

2018 Regular Session

HOUSE BILL NO. 470

BY REPRESENTATIVE STOKES

FUNDS/FUNDING: Creates and provides for the Louisiana Medical Research Fund

1 AN ACT

2 To enact R.S. 17:1924(9) and 3055(13) and Chapter 37-B of Title 51 of the Louisiana
3 Revised Statutes of 1950, to be comprised of R.S. 51:2221 through 2227, relative to
4 investment in medical research and improvements in healthcare systems; to create
5 the Louisiana Medical Research Fund as a special fund in the state treasury; to
6 provide for purposes, governance, operations, and personnel of the fund; to provide
7 for sources and uses of monies in the fund; to provide relative to purposes of the
8 Louisiana Cancer Research Center; to provide relative to purposes of the Health
9 Education Authority of Louisiana; to provide for collaboration among certain state
10 entities in furthering medical research and health system improvements; and to
11 provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 17:1924(9) and 3055(13) are hereby enacted to read as follows:

14 §1924. Purposes and powers of the center

15 The governance board of the center shall have authority to:

16 * * *

17 (9) In fulfilling the purposes of the center, collaborate with Louisiana entities
18 which invest in health and medical research and improvements in healthcare systems
19 including, without limitation, the Health Education Authority of Louisiana created
20 pursuant to Chapter 21 of this Title and the Louisiana Medical Research Fund

1 created pursuant to Chapter 37-B of Title 51 of the Louisiana Revised Statutes of
2 1950.

3 * * *

4 §3055. Powers; duties; functions

5 To accomplish the purposes of this Chapter, and for the general welfare and
6 health of the citizens of Louisiana, the authority shall have the following powers,
7 duties, and functions:

8 * * *

9 (13) To collaborate with Louisiana entities which invest in health and
10 medical research and improvements in healthcare systems including, without
11 limitation, the Louisiana Cancer Research Center created pursuant to Chapter 7-A
12 of this Title and the Louisiana Medical Research Fund created pursuant to Chapter
13 37-B of Title 51 of the Louisiana Revised Statutes of 1950.

14 Section 2. Chapter 37-B of Title 51 of the Louisiana Revised Statutes of 1950,
15 comprised of R.S. 51:2221 through 2227, is hereby enacted to read as follows:

16 CHAPTER 37-B. LOUISIANA MEDICAL RESEARCH FUND

17 §2221. Louisiana Medical Research Fund; creation; purpose

18 A.(1) The Louisiana Medical Research Fund, referred to hereafter as the
19 "fund", is hereby created as a special fund in the state treasury. The source of
20 monies for the fund may include but shall not be limited to any appropriation by the
21 legislature, including federal funds; any public or private donations, gifts, or grants
22 from individuals, corporations, charitable foundations; nonprofit organizations, other
23 business entities; or any combination of these; and any other monies which may be
24 provided by law.

25 (2) The legislature creates the fund for the purpose of improving the lives of
26 Louisiana residents through improved health care, economic opportunity, and all
27 other benefits deriving from investment in medical research.

28 B. All money received by the fund, except as otherwise provided by Article
29 VII, Section 9(B) of the Constitution of Louisiana relative to the Bond Security and

1 Redemption Fund, shall be deposited immediately upon receipt into the state
2 treasury.

3 C. The monies in the fund shall be invested by the state treasurer in the same
4 manner as monies in the state general fund. Interest earned on the investment of
5 monies in the fund shall be credited to the fund following compliance with the
6 requirements of Article VII, Section 9(B) of the Constitution of Louisiana. All
7 unexpended and unencumbered monies in the fund at the end of each fiscal year shall
8 remain in the fund.

9 D. The monies in the fund shall be used solely for the purposes provided in
10 this Chapter.

11 §2222. Board of commissioners; appointment; member qualifications

12 A. The fund shall be governed by a three-member board of commissioners,
13 referred to hereafter in this Chapter as the "board", appointed by the governor for
14 staggered terms of six years. Each member shall serve a single term and shall not
15 be eligible for reappointment.

16 B. No member of the board shall be an employee, officer, board member of
17 or have any other affiliation with a university, medical center, or other potential
18 recipient of an award of monies from the fund.

19 C.(1) Each of the following nonprofit entities shall nominate for board
20 membership one individual each to the governor:

21 (a) The American College of Cardiology.

22 (b) The American Neurological Association.

23 (c) The American Association for Cancer Research.

24 (2) Each nominee shall meet at least one of the following criteria:

25 (a) He is the owner or chief executive of a Louisiana enterprise the primary
26 line of business of which is related to biological sciences or health care.

