inpatient and outpatient cardiac catheterizations, of  
467 which at least 400 must be therapeutic catheterizations, or, for  
468 the most recent 12-month period, has discharged at least 800  
469 patients with the principal diagnosis of ischemic heart disease.

470 (d) Compliance with the most recent guidelines of the  
471 American College of Cardiology and American Heart Association  
472 guidelines for staffing, physician training and experience,  
473 operating procedures, equipment, physical plant, and patient  
474 selection criteria to ensure patient quality and safety.

475 (e) Establishment of appropriate hours of operation and

476 protocols to ensure availability and timely referral in the  
477 event of emergencies.

478 (f) Demonstration of a plan to provide services to  
479 Medicaid and charity care patients.

480 (g) For a hospital licensed for Level I or Level II adult  
481 cardiovascular services, participation in clinical outcome  
482 reporting systems operated by the American College of Cardiology  
483 and the Society of Thoracic Surgeons.

484 (13) Each provider of pediatric cardiac catheterization,  
485 pediatric open heart surgery, neonatal intensive care,  
486 comprehensive medical rehabilitation, and pediatric and adult  
487 organ transplant services shall comply with rules adopted by the  
488 agency that establish licensure standards governing the  
489 operation of such programs. The rules shall ensure that such  
490 programs:

491 (a) Comply with established applicable practice  
492 guidelines.

493 (b) Maintain sufficient appropriate equipment and health  
494 care personnel to ensure quality and safety.

495 (c) Maintain appropriate times of operation and protocols  
496 to ensure availability and appropriate referrals in the event of  
497 emergencies.

498 (d) Demonstrate a plan to provide services to Medicaid and  
499 charity care patients.

500 Section 12. Subsection (5) of section 395.1065, Florida

501 Statutes, is amended to read:

502 395.1065 Criminal and administrative penalties;  
503 moratorium.—

504 (5) The agency shall impose a fine of \$500 for each  
505 instance of the facility's failure to provide the information  
506 required by rules adopted pursuant to s. 395.1055(1)(g)  
507 ~~395.1055(1)(h)~~.

508 Section 13. Subsection (2) of section 395.602, Florida  
509 Statutes, is amended to read:

510 395.602 Rural hospitals.—

511 (2) DEFINITIONS.—As used in this part, the term:

512 ~~(a) "Emergency care hospital" means a medical facility~~  
513 ~~which provides:~~

514 ~~1. Emergency medical treatment; and~~

515 ~~2. Inpatient care to ill or injured persons prior to their~~  
516 ~~transportation to another hospital or provides inpatient medical~~  
517 ~~care to persons needing care for a period of up to 96 hours. The~~  
518 ~~96-hour limitation on inpatient care does not apply to respite,~~  
519 ~~skilled nursing, hospice, or other nonacute care patients.~~

520 ~~(b) "Essential access community hospital" means any~~  
521 ~~facility which:~~

522 ~~1. Has at least 100 beds;~~

523 ~~2. Is located more than 35 miles from any other essential~~  
524 ~~access community hospital, rural referral center, or urban~~  
525 ~~hospital meeting criteria for classification as a regional~~

526 ~~referral center;~~

527 ~~3. Is part of a network that includes rural primary care~~  
 528 ~~hospitals;~~

529 ~~4. Provides emergency and medical backup services to rural~~  
 530 ~~primary care hospitals in its rural health network;~~

531 ~~5. Extends staff privileges to rural primary care hospital~~  
 532 ~~physicians in its network; and~~

533 ~~6. Accepts patients transferred from rural primary care~~  
 534 ~~hospitals in its network.~~

535 ~~(c) "Inactive rural hospital bed" means a licensed acute~~  
 536 ~~care hospital bed, as defined in s. 395.002(13), that is~~  
 537 ~~inactive in that it cannot be occupied by acute care inpatients.~~

538 (a) ~~(d)~~ "Rural area health education center" means an area  
 539 health education center (AHEC), as authorized by Pub. L. No. 94-  
 540 484, which provides services in a county with a population  
 541 density of no greater than 100 persons per square mile.

542 (b) ~~(e)~~ "Rural hospital" means an acute care hospital  
 543 licensed under this chapter, having 100 or fewer licensed beds  
 544 and an emergency room, which is:

545 1. The sole provider within a county with a population  
 546 density of up to 100 persons per square mile;

547 2. An acute care hospital, in a county with a population  
 548 density of up to 100 persons per square mile, which is at least  
 549 30 minutes of travel time, on normally traveled roads under  
 550 normal traffic conditions, from any other acute care hospital

551 within the same county;

552 3. A hospital supported by a tax district or subdistrict  
553 whose boundaries encompass a population of up to 100 persons per  
554 square mile;

555 4. A hospital classified as a sole community hospital  
556 under 42 C.F.R. s. 412.92 which has up to 175 licensed beds;

557 5. A hospital with a service area that has a population of  
558 up to 100 persons per square mile. As used in this subparagraph,  
559 the term "service area" means the fewest number of zip codes  
560 that account for 75 percent of the hospital's discharges for the  
561 most recent 5-year period, based on information available from  
562 the hospital inpatient discharge database in the Florida Center  
563 for Health Information and Transparency at the agency; or

564 6. A hospital designated as a critical access hospital, as  
565 defined in s. 408.07.

