

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Health Policy

BILL: SB 746

INTRODUCER: Senator Sobel

SUBJECT: Health Care Clinic Act

DATE: March 10, 2014

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Looke	Stovall	HP	Pre-meeting
2.			CJ	
3.			CA	
4.			AP	

I. Summary:

SB 746 amends the definition of “clinic” to include any entity that “receives remuneration” rather than entities that “tender charges for reimbursement.” The bill also makes clinics liable for administrative penalties¹ and any applicable criminal penalties if an inspection or investigation reveals that the clinic employed or employs a physician whose license was suspended or revoked while employed by the clinic.

II. Present Situation:

Clinics in the state of Florida must be licensed by the Agency for Health Care Administration (AHCA),² however there are numerous exclusions from the definition of “clinic” in s. 400.9905, F.S.,³ and from the requirement to obtain a license as a clinic. The definition of “clinic” only includes entities that “tender charges for reimbursement.” The AHCA interprets this phrase to only include entities that bill third parties, such as Medicare, Medicaid and insurance companies. Entities that provide health care services on a “cash only” basis are excluded from the definition of “clinic” and, as such, need not be licensed by the AHCA.⁴

III. Effect of Proposed Changes:

Section 1 of the bill amends s. 400.9905, F.S., to amend the definition of “clinic” to include any entity that “receives remuneration” rather than entities that “tender charges for reimbursement.” The effect of this change is to require “cash only” clinics to obtain a license as a clinic and, as a

¹ See s. 400.995, F.S., allowing the AHCA to deny, revoke or suspend a license and impose fines of up to \$5,000 for violations of the Health Care Clinic Act.

² S. 400.991, F.S.

³ S. 400.9905(4)(a)-(n), F.S.

⁴ See AHCA bill analysis for SB 746, on file with Health Policy Committee staff.

result, these facilities will be subject to periodic inspections which may help detect and deter unlawful practices.

Section 2 of the bill amends s. 400.9935, F.S., to make clinics liable for administrative penalties⁵ and any applicable criminal penalties⁶ if an inspection or investigation reveals that the clinic employed or employs a physician whose license was suspended or revoked while employed by the clinic.

Section 3 establishes an effective date of July 1, 2014.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

“Cash only” clinics that are not currently licensed will be required to obtain a license from the AHCA and pay a \$2,000 licensing fee. Also, clinics that employ or have employed a physician whose license was suspended or revoked while under that clinic’s employ may be required to pay a fine of up to \$5,000.

C. Government Sector Impact:

The AHCA anticipates an increased workload for clinic licensure of approximately 10 percent and to require four new FTEs to manage the increased workload.⁷ The increased workload will generate an estimated one-time cost to the AHCA of approximately \$16,000 and estimated recurring costs of approximately \$60,000.⁸

⁵ See s. 400.995, F.S., allowing the AHCA to deny, revoke or suspend a license and impose fines of up to \$5,000 for violations of the Health Care Clinic Act.

⁶ The criminal penalties are not specified, however, these penalties could include a felony of the third degree imposed by 458.327(1)(b), F.S., on physicians who attempt to use a license which is suspended or revoked to practice medicine.

⁷ Supra n. 4

⁸ Id.

VI. Technical Deficiencies:

Line 5 of the title contains a typo that reads “the a clinic that employs...” If the bill is amended, this issue can be fixed without a general amendment.

VII. Related Issues:

The bill currently holds a clinic responsible for the conduct of its employed physicians who have their licenses revoked or suspended without giving the clinic a chance to remedy the situation. A better approach may be to hold a clinic liable for sanctions and criminal penalties if they hire, or continue to employ directly or contractually, a physician whose license is suspended or revoked.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 400.9905 and 400.9935

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.