

CHAPTER 2024-16

Senate Bill No. 7018

An act relating to health care innovation; creating s. 381.4015, F.S.; defining terms; providing legislative intent; creating the Health Care Innovation Council within the Department of Health for a specified purpose; providing for membership, meetings, and conflicts of interest of the council; specifying conflicts of interest with respect to the revolving loan program established under the act; defining the terms “business relationship” and “relative”; specifying duties of the council; requiring the council, by a specified date, to adopt, and update as necessary, a certain document; requiring the council to submit annual reports to the Governor and the Legislature; requiring state agencies and statutorily created state entities to assist and cooperate with the council as requested; requiring the department to provide administrative support to the council; requiring the department to maintain a link to specified information on the homepage of its website; requiring the department to publish specified information on its website; requiring the department to provide technical assistance to certain applicants upon request; requiring the department to administer a revolving loan program for applicants seeking to implement certain health care innovations in this state; providing for administration of the program; requiring the department to adopt certain rules; specifying eligibility and application requirements; specifying terms, authorized uses, and repayment options for loans; requiring the department to create and maintain a separate account in the Grants and Donations Trust Fund within the department to fund the revolving loan program; providing that funds for the program are not subject to reversion; authorizing the department to contract with a third party to administer the program, including loan servicing, and manage the revolving loan fund; specifying requirements for the contract; requiring the department to publish and update specified information and reports on its website annually; requiring the Office of Economic and Demographic Research and the Office of Program Policy Analysis and Government Accountability to each develop and present an evaluation of the program to the Governor and the Legislature every 5 years, beginning on specified dates; specifying requirements for the evaluations; requiring that the offices be given access to all data necessary to complete the evaluation, including confidential data; authorizing the offices to collaborate on data collection and analysis; requiring the department to adopt rules; providing for future expiration; authorizing the department to adopt emergency rules to implement the act; providing appropriations; providing an effective date.

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

Section 1. Section 381.4015, Florida Statutes, is created to read:

381.4015 Florida health care innovation.—

(1) DEFINITIONS.—As used in this section, the term:

(a) “Council” means the Health Care Innovation Council.

(b) “Department” means the Department of Health.

(c) “Health care provider” means any person or entity licensed, certified, registered, or otherwise authorized by law to provide health care services in this state.

(2) LEGISLATIVE INTENT.—The Legislature intends to harness the innovation and creativity of entrepreneurs and businesses, together with the state’s health care system and stakeholders, to lead the discussion and highlight advances and innovations that will address challenges in the health care system as they develop in real time and transform the delivery and strengthen the quality of health care in Florida. Innovative technologies, workforce pathways, service delivery models, or other solutions that improve the quality of care in measurable and sustainable ways, that can be replicated, and that will lower costs and allow that value to be passed on to health care consumers shall be highlighted for adoption across all neighborhoods and communities in this state.

(3) HEALTH CARE INNOVATION COUNCIL.—The Health Care Innovation Council, a council as defined in s. 20.03, is created within the department to tap into the best knowledge and experience available by regularly bringing together subject matter experts in a public forum to explore and discuss innovations in technology, workforce, and service delivery models that can be exhibited as best practices, implemented, or scaled in order to improve the quality and delivery of health care in this state in measurable, sustainable, and reproducible ways.

(a) Membership.—

1. The Lieutenant Governor shall serve as an ex officio, nonvoting member and shall act as the council chair.

2. The council shall be composed of the following voting members, to be appointed by July 1, 2024:

a. One member appointed by the President of the Senate and one member appointed by the Speaker of the House of Representatives. The appointing officers shall make appointments prioritizing members who have the following experience:

(I) A representative of the health care sector who has senior level experience in reducing inefficiencies in health care delivery systems;

(II) A representative of the private sector who has senior level experience in cybersecurity or software engineering in the health care sector;

(III) A representative who has expertise in emerging technology that can be used in the delivery of health care; or

(IV) A representative who has experience in finance or investment or in management and operation of early stage companies.

b. A physician licensed under chapter 458 or chapter 459, appointed by the Governor.

c. A nurse licensed under chapter 464, appointed by the Governor.

d. An employee of a hospital licensed under chapter 395 who has executive-level experience, appointed by the Governor.

e. A representative of the long-term care facility industry, appointed by the Governor.

f. An employee of a health insurer or health maintenance organization who has executive-level experience, appointed by the Governor.

g. A resident of this state who can represent the interest of health care patients in this state, appointed by the Governor.