566

567 Population densities used in this paragraph must be based upon  
568 the most recently completed United States census. A hospital  
569 that received funds under s. 409.9116 for a quarter beginning no  
570 later than July 1, 2002, is deemed to have been and shall  
571 continue to be a rural hospital from that date through June 30,  
572 2021, if the hospital continues to have up to 100 licensed beds  
573 and an emergency room. An acute care hospital that has not  
574 previously been designated as a rural hospital and that meets  
575 the criteria of this paragraph shall be granted such designation

576 upon application, including supporting documentation, to the  
577 agency. A hospital that was licensed as a rural hospital during  
578 the 2010-2011 or 2011-2012 fiscal year shall continue to be a  
579 rural hospital from the date of designation through June 30,  
580 2021, if the hospital continues to have up to 100 licensed beds  
581 and an emergency room.

582 ~~(f) "Rural primary care hospital" means any facility~~  
583 ~~meeting the criteria in paragraph (e) or s. 395.605 which~~  
584 ~~provides:~~

- 585 ~~1. Twenty four hour emergency medical care;~~  
586 ~~2. Temporary inpatient care for periods of 72 hours or~~  
587 ~~less to patients requiring stabilization before discharge or~~  
588 ~~transfer to another hospital. The 72-hour limitation does not~~  
589 ~~apply to respite, skilled nursing, hospice, or other nonacute~~  
590 ~~care patients; and~~  
591 ~~3. Has no more than six licensed acute care inpatient~~  
592 ~~beds.~~

593 (c)(g) "Swing-bed" means a bed which can be used  
594 interchangeably as either a hospital, skilled nursing facility  
595 (SNF), or intermediate care facility (ICF) bed pursuant to 42  
596 C.F.R. parts 405, 435, 440, 442, and 447.

597 Section 14. Section 395.6025, Florida Statutes, is  
598 repealed.

599 Section 15. Section 395.603, Florida Statutes, is amended  
600 to read:

601           395.603 Deactivation of general hospital beds; rural  
602 hospital impact statement.—

603           ~~(1) The agency shall establish, by rule, a process by~~  
604 ~~which a rural hospital, as defined in s. 395.602, that seeks~~  
605 ~~licensure as a rural primary care hospital or as an emergency~~  
606 ~~care hospital, or becomes a certified rural health clinic as~~  
607 ~~defined in Pub. L. No. 95-210, or becomes a primary care program~~  
608 ~~such as a county health department, community health center, or~~  
609 ~~other similar outpatient program that provides preventive and~~  
610 ~~curative services, may deactivate general hospital beds. Rural~~  
611 ~~primary care hospitals and emergency care hospitals shall~~  
612 ~~maintain the number of actively licensed general hospital beds~~  
613 ~~necessary for the facility to be certified for Medicare~~  
614 ~~reimbursement. Hospitals that discontinue inpatient care to~~  
615 ~~become rural health care clinics or primary care programs shall~~  
616 ~~deactivate all licensed general hospital beds. All hospitals,~~  
617 ~~clinics, and programs with inactive beds shall provide 24-hour~~  
618 ~~emergency medical care by staffing an emergency room. Providers~~  
619 ~~with inactive beds shall be subject to the criteria in s.~~  
620 ~~395.1041. The agency shall specify in rule requirements for~~  
621 ~~making 24-hour emergency care available. Inactive general~~  
622 ~~hospital beds shall be included in the acute care bed inventory,~~  
623 ~~maintained by the agency for certificate of need purposes, for~~  
624 ~~10 years from the date of deactivation of the beds. After 10~~  
625 ~~years have elapsed, inactive beds shall be excluded from the~~

626 ~~inventory. The agency shall, at the request of the licensee,~~  
627 ~~reactivate the inactive general beds upon a showing by the~~  
628 ~~licensee that licensure requirements for the inactive general~~  
629 ~~beds are met.~~

630 ~~(2)~~ In formulating and implementing policies and rules  
631 that may have significant impact on the ability of rural  
632 hospitals to continue to provide health care services in rural  
633 communities, the agency, the department, or the respective  
634 regulatory board adopting policies or rules regarding the  
635 licensure or certification of health care professionals shall  
636 provide a rural hospital impact statement. The rural hospital  
637 impact statement shall assess the proposed action in light of  
638 the following questions:

639 (1)~~(a)~~ Do the health personnel affected by the proposed  
640 action currently practice in rural hospitals or are they likely  
641 to in the near future?

642 (2)~~(b)~~ What are the current numbers of the affected health  
643 personnel in this state, their geographic distribution, and the  
644 number practicing in rural hospitals?

645 (3)~~(c)~~ What are the functions presently performed by the  
646 affected health personnel, and are such functions presently  
647 performed in rural hospitals?

648 (4)~~(d)~~ What impact will the proposed action have on the  
649 ability of rural hospitals to recruit the affected personnel to  
650 practice in their facilities?

651        ~~(5)(e)~~ What impact will the proposed action have on the  
652 limited financial resources of rural hospitals through increased  
653 salaries and benefits necessary to recruit or retain such health  
654 personnel?

655        ~~(6)(f)~~ Is there a less stringent requirement which could  
656 apply to practice in rural hospitals?

657        ~~(7)(g)~~ Will this action create staffing shortages, which  
658 could result in a loss to the public of health care services in  
659 rural hospitals or result in closure of any rural hospitals?

