



FLORIDA HOSPITAL ASSOCIATION

POLICY DOCUMENT

RURAL HOSPITAL CAPITAL IMPROVEMENT GRANT PROGRAM

ISSUE BRIEF

JULY 2023

Issue

The Rural Hospital Capital Improvement Program provides critical funding to rural hospitals to acquire, repair, improve, and upgrade systems, facilities, or equipment.

Before this session, the program had not been funded since 2008. Between 1999 and 2008, the Department of Health awarded \$34.45 million in grants under the program.

Background

Florida legislators have recognized the critical importance of rural hospitals and their need to have adequate resources, equipment, technology, and facilities to provide the highest level of care to their communities. The Legislature created the Rural Hospital Capital Improvement program in 1999, allowing hospitals to apply for a minimum grant of \$100,000 through the DOH.¹

DOH is required to adopt rules for annually distributing any remaining funds after eligible applicants have been awarded grants. The remaining funds must be used for the support and assistance of rural hospitals and must consider the total uncompensated care rendered by a hospital, the participation in the rural health network, and the proposed use of the grant to resolve a specific problem.

Rural Hospital Capital Improvement Program Eligibility

Rural hospitals² are licensed acute care hospitals with 100 or fewer beds and an emergency room which is:

1. The sole provider within a county with a population density of up to 100 persons per square mile;
2. An acute care hospital, in a county with a population density of up to 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;

¹ [S. 395.6061, F.S. Rural Hospital Capital Improvement Grant Program](#)

² [S. 395.602, F.S. Rural Hospitals](#)

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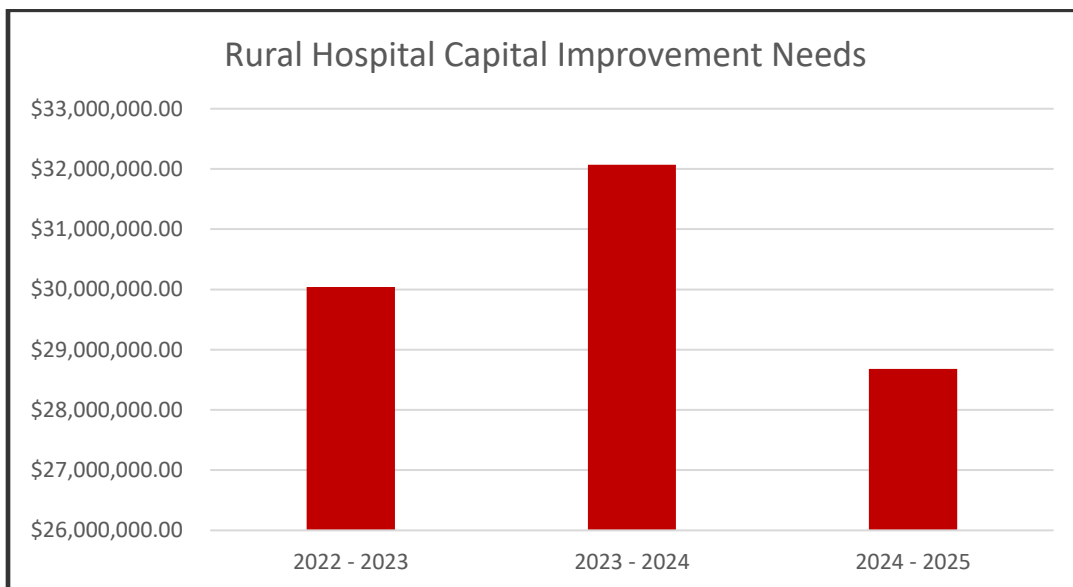
3. A hospital supported by a tax district or subdistrict whose boundaries encompass a population of up to 100 persons per square mile.
4. A hospital classified as a sole community hospital under 42 C.F.R. s. 412.92, regardless of the number of licensed beds;
5. A hospital with a service area that has a population of up to 100 persons per square mile. As used in this subparagraph, the term “service area” means the fewest number of zip codes that account for 75 percent of the hospital’s discharges for the most recent 5-year period, based on information available from the hospital inpatient discharge database in the Florida Center for Health Information and Transparency at the agency; or
6. A hospital designated as a critical access hospital, as defined in s. [408.07\(14\)](#), F.S.

An applicant for the Rural Hospital Capital Improvement Grant Program must provide DOH with the following:

- A description of the intended use of grant funds and how they will address qualifying issues as well as a projected timeline of the proposed project following distribution of the grant funds.
- Evidence of participation in the rural health network.
- Additional information detailing the organization and planned use of funds.

Forecasted Deferred Maintenance

FHA surveyed our Rural Hospital Committee to ask about their funding needs for projects to acquire, repair, improve, or upgrade systems, facilities, or equipment for their facilities in the current fiscal year – through June 30, 2023. The survey also covered funding needs for the next two state fiscal years. A total of thirteen hospitals responded with a combined need of \$90,791,819 in funding over the next three years. This total is much higher when we think about the overall statewide need.



Legislative Funding

The survey results were added to our advocacy documents to show the compelling reason as to why this program should be funded. FHA recently released economic impact report shows that Florida's 24 rural hospitals have 1,122 beds and that equates to more than 5,800 employees, \$3.06 million in output and 15,152 jobs, and \$317 million taxes paid in our rural communities.

The Legislature appropriated \$10 million in non-recurring funds for the program for the 2023 – 2024 state fiscal year. This in large part is due to the advocacy that FHA's Rural Hospital Committee has played both during FHA's Hospital Days and in their communities.

Key Takeaways

- The Rural Hospital Capital Improvement Grant Program provides critical funding to rural hospitals to acquire, repair, improve, and upgrade systems, facilities, or equipment.
- In the current fiscal year, there is more than \$30 million in need to acquire, repair, improve, or upgrade systems, facilities, or equipment such as generators. This need grows to more than \$32 million by SFY 2023 – 2024.
- This grant program already exists in law but had not been funded since 2008. FHA's advocacy efforts were successful in getting \$10 million in non-recurring funds for the program for the 2023 – 2024 state fiscal year.
- FHA also worked with the Executive Office of the Governor to keep this program funded in the budget. It was signed into law on June 15, 2023.