

1989

Session Law 89-527

Florida Senate & House of Representatives

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S 8-B GENERAL BILL by Grizzle and others (Identical H 12-B, Similar CS/CS/CS/2ND ENG/H 950, Compare CS/H 246, CS/H 952, CS/1ST ENG/H 1036, CS/H 1218, CS/H 1568, CS/CS/2ND ENG/S 128, CS/1ST ENG/S 347, CS/S 850, CS/S 1349, CS/S 1385)

Health Care/Facilities: exempts certain rural hospital programs from certificate-of-need requirements; amends definition of health facility; provides for participation in Medicaid & other programs & services; establishes Health Technologies Center to be located at & administered by statutory teaching hospital in Dade Co.; amends certain provision re internal risk management programs, etc. Amends Chs. 154, 381, 395, 400, 407. Appropriation: \$250,000. Effective Date: 06/27/89 except as otherwise provided.

06/20/89 SENATE Filed; Introduction allowed; Introduced, referred to Health Care; Immediately withdrawn from Health Care; Passed; YEAS 32 NAYS 0 -SJ 7

06/20/89 HOUSE In Messages; Introduction allowed -HJ 19; Received, placed on Calendar; Substituted for HB 12-B; Read second time; Read third time; Passed; YEAS 108 NAYS 4 -HJ 19
06/20/89 Ordered enrolled -SJ 16

06/21/89 Signed by Officers and presented to Governor

06/27/89 Approved by Governor; Chapter No. 89-527; See also: CS/CS/SB 128 (Ch. 89-354), CS/SB 347 (Ch. 89-104) & CS/CS/CS/HB 950 (Vetoed by Governor)

NOTES: Above bill history from Division of Legislative Information's *FINAL LEGISLATIVE BILL INFORMATION, 1989 SESSIONS*. Staff Analyses for bills amended beyond final committee action may not be in accordance with the enacted law. Journal page numbers (HJ & SJ) refer to daily Journals and may not be the same as final bound Journals.

STORAGE NAME: s8-b.hc

DATE: June 22, 1989

HOUSE OF REPRESENTATIVES
HEALTH CARE COMMITTEE
FINAL STAFF ANALYSIS & ECONOMIC IMPACT STATEMENT

BILL #: SB 8-B

RELATING TO: Health Care/Rural Hospitals

SPONSOR(S): Sen. Grizzle and Others

EFFECTIVE DATE: Upon becoming law except as otherwise provided

DATE BECAME LAW: June 27, 1989

CHAPTER #: 89-527, Laws of Florida

COMPANION BILL(S): HB 12-B

OTHER COMMITTEES OF REFERENCE: (1)

(2)

I. SUMMARY:

A. PRESENT SITUATION:

Rural hospitals in the state are experiencing difficulties on a number of fronts. There are significant financial difficulties which impact on the provision of health care by these hospitals to the population in rural areas. In addition, many of these hospitals face severe staffing shortages in all aspects of their operations, from laboratory personnel to physicians.

Under the current certificate of need (CON) process rural hospitals, in spite of their financial limitations, are required to undergo the same process as financially healthier urban hospitals. These constraints make it difficult for rural hospitals to pursue activities which could help alleviate their financial burdens.

B. EFFECT OF PROPOSED CHANGES:

SB 8-B will provide an exemption from the CON process for rural hospitals for hospice and home health services. The bill will also exempt rural hospitals from the CON process for the conversion of their beds to swing beds as long as those beds do not account for more than 1/2 of the hospital's beds. In addition, the bill exempts rural hospitals from CON application fees.

SB 8-B also creates and defines a new category of hospital to be known as an "emergency care hospital." The bill further provides for the licensing and operation of that category of hospital.

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The bill clarifies the definition of rural hospital to more accurately reflect those hospitals which need special assistance from the Legislature.

The bill also directs that the Department of Education conduct a study which examines the feasibility of cross-training in the allied health professions at community colleges and vocational-technical centers.

The bill requires an impact statement by the Department of Health and Rehabilitative Services and the Department of Professional Regulation when those agencies promulgate rules which might have a significant impact on rural hospitals. The bill also requires the department to use funds as appropriated to reimburse student loans of physician assistants, certified nurse midwives and nurse practitioners who practice in rural areas.

The bill also allows any hospice operating in corporate form exclusively since July 1, 1978 to transfer its hospice license to a for-profit or not-for-profit entity. In this bill, the sum of \$250,000 is appropriated to Calhoun County from the Public Medical Assistance Trust Fund for the purposes of ensuring the availability of acute care hospital services to the residents of that county and the surrounding rural areas.

The Center for Health Technologies, a non-profit corporation, is also created in this bill. The Center for Health Technologies is to be located at and administered by a statutory teaching hospital located in Dade County for the purpose of centralizing the technical services of private industry and certain academic institutions in order to strengthen the growth of medical technology in Florida.

In addition, the bill amends section 395.041, Florida Statutes, to extend the time in which hospitals must file serious incident reports under their internal risk management programs. The bill also changes the amount of assessment that adult congregate living facilities and other health care facilities must pay to fund the Statewide Health Council.