660        Section 16. Section 395.604, Florida Statutes, is  
661 repealed.

662        Section 17. Section 395.605, Florida Statutes, is  
663 repealed.

664        Section 18. Subsection (3) of section 400.071, Florida  
665 Statutes, is amended to read:

666        400.071 Application for license.—

667        ~~(3) It is the intent of the Legislature that, in reviewing~~  
668 ~~a certificate of need application to add beds to an existing~~  
669 ~~nursing home facility, preference be given to the application of~~  
670 ~~a licensee who has been awarded a Gold Seal as provided for in~~  
671 ~~s. 400.235, if the applicant otherwise meets the review criteria~~  
672 ~~specified in s. 408.035.~~

673        Section 19. Subsections (3), (4), and (5) of section  
674 400.606, Florida Statutes, are amended to read:

675        400.606 License; application; renewal; conditional license

676 or permit; certificate of need.-

677       (3) Any hospice initially licensed on or after July 1,  
678 2017, must be accredited by a national accreditation  
679 organization that is recognized by the Centers for Medicare and  
680 Medicaid Services and whose standards incorporate comparable  
681 licensure regulations required by the state. Such accreditation  
682 must be maintained as a requirement of licensure. The agency  
683 shall not issue a license to a hospice that fails to receive a  
684 certificate of need under the provisions of part I of chapter  
685 408. A licensed hospice is a health care facility as that term  
686 is used in s. 408.039(5) and is entitled to initiate or  
687 intervene in an administrative hearing.

688       (4) A hospice initially licensed on or after July 1, 2017,  
689 must establish and maintain a freestanding hospice facility that  
690 is engaged in providing inpatient and related services and that  
691 is not otherwise licensed as a health care facility shall obtain  
692 a certificate of need. However, a freestanding hospice facility  
693 that has six or fewer beds is not required to comply with  
694 institutional standards such as, but not limited to, standards  
695 requiring sprinkler systems, emergency electrical systems, or  
696 special lavatory devices.

697       ~~(5) The agency may deny a license to an applicant that~~  
698 ~~fails to meet any condition for the provision of hospice care or~~  
699 ~~services imposed by the agency on a certificate of need by final~~  
700 ~~agency action, unless the applicant can demonstrate that good~~

701 ~~cause exists for the applicant's failure to meet such condition.~~

702 Section 20. Paragraph (b) of subsection (2) of section  
703 400.6085, Florida Statutes, is amended to read:

704 400.6085 Contractual services.—A hospice may contract out  
705 for some elements of its services. However, the core services,  
706 as set forth in s. 400.609(1), with the exception of physician  
707 services, shall be provided directly by the hospice. Any  
708 contract entered into between a hospice and a health care  
709 facility or service provider must specify that the hospice  
710 retains the responsibility for planning, coordinating, and  
711 prescribing hospice care and services for the hospice patient  
712 and family. A hospice that contracts for any hospice service is  
713 prohibited from charging fees for services provided directly by  
714 the hospice care team that duplicate contractual services  
715 provided to the patient and family.

716 (2) With respect to contractual arrangements for inpatient  
717 hospice care:

718 ~~(b) Hospices contracting for inpatient care beds shall not~~  
719 ~~be required to obtain an additional certificate of need for the~~  
720 ~~number of such designated beds. Such beds shall remain licensed~~  
721 ~~to the health care facility and be subject to the appropriate~~  
722 ~~inspections.~~

723 Section 21. Section 408.031, Florida Statutes, is  
724 repealed.

725 Section 22. Section 408.032, Florida Statutes, is

726 repealed.  
 727       Section 23. Section 408.033, Florida Statutes, is  
 728 repealed.  
 729       Section 24. Section 408.034, Florida Statutes, is  
 730 repealed.  
 731       Section 25. Section 408.035, Florida Statutes, is  
 732 repealed.  
 733       Section 26. Section 408.036, Florida Statutes, is  
 734 repealed.  
 735       Section 27. Section 408.0361, Florida Statutes, is  
 736 repealed.  
 737       Section 28. Section 408.037, Florida Statutes, is  
 738 repealed.  
 739       Section 29. Section 408.038, Florida Statutes, is  
 740 repealed.  
 741       Section 30. Section 408.039, Florida Statutes, is  
 742 repealed.  
 743       Section 31. Section 408.040, Florida Statutes, is  
 744 repealed.  
 745       Section 32. Section 408.041, Florida Statutes, is  
 746 repealed.  
 747       Section 33. Section 408.042, Florida Statutes, is  
 748 repealed.  
 749       Section 34. Section 408.043, Florida Statutes, is  
 750 repealed.

751 Section 35. Section 408.0436, Florida Statutes, is  
752 repealed.

753 Section 36. Section 408.044, Florida Statutes, is  
754 repealed.

755 Section 37. Section 408.045, Florida Statutes, is  
756 repealed.

757 Section 38. Section 408.0455, Florida Statutes, is  
758 repealed.

759 Section 39. Section 408.07, Florida Statutes, is amended  
760 to read:

761 408.07 Definitions.—As used in this chapter, ~~with the~~  
762 ~~exception of ss. 408.031-408.045,~~ the term:

763 (1) "Accepted" means that the agency has found that a  
764 report or data submitted by a health care facility or a health  
765 care provider contains all schedules and data required by the  
766 agency and has been prepared in the format specified by the  
767 agency, and otherwise conforms to applicable rule or Florida  
768 Hospital Uniform Reporting System manual requirements regarding  
769 reports in effect at the time such report was submitted, and the  
770 data are mathematically reasonable and accurate.

