

1 A bill to be entitled
 2 An act relating to hospital or group practice mergers,
 3 acquisitions, and other transactions; creating s.
 4 542.275; providing definitions; requiring that a
 5 hospital submit specified information to the Office of
 6 the Attorney General of certain hospital or group
 7 practice mergers, acquisitions, and other transactions
 8 in certain timeframes; providing requirements for such
 9 notice; requiring the Attorney General to submit
 10 biennial reports to the Legislature; establishing a
 11 penalty; providing an effective date.

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 13 Be It Enacted by the Legislature of the State of Florida:

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 15 Section 1. Section 542.275, Florida Statutes, is created
 16 to read:

17 542.275 Notice of certain hospital or group practice
 18 acquisitions; reporting.-

19 (1) As used in this section, the term:

20 (a) "Affiliation" means a relationship between two or more
 21 entities that allows the entities to jointly negotiate with one
 22 or more other parties over professional medical services or
 23 reduces the primary service area in which at least one of the
 24 entities provides professional medical services.

25 (b) "Group practice" has the same meaning as provided in

26 | s. 456.053.

27 | (c) "Hospital" has the same meaning as provided in s.

28 | 395.002.

29 | (d) "Material change" means:

30 | 1. A merger, consolidation, or affiliation;

31 | 2. The employment of all or substantially all of the

32 | physicians of a group practice; or

33 | 3. The acquisition of all or substantially all of:

34 | a. The properties and assets of a group practice;

35 | b. The capital stock, membership interests, or other

36 | equity interests of a group practice; or

37 | c. One or more insolvent group practices.

38 | (e) "Primary service area" means the fewest number of zip

39 | codes that account for 75 percent of the patients for a

40 | hospital, hospital system, or group practice in the 5 years

41 | before a written notice submitted under this section.

42 | (2) A person conducting business in this state who files a

43 | merger, acquisition, or any other information relating to market

44 | concentration in this state with the Federal Trade Commission or

45 | the United States Department of Justice, in compliance with the

46 | Hart-Scott-Rodino Antitrust Improvement Act, 15 U.S.C. s. 18(a),

47 | where a hospital, hospital system, or group practice is a party

48 | to the merger or acquisition shall provide written notice of

49 | such filing to the Attorney General. Upon receipt of a civil

50 | investigative demand under s. 542.28, the person shall provide a

51 complete copy of the filing and any other materials subsequently
52 produced to the Federal Trade Commission or the United States
53 Department of Justice. The Attorney General may request
54 additional information.

55 (3) At least 90 days before the effective date of any
56 transaction involving a group practice, hospital, or hospital
57 system that results in a material change to another group
58 practice of four or more physicians, the group practice,
59 hospital, or hospital system shall submit written notice to the
60 Attorney General of such material change.

61 (4) The written notice required under subsections (2) and
62 (3) shall include:

63 (a) A description of the proposed relationship among the
64 parties to the proposed transaction.

65 (b) The name, license number, and specialty of each
66 physician in the group practice that is the subject of the
67 proposed transaction.

68 (c) The name of each business entity that will provide
69 services following the effective date of the transaction.

70 (d) The address for each location where such services are
71 to be provided.

72 (e) A description of services to be provided at each
73 location.

74 (f) The primary service area to be served by each
75 location.

76 (g) A description of any prior material change occurring
77 in the 5 years before the date of the notice, including the
78 primary service area and any change to the primary service area
79 as a result of each prior material change.

80 (5) At least 90 days before the effective date of any
81 transaction that results in an affiliation between a hospital or
82 hospital system and any other hospital or hospital system, each
83 party to the affiliation shall submit written notice to the
84 Attorney General of such proposed affiliation, to include:

85 (a) A description of the proposed relationship among the
86 parties to the proposed affiliation.

87 (b) The name of each business entity that will provide
88 services following the effective date of the affiliation.

89 (c) The address for each location where such services are
90 to be provided.

91 (d) A description of services to be provided at each
92 location.

93 (e) The primary service area to be served by each
94 location.

95 (6) When submitting written notice under subsections (3)
96 or (5), the group practice, hospital, or hospital system shall
97 identify any information that is a trade secret as defined in s.
98 688.002. Upon receipt of a written notice submitted under
99 subsections (3) or (5), the Attorney General may request
100 additional information or issue a civil investigative demand

101 under s. 542.28.

102 (7) The Attorney General shall submit a report to the
103 President of the Senate and the Speaker of the House of
104 Representatives by January 1, 2020, and every 2 years
105 thereafter, regarding its activities under this section.

106 (8) A person who fails to comply with this section is
107 subject to a civil penalty of not more than \$500,000, which
108 shall be deposited in the Legal Affairs Revolving Trust Fund
109 under s. 16.53(1), for enforcement of state or federal antitrust
110 laws.

111 Section 2. This act shall take effect July 1, 2019.