

Regular Session, 2013

HOUSE RESOLUTION NO. 47

BY REPRESENTATIVE HUNTER

LEGISLATIVE OVERSIGHT: Requires submission for approval by the House Committee on Appropriations of any cooperative endeavor agreement between the Louisiana State University Board of Supervisors and a private entity involving the change in management of a public hospital

1 A RESOLUTION

2 To direct the Louisiana State University Board of Supervisors to submit for approval any
3 potential or current cooperative endeavor agreement that transfers or seeks to transfer
4 the management and operation of a state-owned hospital to a private entity or any
5 other agency to the House Committee on Appropriations.

6 WHEREAS, the state of Louisiana has historically provided health care to its
7 indigent and uninsured citizens through state-owned and operated hospitals; and

8 WHEREAS, the control and operation of the state-owned hospitals was transferred
9 to the Board of Supervisors of Louisiana State University, hereinafter the "board", in 1997;
10 and

11 WHEREAS, state law provides that the board shall own and operate and have the
12 responsibility for the operation and management of the following hospitals, including all
13 programs and facilities thereof, which shall be under the immediate direction of the LSU
14 Health Sciences Center–New Orleans, subject to the overall direction, supervision, and
15 management of the board:

- 16 (1) Medical Center of Louisiana at New Orleans.
- 17 (2) Earl K. Long Medical Center in Baton Rouge.
- 18 (3) University Medical Center in Lafayette.
- 19 (4) Leonard J. Chabert Medical Center in Houma.
- 20 (5) Lallie Kemp Regional Medical Center in Independence.

1 (6) Bogalusa Medical Center in Bogalusa.

2 (7) W. O. Moss Regional Medical Center in Lake Charles.

3 (8) University Medical Center in Baton Rouge; and

4 WHEREAS, state law further provides that the board shall own and operate and have
5 the responsibility for the operation and management of the following hospitals under LSU
6 Health Sciences Center-Shreveport, including all programs and facilities thereof subject to
7 the authority of the board to direct, control, supervise, and manage the hospitals:

8 (1) University Hospital Shreveport.

9 (2) E. A. Conway Medical Center in Monroe.

10 (3) Huey P. Long Medical Center in Pineville; and

11 WHEREAS, the board has announced that it intends to enter into partnerships with
12 private entities whereby the hospital facilities will be leased or occupancy will be otherwise
13 granted to the private entity and the private entity will assume responsibility for the
14 hospitals' management and operations, all as to be described in a potential or current
15 cooperative endeavor agreement, which will result in the termination of the employment of
16 the current state employees in those hospitals, and the effective closure of the public
17 hospitals; and

18 WHEREAS, the board, the Louisiana Department of Health and Hospitals, and the
19 state of Louisiana, through the division of administration, have entered into memoranda of
20 understanding regarding the following public hospitals:

21 (1) With Louisiana Children's Medical Center and University Medical Center
22 Medical Management Corporation regarding the interim successor hospital to Medical
23 Center of Louisiana in New Orleans and upon its completion the new University Medical
24 Center in New Orleans, Louisiana.

25 (2) With Lafayette General Health System, Inc., regarding University Medical
26 Center in Lafayette, Louisiana.

27 (3) With Ochsner Health System and Hospital Service District No. 1 of the Parish
28 of Terrebonne regarding L. J. Chabert Medical Center in Houma, Louisiana.

29 (4) With Southwest Louisiana Hospital Association d/b/a Lake Charles Memorial
30 Hospital regarding W. O. Moss Regional Medical Center in Lake Charles, Louisiana.