771 (2) "Adjusted admission" means the sum of acute and  
772 intensive care admissions divided by the ratio of inpatient  
773 revenues generated from acute, intensive, ambulatory, and  
774 ancillary patient services to gross revenues. If a hospital  
775 reports only subacute admissions, then "adjusted admission"

776 means the sum of subacute admissions divided by the ratio of  
777 total inpatient revenues to gross revenues.

778 (3) "Agency" means the Agency for Health Care  
779 Administration.

780 (4) "Alcohol or chemical dependency treatment center"  
781 means an organization licensed under chapter 397.

782 (5) "Ambulatory care center" means an organization which  
783 employs or contracts with licensed health care professionals to  
784 provide diagnosis or treatment services predominantly on a walk-  
785 in basis and the organization holds itself out as providing care  
786 on a walk-in basis. Such an organization is not an ambulatory  
787 care center if it is wholly owned and operated by five or fewer  
788 health care providers.

789 (6) "Ambulatory surgical center" means a facility licensed  
790 as an ambulatory surgical center under chapter 395.

791 (7) "Audited actual data" means information contained  
792 within financial statements examined by an independent, Florida-  
793 licensed, certified public accountant in accordance with  
794 generally accepted auditing standards, but does not include data  
795 within a financial statement about which the certified public  
796 accountant does not express an opinion or issues a disclaimer.

797 (8) "Birth center" means an organization licensed under s.  
798 383.305.

799 (9) "Cardiac catheterization laboratory" means a  
800 freestanding facility that employs or contracts with licensed

801 health care professionals to provide diagnostic or therapeutic  
802 services for cardiac conditions such as cardiac catheterization  
803 or balloon angioplasty.

804 (10) "Case mix" means a calculated index for each health  
805 care facility or health care provider, based on patient data,  
806 reflecting the relative costliness of the mix of cases to that  
807 facility or provider compared to a state or national mix of  
808 cases.

809 (11) "Clinical laboratory" means a facility licensed under  
810 s. 483.091, excluding: any hospital laboratory defined under s.  
811 483.041(6); any clinical laboratory operated by the state or a  
812 political subdivision of the state; any blood or tissue bank  
813 where the majority of revenues are received from the sale of  
814 blood or tissue and where blood, plasma, or tissue is procured  
815 from volunteer donors and donated, processed, stored, or  
816 distributed on a nonprofit basis; and any clinical laboratory  
817 which is wholly owned and operated by physicians who are  
818 licensed pursuant to chapter 458 or chapter 459 and who practice  
819 in the same group practice, and at which no clinical laboratory  
820 work is performed for patients referred by any health care  
821 provider who is not a member of that same group practice.

822 (12) "Comprehensive rehabilitative hospital" or  
823 "rehabilitative hospital" means a hospital licensed by the  
824 agency as a specialty hospital as defined in s. 395.002;  
825 provided that the hospital provides a program of comprehensive

826 | medical rehabilitative services and is designed, equipped,  
827 | organized, and operated solely to deliver comprehensive medical  
828 | rehabilitative services, and further provided that all licensed  
829 | beds in the hospital are classified as "comprehensive  
830 | rehabilitative beds" pursuant to s. 395.003(4), and are not  
831 | classified as "general beds."

832 |       (13) "Consumer" means any person other than a person who  
833 | administers health activities, is a member of the governing body  
834 | of a health care facility, provides health services, has a  
835 | fiduciary interest in a health facility or other health agency  
836 | or its affiliated entities, or has a material financial interest  
837 | in the rendering of health services.

838 |       (14) "Continuing care facility" means a facility licensed  
839 | under chapter 651.

840 |       (15) "Critical access hospital" means a hospital that  
841 | meets the definition of "critical access hospital" in s.  
842 | 1861(mm)(1) of the Social Security Act and that is certified by  
843 | the Secretary of Health and Human Services as a critical access  
844 | hospital.

845 |       (16) "Cross-subsidization" means that the revenues from  
846 | one type of hospital service are sufficiently higher than the  
847 | costs of providing such service as to offset some of the costs  
848 | of providing another type of service in the hospital. Cross-  
849 | subsidization results from the lack of a direct relationship  
850 | between charges and the costs of providing a particular hospital

851 service or type of service.

852 (17) "Deductions from gross revenue" or "deductions from  
853 revenue" means reductions from gross revenue resulting from  
854 inability to collect payment of charges. For hospitals, such  
855 reductions include contractual adjustments; uncompensated care;  
856 administrative, courtesy, and policy discounts and adjustments;  
857 and other such revenue deductions, but also includes the offset  
858 of restricted donations and grants for indigent care.

859 (18) "Diagnostic-imaging center" means a freestanding  
860 outpatient facility that provides specialized services for the  
861 diagnosis of a disease by examination and also provides  
862 radiological services. Such a facility is not a diagnostic-  
863 imaging center if it is wholly owned and operated by physicians  
864 who are licensed pursuant to chapter 458 or chapter 459 and who  
865 practice in the same group practice and no diagnostic-imaging  
866 work is performed at such facility for patients referred by any  
867 health care provider who is not a member of that same group  
868 practice.

869 (19) "FHURS" means the Florida Hospital Uniform Reporting  
870 System developed by the agency.

871 (20) "Freestanding" means that a health facility bills and  
872 receives revenue which is not directly subject to the hospital  
873 assessment for the Public Medical Assistance Trust Fund as  
874 described in s. 395.701.

