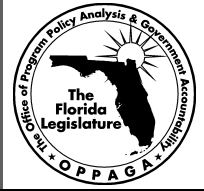




Office of Program Policy Analysis And Government Accountability



John W. Turcotte, Director

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Follow-Up Report on the Office of Plans and Construction Within the Agency for Health Care Administration

Abstract

- Since our prior report, the Legislature has taken action to exempt detached outpatient facilities from construction reviews conducted by the Agency for Health Care Administration's Office of Plans and Construction (OPC).
- For the period of July 1, 1998, through January 25, 1999, 37 detached outpatient facilities were exempted from OPC review. Agency staff estimated a cost avoidance of approximately \$74,000 due to this exemption.

Purpose

In accordance with state law, this follow-up report informs the Legislature of actions taken by the Agency for Health Care Administration in response to our 1997 report.^{1,2} This report presents our assessment of the extent to which the department has addressed the findings and recommendations included in our 1997 report.

Background

The Agency for Health Care Administration reviews construction plans and inspects alterations, additions, and new construction for all hospitals, nursing homes, and ambulatory surgical centers in Florida. The purpose of these reviews is to ensure compliance with national and state building, fire and design codes, and life safety regulations. For the 1997-98 fiscal year, the Agency's Office of Plans and Construction (OPC) reviewed and inspected 1,121 projects. Florida statutes require the agency to approve or disapprove the plans within 60 days of submittal. If OPC's reviews are not timely, the plans are automatically approved. Although the plans may be automatically approved, any deficiencies must be corrected during the construction phase.

OPC reviews are financed by a fee paid by facilities to be reviewed and inspected. In Fiscal Year 1997-98, the agency received \$2.97 million in fees and expended \$2.78 million on its operations. OPC had 41 authorized positions, including architects, mechanical and electrical engineers, and support staff. OPC has offices in Tallahassee, Orlando, and Miami.

Local governments may also review construction plans and inspect health care facilities located within their jurisdiction to ensure compliance with building and fire protection codes. Local governments performing these tasks must adopt the State Minimum Building Codes and National Fire Protection Association Life Safety Code, among other uniform fire-safety standards. Compliance with these codes must be enforced by certified plan examiners, inspectors, and fire-safety inspectors.

¹ Section 11.45(7)(f), F.S.

² *Review of the Office of Plans and Construction Within the Agency for Health Care Administration*, [Report No. 96-66](#), March 17, 1997.

Prior Findings

Our report found that parts of OPC's reviews and inspections overlapped the scope of some local reviews and inspections. However, the overlap was often subtle and an inseparable part of the process. We interviewed building and fire officials in the six most heavily populated counties to determine whether local jurisdictions perform reviews and inspections similar to OPC's. These officials indicated that OPC and the building and fire departments in these counties reviewed and approved construction plans for compliance with architectural, mechanical, electrical, and civil standards contained in the State Minimum Building Code, as well as the state fire codes. The six counties we surveyed were Dade, Broward, Palm Beach, Hillsborough, Pinellas, and Orange. These six counties account for almost 50% of the state's population and almost 45% of the state's licensed hospitals, nursing homes, and surgical centers.

We concluded that other parts of OPC's reviews and inspections were distinct from local government code enforcement. OPC reviews plans and specifications for compliance with design criteria specified in Florida Administrative Code. Eliminating OPC's review functions statewide could affect the quality of some reviews and inspections because local government reviews and inspections vary around the state. According to OPC and some stakeholders, many local governments lack experience and expertise in the application of fire codes and other facilities. Also, the State Fire Marshall's Office reported that many local governments do not perform any plan reviews and inspections. However, delegating OPC's review functions may be a feasible option in large counties that already perform similar functions.

We concluded that it may be feasible for OPC to deregulate certain aspects of health care facility construction. Specifically, we concluded that OPC may not need to regulate all state licensed health care

facilities, and some of the regulations it uses to regulate the industry may not be necessary.

Our report recommended that the Legislature consider exempting detached outpatient facilities from OPC's construction reviews. Most of these facilities do not provide invasive procedures.³ In addition, physicians' offices provided many of the same procedures provided in these detached outpatient facilities but are not subject to the same degree of regulation.

OPC proposed exempting medical walk-in clinics, cardiac rehabilitation clinics, sports medicine facilities, physical and occupational rehabilitation facilities, MRI facilities, radiographic facilities, outpatient psychiatric facilities, renal dialyses facilities, senior health centers, and workers' compensation centers. OPC estimated that statewide deregulation of these non-invasive and partially invasive outpatient facilities would save the regulated industry approximately \$60,000 annually.

Current Status

Actions Taken

The 1998 Legislature exempted OPC review of certain detached outpatient facilities owned and operated by licensed hospitals. Exempted facilities included facilities that are not attached to a hospital, do not create a fire hazard to the hospital, do not block egress from the hospital, and do not offer any surgical, pain management, or cardiac catheterization services. For the period of July 1, 1998, through January 25, 1999, 37 detached outpatient facilities were exempted from OPC review. Agency staff estimated a cost avoidance of approximately \$74,000 due to this exemption.

³ State regulation is necessary for facilities that provide invasive procedures because invasive procedures render patients unconscious, immobile, or otherwise incapable of saving themselves in time of an emergency.

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Project conducted by: Frank Alvarez (850/487-9274)