Furthermore, the bill amends s. 154.205, Florida Statutes to include facilities licensed under chapter 393 (developmental disabilities) and chapter 394 (mental health) in the definition of facility in the Health Care Facilities Act.

C. SECTION-BY-SECTION ANALYSIS:

Section 1. Provides legislative findings and intent regarding the financial status of rural hospitals. Expresses legislative intent to assist rural hospitals by easing their financial burdens.

Section 2. Amends s. 381.706, F.S., 1988 Supplement, to exempt rural hospitals from the CON process for hospice or home health services and swing beds which do not exceed 1/2 of the hospital's licensed beds.

Section 3. Exempts rural hospitals and emergency care hospitals from CON application fees.

Section 4. Amends s. 395.082, Florida Statutes, 1988 Supplement, to define a new category of hospital called an "emergency care hospital."

Section 5. Provides conditions for the licensing and operation of emergency care hospitals.

Section 6. Amends s. 154.205, F.S., to include facilities licensed under chapter 393 and chapter 394, F.S., in the definition of facility.

Section 7. Directs the Department of Education to conduct a study to determine the feasibility of cross-training in the allied health professions in community colleges and vocational technical schools.

Section 8. Requires the Department of Health and Rehabilitative Services and the Department of Professional Regulation to provide a rural hospital impact statement whenever those entities promulgate rules or policies which may have a significant impact on rural hospitals. This section specifies questions which must be addressed in preparing the rural hospital impact statement.

Section 9. Amends definition of rural hospital contained in s. 395.102, F.S., and further amends the same section to direct the department to use funds appropriated to increase the numbers of physician assistants, certified nurse midwives, and nurse practitioners in rural areas through tuition reimbursements.

Section 10. Amends s. 400.602, F.S., to allow for the transfer of the license of a hospice incorporated prior to July 1, 1978 to a not-for-profit or a for-profit entity.

Section 11. Amends definition of rural hospital contained in s. 407.002, F.S., 1988 Supplement.

Section 12. Appropriates \$250,000 from the Public Medical Assistance Trust Fund to Calhoun County for the purpose of assuring the availability of acute care hospital services to the residents of Calhoun County and surrounding areas. This section also requires a feasibility study be conducted regarding the financial viability of acute care hospital services in Calhoun County.

Section 13. Establishes the Center for Health Technologies and provides for the purposes and powers of the Center.

Section 14. Amends s. 395.041, F.S., to change the time limit in which a hospital must submit a report of a serious incident under the internal risk management program from 3 working days to 15 calendar days.

Section 15. Amends s. 381.703, F.S., to change the amount of the assessment paid by adult congregate living facilities and other health care facilities to fund the Statewide Health Council.

Section 16. Amends s. 381.708, F.S., to raise the cap on fees assessed on certificate of need applications from \$9500 to \$10,000.

Section 17. Requires that this act shall be read in pari materia with certain prior acts.

Section 18. Provides an effective date of upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT: FY 89-90 FY 90-91

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:

Rural Hospital Study:

Department of Education
Expenses \$ 25,000

Calhoun County Hospital
Aid to Local Governments \$250,000

Local Health Council Fees:

Fees collected from health care facilities to fund the local and state health councils will be reduced from \$1.2 million annually to \$700,000 annually. However, these fees should still be sufficient.

2. Recurring or Annualized Continuation Effects:

Insignificant loss in certificate of need fees and a reduced level of health planning fees. The Center for Health Technologies is funded in the Appropriations Act at \$350,000.

3. Long Run Effects Other Than Normal Growth:

None.

4. Appropriations Consequences:

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:

None.

2. Recurring or Annualized Continuation Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

Prepaid health clinics and health maintenance organizations will be required to pay a fee for local and state health planning.

2. Direct Private Sector Benefits:

Most health care facilities and providers will see a reduction in their health planning fees. Rural hospitals should be more financially viable.

3. Effects on Competition, Private Enterprise, and Employment Markets:

Employment in rural areas should be enhanced due to more economically viable rural hospitals.

D. FISCAL COMMENTS:

None.

III. LONG RANGE CONSEQUENCES:

The effect of this bill should be to create a regulatory environment which is more conducive to meeting the special needs of rural hospitals. By doing so, the bill should help keep rural hospitals open so that access to health care is more readily available to the rural population than it otherwise would be.

IV. COMMENTS:

This bill does not specifically address any issues raised by the Speaker's Issues Conference Policy Statement. The bill is, however, consistent with the Mission Statement of the Committee on Health Care which states that the committee wishes to "provide a regulatory environment that promotes cost-consciousness, efficiency and effectiveness for health care consumers and providers."

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DATE: June 22, 1989
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History

6/20/89 Filed; Referred to Health Care; Immediately withdrawn
from Health Care; Passed 32 yeas; 0 nays

6/20/89 In Messages; Substituted for HB 12-B; Passed 108 yeas; 4
nays

6/20/89 Ordered Enrolled

V. SIGNATURES:

SUBSTANTIVE COMMITTEE:
Prepared by:



Mike Hansen

Staff Director:



Mike Hansen

SECOND COMMITTEE OF REFERENCE:
Prepared by:

APPROPRIATIONS:
Prepared by:

Staff Director:

Staff Director:
