

By Senator Simon

3-00959-24

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1                                   A bill to be entitled  
2       An act relating to rural hospitals; amending s.  
3       395.002, F.S.; revising the definition of the term  
4       "hospital"; amending s. 395.602, F.S.; defining the  
5       term "rural emergency hospital"; revising the  
6       definition of the term "rural hospital"; specifying  
7       eligibility requirements for licensure of rural  
8       emergency hospitals; authorizing rural emergency  
9       hospitals to enter into any contracts required for  
10      certain federal reimbursement; authorizing the Agency  
11      for Health Care Administration to seek federal  
12      approval to provide Medicaid reimbursements to  
13      licensed rural emergency hospitals; amending s.  
14      395.0163, F.S.; requiring facilities that are to be  
15      licensed as rural emergency hospitals to submit  
16      certain construction plans and specifications to the  
17      agency; deleting obsolete language; creating ss.  
18      627.6051, 627.6614, and 641.31078, F.S.; requiring  
19      that individual health insurance policies, group  
20      health insurance policies, and health maintenance  
21      contracts, respectively, issued in this state on or  
22      after a specified date provide coverage for services  
23      performed in rural emergency hospitals under certain  
24      conditions; amending ss. 409.9116 and 1009.65, F.S.;  
25      conforming cross-references; providing an effective  
26      date.

27  
28   Be It Enacted by the Legislature of the State of Florida:  
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3-00959-24

2024644\_\_

30 Section 1. Subsection (12) of section 395.002, Florida  
31 Statutes, is amended to read:

32 395.002 Definitions.—As used in this chapter:

33 (12) "Hospital" means any establishment that:

34 (a) Offers services more intensive than those required for  
35 room, board, personal services, and general nursing care, and  
36 offers facilities and beds for use beyond 24 hours by  
37 individuals requiring diagnosis, treatment, or care for illness,  
38 injury, deformity, infirmity, abnormality, disease, or  
39 pregnancy; and

40 (b) Regularly makes available at least clinical laboratory  
41 services, diagnostic X-ray services, and treatment facilities  
42 for surgery or obstetrical care, or other definitive medical  
43 treatment of similar extent, except that a critical access  
44 hospital, as defined in s. 408.07, shall not be required to make  
45 available treatment facilities for surgery, obstetrical care, or  
46 similar services as long as it maintains its critical access  
47 hospital designation and shall be required to make such  
48 facilities available only if it ceases to be designated as a  
49 critical access hospital; or

50 (c) Is licensed as a rural emergency hospital under s.  
51 395.602.

52  
53 However, ~~the provisions of~~ this chapter does ~~de~~ not apply to any  
54 institution conducted by or for the adherents of any well-  
55 recognized church or religious denomination that depends  
56 exclusively upon prayer or spiritual means to heal, care for, or  
57 treat any person. For purposes of local zoning matters, the term  
58 "hospital" includes a medical office building located on the

3-00959-24

2024644\_\_

59 same premises as a hospital facility, provided the land on which  
60 the medical office building is constructed is zoned for use as a  
61 hospital; provided the premises were zoned for hospital purposes  
62 on January 1, 1992.

63 Section 2. Present paragraphs (b) and (c) of subsection (2)  
64 of section 395.602, Florida Statutes, are redesignated as  
65 paragraphs (c) and (d), respectively, a new paragraph (b) is  
66 added to that subsection, subsections (4) and (5) are added to  
67 that section, and present paragraph (b) of subsection (2) of  
68 that section is amended, to read:

69 395.602 Rural hospitals.—

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

71 (b) "Rural emergency hospital" means a hospital that meets  
72 the criteria specified in 42 U.S.C. s. 1395x(kkk)(2) and is  
73 certified as a rural emergency hospital by the United States  
74 Secretary of Health and Human Services.

75 (c) ~~(b)~~ "Rural hospital" means an acute care hospital  
76 licensed under this chapter, having 100 or fewer licensed beds  
77 and an emergency room, which is:

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

80 2. An acute care hospital, in a county with a population  
81 density of up to 100 persons per square mile, which is at least  
82 30 minutes of travel time, on normally traveled roads under  
83 normal traffic conditions, from any other acute care hospital  
84 within the same county;

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

3-00959-24

2024644\_\_

88 4. A hospital classified as a sole community hospital under  
89 42 C.F.R. s. 412.92, regardless of the number of licensed beds;

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

97 6. A hospital designated as a critical access hospital, as  
98 defined in s. 408.07; or

99 7. A hospital designated as a rural emergency hospital.