27 (b) He is the chief executive or a board director of a Louisiana philanthropic
28 organization which targets giving to medicine, biological sciences, public health, or
29 health care.

1 (c) He is a Louisiana-based medical researcher or healthcare provider with
2 at least five years of professional experience in one of the specialty areas of
3 neurology, cardiology, or cancer.

4 §2223. Board of commissioners; responsibilities; authorizations

5 A. The board shall be responsible for all of the following functions:

6 (1) Hiring a managing director who shall have been trained in the life
7 sciences and shall have at least three years experience administering an agency,
8 department, or other entity responsible for advancing scientific research.

9 (2) Adopting guidelines, policies, and procedures for the dissemination of
10 research funding pursuant to this Chapter.

11 (3) Awarding research grants pursuant to this Section upon receiving a
12 recommended slate of awards submitted by the peer review panel. The board shall
13 approve or reject the recommended slate of awards in globo.

14 (4) Ensuring that the same percentage limitation on staff, administrative, and
15 peer review panel expenses shall apply to funds raised from other sources.

16 B. The board may collaborate with the Health Education Authority of
17 Louisiana and the Louisiana Cancer Research Center in carrying out its
18 responsibilities and fulfilling its purpose as provided in this Chapter.

19 §2224. Distribution of funding; awards; criteria

20 A. The fund shall distribute monies according to criteria adopted in
21 accordance with the provisions of this Chapter and guidelines, policies, and
22 procedures adopted by the board pursuant to annual or semiannual calls for
23 proposals.

24 B. In order to receive an award of monies from the fund, a proposed research
25 venture shall demonstrate capability to do all of the following:

26 (1) Advance knowledge in a targeted center of excellence specialty.

27 (2) Leverage Louisiana intellectual capital by expanding collaboration
28 between universities and medical centers of this state that have the potential to
29 publish breakthrough research.

1 C. A proposal shall be eligible for funding if its investigators represent a
2 minimum of three Louisiana research institutions.

3 D.(1) At least fifty-one percent of funding awarded by the fund annually
4 shall be dedicated to attracting to Louisiana universities or medical centers principal
5 investigators who complement and expand Louisiana research capacity in one of the
6 following targeted center of excellence specialties:

7 (a) Neuroscience.

8 (b) Cancer.

9 (c) Cardiovascular science.

10 (2) Research that demonstrates a high likelihood of immediate or short-term
11 translation into therapeutic use to treat neurological disease, cardiovascular disease,
12 or cancer shall receive preference in the scoring system adopted by the fund.

13 §2225. Personnel and operations

14 A. Peer reviewers from the fields of cardiovascular, neuroscience, and cancer
15 research shall evaluate proposals and recommend a slate of awards to the board.
16 Such reviewers shall be recruited from universities, institutes, and medical centers
17 outside the state of Louisiana. The reviewers may be compensated for their work
18 consistent with international practice, but shall not be employees of the fund.

19 B. The fund shall employ a managing director who shall be responsible for
20 all of the following:

21 (1) Designing and receiving approval from the board for program guidelines,
22 processes, and procedures.

23 (2) Issuing calls for proposals.

24 (3) Recruiting, directing, and compensating peer reviewers according to best
25 practices as demonstrated by agencies such as the National Institutes of Health.

26 (4) Disseminating research proposals timely received to peer reviewers.

27 (5) Collecting and presenting award recommendations from peer reviewers
28 to the board for action.

1 (6) Collecting funds from the state, managing those funds, and disseminating
2 research funds to awardees according to program guidelines.

3 (7) Preparing and presenting a written report on the status and impact of the
4 fund's awards to the board at least semiannually.

5 §2226. Domicile; prohibition

6 The fund shall be domiciled in Louisiana and maintain its place of business
7 in an existing facility of the state. The fund is specifically prohibited from renting,
8 owning, constructing, or paying to construct dwelling space or structures of any sort.

9 §2227. Research award recipients; reporting and accountability

10 A. Any institution that receives an award from the fund shall submit annually
11 a cost and program report which includes program impact. The report shall be
12 submitted to the managing director of the fund pursuant to program guidelines
13 adopted by the board. If a recipient institution fails to submit its report by the
14 deadline adopted by the board, the institution may be required to return to the fund
15 the full amount of the award.

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)]

HB 470 Original

2018 Regular Session

Stokes

Abstract: Creates the La. Medical Research Fund as a special fund in the state treasury.

