

FLORIDA HOUSE OF REPRESENTATIVES

FINAL BILL ANALYSIS

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BILL #: [CS/CS/HB 1543](#)

TITLE: Contracting with Foreign Countries of Concern

SPONSOR(S): Busatta

COMPANION BILL: [CS/CS/SB 768](#) (Calatayud)

LINKED BILLS: None

RELATED BILLS: None

FINAL HOUSE FLOOR ACTION: 114 Y's

0 N's

GOVERNOR'S ACTION:

Approved

SUMMARY

Effect of the Bill:

The bill establishes certain protections for health care facility licensees who fail to obtain assurances from a person or an entity that indirectly owns a controlling interest in the licensee or indirectly owns an interest in an entity that maintains a business relationship prohibited by the State of Florida. The bill prohibits Department of Health (DOH) state laboratories from using genetic sequencing software produced in or by a foreign country of concern, a state-owned enterprise of a foreign country of concern, or a company domiciled within a foreign country of concern.

Fiscal or Economic Impact:

The bill may result in an insignificant, negative fiscal impact on DOH to the extent it must replace genetic sequencing software; however, such costs can likely be absorbed within existing resources. The bill has an indeterminate, positive economic impact on the private sector.

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ANALYSIS

EFFECT OF THE BILL:

CS/CS/HB 1543 passed as [CS/CS/SB 768](#). (Please note that bill section parentheticals do not contain hyperlinks to bill sections for Senate bills).

Health Care Facilities

Controlling Interests and Prohibited Business Relationships

Current law requires health care facilities to ensure that no person or entity who holds a direct or indirect controlling interest in the facility also holds a direct or indirect interest in an entity that has a business relationship with a foreign country of concern or certain scrutinized companies. Facilities must attest to compliance with this requirement, under penalty perjury, as a condition of licensure.¹

The bill limits the current law prohibition on business relationships between health care facilities and foreign countries of concern or scrutinized companies to apply only to commercial engagements involving the acquisition, development, maintenance, ownership, sale, possession, lease, or operation of equipment, facilities, personnel, products, real property, or military equipment. (Section [2](#)).

The bill allows a health care facility licensee to remain in good licensure standing even if it fails to obtain an assurance that certain persons or entities do not have a business relationship with a foreign country of concern or a scrutinized company. The bill expressly provides that the failure to obtain such an assurance does not affect the licensee's insurability. The bill also exempts a health care facility licensee from civil and criminal liability for a failure to obtain such assurances; however, this exemption does not apply when the licensee has actual knowledge

¹ S. [408.806\(1\), F.S.](#)

that an indirect interest holder² is a foreign principal from a foreign country of concern and that the indirect interest holder is not in compliance with the minimum licensee requirements for health care facilities. Under the bill, an indirect interest holder is a person or entity who, at the time of initial application or renewal, owns less than 5 percent of the health care facility licensee, owns less than 5 percent in the management company or the independent contractor of the licensee that manages the licensee, or owns equities in a publicly traded company that holds any interest in the licensee. (Section [2](#)).

The effect of this is to exempt a person's indirect controlling interests in the facility, and their indirect interests in entities with prohibited business relationships, from consideration in a licensure application. In practice, a license holder will not be required to research and document each interest held by an officer, board member, or investor to ensure that even attenuated interests do not involve a prohibited business relationship with a foreign country of concern or a scrutinized company. Effectively, the bill recognizes that licensees may not have access to the information they need to absolutely ensure they satisfy the controlling interest requirement of the subsection.

Department of Health Laboratories

The bill prohibits the clinical and environmental laboratories run by the Department of Health from using genetic sequencing software produced in or by a foreign country of concern, a state-owned enterprise of a foreign country of concern, or a company domiciled within a foreign country of concern. The bill identifies China, Russia, Iran, North Korea, Cuba, Venezuela (Maduro regime), Syria, and any of their instrumentalities as foreign countries of concern. (Section [1](#)). The extent to which state laboratories use software prohibited by the bill is unknown.

The bill was approved by the Governor on May 27, 2025, ch. 2025-96, L.O.F., and will become effective on July 1, 2025. (Section [3](#)).

RULEMAKING:

As the bill relates to health care facility licensure, the bill modifies a provision of law under existing AHCA rulemaking authority, pursuant to [s. 409.819, F.S.](#), thus allowing AHCA to make rules to implement the bill.

Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill may result in an insignificant, negative fiscal impact to the state. The extent to which state laboratories use genetic sequencing software prohibited by bill is unknown. However, any cost of reprocurring new software can likely be absorbed within existing resources.

PRIVATE SECTOR:

The bill has an indeterminate, positive economic impact on the private sector, due to the reduction in the obligation to research certain health care industry business relationships. The bill may attract additional health care business to the state, to the extent that the requirements of current law have had a chilling effect.

