

CHAPTER 99-209

Committee Substitute for Committee Substitute for Senate Bill No. 890

An act relating to rural hospital capital improvement; creating s. 395.6061, F.S.; providing a mechanism for the disbursement of funds to rural hospitals; providing application requirements; prescribing uses of the fund; providing duties of the Department of Health; providing rulemaking authority for the establishment of criteria for the disbursement of grant funds; amending s. 395.602, F.S.; redefining the term “rural hospital”; providing an effective date.

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

Section 1. Section 395.6061, Florida Statutes, is created to read:

395.6061 Rural hospital capital improvement.—There is established a rural hospital capital improvement grant program.

(1) A rural hospital as defined in s. 395.602 may apply to the department for a grant. The grant application must provide information that includes:

(a) A statement indicating the problem the rural hospital proposes to solve with the grant funds;

(b) The strategy proposed to resolve the problem;

(c) The organizational structure, financial system, and facilities that are essential to the proposed solution;

(d) The projected longevity of the proposed solution after the grant funds are expended;

(e) Evidence of participation in a rural health network as defined in s. 381.0406;

(f) Evidence that the rural hospital has difficulty in obtaining funding or that funds available for the proposed solution are inadequate;

(g) Evidence that the grant funds will assist in maintaining or returning the hospital to an economically stable condition or that any plan for closure or realignment of services will involve development of innovative alternatives for the discontinued services;

(h) Evidence of a satisfactory record-keeping system to account for grant fund expenditures within the rural county;

(i) A rural health network plan that includes a description of how the plan was developed, the goals of the plan, the links with existing health care providers under the plan, indicators quantifying the hospital's financial

well-being, measurable outcome targets, and the current physical and operational condition of the hospital.

(2) Each rural hospital as defined in s. 395.602 shall receive a minimum of \$100,000 annually, subject to legislative appropriation, upon application to the Department of Health, for projects to acquire, repair, improve, or upgrade systems, facilities, or equipment.

(3) Any remaining funds shall annually be disbursed to rural hospitals in accordance with this section. The Department of Health shall establish, by rule, criteria for awarding grants for any remaining funds, which must be used exclusively for the support and assistance of rural hospitals as defined in s. 395.602, including criteria relating to the level of uncompensated care rendered by the hospital, the participation in a rural health network as defined in s. 381.0406, and the proposed use of the grant by the rural hospital to resolve a specific problem. The department must consider any information submitted in an application for the grants in accordance with subsection (1) in determining eligibility for and the amount of the grant, and none of the individual items of information by itself may be used to deny grant eligibility.

(4) The department shall ensure that the funds are used solely for the purposes specified in this section. The total grants awarded pursuant to this section shall not exceed the amount appropriated for this program.

Section 2. Paragraph (e) of subsection (2) of section 395.602, Florida Statutes, 1998 Supplement, 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, having 100 or fewer licensed beds and an emergency room, 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 fewer per square mile; or

4. A hospital in a constitutional charter county with a population of over 1 million persons that has imposed a local option health service tax pursuant to law and in an area that was directly impacted by a catastrophic event on August 24, 1992, for which the Governor of Florida declared a state of emergency pursuant to chapter 125, and has 120 beds or less that serves an agricultural community with an emergency room utilization of no less than

20,000 visits and a Medicaid in-patient utilization rate greater than 15 percent.

Population densities used in this paragraph must be based upon the most recently completed United States census.

Section 3. This act shall take effect July 1, 1999.

Approved by the Governor May 26, 1999.

Filed in Office Secretary of State May 26, 1999.