100

101 Population densities used in this paragraph must be based upon  
102 the most recently completed United States census. A hospital  
103 that received funds under s. 409.9116 for a quarter beginning no  
104 later than July 1, 2002, is deemed to have been and continues  
105 ~~shall continue~~ to be a rural hospital from that date through  
106 June 30, 2021, if the hospital continues to have up to 100  
107 licensed beds and an emergency room. An acute care hospital that  
108 has not previously been designated as a rural hospital and that  
109 meets the criteria of this paragraph shall be granted such  
110 designation upon application, including supporting  
111 documentation, to the agency. A hospital that was licensed as a  
112 rural hospital during the 2010-2011 or 2011-2012 fiscal year  
113 continues ~~shall continue~~ to be a rural hospital from the date of  
114 designation through June 30, 2025, if the hospital continues to  
115 have up to 100 licensed beds and an emergency room.

116

(4) A facility is eligible for licensure as a rural

3-00959-24

2024644\_\_

117 emergency hospital if it meets all of the criteria specified in  
118 42 U.S.C. s. 1395x(kkk)(2) and is certified as a rural emergency  
119 hospital by the United States Secretary of Health and Human  
120 Services.

121 (5) Licensed rural emergency hospitals may enter into any  
122 contracts necessary to be eligible for federal reimbursement as  
123 a rural emergency hospital.

124 Section 3. The Agency for Health Care Administration may  
125 seek federal approval to provide Medicaid reimbursements to  
126 licensed rural emergency hospitals.

127 Section 4. Paragraph (b) of subsection (1) of section  
128 395.0163, Florida Statutes, is amended to read:

129 395.0163 Construction inspections; plan submission and  
130 approval; fees.—

131 (1)

132 (b) All outpatient facilities that provide surgical  
133 treatments requiring general anesthesia or IV conscious  
134 sedation, that provide cardiac catheterization services, or that  
135 are to be licensed as rural emergency hospitals or ambulatory  
136 surgical centers shall submit plans and specifications to the  
137 agency for review under this section. All other outpatient  
138 facilities must be reviewed under this section, except that  
139 those that are physically detached from, and have no utility  
140 connections with, the hospital and that do not block emergency  
141 egress from or create a fire hazard to the hospital are exempt  
142 from review under this section. ~~This paragraph applies to~~  
143 ~~applications for which review is pending on or after July 1,~~  
144 ~~1998.~~

145 Section 5. Section 627.6051, Florida Statutes, is created

3-00959-24

2024644\_\_

146 to read:

147 627.6051 Coverage for rural emergency hospital services.—To  
148 the extent not preempted by federal or state law, any individual  
149 health insurance policy issued or renewed in this state on or  
150 after July 1, 2024, must provide coverage for any service  
151 performed in a rural emergency hospital licensed under s.  
152 395.602 if such service performed in a general hospital would be  
153 covered by the policy.

154 Section 6. Section 627.6614, Florida Statutes, is created  
155 to read:

156 627.6614 Coverage for rural emergency hospital services.—To  
157 the extent not preempted by federal or state law, any group  
158 health insurance policy issued or renewed in this state on or  
159 after July 1, 2024, must provide coverage for any service  
160 performed in a rural emergency hospital licensed under s.  
161 395.602 if such service performed in a general hospital would be  
162 covered by the policy.

163 Section 7. Section 641.31078, Florida Statutes, is created  
164 to read:

165 641.31078 Coverage for rural emergency hospital services.—  
166 To the extent not preempted by federal or state law, any health  
167 maintenance contract issued or renewed in this state on or after  
168 July 1, 2024, must provide coverage for any service performed in  
169 a rural emergency hospital licensed under s. 395.602 if such  
170 service performed in a general hospital would be covered by the  
171 contract.