² Under the bill, a foreign principal is a person or entity described in [s. 692.201\(4\), F.S.](#), which the bill incorporates by reference, as follows:

- The government or any official or the government of a foreign country of concern.
- A political party or member of a political party or any subdivision of a political party in a foreign country of concern.
- A partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country of concern, or a subsidiary of such entity.
- Any person who is domiciled in a foreign country of concern and is not a citizen or lawful permanent resident of the United States.
- An instrumentality (i.e., person, entity, or collection of persons or entities) of the aforementioned persons or entities who have a controlling interest in a partnership, association, corporation, organization, trust, or any other legal entity or subsidiary formed for the purpose of owning real property in the State of Florida.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Health Care Facilities

The Health Care Licensing Procedures Act³ (Act) provides a set of basic licensing requirements for health care facilities regulated by the Florida Agency for Health Care Administration (AHCA).⁴ This includes 49,823 health care providers as of February 21, 2025.⁵

The Act prohibits an individual, corporation, partnership, firm, association, governmental entity, or other entity from rendering certain health care services, or from operating or maintaining a provider that renders health care services that requires license, without first obtaining a health care provider license from AHCA.⁶ Under the Act, the issuance of a license is not a contract or an agreement between the state and the licensee,⁷ but rather a privilege that is granted by the state based upon the licensee complying with licensure and certification requirements.⁸

Controlling Interests and Prohibited Business Relationships

Current law requires an applicant for licensure as a health care facility to ensure that a person or entity who possesses a controlling interest in the facility does not also directly or indirectly hold an interest in another entity that maintains a business relationship⁹ with foreign countries of concern and certain scrutinized companies to whom the State of Florida cannot award government contracts.¹⁰

Foreign Countries of Concern

In 2023, the Legislature enacted laws to govern certain state and private sector relationships with foreign countries of concern to protect state and local government assets, resources, and critical infrastructure from sabotage, surveillance, and seizure.¹¹ Specifically, current law prohibits state and local government from entering into contracts with entities that are owned by, significantly controlled by, or organized under, the following foreign countries of concern: China, Russia, Iran, North Korea, Cuba, Venezuela (Maduro regime), and Syria.¹² Current law also prohibits foreign countries of concern from certain private sector activities, including agricultural land purchases, real property purchases, electronic health record data center service control, and health care facility licensure.¹³

The Act prohibits health care facility licensees from allowing its controlling interest holders to simultaneously hold any interest in an entity that has a business relationship with a foreign country of concern.¹⁴

³ Chapter 408, Part II, F.S., see also s. [408.801\(1\), F.S.](#) (providing the short title).

⁴ AHCA regulates laboratories, birth centers, abortion clinics, crisis stabilization units, short-term residential treatment facilities, residential treatment facilities, residential treatment centers for children and adolescents, hospitals, ambulatory surgical centers, nursing homes, assisted living facilities, home health agencies, nurse registries, companion services or homemaker services providers, adult day care centers, hospices, adult family-care homes, homes for special services, transitional living facilities, prescribed pediatric extended care centers, home medical equipment providers, intermediate care facilities for persons with developmental disabilities, health care services pools, health care clinics, and organ, tissue, and eye procurement organizations.

⁵ S. [408.801\(2\), F.S.](#); Agency for Health Care Administration, Agency Bill Analysis for SB 768 (2025), pp. 2 (Feb. 19, 2025) (on file with Health and Human Services Committee). SB 768 (2025) is the companion bill to HB 1543 (2025).

⁶ S. [408.804\(1\), F.S.](#), see s. [408.803, F.S.](#)

⁷ Agency for Health Care Administration, Agency Bill Analysis for SB 768 (2025), pp. 2 (Feb. 19, 2025) (on file with Health and Human Services Committee). SB 768 (2025) is the companion bill to HB 1543 (2025).

⁸ *Id.*

⁹ For purposes of the Act, a business relationship is engaging in commerce in any form, including, but not limited to, acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, military equipment, or any other apparatus of business or commerce. s. 408.810(15)(b)1, F.S.

¹⁰ S. [408.810\(15\), F.S.](#)

¹¹ See Ch. [2023-33, L.O.F.](#)

¹² S. [287.138\(1\), \(2\), F.S.](#) Beginning July 1, 2025, governmental entities may not extend or renew such contract. s. [287.057\(3\), F.S.](#)

¹³ *Supra*, FN 11.