875 (21) "Freestanding radiation therapy center" means a

876 facility where treatment is provided through the use of  
877 radiation therapy machines that are registered under s. 404.22  
878 and the provisions of the Florida Administrative Code  
879 implementing s. 404.22. Such a facility is not a freestanding  
880 radiation therapy center if it is wholly owned and operated by  
881 physicians licensed pursuant to chapter 458 or chapter 459 who  
882 practice within the specialty of diagnostic or therapeutic  
883 radiology.

884 (22) "GRAA" means gross revenue per adjusted admission.

885 (23) "Gross revenue" means the sum of daily hospital  
886 service charges, ambulatory service charges, ancillary service  
887 charges, and other operating revenue. Gross revenues do not  
888 include contributions, donations, legacies, or bequests made to  
889 a hospital without restriction by the donors.

890 (24) "Health care facility" means an ambulatory surgical  
891 center, a hospice, a nursing home, a hospital, a diagnostic-  
892 imaging center, a freestanding or hospital-based therapy center,  
893 a clinical laboratory, a home health agency, a cardiac  
894 catheterization laboratory, a medical equipment supplier, an  
895 alcohol or chemical dependency treatment center, a physical  
896 rehabilitation center, a lithotripsy center, an ambulatory care  
897 center, a birth center, or a nursing home component licensed  
898 under chapter 400 within a continuing care facility licensed  
899 under chapter 651.

900 (25) "Health care provider" means a health care

901 professional licensed under chapter 458, chapter 459, chapter  
902 460, chapter 461, chapter 463, chapter 464, chapter 465, chapter  
903 466, part I, part III, part IV, part V, or part X of chapter  
904 468, chapter 483, chapter 484, chapter 486, chapter 490, or  
905 chapter 491.

906 (26) "Health care purchaser" means an employer in the  
907 state, other than a health care facility, health insurer, or  
908 health care provider, who provides health care coverage for her  
909 or his employees.

910 (27) "Health insurer" means any insurance company  
911 authorized to transact health insurance in the state, any  
912 insurance company authorized to transact health insurance or  
913 casualty insurance in the state that is offering a minimum  
914 premium plan or stop-loss coverage for any person or entity  
915 providing health care benefits, any self-insurance plan as  
916 defined in s. 624.031, any health maintenance organization  
917 authorized to transact business in the state pursuant to part I  
918 of chapter 641, any prepaid health clinic authorized to transact  
919 business in the state pursuant to part II of chapter 641, any  
920 multiple-employer welfare arrangement authorized to transact  
921 business in the state pursuant to ss. 624.436-624.45, or any  
922 fraternal benefit society providing health benefits to its  
923 members as authorized pursuant to chapter 632.

924 (28) "Home health agency" means an organization licensed  
925 under part III of chapter 400.

926 (29) "Hospice" means an organization licensed under part  
 927 IV of chapter 400.

928 (30) "Hospital" means a health care institution licensed  
 929 by the Agency for Health Care Administration as a hospital under  
 930 chapter 395.

931 (31) "Lithotripsy center" means a freestanding facility  
 932 that employs or contracts with licensed health care  
 933 professionals to provide diagnosis or treatment services using  
 934 electro-hydraulic shock waves.

935 (32) "Local health council" means the agency defined in s.  
 936 381.4066 ~~408.033~~.

937 (33) "Market basket index" means the Florida hospital  
 938 input price index (FHIPI), which is a statewide market basket  
 939 index used to measure inflation in hospital input prices  
 940 weighted for the Florida-specific experience which uses  
 941 multistate regional and state-specific price measures, when  
 942 available. The index shall be constructed in the same manner as  
 943 the index employed by the Secretary of the United States  
 944 Department of Health and Human Services for determining the  
 945 inflation in hospital input prices for purposes of Medicare  
 946 reimbursement.

947 (34) "Medical equipment supplier" means an organization  
 948 that provides medical equipment and supplies used by health care  
 949 providers and health care facilities in the diagnosis or  
 950 treatment of disease.

951 (35) "Net revenue" means gross revenue minus deductions  
 952 from revenue.

953 (36) "New hospital" means a hospital in its initial year  
 954 of operation as a licensed hospital and does not include any  
 955 facility which has been in existence as a licensed hospital,  
 956 regardless of changes in ownership, for over 1 calendar year.

957 (37) "Nursing home" means a facility licensed under s.  
 958 400.062 or, for resident level and financial data collection  
 959 purposes only, any institution licensed under chapter 395 and  
 960 which has a Medicare or Medicaid certified distinct part used  
 961 for skilled nursing home care, but does not include a facility  
 962 licensed under chapter 651.

963 (38) "Operating expenses" means total expenses excluding  
 964 income taxes.

965 (39) "Other operating revenue" means all revenue generated  
 966 from hospital operations other than revenue directly associated  
 967 with patient care.

968 (40) "Physical rehabilitation center" means an  
 969 organization that employs or contracts with health care  
 970 professionals licensed under part I or part III of chapter 468  
 971 or chapter 486 to provide speech, occupational, or physical  
 972 therapy services on an outpatient or ambulatory basis.

973 (41) "Prospective payment arrangement" means a financial  
 974 agreement negotiated between a hospital and an insurer, health  
 975 maintenance organization, preferred provider organization, or

976 other third-party payor which contains, at a minimum, the  
977 elements provided for in s. 408.50.

978 (42) "Rate of return" means the financial indicators used  
979 to determine or demonstrate reasonableness of the financial  
980 requirements of a hospital. Such indicators shall include, but  
981 not be limited to: return on assets, return on equity, total  
982 margin, and debt service coverage.