1 (5) With Biomedical Research Foundation of Northwest Louisiana regarding the
2 LSU Medical Center–Shreveport in Shreveport, Louisiana, and E.A. Conway Medical
3 Center in Monroe, Louisiana; and

4 WHEREAS, the attorney general of the state of Louisiana issued an opinion and
5 determined that the board does not need the approval of the legislature to lease an entire state
6 hospital facility under the board's control and management; and

7 WHEREAS, state law prohibits the closure of any hospital or emergency room under
8 the authority of the board without legislative approval, which approval may be granted by
9 the legislature either by concurrent resolution or by appropriate action in the General
10 Appropriation Act; and

11 WHEREAS, the opinion of the attorney general does not address whether the lease
12 of an entire state hospital facility to a private entity constitutes the closure of the publicly
13 owned hospital facility; and

14 WHEREAS, the General Appropriation Act for Fiscal Year 2012-2013, namely Act
15 No. 13 of the 2012 Regular Session of the Legislature, does not contemplate the closure of
16 any of the publicly owned hospital facilities; and

17 WHEREAS, Louisiana law further provides that prior to the confection of any
18 potential or current cooperative endeavor agreement which would result or is expected to
19 result in any nonpublic party to the agreement generating or expending revenue of one
20 million dollars or more per year from the operation, management, or control of a state
21 resource, the state agency shall inform the Joint Legislative Committee on the Budget of the
22 proposed agreement and the Joint Legislative Committee on the Budget may hold a hearing
23 on the agreement any time prior to the official confection of the agreement; and

24 WHEREAS, given the important nature of the mission and purpose of these
25 hospitals, including but not limited to the provision of access to high quality medical care
26 for the most vulnerable patients, including the medically indigent and uninsured, the
27 development of medical and clinical manpower throughout the state in the various accredited
28 residency and other health education programs, and the cooperative nature in which these
29 hospitals work with other health care providers and agencies to improve the health outcomes
30 of the citizens of the state, it is the right and the responsibility of the legislature to actively

1 participate and deliberate on the management structure for these hospitals to ensure that they
2 are operating efficiently and effectively in the best interests of the citizens of the state.

3 THEREFORE, BE IT RESOLVED that the House of Representatives of the
4 Legislature of Louisiana hereby directs that any public-private partnership between the
5 Board of Supervisors of Louisiana State University and Agricultural and Mechanical College
6 and a private entity for the operation and management of a public hospital shall be subject
7 to the approval of the House Committee on Appropriations, and such approval shall be in
8 addition to the requirements of R.S. 39:366.1 et seq.

9 BE IT FURTHER RESOLVED that the House of Representatives of the Legislature
10 of Louisiana hereby directs the Board of Supervisors to submit to the House Committee on
11 Appropriations for approval any potential or current cooperative endeavor agreement that
12 transfers the management and operation of a state owned hospital to a private entity or any
13 other agency.

14 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
15 governor of the state of Louisiana, the vice president of health affairs and medical education
16 for the Louisiana State University System, the chancellor of Louisiana State University
17 Health Sciences Center–New Orleans, the chancellor of Louisiana State University Health
18 Sciences Center-Shreveport, the chief executive officer of Louisiana Children's Medical
19 Center, the chief executive officer of University Medical Center Medical Management
20 Corporation, the chief executive officer of Lafayette General Health System, Inc., the chief
21 executive officer of Ochsner Health System, the chief executive officer of Hospital Service
22 District No. 1 of the Parish of Terrebonne, the chief executive officer of Southwest
23 Louisiana Hospital Association d/b/a Lake Charles Memorial Hospital, the chief executive
24 officer of Biomedical Research Foundation of Northwest Louisiana, the secretary of the
25 Louisiana Department of Health and Hospitals, and the commissioner of administration, as
26 well as their respective counsels.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Hunter

HR No. 47

Directs that any public-private partnership between the Board of Supervisors of La. State University (LSU) and a private entity for the operation and management of a public hospital shall require the approval of the House Committee on Appropriations, and such approval shall be in addition to the requirements of present law (R.S. 39:366.1 et seq).

Directs the LSU Board of Supervisors to submit to the House Committee on Appropriations, for approval, any potential or current cooperative endeavor agreement that transfers the management and operation of a state-owned hospital to a private entity.