



## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government – The bill deletes the requirement that the Department of Health expend funds to operate the A.G. Holley State Hospital.

#### B. EFFECT OF PROPOSED CHANGES:

##### **Background**

Tuberculosis is a disease caused by the bacteria *Mycobacterium tuberculosis*.<sup>1</sup> While this bacterium usually attacks the lungs, it may also attack any part of the body, such as the kidney or brain.<sup>2</sup> Tuberculosis is spread through the air from person to person. Individuals who become infected with tuberculosis may not develop an active infection and become sick; these individuals have a latent tuberculosis infection and may be treated to prevent the progression of the infection.<sup>3</sup> According to the Department of Health, the major risk factors for tuberculosis include alcohol or drug use within the last year, HIV co-infection, homelessness, and residing in a correctional facility.<sup>4</sup>

During the previous 25 years, tuberculosis cases in Florida peaked in 1990, expressed as either total cases (1832) or as a single-year rate per 100,000 population (14.1).<sup>5</sup> Since that time, tuberculosis cases have steadily declined to a total of 980 reported tuberculosis cases in 2007.<sup>6</sup> According to the Centers for Disease Control and Prevention, 14,000 tuberculosis cases were reported nationwide in 2005.<sup>7</sup>

According to the United States Census Bureau, there are four active tuberculosis hospitals in the United States.<sup>8</sup> Florida operates one of these tuberculosis hospitals, known as the A.G. Holley State Hospital. A.G. Holley State Hospital was opened in 1950 as the Southeast Tuberculosis Hospital, the second of four state tuberculosis hospitals built in Florida between 1938 and 1952.<sup>9</sup> Today, however, A.G. Holley is the only state-operated tuberculosis hospital in the state and is the last of the original American sanatoriums dedicated to treating tuberculosis patients.<sup>10</sup> A.G. Holley operates a complete X-ray department, bronchoscopy suite, dental office, optometric clinic, and pharmacy.

A.G. Holley is located in the City of Lantana on a 134 acre plot. In May 2007, the land was appraised at \$34.1 million. The hospital is four stories and encompasses 194,000 square feet. It was originally built to serve 500 patients, with living accommodations for the physicians, nurses and administrative staff. However, by 1971 the daily census at the hospital dropped to less than half of the original 500. By 1976, the beds and staff at A.G. Holley were reduced to serve a maximum of 150 patients. Currently, the hospital does not operate at full capacity and receives state funding for 50 beds, of which, sixteen are isolation (negative air pressure) rooms.

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<sup>1</sup> Centers for Disease Control and Prevention, United States Department of Health and Human Services, Questions and answers about TB, [http://www.cdc.gov/tb/faqs/qa\\_introduction.htm#Intro1](http://www.cdc.gov/tb/faqs/qa_introduction.htm#Intro1) (last updated November 16, 2007).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> Bureau of TB and Refugee Health, Florida Department of Health, Fact Sheet: Tuberculosis Morbidity and Florida 2007.

<sup>5</sup> Florida Department of Health, Florida CHARTS, [www.floridacharts.com](http://www.floridacharts.com) (last viewed March 27, 2008).

<sup>6</sup> Bureau of TB and Refugee Health, Florida Department of Health, Fact Sheet: Tuberculosis Morbidity and Florida 2007.

<sup>7</sup> Centers for Disease Control and Prevention, United States Department of Health and Human Services, Questions and answers about TB, [http://www.cdc.gov/tb/faqs/qa\\_introduction.htm#Intro1](http://www.cdc.gov/tb/faqs/qa_introduction.htm#Intro1) (last updated November 16, 2007).

<sup>8</sup> United States Census Bureau, Hospitals-Summary Characteristics, <http://www.census.gov/compendia/statab/2007/tables/07s0162.xls> (last viewed March 27, 2008).

<sup>9</sup> Bureau of TB and Refugee Health, Florida Department of Health, A.G. Holley Hospital History <http://www.doh.state.fl.us/AGHolley/history.htm> (last viewed March 27, 2008).

<sup>10</sup> *Id.*

In addition to the main hospital, the campus includes a lab that is part of the state laboratory service (16,700 sq ft), a county health department (35,000 sq ft), a warehouse (26,500 sq ft), a boiler room (4,552 sq ft), a water treatment plant (880 sq ft), an additional building (26,500 sq ft), and 10 small residential cottages. Currently, the department leases office space to other entities to defray costs.

In 2006, the department proposed developing the A.G. Holley hospital and campus into a Florida Institute for Public Health at a cost of approximately \$10 million.

### **Effects of Proposed Changes**

The bill makes statutory changes to implement the funding decisions included in the proposed General Appropriations Act for Fiscal Year 2008-2009.

The bill removes references to A.G. Holley state hospital in legislative findings and intent, and deletes language that authorizes the department to use funds, such as gifts or grants, to support the construction or maintenance of Department of Health facilities.

The bill specifies that funding obtained from patients, county contributions, and legislative appropriations must be used to support the surveillance, treatment to cure, hospitalization, and isolation for contagious cases and to provide a system of voluntary, community-oriented care, in lieu of supporting the operation and maintenance of A.G. Holley.

Finally, the bill broadens the duties of the advisory board to review and make recommendations concerning the coordination of patient care for non-compliant tuberculosis patient's statewide, deleting language specifically relating to A.G. Holley.

#### **C. SECTION DIRECTORY:**

Section 1. Amends s. 392.51, F.S., relating to findings and intent.

Section 2. Amends s. 392.69, F.S., relating to appropriation, sinking, and maintenance trust funds and additional powers of the department.

Section 3. Provides an effective date.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

#### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

##### **1. Revenues:**

None.

##### **2. Expenditures:**

The proposed General Appropriation Act for Fiscal Year 2008-2009 eliminates funding for A.G. Holley state hospital operations, effective January 1, 2009. Proviso language requires the department to gradually decrease the hospital's daily census in order to close by January 1, 2009.

The proposed General Appropriations Act for Fiscal Year 2008-2009 eliminates funding for A.G. Holley state hospital operations, effective January 1, 2009 at a savings of \$2.2 million in General Revenue and \$2.6 million in trust funds. This will annualize to a \$5.5 million total General Revenue reduction and a total trust fund reduction of \$5.3 million in Fiscal Year 2009-10.

#### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Beginning January 2009, hospitals may see an increase in admissions of patients with tuberculosis.

D. FISCAL COMMENTS:

From Fiscal Years 2005-06 through June 2008, the department will have spent approximately \$1 million on renovations of A.G. Holley. The department estimates that in the next several years an additional \$5.5 million is needed for maintenance and repair for items such as: repairing exterior windows, replacing a chiller and cooling tower, parking resurfacing, and water main and sprinkler replacement.

According to the department, last year the average cost to cure one patient diagnosed with active tuberculosis was \$140,000 and cost \$757.00 per patient day. In 2007, there were a total of 73 admissions. Of this, three individuals were classified as illegal residents. The patient mix comprises 60 percent uninsured; 34.57 percent Medicaid/DSH; 4.89 percent Medicare; and 0.58 percent commercial insurance. Additionally, the department states that A.G. Holley incurred \$5.9 million in uncompensated care in 2007.

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### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to spend funds or take an action requiring the expenditure of funds. This bill does not reduce the percentage of state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenue.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The department has sufficient authority to implement the provisions in the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

N/A

## IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES