

26 to read:

27 542.275 Hospital, hospital system, or provider
28 organization mergers, acquisitions, and other transactions;
29 notice; reporting; penalty.-

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

31 (a) "Acquisition" means an agreement, arrangement, or
32 activity which results in a hospital, hospital system, or
33 provider organization, directly or indirectly, obtaining control
34 of another hospital, hospital system, or provider organization,
35 including, but not limited to, the acquisition of voting
36 securities and noncorporate interests, such as assets, capitol
37 stock, membership interests, or equity interests.

38 (b) "Contracting affiliation" means a relationship between
39 two or more entities wherein the entities have the ability to
40 negotiate jointly with payors over rates for health care
41 services, or one entity negotiates on behalf of the other entity
42 with payors over rates for professional medical services in the
43 primary service area in which the entities operate. The term
44 does not include arrangements among entities under common
45 ownership.

46 (c) "Health care provider" means a physician licensed
47 under chapter 458, chapter 459, chapter 460, or chapter 461, or
48 a person licensed under chapter 463 or a dentist licensed under
49 chapter 466.

50 (d) "Hospital" has the same meaning as provided in s.

51 395.002.

52 (e) "Hospital system" means:

53 1. A corporation that owns one or more hospitals and any
 54 entity affiliated with such corporation through ownership or
 55 control; or

56 2. A hospital and any entity affiliated with such hospital
 57 through ownership.

58 (f) "Material change" means a merger, acquisition, or
 59 contracting affiliation that generates a combined revenue of \$50
 60 million or more between two or more entities of the following
 61 types:

- 62 1. Hospitals;
- 63 2. Hospital systems; or
- 64 3. Provider organizations.

65 (g) "Payor" means any entity or person that negotiates or
 66 assumes financial responsibility for a defined set of benefits
 67 from a health insurance plan or health insurance program. The
 68 term includes, but is not limited to, federal, state, and local
 69 governmental entities or agencies; affiliates; health insurance
 70 companies; health maintenance organizations; insurers; nonprofit
 71 religious organizations; persons; preferred provider
 72 organizations; prepaid limited health service organizations; and
 73 third-party administrators.

74 (h) "Primary service area" means the geographic area
 75 measured by the fewest number of zip codes from which the

76 hospital, hospital system, or provider organization draws at
77 least 75 percent of its patients.

78 (i) "Provider organization" means a corporation,
79 partnership, business trust, association, or organized group of
80 persons, whether incorporated or not, which is in the business
81 of health care services and represents four or more health care
82 providers in contracting with payors for the payments of health
83 care services. The term includes, but is not limited to,
84 physician organizations, physician-hospital organizations,
85 independent practice associations, provider networks, and
86 accountable care organizations.

87 (2) (a) Any hospital, hospital system, or provider
88 organization conducting business in this state which is required
89 to file the Notification and Report Form for Certain Mergers and
90 Acquisitions pursuant to the Hart-Scott-Rodino Antitrust
91 Improvements Act, 15 U.S.C. s. 18a(a), shall provide written
92 notice of such filing to the Office of the Attorney General at
93 the same time that notice is filed with the Federal Government.

94 (b) Except when notice is required pursuant to paragraph
95 (a), at least 90 days before the effective date of any
96 transaction that would result in a material change, the parties
97 to the transaction shall submit written notice to the Office of
98 the Attorney General of such material change. Such written
99 notice must identify all acquisitions that occurred during the 5
100 years preceding the date of the notice.

101 (c) The written notice required under paragraphs (a) and
102 (b) shall include all of the following:

103 1. The names of the parties and their current business
104 addresses.

105 2. A description of the proposed relationship among the
106 parties to the proposed transaction.

107 3. A description of the health care services at each
108 location at which services are currently provided and at any
109 locations at which health care services will be provided.

110 4. The primary service area to be served by each location.

111 (d) Any written notice required under this subsection
112 shall identify any information that the hospital, hospital
113 system, or provider organization deems a trade secret, as
114 defined in s. 688.002, or exempt from public records laws
115 pursuant to any other statutory exemption.

116 (e) Upon receipt of any written notice submitted pursuant
117 to this subsection, the Office of the Attorney General may
118 request additional information or issue a civil investigative
119 demand under s. 542.28.

120 (f) A hospital, hospital system, or provider organization
121 who is a party to a material change may voluntarily provide
122 additional information to the office.

123 (3) Beginning January 1, 2021, the Office of the Attorney
124 General shall submit a biennial report to the President of the
125 Senate and the Speaker of the House of Representatives regarding

126 its review of transactions under this section.

127 (4) A hospital, hospital system, or provider organization
128 that fails to comply with this section is subject to a civil
129 penalty of not more than \$500,000, which shall be deposited into
130 the Legal Affairs Revolving Trust Fund created under s.
131 16.53(1).

132 Section 2. In any review authorized under this act, the
133 Office of the Attorney General may engage the services of
134 consultants, experts, accountants, economists, analysts, and
135 other assistants. When the review of a transaction is completed,
136 the reasonable expenses related to such services shall be paid
137 by the parties to the transaction.

138 Section 3. For the 2020-2021 fiscal year, 12 full-time
139 equivalent positions with associated salary rate of 629,382 are
140 authorized and the sums of \$1,295,718 in recurring funds and
141 \$48,284 in nonrecurring funds from the General Revenue Fund are
142 appropriated to the Department of Legal Affairs for the purpose
143 of implementing s. 542.275, Florida Statutes.

144 Section 4. This act shall take effect July 1, 2020.