¹⁴ S. [408.810\(15\)\(a\), F.S.](#)

Scrutinized Companies

Current law prohibits companies on the Scrutinized Companies with Activities in Sudan list, on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector list, or who are engaged in business operations in Cuba or Syria from bidding on, submitting a proposal for, or entering into or renewing a contract with an agency or a local governmental entity for goods or services of \$1 million or more.¹⁵ Similarly, a company on the Scrutinized Companies that Boycott Israel list or a company that engaged in a boycott of Israel may not bid on, submit a proposal for, or enter into or renew a contract with an agency or local governmental entity for goods or services of any amount.¹⁶ The State Board of Administration is charged with maintaining a complete list of scrutinized companies.¹⁷

The Act prohibits health care facility licensees from allowing its controlling interest holders to simultaneously hold any interest in an entity that has a business relationship with a scrutinized company.¹⁸

Interests in Health Care Facilities

A health care facility licensure applicant must attest, under penalty of perjury, that it supplied AHCA the identifying information of each controlling interest holder.¹⁹ A controlling interest holder in the health care facility is an applicant, licensee, officer, board member, or investor with at least a five percent ownership interest in the health care facility or an administrative entity that manages the health care facility.²⁰ Current law prohibits a controlling interest holder from simultaneously holding an interest in another entity that maintains a prohibited business relationship with a foreign country of concern or a scrutinized company.²¹ An interest includes any direct or indirect investment in, or loan to, the entity valued at five percent or more of the entity's net worth or any form of direct or indirect control exerting similar or greater influence on the governance of the entity.²²

In practice, AHCA verifies the background screening of individuals possessing a controlling interest (generally five percent or more) in the licensee if their names are listed on the application.²³ However, some business entities having a controlling interest in a licensee have chosen to not name or disclose individuals. AHCA reports that, aside from the application process, there is no mechanism by which its staff can verify whether the controlling interest requirement has been satisfied.²⁴ AHCA also notes that it is a registered user of the SAVE Program²⁵ provided by the U.S. Department of Homeland Security, and so can determine the status of nonimmigrant aliens possessing controlling interests in home health agencies, home medical equipment providers, and health care clinics.²⁶

Department of Health Laboratories

Current law requires the Department of Health (DOH) to establish and maintain, in suitable and convenient places within the state, laboratories for microbiological analysis, chemical analysis, and other purposes necessary to protect the public health.²⁷ To this end, the DOH Bureau of Public Health Laboratories provides diagnostic screening, monitoring, reference, and emergency public health laboratory services to county health departments

¹⁵ S. [287.135\(2\)\(b\), F.S.](#)

¹⁶ S. [287.135\(2\)\(a\), F.S.](#)

¹⁷ Ss. [215.4725, 215.473, F.S.](#)

¹⁸ S. [408.810\(15\)\(a\), F.S.](#)

¹⁹ S. [408.806\(1\), F.S.](#)

²⁰ See ss. [408.810\(15\)\(a\), F.S.](#), [408.803\(7\), F.S.](#) The term does not include voluntary board member.

²¹ S. [408.810\(15\)\(b\), F.S.](#)

²² S. [408.810\(15\)\(b\), F.S.](#)

²³ S. [408.809\(1\)\(d\), F.S.](#)

²⁴ *Supra*, FN 7.

²⁵ SAVE is an online service for registered federal, state, territorial, tribal, and local government agencies to verify immigration status and naturalized/acquired U.S. citizenship of applicants seeking benefits or licenses. United States Department of Homeland Security, SAVE, <https://www.uscis.gov/save> (last visited May 6, 2025).

²⁶ *Supra*, FN 7.

²⁷ S. [381.0202, F.S.](#)

and other official agencies, physicians, hospitals, and private laboratories.²⁸ DOH maintains three labs: the central laboratory in Jacksonville and branch laboratories in Miami and Tampa.²⁹

RECENT LEGISLATION:

YEAR	BILL #	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2023	CS/CS/SB 264	Borrero; Waldron	Collins	Became law on July 1, 2023.

OTHER RESOURCES:

[The Florida Channel: Capitol Update – Week Ending 05/12/2023](#) (Minute 04:36-06:53).

[Central Intelligence Agency World Factbook: China](#)

[Central Intelligence Agency World Factbook: Cuba](#)

[Central Intelligence Agency World Factbook: Iran](#)

[Central Intelligence Agency World Factbook: North Korea](#)

[Central Intelligence Agency World Factbook: Russia](#)

[Central Intelligence Agency World Factbook: Syria](#)

[Central Intelligence Agency World Factbook: Venezuela](#)

[State Board of Administration: Scrutinized List of Prohibited Companies](#)

[State Board of Administration: Global Governance Mandates](#)

²⁸ Florida Department of Health, Bureau of Public Health Laboratories, (last updated Dec. 5, 2024)

<https://www.floridahealth.gov/programs-and-services/public-health-laboratories/index.html> (last visited May 6, 2025).

²⁹ *Id.*