

The Florida Senate
PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Health Regulation Committee

BILL: CS/SB 246

INTRODUCER: Health Regulation Committee and Senators Wise, King and Hill

SUBJECT: Certificate of Need

DATE: February 22, 2007 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Bedford</u>	<u>Wilson</u>	<u>HR</u>	<u>Fav/CS</u>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill allows a hospital to become licensed as a Level II program for adult interventional cardiology services if it meets the following criteria: the hospital is a newly licensed hospital that has a certificate of need (CON) and is located in a building that was previously licensed as a Level II program; the hospital certifies that it meets and will maintain the minimum licensure requirements that may be adopted by the Agency for Health Care Administration (AHCA or agency); the hospital certifies that it has the appropriate equipment and health care personnel to ensure quality and safety; the hospital certifies it will maintain appropriate times of operation; the hospital certifies at least 300 inpatients having ischemic heart disease were discharged from the former hospital for the most recent 12-month period; the former hospital was a general acute care hospital in operation for 3 years or more; and the former hospital performed at least 300 combined inpatient and outpatient diagnostic cardiac catheterization procedures during the most recent 12-month period.

If the hospital fails to meet the criteria for a Level II program or fails to conduct at least 300 surgeries each year by the end of its third year, the hospital must show cause why its license should not be revoked. The hospital may apply for the certification before taking possession of the former hospital.

This bill amends s. 408.0361, F.S.

II. Present Situation:

Agency for Health Care Administration

The agency is created in s. 20.42, F.S., and its general statutory authority is found in ch. 408, F.S. The agency is the chief health policy and planning entity for the state. The agency is responsible for:

- Health facility and services licensure, inspection, and regulatory enforcement;
- Investigation of consumer complaints related to health care facilities, services, and managed care plans;
- Implementation of the certificate-of-need program;
- Operation of the Florida Center for Health Information and Policy Analysis;
- Administration of the Medicaid program;
- Administration of the contracts with the Florida Healthy Kids Corporation;
- Certification of health maintenance organizations and prepaid health clinics as set forth in parts II and III of ch. 641, F.S.; and
- Any other duties prescribed by statute or agreement.

The statutory provisions for the health care facilities and services requiring licensure by, or registration with, AHCA are found in chs. 112, 383, 390, 394, 395, 400, 429, 440, 483, and 765, F.S. Health care providers that are regulated by AHCA include drug-free workplace laboratories, birth centers, abortion clinics, crisis-stabilization units, short-term residential treatment units, residential treatment facilities, residential treatment centers for children and adolescents, hospitals, ambulatory surgical centers, mobile surgical facilities, private review agents, health care risk managers, 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, clinical laboratories, multiphasic health testing centers, and organ and tissue procurement agencies.

Certificate-of-Need (CON) Review

The CON regulatory process under ch. 408, F.S., requires that before specified health care services and facilities may be offered to the public they must be approved by AHCA. Under s. 408.036(1), F.S., the establishment of tertiary health services in hospitals are generally subject to review. Section 408.036(3), F.S., provides exemptions from the CON review requirements.

Section 408.036(3)(o), F.S.

In 2004, the Legislature amended s. 408.036(3), F.S., to provide for an exemption from CON review for hospitals providing diagnostic cardiac catheterization services without an approved adult open-heart surgery program. Section 408.036(3)(o), F.S., establishes criteria with which a hospital must comply in order to be granted and keep an exemption.

Section 408.0361, F.S.

The Legislature also revised s. 408.0361, F.S., in 2004 to require the agency to adopt administrative rules for the licensure of diagnostic cardiac catheterization services and adult interventional cardiology services in Florida hospitals. This licensure would revise the regulation of adult interventional cardiology services to create licensure of services rather than a service that is authorized through an exemption from CON review. Rule development has been initiated by Agency staff and will establish standards based on the guidelines of the American College of Cardiology and the American Heart Association Guidelines for Cardiac Catheterization and Cardiac Catheterization Laboratories.

III. Effect of Proposed Changes:

Section 1. Amends paragraph (c) of subsection (3) of s. 408.0361, F.S., allowing a hospital to become licensed as a Level II program for adult interventional cardiology services if it meets the following criteria: the hospital is a newly licensed hospital that has a certificate of need (CON) and is physically located in a building that was previously licensed and operated as a hospital under a Level II program license; the hospital certifies that it presently meets and will continuously maintain the minimum licensure requirements that may be adopted by the agency including American College of Cardiology and American Heart Association guidelines; the hospital certifies that it has the appropriate equipment and health care personnel to ensure quality and safety; the hospital certifies it will maintain appropriate times of operation; the hospital certifies at least 300 inpatients having ischemic heart disease were discharged from the former hospital for the most recent 12-month period; the former hospital was a general acute care hospital in operation for 3 years or more; and the former hospital performed at least 300 combined inpatient and outpatient diagnostic cardiac catheterization procedures during the most recent 12-month period.

If the hospital fails to meet the criteria for a Level II open-heart program or fails to conduct at least 300 surgeries each year by the end of its third year, the hospital must show cause why its license should not be revoked. The hospital may apply for the certification as a Level II program before taking possession of the former hospital. The effective date of certification is the same as the date the license is issued.

Section 2. The effective date of the bill is July 1, 2007.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The provisions of this bill have no impact on municipalities and the counties under the requirements of Article VII, Section 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Article I, Section 24(a) and (b) of the Florida Constitution.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Article III, Subsection 19(f) of the Florida Constitution.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Providers authorized to perform Level II programs would benefit from revenues received under this bill. Hospitals relocating could also receive potential benefits from increased values of the vacated facilities.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
