

# RURAL HOSPITAL CAPITAL IMPROVEMENT GRANT PROGRAM

## ISSUE BRIEF

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FLORIDA HOSPITAL ASSOCIATION

### Issue

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

The program has 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.<sup>1</sup>

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.

### Forecasted Deferred Maintenance

Hospitals report combined deferred maintenance costs of more than \$5.8 million through June 30, 2023, according to FHA's member survey of rural hospitals in 2022.

Five hospitals reported more than \$2.6 million in deferred maintenance costs.

### Rural Hospital Capital Improvement Program Eligibility

Rural hospitals<sup>2</sup> 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;

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

<sup>2</sup> [S. 395.602, F.S. Rural Hospitals](#)



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.