172 Section 8. Subsection (6) of section 409.9116, Florida  
173 Statutes, is amended to read:

174 409.9116 Disproportionate share/financial assistance

3-00959-24

2024644\_\_

175 program for rural hospitals.—In addition to the payments made  
176 under s. 409.911, the Agency for Health Care Administration  
177 shall administer a federally matched disproportionate share  
178 program and a state-funded financial assistance program for  
179 statutory rural hospitals. The agency shall make  
180 disproportionate share payments to statutory rural hospitals  
181 that qualify for such payments and financial assistance payments  
182 to statutory rural hospitals that do not qualify for  
183 disproportionate share payments. The disproportionate share  
184 program payments shall be limited by and conform with federal  
185 requirements. Funds shall be distributed quarterly in each  
186 fiscal year for which an appropriation is made. Notwithstanding  
187 the provisions of s. 409.915, counties are exempt from  
188 contributing toward the cost of this special reimbursement for  
189 hospitals serving a disproportionate share of low-income  
190 patients.

191 (6) This section applies only to hospitals that were  
192 defined as statutory rural hospitals, or their successor-in-  
193 interest hospital, prior to January 1, 2001. Any additional  
194 hospital that is defined as a statutory rural hospital, or its  
195 successor-in-interest hospital, on or after January 1, 2001, is  
196 not eligible for programs under this section unless additional  
197 funds are appropriated each fiscal year specifically to the  
198 rural hospital disproportionate share and financial assistance  
199 programs in an amount necessary to prevent any hospital, or its  
200 successor-in-interest hospital, eligible for the programs prior  
201 to January 1, 2001, from incurring a reduction in payments  
202 because of the eligibility of an additional hospital to  
203 participate in the programs. A hospital, or its successor-in-

3-00959-24

2024644\_\_

204 interest hospital, which received funds pursuant to this section  
205 before January 1, 2001, and which qualifies under s.  
206 395.602(2)(c) ~~s. 395.602(2)(b)~~, shall be included in the  
207 programs under this section and is not required to seek  
208 additional appropriations under this subsection.

209 Section 9. Paragraph (a) of subsection (1) of section  
210 1009.65, Florida Statutes, is amended to read:

211 1009.65 Medical Education Reimbursement and Loan Repayment  
212 Program.—

213 (1) To encourage qualified medical professionals to  
214 practice in underserved locations where there are shortages of  
215 such personnel, there is established the Medical Education  
216 Reimbursement and Loan Repayment Program. The function of the  
217 program is to make payments that offset loans and educational  
218 expenses incurred by students for studies leading to a medical  
219 or nursing degree, medical or nursing licensure, or advanced  
220 practice registered nurse licensure or physician assistant  
221 licensure. The following licensed or certified health care  
222 professionals are eligible to participate in this program:

223 (a) Medical doctors with primary care specialties, doctors  
224 of osteopathic medicine with primary care specialties, physician  
225 assistants, licensed practical nurses and registered nurses, and  
226 advanced practice registered nurses with primary care  
227 specialties such as certified nurse midwives. Primary care  
228 medical specialties for physicians include obstetrics,  
229 gynecology, general and family practice, internal medicine,  
230 pediatrics, and other specialties which may be identified by the  
231 Department of Health. From the funds available, the Department  
232 of Health shall make payments as follows:



3-00959-24

2024644\_\_

233           1. Up to \$4,000 per year for licensed practical nurses and  
234 registered nurses, up to \$10,000 per year for advanced practice  
235 registered nurses and physician assistants, and up to \$20,000  
236 per year for physicians. Penalties for noncompliance shall be  
237 the same as those in the National Health Services Corps Loan  
238 Repayment Program. Educational expenses include costs for  
239 tuition, matriculation, registration, books, laboratory and  
240 other fees, other educational costs, and reasonable living  
241 expenses as determined by the Department of Health.

242           2. All payments are contingent on continued proof of  
243 primary care practice in an area defined in s. 395.602(2)(c) ~~s.~~  
244 ~~395.602(2)(b)~~, or an underserved area designated by the  
245 Department of Health, provided the practitioner accepts Medicaid  
246 reimbursement if eligible for such reimbursement. Correctional  
247 facilities, state hospitals, and other state institutions that  
248 employ medical personnel shall be designated by the Department  
249 of Health as underserved locations. Locations with high  
250 incidences of infant mortality, high morbidity, or low Medicaid  
251 participation by health care professionals may be designated as  
252 underserved.

253           Section 10. This act shall take effect July 1, 2024.