Proposed law creates the La. Medical Research Fund as a special fund in the state treasury. Provides that the purpose of the fund is to improve the lives of La. residents through improved health care, economic opportunity, and all other benefits deriving from investment in medical research.

Proposed law provides that the fund shall be governed by a three-member board of commissioners, referred to hereafter as the "board", appointed by the governor for staggered terms of six years. Provides that each member shall serve a single term and shall not be eligible for reappointment.

Proposed law stipulates that no member of the board shall be an employee, officer, board member of or have any other affiliation with a university, medical center, or other potential recipient of an award of monies from the fund.

Proposed law provides that each of the following nonprofit entities shall nominate for board membership one individual each to the governor:

- (1) The American College of Cardiology.
- (2) The American Neurological Association.
- (3) The American Association for Cancer Research.

Proposed law provides that each nominee shall meet at least one of the following criteria:

- (1) He is the owner or chief executive of a La. enterprise the primary line of business of which is related to biological sciences or health care.
- (2) He is the chief executive or a board director of a La. philanthropic organization which targets giving to medicine, biological sciences, public health, or health care.
- (3) He is a La.-based medical researcher or healthcare provider with at least five years of professional experience in one of the specialty areas of neurology, cardiology, or cancer.

Proposed law requires the board to be responsible for all of the following functions:

- (1) Hiring a managing director who shall have been trained in the life sciences and shall have at least three years experience administering an agency, department, or other entity responsible for advancing scientific research.
- (2) Adopting guidelines, policies, and procedures for the dissemination of research funding pursuant to proposed law.
- (3) Awarding research grants pursuant to this section upon receiving a recommended slate of awards submitted by the peer review panel.
- (4) Ensuring that the same percentage limitation on staff, administrative, and peer review panel expenses shall apply to funds raised from other sources.

Proposed law requires the fund to employ a managing director who shall be responsible for all of the following:

- (1) Designing and receiving approval from the board for program guidelines, processes, and procedures.
- (2) Issuing calls for proposals.
- (3) Recruiting, directing, and compensating peer reviewers according to best practices as demonstrated by agencies such as the National Institutes of Health.
- (4) Disseminating research proposals timely received to peer reviewers.
- (5) Collecting and presenting award recommendations from peer reviewers to the board for action.
- (6) Collecting funds from the state, managing those funds, and disseminating research funds to awardees according to program guidelines.
- (7) Preparing and presenting a written report on the status and impact of the fund's awards to the board at least semiannually.

Proposed law authorizes the board to collaborate with the Health Education Authority of La. and the La. Cancer Research Center in carrying out its responsibilities and fulfilling its purpose as provided in proposed law.

Proposed law requires that the fund distribute monies according to criteria adopted in accordance with the provisions of proposed law and guidelines, policies, and procedures adopted by the board pursuant to annual or semiannual calls for proposals.

Proposed law stipulates that in order to receive an award of monies from the fund, a proposed research venture shall demonstrate capability to do all of the following:

- (1) Advance knowledge in a targeted center of excellence specialty.
- (2) Leverage La. intellectual capital by expanding collaboration between universities and medical centers of this state that have the potential to publish breakthrough research.

Proposed law stipulates that at least 51% of funding awarded by the fund annually shall be dedicated to attracting to La. universities or medical centers principal investigators who complement and expand La. research capacity in one of the following specialties:

- (1) Neuroscience.
- (2) Cancer.
- (3) Cardiovascular science.

Proposed law provides that the fund shall prioritize the funding of research that demonstrates a high likelihood of immediate or short-term translation into therapeutic use to treat neurological disease, cardiovascular disease, or cancer.

Proposed law provides for a peer review process for research proposals submitted to the fund.

Proposed law requires all institutions that receive an award from the fund to submit annually a cost and program report which includes program impact. Provides that if a recipient institution fails to submit its report by the deadline adopted by the board, the institution may be required to return to the fund the full amount of the award.

Present law, R.S. 17:1921 et seq., creates and provides for the purposes and functions of the La. Cancer Research Center. Proposed law retains present law and adds thereto an authorization to collaborate with the Health Education Authority of La. and the La. Medical Research Fund created pursuant to proposed law in investing in health and medical research and improvements in healthcare systems.

Present law, R.S. 17:3051 et seq., creates and provides for the purposes and functions of the Health Education Authority of La. Proposed law retains present law and adds thereto an authorization to collaborate with the La. Cancer Research Center and the La. Medical Research Fund created pursuant to proposed law in investing in health and medical research and improvements in healthcare systems.

(Adds R.S. 17:1924(9) and 3055(13) and R.S. 51:2221-2227)