983 (43) "Rural hospital" means an acute care hospital  
984 licensed under chapter 395, having 100 or fewer licensed beds  
985 and an emergency room, and which is:

986 (a) The sole provider within a county with a population  
987 density of no greater than 100 persons per square mile;

988 (b) An acute care hospital, in a county with a population  
989 density of no greater than 100 persons per square mile, which is  
990 at least 30 minutes of travel time, on normally traveled roads  
991 under normal traffic conditions, from another acute care  
992 hospital within the same county;

993 (c) A hospital supported by a tax district or subdistrict  
994 whose boundaries encompass a population of 100 persons or fewer  
995 per square mile;

996 (d) A hospital with a service area that has a population  
997 of 100 persons or fewer per square mile. As used in this  
998 paragraph, the term "service area" means the fewest number of  
999 zip codes that account for 75 percent of the hospital's  
1000 discharges for the most recent 5-year period, based on

1001 information available from the hospital inpatient discharge  
 1002 database in the Florida Center for Health Information and  
 1003 Transparency at the Agency for Health Care Administration; or  
 1004 (e) A critical access hospital.

1005  
 1006 Population densities used in this subsection must be based upon  
 1007 the most recently completed United States census. A hospital  
 1008 that received funds under s. 409.9116 for a quarter beginning no  
 1009 later than July 1, 2002, is deemed to have been and shall  
 1010 continue to be a rural hospital from that date through June 30,  
 1011 2015, if the hospital continues to have 100 or fewer licensed  
 1012 beds and an emergency room. An acute care hospital that has not  
 1013 previously been designated as a rural hospital and that meets  
 1014 the criteria of this subsection shall be granted such  
 1015 designation upon application, including supporting  
 1016 documentation, to the Agency for Health Care Administration.

1017 (44) "Special study" means a nonrecurring data-gathering  
 1018 and analysis effort designed to aid the agency in meeting its  
 1019 responsibilities pursuant to this chapter.

1020 (45) "Teaching hospital" means any Florida hospital  
 1021 officially affiliated with an accredited Florida medical school  
 1022 which exhibits activity in the area of graduate medical  
 1023 education as reflected by at least seven different graduate  
 1024 medical education programs accredited by the Accreditation  
 1025 Council for Graduate Medical Education or the Council on

1026 Postdoctoral Training of the American Osteopathic Association  
1027 and the presence of 100 or more full-time equivalent resident  
1028 physicians. The Director of the Agency for Health Care  
1029 Administration shall be responsible for determining which  
1030 hospitals meet this definition.

1031 Section 40. Subsection (6) of section 408.806, Florida  
1032 Statutes, is amended to read:

1033 408.806 License application process.—

1034 (6) ~~The agency may not issue an initial license to a~~  
1035 ~~health care provider subject to the certificate of need~~  
1036 ~~provisions in part I of this chapter if the licensee has not~~  
1037 ~~been issued a certificate of need or certificate of need~~  
1038 ~~exemption, when applicable.~~ Failure to apply for the renewal of  
1039 a license prior to the expiration date renders the license void.

1040 Section 41. Subsection (3) of section 408.808, Florida  
1041 Statutes, is amended to read:

1042 408.808 License categories.—

1043 (3) INACTIVE LICENSE.—An inactive license may be issued to  
1044 a hospital, nursing home, intermediate care facility for the  
1045 developmentally disabled, or ambulatory surgical center ~~health~~  
1046 ~~care provider subject to the certificate of need provisions in~~  
1047 ~~part I of this chapter~~ when the provider is currently licensed,  
1048 does not have a provisional license, and will be temporarily  
1049 unable to provide services due to construction or renovation but  
1050 is reasonably expected to resume services within 12 months.

1051 Before an inactive license will be issued, the licensee must  
1052 have plans approved by the agency. Such designation may be made  
1053 for a period not to exceed 12 months but may be renewed by the  
1054 agency for up to 12 additional months upon demonstration by the  
1055 licensee of the provider's progress toward reopening. ~~However,~~  
1056 ~~if after 20 months in an inactive license status, a statutory~~  
1057 ~~rural hospital, as defined in s. 395.602, has demonstrated~~  
1058 ~~progress toward reopening, but may not be able to reopen prior~~  
1059 ~~to the inactive license expiration date, the inactive~~  
1060 ~~designation may be renewed again by the agency for up to 12~~  
1061 ~~additional months.~~ For purposes of such a second renewal, ~~if~~  
1062 ~~construction or renovation is required, the licensee must have~~  
1063 ~~had plans approved by the agency and construction must have~~  
1064 ~~already commenced and pursuant to s. 408.032(4); however, if~~  
1065 ~~construction or renovation is not required, the licensee must~~  
1066 provide proof of having made an enforceable capital expenditure  
1067 greater than 25 percent of the total costs associated with the  
1068 construction or renovation ~~hiring of staff and the purchase of~~  
1069 ~~equipment and supplies needed to operate the facility upon~~  
1070 ~~opening.~~ A request by a licensee for an inactive license or to  
1071 extend the previously approved inactive period must be submitted  
1072 to the agency and must include a written justification for the  
1073 inactive license with the beginning and ending dates of  
1074 inactivity specified, a plan for the transfer of any clients to  
1075 other providers, and the appropriate licensure fees. The agency