3. The chair of the Council of Florida Medical School Deans shall serve as a voting member of the council.

4. The council shall be composed of the following ex officio, nonvoting members:

a. The State Surgeon General.

b. The Secretary of Health Care Administration.

c. The Secretary of Children and Families.

d. The director of the Agency for Persons with Disabilities.

e. The Secretary of Elderly Affairs.

5. Except for ex officio members, the term of all appointees shall be for 2 years unless otherwise specified. However, to achieve staggered terms, the appointees in sub-subparagraphs 2.a.-c. shall serve initial terms of 3 years. The appointees may be reappointed for no more than four consecutive terms.

6. Any vacancy occurring on the council must be filled in the same manner as the original appointment. Any member who is appointed to fill a vacancy occurring because of death, resignation, or ineligibility for membership shall serve only for the unexpired term of the member’s predecessor.

7. Members whose terms have expired may continue to serve until replaced or reappointed. However, members whose terms have expired may not serve longer than 6 months after the expiration of their terms.

8. Members shall serve without compensation but are entitled to reimbursement for per diem and travel expenses pursuant to s. 112.061.

9. Members may be removed for cause by the appointing entity.

10. Each member of the council who is not otherwise required to file a financial disclosure statement pursuant to s. 8, Art. II of the State Constitution or s. 112.3144 must file a disclosure of financial interests pursuant to s. 112.3145.

(b) Meetings.—The council shall convene its first organizational meeting by September 1, 2024. Thereafter, the council shall meet as necessary, but at least quarterly, at the call of the chair. In order to provide an opportunity for the broadest public input, the chair shall ensure that a majority of the meetings held in a year are geographically dispersed within this state. As feasible, meetings are encouraged to provide an opportunity for presentation or demonstration of innovative solutions in person. A majority of the members of the council constitutes a quorum, and a meeting may not be held with less than a quorum present. In order to establish a quorum, the council may conduct its meetings through teleconference or other electronic means. The affirmative vote of a majority of the members of the council present is necessary for any official action by the council.

(c) Conflicts of interest.—

1. A council member may not vote on any matter that would provide:

a. Direct financial benefit to the member;

b. Financial benefit to a relative of the member, including an entity of which a relative is an officer, partner, director, or proprietor or in which the relative has a material interest; or

c. Financial benefit to a person or entity with whom the member has a business relationship.

2. With respect to the revolving loan program established in subsection (7):

a. Council members may not receive loans under the program; and

b. A person or entity that has a conflict-of-interest relationship with a council member as described in sub-subparagraph 1.b. or sub-subparagraph 1.c. may not receive a loan under the program unless that council member recused himself or herself from consideration of the person's or entity's application.

3. For purposes of this paragraph, the term:

a. "Business relationship" means an ownership or controlling interest, an affiliate or subsidiary relationship, a common parent company, or any

mutual interest in any limited partnership, limited liability partnership, limited liability company, or other entity or business association.

b. “Relative” means a father, mother, son, daughter, husband, wife, brother, sister, grandparent, father-in-law, mother-in-law, son-in-law, or daughter-in-law of a person.

(d) *Public meetings and records.*—The council and any subcommittees it forms are subject to the provisions of chapter 119 relating to public records and the provisions of chapter 286 relating to public meetings.

(4) HEALTH CARE INNOVATION COUNCIL DUTIES.—In order to facilitate and implement this section, the council shall:

(a) By February 1, 2025, adopt and update as necessary a document that sets forth and describes a mission statement, goals, and objectives for the council to function and meet the purposes of this section.

