

CHAPTER 98-14

Senate Bill No. 288

An act relating to rural hospitals; amending ss. 395.602 and 408.07, F.S.; revising the definition of “rural hospital” to increase the allowable number of licensed beds; amending s. 408.036, F.S.; exempting home health services provided by a rural hospital from certificate-of-need review by the Agency for Health Care Administration; amending s. 409.9116, F.S.; providing that rural hospitals designated on or after July 1, 1998, may not be included in the rural hospital disproportionate share or financial assistance programs unless additional appropriations are provided to prevent any reduction in payments to hospitals that are otherwise eligible for assistance; providing an effective date.

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

Section 1. Paragraph (e) of subsection (2) of section 395.602, Florida Statutes, is amended to read:

395.602 Rural hospitals.—

(2) DEFINITIONS.—As used in this part:

(e) “Rural hospital” means an acute care hospital licensed under this chapter, with 100 ~~85~~ licensed beds or less, which has an emergency room and is located in an area defined as rural by the United States Census, and which is:

1. The sole provider within a county with a population density of no greater than 100 persons per square mile; or
2. An acute care hospital, in a county with a population density of no greater than 100 persons per square mile, which is at least 30 minutes of travel time, on normally traveled roads under normal traffic conditions, from any other acute care hospital within the same county; or
3. A hospital supported by a tax district or subdistrict whose boundaries encompass a population of 100 persons or less per square mile.

Section 2. Subsection (47) of section 408.07, Florida Statutes, is amended to read:

408.07 Definitions.—As used in this chapter, with the exception of ss. 408.031-408.045, the term:

(47) “Rural hospital” means an acute care hospital licensed under chapter 395, with 100 ~~85~~ licensed beds or fewer, which has an emergency room and is located in an area defined as rural by the United States Census, and which is:

(a) The sole provider within a county with a population density of no greater than 100 persons per square mile;

(b) An acute care hospital, in a county with a population density of no greater than 100 persons per square mile, which is at least 30 minutes of travel time, on normally traveled roads under normal traffic conditions, from another acute care hospital within the same county; or

(c) A hospital supported by a tax district or subdistrict whose boundaries encompass a population of 100 persons or less per square mile.

Section 3. Paragraph (d) of subsection (3) of section 408.36, Florida Statutes, is amended to read:

408.036 Projects subject to review.—

(3) EXEMPTIONS.—Upon request, supported by such documentation as the agency requires, the agency shall grant an exemption from the provisions of subsection (1):

(d) For hospice services or home health services provided by a rural hospital, as defined in s. 395.602, or for swing beds in such rural hospital in a number that does not exceed one-half of its licensed beds.

A request for exemption under this subsection may be made at any time and is not subject to the batching requirements of this section.

Section 4. Subsection (7) is added to section 409.9116, Florida Statutes, to read:

409.9116 Disproportionate share/financial assistance program for rural hospitals.—In addition to the payments made under s. 409.911, the Agency for Health Care Administration shall administer a federally matched disproportionate share program and a state-funded financial assistance program for statutory rural hospitals. The agency shall make disproportionate share payments to statutory rural hospitals that qualify for such payments and financial assistance payments to statutory rural hospitals that do not qualify for disproportionate share payments. The disproportionate share program payments shall be limited by and conform with federal requirements. In fiscal year 1993-1994, available funds shall be distributed in one payment, as soon as practicable after the effective date of this act. In subsequent fiscal years, funds shall be distributed quarterly in each fiscal year for which an appropriation is made. Notwithstanding the provisions of s. 409.915, counties are exempt from contributing toward the cost of this special reimbursement for hospitals serving a disproportionate share of low-income patients.

(7) This section only applies to hospitals that were defined as statutory rural hospitals, or their successor-in-interest hospital, prior to July 1, 1998. Any additional hospital that is defined as a statutory rural hospital, or its successor-in-interest hospital, on or after July 1, 1998, is not eligible for programs under this section unless additional funds are appropriated each

fiscal year specifically to the rural hospital disproportionate share and financial assistance programs in an amount necessary to prevent any hospital, or its successor-in-interest hospital, eligible for the programs prior to July 1, 1998, from incurring a reduction in payments because of the eligibility of an additional hospital to participate in the programs.

Section 5. This act shall take effect July 1, 1998.

Became a law without the Governor's approval April 21, 1998.

Filed in Office Secretary of State April 20, 1998.