1076 may not accept a request that is submitted after initiating  
1077 closure, after any suspension of service, or after notifying  
1078 clients of closure or suspension of service, unless the action  
1079 is a result of a disaster at the licensed premises. For the  
1080 purposes of this section, the term "disaster" means a sudden  
1081 emergency occurrence beyond the control of the licensee, whether  
1082 natural, technological, or manmade, which renders the provider  
1083 inoperable at the premises. Upon agency approval, the provider  
1084 shall notify clients of any necessary discharge or transfer as  
1085 required by authorizing statutes or applicable rules. The  
1086 beginning of the inactive license period is the date the  
1087 provider ceases operations. The end of the inactive license  
1088 period shall become the license expiration date. All licensure  
1089 fees must be current, must be paid in full, and may be prorated.  
1090 Reactivation of an inactive license requires the approval of a  
1091 renewal application, including payment of licensure fees and  
1092 agency inspections indicating compliance with all requirements  
1093 of this part, authorizing statutes, and applicable rules.

1094 Section 42. Subsection (10) of section 408.810, Florida  
1095 Statutes, is amended to read:

1096 408.810 Minimum licensure requirements.—In addition to the  
1097 licensure requirements specified in this part, authorizing  
1098 statutes, and applicable rules, each applicant and licensee must  
1099 comply with the requirements of this section in order to obtain  
1100 and maintain a license.

1101       ~~(10) The agency may not issue a license to a health care~~  
1102 ~~provider subject to the certificate of need provisions in part I~~  
1103 ~~of this chapter if the health care provider has not been issued~~  
1104 ~~a certificate of need or an exemption. Upon initial licensure of~~  
1105 ~~any such provider, the authorization contained in the~~  
1106 ~~certificate of need shall be considered fully implemented and~~  
1107 ~~merged into the license and shall have no force and effect upon~~  
1108 ~~termination of the license for any reason.~~

1109       Section 43. Section 408.820, Florida Statutes, is amended  
1110 to read:

1111       408.820 Exemptions.—Except as prescribed in authorizing  
1112 statutes, the following exemptions shall apply to specified  
1113 requirements of this part:

1114       (1) Laboratories authorized to perform testing under the  
1115 Drug-Free Workplace Act, as provided under ss. 112.0455 and  
1116 440.102, are exempt from s. 408.810(5)-(9) ~~408.810(5)-(10)~~.

1117       (2) Birth centers, as provided under chapter 383, are  
1118 exempt from s. 408.810(7)-(9) ~~408.810(7)-(10)~~.

1119       (3) Abortion clinics, as provided under chapter 390, are  
1120 exempt from s. 408.810(7)-(9) ~~408.810(7)-(10)~~.

1121       (4) Crisis stabilization units, as provided under parts I  
1122 and IV of chapter 394, are exempt from s. 408.810(8) and (9)  
1123 ~~408.810(8)-(10)~~.

1124       (5) Short-term residential treatment facilities, as  
1125 provided under parts I and IV of chapter 394, are exempt from s.

1126 | 408.810(8) and (9) ~~408.810(8)-(10)~~.

1127 |       (6) Residential treatment facilities, as provided under

1128 | part IV of chapter 394, are exempt from s. 408.810(8) and (9)

1129 | ~~408.810(8)-(10)~~.

1130 |       (7) Residential treatment centers for children and

1131 | adolescents, as provided under part IV of chapter 394, are

1132 | exempt from s. 408.810(8) and (9) ~~408.810(8)-(10)~~.

1133 |       (8) Hospitals, as provided under part I of chapter 395,

1134 | are exempt from s. 408.810(7)-(9).

1135 |       (9) Ambulatory surgical centers, as provided under part I

1136 | of chapter 395, are exempt from s. 408.810(7)-(9) ~~408.810(7)-~~

1137 | ~~(10)~~.

1138 |       (10) Mobile surgical facilities, as provided under part I

1139 | of chapter 395, are exempt from s. 408.810(7)-(9) ~~408.810(7)-~~

1140 | ~~(10)~~.

1141 |       (11) Health care risk managers, as provided under part I

1142 | of chapter 395, are exempt from ss. 408.806(7), 408.810(4)-(9)

1143 | ~~408.810(4)-(10)~~, and 408.811.

1144 |       (12) Nursing homes, as provided under part II of chapter

1145 | 400, are exempt from ss. 408.810(7) and 408.813(2).

1146 |       ~~(13) Assisted living facilities, as provided under part I~~

1147 | ~~of chapter 429, are exempt from s. 408.810(10).~~

1148 |       ~~(14) Home health agencies, as provided under part III of~~

1149 | ~~chapter 400, are exempt from s. 408.810(10).~~

1150 |       (13) ~~(15)~~ Nurse registries, as provided under part III of

1151 chapter 400, are exempt from s. 408.810(6) ~~and (10)~~.

1152 (14)~~(16)~~ Companion services or homemaker services

1153 providers, as provided under part III of chapter 400, are exempt

1154 from s. 408.810(6)-(9) ~~408.810(6)-(10)~~.

1155 ~~(17) Adult day care centers, as provided under part III of~~

1156 ~~chapter 429, are exempt from s. 408.810(10)~~.

1157 (15)~~(18)~~ Adult family-care homes, as provided under part

1158 II of chapter 429, are exempt from s. 408.810(7)-(9) ~~408.810(7)-~~

1159 ~~(10)~~.

1160 (16)~~(19)~~ Homes for special services, as provided under

1161 part V of chapter 400, are exempt from s. 408.810(7)-(9)

1162 ~~408.810(7)-(10)~~.