(b) Facilitate public meetings across this state at which innovators, developers, and implementers of technologies, workforce pathways, service delivery models, and other solutions may present information and lead discussions on concepts that address challenges to the health care system as they develop in real time and advance the delivery of health care in this state through technology and innovation.

1. Consideration must be given to how such concepts increase efficiency in the health care system in this state, reduce strain on the state’s health care workforce, improve patient outcomes, expand public access to health care services in this state, or reduce costs for patients and the state without reducing the quality of patient care.

2. Exploration and discussion of concepts may include how concepts can be supported, cross-functional, or scaled to meet the needs of health care consumers, including employers, payors, patients, and the state.

3. The council may coordinate with the Small Business Development Center Network, the Florida Opportunity Fund, the Institute for Commercialization of Florida Technology, and other business incubators, development organizations, or institutions of higher education to include emerging and early stage innovators, developers, and implementers of technology, models, or solutions in health care in the exploration and discussion of concepts and breakthrough innovations.

4. To support adoption and implementation of innovations and advancements, specific meetings may be held which bring together technical experts, such as those in system integration, cloud computing, artificial intelligence, and cybersecurity, to lead discussions on recommended structures and integrations of information technology products and services and propose solutions that can make adoption and implementation efficient, effective, and economical.

5. The council may also highlight broad community or statewide issues or needs of providers and users of health care delivery and may facilitate public forums in order to explore and discuss the range of effective, efficient, and economical technology and innovative solutions that can be implemented.

(c) Annually distinguish the most impactful concepts by recognizing the innovators, developers, and implementers whose work is helping Floridians to live brighter and healthier lives. In seeking out projects, initiatives, and concepts that are having a positive impact in Florida, have huge potential to scale that impact throughout this state through growth or replication, or are cutting-edge advancements, programs, or other innovations that have the capability to accelerate transformation of health care in this state, the council may issue awards to recognize these strategic and innovative thinkers who are helping Floridians live brighter and healthier lives. The council may develop a logo for the award for use by awardees to advertise their achievements and recognition.

(d) Consult with and solicit input from health care experts, health care providers, and technology and manufacturing experts in the health care or related fields, users of such innovations or systems, and the public to develop and update:

1. Best practice recommendations that will lead to the continuous modernization of the health care system in this state and make the Florida system a nationwide leader in innovation, technology, and service. At a minimum, recommendations must be made for how to explore implementation of innovations, how to implement new technologies and strategies, and health care service delivery models. As applicable, best practices must be distinguished by practice setting and with an emphasis on increasing efficiency in the delivery of health care, reducing strain on the health care workforce, increasing public access to health care, improving patient outcomes, reducing unnecessary emergency room visits, and reducing costs for patients and the state without reducing the quality of patient care. Specifically for information technology, best practices must also recommend actions to guide the selection of technologies and innovations, which may include, but need not be limited to, considerations for system-to-system integration, consistent user experiences for health care workers and patients, and patient education and practitioner training.

2. A list of focus areas in which to advance the delivery of health care in this state through innovative technologies, workforce pathways, or service delivery models. The focus areas may be broad or specific, but must, at a minimum, consider all of the following topics:

a. The health care workforce. This topic includes, but is not limited to, all of the following:

(I) Approaches to cultivate interest and growth in the workforce, including concepts resulting in increases in the number of providers.

(II) Efforts to improve the use of the workforce, whether through techniques, training, or devices to increase effectiveness or efficiency.

(III) Educational pathways that connect students with employers or result in attainment of cost-efficient and timely degrees or credentials.

(IV) Use of technology to reduce the burden on the workforce during decisionmaking processes such as triage, but which leaves all final decisions to the health care practitioner.

b. The provision of patient care in the most appropriate setting and reduction of unnecessary emergency room visits. These topics include, but are not limited to, all of the following:

(I) Use of advanced technologies to improve patient outcomes, provide patient care, or improve patient quality of life.

(II) The use of early detection devices, including remote communications devices and diagnostic tools engineered for early detection and patient engagement.

(III) At-home patient monitoring devices and measures.

(IV) Advanced at-home health care.

(V) Advanced adaptive equipment.

c. The delivery of primary care through methods, practices, or procedures that increase efficiencies.

d. The technical aspects of the provision of health care. These aspects include, but are not limited to, all of the following:

(I) Interoperability of electronic health records systems and the impact on patient care coordination and administrative costs for health care systems.

(II) Cybersecurity and the protection of health care data and systems.

(e) Identify and recommend any changes to Florida law or changes that can be implemented without legislative action which are necessary to:

1. Advance, transform, or innovate in the delivery and strengthen the quality of health care in Florida, including removal or update of any regulatory barriers or governmental inefficiencies.

2. Implement the council’s duties or recommendations.

(f) Recommend criteria for awarding loans as provided in subsection (7) to the department and review loan applications.

(g) Annually submit by December 1 a report of council activities and recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives. At a minimum, the report must include an update on the status of the delivery of health care in this state; information on implementation of best practices by health care industry stakeholders in this state; and highlights of exploration, development, or implementation of innovative technologies, workforce pathways, service delivery models, or other solutions by health care industry stakeholders in this state.

(5) AGENCY COOPERATION.—All state agencies and statutorily created state entities shall assist and cooperate with the council as requested.

(6) DEPARTMENT DUTIES.—The department shall, at a minimum, do all of the following to facilitate implementation of this section:

(a) Provide reasonable and necessary support staff and materials to assist the council in the performance of its duties.

(b) Maintain on the homepage of the department a link to a website dedicated to the council on which the department shall post information related to the council, including the outcomes of the duties of the council and annual reports as described in subsection (4).

(c) Identify and publish on its website a list of any sources of federal, state, or private funding available for implementation of innovative technologies and service delivery models in health care, including the details and eligibility requirements for each funding opportunity. Upon request, the department shall provide technical assistance to any person wanting to apply for such funding. If the entity with oversight of the funding opportunity provides technical assistance, the department may foster working relationships that allow the department to refer the person seeking funding to the appropriate contact for such assistance.

(d) Incorporate recommendations of the council into the department's duties or as part of the administration of this section, or update administrative rules or procedures as appropriate based upon council recommendations.

(7) REVOLVING LOAN PROGRAM.—The department shall administer a revolving loan program for applicants seeking to implement innovative solutions in this state.

(a) Administration.—The council may make recommendations to the department for the administration of the loans. The department shall adopt rules:

1. Establishing an application process to submit and review funding proposals for loans. Such rules must also include the process for the council to review applications to ensure compliance with applicable laws, including

those related to discrimination and conflicts of interest. If a council member participated in the vote of the council recommending an award for a proposal with which the council member has a conflict of interest, the division may not award the loan to that entity.

2. Establishing eligibility criteria to be applied by the council in recommending applications for the award of loans which:

a. Incorporate the recommendations of the council. The council shall recommend to the department criteria based upon input received and the focus areas developed. The council may recommend updated criteria as necessary, based upon the most recent input, best practice recommendations, or focus areas list.

b. Determine which proposals are likely to provide the greatest return to the state if funded, taking into consideration, at a minimum, the degree to which the proposal would increase efficiency in the health care system in this state, reduce strain on the state's health care workforce, improve patient outcomes, increase public access to health care in this state, or provide cost savings to patients or the state without reducing the quality of patient care.

3. It deems necessary to administer the program, including, but not limited to, rules for application requirements, the ability of the applicant to properly administer funds, the professional excellence of the applicant, the fiscal stability of the applicant, the state or regional impact of the proposal, matching requirements for the proposal, and other requirements to further the purposes of the program.

(b) *Eligibility.*—

1. The following entities may apply for a revolving loan:

a. Entities licensed, registered, or certified by the Agency for Health Care Administration as provided under s. 408.802, except for those specified in s. 408.802(1), (3), (13), (23), or (25).

b. An education or clinical training provider in partnership with an entity under sub-subparagraph a.