1163 ~~(20) Transitional living facilities, as provided under~~

1164 ~~part XI of chapter 400, are exempt from s. 408.810(10)~~.

1165 ~~(21) Prescribed pediatric extended care centers, as~~

1166 ~~provided under part VI of chapter 400, are exempt from s.~~

1167 ~~408.810(10)~~.

1168 ~~(22) Home medical equipment providers, as provided under~~

1169 ~~part VII of chapter 400, are exempt from s. 408.810(10)~~.

1170 (17)~~(23)~~ Intermediate care facilities for persons with

1171 developmental disabilities, as provided under part VIII of

1172 chapter 400, are exempt from s. 408.810(7).

1173 (18)~~(24)~~ Health care services pools, as provided under

1174 part IX of chapter 400, are exempt from s. 408.810(6)-(9)

1175 ~~408.810(6)-(10)~~.

1176        (19)~~(25)~~ Health care clinics, as provided under part X of  
 1177 chapter 400, are exempt from s. 408.810(6) and~~(7)~~, ~~and (10)~~.

1178        (20)~~(26)~~ Clinical laboratories, as provided under part I  
 1179 of chapter 483, are exempt from s. 408.810(5)-(9) ~~408.810(5)-~~  
 1180 ~~(10)~~.

1181        (21)~~(27)~~ Multiphasic health testing centers, as provided  
 1182 under part II of chapter 483, are exempt from s. 408.810(5)-(9)  
 1183 ~~408.810(5)-(10)~~.

1184        (22)~~(28)~~ Organ, tissue, and eye procurement organizations,  
 1185 as provided under part V of chapter 765, are exempt from s.  
 1186 408.810(5)-(9) ~~408.810(5)-(10)~~.

1187        Section 44. Subsection (6) of section 409.9116, Florida  
 1188 Statutes, is amended to read:

1189        409.9116 Disproportionate share/financial assistance  
 1190 program for rural hospitals.—In addition to the payments made  
 1191 under s. 409.911, the Agency for Health Care Administration  
 1192 shall administer a federally matched disproportionate share  
 1193 program and a state-funded financial assistance program for  
 1194 statutory rural hospitals. The agency shall make  
 1195 disproportionate share payments to statutory rural hospitals  
 1196 that qualify for such payments and financial assistance payments  
 1197 to statutory rural hospitals that do not qualify for  
 1198 disproportionate share payments. The disproportionate share  
 1199 program payments shall be limited by and conform with federal  
 1200 requirements. Funds shall be distributed quarterly in each

1201 fiscal year for which an appropriation is made. Notwithstanding  
 1202 the provisions of s. 409.915, counties are exempt from  
 1203 contributing toward the cost of this special reimbursement for  
 1204 hospitals serving a disproportionate share of low-income  
 1205 patients.

1206 (6) This section applies only to hospitals that were  
 1207 defined as statutory rural hospitals, or their successor-in-  
 1208 interest hospital, prior to January 1, 2001. Any additional  
 1209 hospital that is defined as a statutory rural hospital, or its  
 1210 successor-in-interest hospital, on or after January 1, 2001, is  
 1211 not eligible for programs under this section unless additional  
 1212 funds are appropriated each fiscal year specifically to the  
 1213 rural hospital disproportionate share and financial assistance  
 1214 programs in an amount necessary to prevent any hospital, or its  
 1215 successor-in-interest hospital, eligible for the programs prior  
 1216 to January 1, 2001, from incurring a reduction in payments  
 1217 because of the eligibility of an additional hospital to  
 1218 participate in the programs. A hospital, or its successor-in-  
 1219 interest hospital, which received funds pursuant to this section  
 1220 before January 1, 2001, and which qualifies under s.  
 1221 395.602(2)(b) ~~395.602(2)(e)~~, shall be included in the programs  
 1222 under this section and is not required to seek additional  
 1223 appropriations under this subsection.

1224 Section 45. Paragraph (c) of subsection (1) of section  
 1225 641.60, Florida Statutes, is amended to read:

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1226 | 641.60 Statewide Managed Care Ombudsman Committee.—  
 1227 | (1) As used in ss. 641.60-641.75:  
 1228 | (c) "District" means one of the health service planning  
 1229 | districts as defined in s. 381.4066 ~~408.032~~.  
 1230 | Section 46. Section 651.118, Florida Statutes, is  
 1231 | repealed.  
 1232 | Section 47. Paragraph (b) of subsection (2) of section  
 1233 | 1009.65, Florida Statutes, is amended to read:  
 1234 | 1009.65 Medical Education Reimbursement and Loan Repayment  
 1235 | Program.—  
 1236 | (2) From the funds available, the Department of Health  
 1237 | shall make payments to selected medical professionals as  
 1238 | follows:  
 1239 | (b) All payments shall be contingent on continued proof of  
 1240 | primary care practice in an area defined in s. 395.602(2)(b)  
 1241 | ~~395.602(2)(c)~~, or an underserved area designated by the  
 1242 | Department of Health, provided the practitioner accepts Medicaid  
 1243 | reimbursement if eligible for such reimbursement. Correctional  
 1244 | facilities, state hospitals, and other state institutions that  
 1245 | employ medical personnel shall be designated by the Department  
 1246 | of Health as underserved locations. Locations with high  
 1247 | incidences of infant mortality, high morbidity, or low Medicaid  
 1248 | participation by health care professionals may be designated as  
 1249 | underserved.  
 1250 | Section 48. This act shall take effect July 1, 2017.