2.a. Council members may not receive loans under the program.

b. An entity that has a conflict-of-interest relationship with a council member as described in sub-subparagraph (3)(c)1.b. or sub-subparagraph (3)(c)1.c. may not receive a loan under the program unless that council member recused himself or herself from consideration of the entity's application.

3. Priority must be given to applicants located in a rural or medically underserved area as designated by the department which are:

- a. Rural hospitals as defined in s. 395.602(2).
- b. Nonprofit entities that accept Medicaid patients.

4. The department may award a loan for up to 50 percent of the total projected implementation costs, or up to 80 percent of total projected implementation costs for an applicant under subparagraph 3. The applicant must demonstrate the source of funding it will use to cover the remainder of the total projected implementation costs, which funding must be from nonstate sources.

(c) Applications.—

1. The department shall set application periods to apply for loans. The department may set multiple application periods in a fiscal year, with up to four periods per year. The department shall coordinate with the council when establishing application periods to establish separate priority, in addition to eligibility, within the loan applications for defined categories based on the current focus area list. The department shall publicize the availability of loans under the program to stakeholders, education or training providers, and others.

2. Upon receipt of an application, the department shall determine whether the application is complete and the applicant has demonstrated the ability to repay the loan. Within 30 days after the close of the application period, the department shall forward all completed applications to the council for consideration.

3. The council shall review applications for loans under the criteria and pursuant to the processes and format adopted by the department. The council shall submit to the department for approval lists of applicants that it recommends for funding, arranged in order of priority and as required for the application period.

4. A loan applicant must demonstrate plans to use the funds to implement one or more innovative technologies, workforce pathways, service delivery models, or other solutions in order to fill a demonstrated need; obtain or upgrade necessary equipment, hardware, and materials; adopt new technologies or systems; or a combination thereof which will improve the quality and delivery of health care in measurable and sustainable ways and which will lower costs and allow savings to be passed on to health care consumers.

(d) Awards.—

1. The amount of each loan must be based upon demonstrated need and availability of funds. The department may not award more than 10 percent of the total allocated funds for the fiscal year to a single loan applicant.

2. The interest rate for each loan may not exceed 1 percent.

3. The term of each loan is up to 10 years.

4. In order to equitably distribute limited state funding, applicants may apply for and be awarded only one loan per fiscal year. If a loan recipient has one or more outstanding loans at any time, the recipient may apply for funding for a new loan if the current loans are in good standing.

(e) Written agreement.—

1. Each loan recipient must enter into a written agreement with the department to receive the loan. At a minimum, the agreement with the applicant must specify all of the following:

a. The total amount of the award.

b. The performance conditions that must be met, based upon the submitted proposal and the defined category or focus area, as applicable.

c. The information to be reported on actual implementation costs, including the share from nonstate resources.

d. The schedule for payment.

e. The data and progress reporting requirements and schedule.

f. Any sanctions that would apply for failure to meet performance conditions.

2. The department shall develop uniform data reporting requirements for loan recipients to evaluate the performance of the implemented proposals. Such data must be shared with the council.

3. If requested, the department shall provide technical assistance to loan recipients under the program.

(f) Loan repayment.—Loans become due and payable in accordance with the terms of the written agreement. All repayments of principal received by the department in a fiscal year shall be returned to the revolving loan fund and made available for loans to other applicants.

(g) Revolving loan fund.—The department shall create and maintain a separate account in the Grants and Donations Trust Fund within the department as a fund for the program. All repayments of principal must be returned to the revolving loan fund and made available as provided in this section. Notwithstanding s. 216.301, funds appropriated for the revolving loan program are not subject to reversion. The department may contract with a third-party administrator to administer the program, including loan servicing, and manage the revolving loan fund. A contract for a third-party administrator which includes management of the revolving loan fund must, at a minimum, require maintenance of the revolving loan fund to ensure that the program may operate in a revolving manner.

(8) REPORTING.—The department shall publish on its website information related to loan recipients, including the written agreements, performance conditions and their status, and the total amount of loan funds disbursed to date. The department shall update the information annually on the award date. The department shall, beginning on September 1, 2025, and annually thereafter, post on its website a report on this section for the previous fiscal year which must include all of the following information:

(a) A summary of the adoption and implementation of recommendations of the council during the previous fiscal year.

(b) An evaluation of actions and related activities to meet the purposes set forth in this section.

(c) Consolidated data based upon the uniform data reporting by funding recipients and an evaluation of how the provision of the loans has met the purposes set forth in this section.

(d) The number of applications for loans, the types of proposals received, and an analysis on the relationship between the proposals and the purposes of this section.

(e) The amount of funds allocated and awarded for each loan application period, as well as any funds not awarded in that period.

(f) The amount of funds paid out during the fiscal year and any funds repaid or unused.

(g) The number of persons assisted and outcomes of any technical assistance requested for loans and any federal, state, or private funding opportunities.

(9) EVALUATION.—

(a) Beginning October 1, 2029, and every 5 years thereafter, the Office of Economic and Demographic Research (EDR) shall develop and present to the Governor, the President of the Senate, and the Speaker of the House of Representatives a comprehensive financial and economic evaluation of the innovative solutions undertaken by the revolving loan program administered under this section. The evaluation must include, but need not be limited to, separate calculations of the state's return and the economic value to residents of this state, as well as the identification of any cost savings to patients or the state and the impact on the state's health care workforce.

(b) Beginning October 1, 2030, and every 5 years thereafter, the Office of Program Policy Analysis and Government Accountability (OPPAGA) shall develop and present to the Governor, the President of the Senate, and the Speaker of the House of Representatives an evaluation of the administration and efficiency of the revolving loan program administered under this section. The evaluation must include, but need not be limited to, the degree to which

the collective proposals increased efficiency in the health care system in this state, improved patient outcomes, increased public access to health care, and achieved the cost savings identified in paragraph (a) without reducing the quality of patient care.

(c) Both the EDR and OPPAGA shall include recommendations for consideration by the Legislature. The EDR and OPPAGA must be given access to all data necessary to complete the evaluation, including any confidential data. The offices may collaborate on data collection and analysis.

(10) RULES.—The department shall adopt rules to implement this section.

(11) EXPIRATION.—This section expires July 1, 2043.

Section 2. The Department of Health shall, and all conditions are deemed met to, adopt emergency rules pursuant to s. 120.54(4), Florida Statutes, for the purpose of implementing s. 381.4015, Florida Statutes. Notwithstanding any other law, emergency rules adopted pursuant to this section are effective for 6 months after adoption and may be renewed during the pendency of the procedure to adopt permanent rules addressing the subject of the emergency rules.

Section 3. (1) For the 2023-2024 fiscal year, the sum of \$250,000 in nonrecurring funds from the General Revenue Fund is appropriated to the Department of Health to implement and administer the Health Care Innovation Council under s. 381.4015, Florida Statutes.

(2) For the 2024-2025 fiscal year, the recurring sum of \$1 million is appropriated from the General Revenue Fund to the Department of Health to implement and administer the Health Care Innovation Council under s. 381.4015, Florida Statutes.

(3) By August 1 of each year, beginning in the 2024-2025 fiscal year through the 2033-2034 fiscal year, the Chief Financial Officer shall transfer \$50 million in nonrecurring funds from the General Revenue Fund to the Grants and Donations Trust Fund within the Department of Health. Each year, beginning in the 2024-2025 fiscal year through the 2033-2034 fiscal year, the nonrecurring sum of \$50 million is appropriated from the Grants and Donations Trust Fund to the Department of Health for the revolving loan fund created in s. 381.4015, Florida Statutes. The department may use up to 3 percent of the appropriated funds for administrative costs to implement the revolving loan program.

Section 4. This act shall take effect upon becoming a law.

Approved by the Governor March 21, 2024.

Filed in Office Secretary of State March 21, 2024.