
DIGEST

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Ortego

HB No. 284

Abstract: Transfers governance and control of state hospitals from LSU to human services districts and authorities and provides for delivery and financing of health services by such districts and authorities.

Overview

Proposed law deletes present law which authorizes Louisiana State University (LSU), through its Board of Supervisors, to govern and manage state hospitals.

Proposed law revises present law to provide that the LSU Health Sciences Center at New Orleans and the LSU Health Sciences Center at Shreveport shall be comprised exclusively of medical and related health schools and programs.

Proposed law provides that the human services districts and authorities of the state shall assume governance and management of all state hospitals heretofore under the control of the LSU Board of Supervisors.

Proposed law makes technical changes throughout present law to reflect the transfer of governance and management of state hospitals to human services districts and authorities as provided in proposed law.

Proposed law retains and relocates present law providing for the Medical Education Commission.

Present law provides for powers and duties of the secretary of DHH. Proposed law retains present law and adds the following as powers and duties of the secretary:

- (1) Implement an equitable system of Medicaid funding for hospitals operated by human services districts and authorities. Provides that revenues of a human services district or authority generated through local taxation shall not be used to displace, replace, or supplant appropriations to the district or authority from the Medicaid program. Further provides that such system of Medicaid funding shall not take into account revenues of a district or authority generated through local taxation.
- (2) Take such actions as are necessary to designate revenues generated by human services districts and authorities through local taxation, to the greatest extent practicable, as

certified public expenditures for the Medicaid program, and to utilize such revenues as matching funds to draw additional federal financing. Provides that subject to federal approval, the secretary shall commit funds gained through the means provided in proposed law to the human services districts or authorities which generated the corresponding matching funds.

- (3) Compile and make publicly available on the DHH website all health care accountability data reported by human services districts and authorities in accordance with the provisions of proposed law.

Human services districts and authorities - general

Proposed law retains present law creating human services districts and authorities as special districts within the meaning of present constitution.

Proposed law retains present law providing that purposes of the human services districts and authorities are to operate and manage community-based programs and services related to behavioral health, developmental disabilities, and selected public health services as authorized by DHH and to operate and manage any other services contracted to the districts and authorities by DHH.

Proposed law retains provisions of present law relative to statewide human services delivery.

Proposed law generally retains provisions of present law relative to governance, functions, employees, and regulations of human services districts and authorities; except proposed law makes the following changes thereto:

- (1) Proposed law authorizes human services districts and authorities to direct the operation and management of state hospitals.
- (2) Proposed law adds hospital administration as a required qualification of certain members of human services district and authority governing boards.
- (3) Proposed law deletes provision of present law which stipulates that rights, powers, and privileges enjoyed by human services districts and authorities as political subdivisions shall not include the rights to incur long-term debt, issue bonds, or levy taxes or special assessments.
- (4) Proposed law changes the terms "mentally retarded" and "mental retardation" used in certain provisions of present law to the terms "intellectually disabled" and "intellectual disability", respectively.
- (5) Proposed law changes the name of the human services district serving the parishes of Allen, Beauregard, Calcasieu, Cameron, and Jefferson Davis from Region 5 Human Services District to Imperial Calcasieu Human Services Authority.

Human services districts and authorities - state hospital administration

Proposed law provides that the purposes of human services districts and authorities relative to administration of state hospitals are:

- (1) To provide access to high-quality medical care for patients, including the medically indigent and uninsured.
- (2) To assist institutions which operate medical schools and other health education programs in developing a medical and clinical workforce for this state.
- (3) To operate efficiently and cost-effectively.
- (4) To work cooperatively with other health care providers and agencies to improve health outcomes in La.'s population.
- (5) To enter into such contracts, memoranda of understanding, and other agreements as may be necessary to participate in federal and state coordinated care programs and to maximize receipt of federal and state financial incentives for coordination of care.
- (6) To function as a patient-centered medical home which employs a culturally sensitive approach to care management and the education of patients and families in the ownership of their health.
- (7) To facilitate an ongoing community-based health planning process through which all citizens are afforded a meaningful level of direct input regarding design of the district's system of health care service delivery.

Proposed law provides that each human services district and authority shall have the following powers and duties relative to administration of state hospitals:

- (1) To hold title to immovable and movable property, to acquire such property through purchase, gift, lease, or otherwise, and to dispose of such property by sale or lease in accordance with present law.
- (2) To seek and accept charitable grants or other gifts to assist in the performance of its functions and to coordinate fund development at the medical centers.
- (3) To enter into contracts with any public or private entity in the furtherance of its purposes, subject to limitations provided in proposed law.
- (4) To retain all federal, self-generated funds and any funds collected for the provision of services under the Medicaid program in excess of funds provided through contract with DHH.

- (5) To enjoy the same powers and exemptions granted to hospital service districts under the provisions of present law, insofar as such powers and exemptions may be applicable to a district or authority and not inconsistent with the power granted to such districts and authorities in proposed law.
- (6) To levy and collect annual ad valorem taxes at a rate not to exceed ten mills, subject to certain limitations and voter approval requirements as provided in proposed law, for purposes provided in proposed law; and to grant total or partial exemptions from any tax which it imposes.
- (7) To expend money from its operating funds for the acquisition of supplies, services, equipment, and other items in performance of its responsibilities as set forth in proposed law.
- (8) To develop standards for quality assurance and credentialing of medical staff at medical centers.
- (9) To perform the actions necessary for medical centers to qualify for accreditation by appropriate accrediting bodies, including the Joint Commission on Accreditation of Healthcare Organizations.
- (10) To operate or participate in managed care organizations or systems, including without limitation, Medicare and Medicaid managed care plans; to operate or participate in conformity with federal managed care regulations and standards; and to enter into contracts or create new entities as necessary to do so.
- (11) To promote scientific research and training related to the care of the sick and injured insofar as such research and training can be conducted in connection with any medical center of a district or authority.
- (12) To participate so far as circumstances may warrant in any activity designed and conducted to promote the general health of communities served by the districts and authorities.
- (13) To perform comprehensive community-based health planning along with other public and private institutions and agencies engaged in providing hospital care and other health services.
- (14) To establish health care delivery policies in conformance with present law for the admission of medical center patients and the determination of the indigent status of patients.
- (15) To identify local public sources of revenue or expenditure that may be used by DHH as state match to draw down federal funds for the provision of health care services to the low-income and uninsured population.

- (16) To cooperate with other institutions and agencies engaged in providing hospital and outpatient health services for the purpose of improving access to and coordination of care.
- (17) To take such actions as are necessary to apply on behalf of any facility for Patient-Centered Medical Home accreditation from the National Committee for Quality Assurance or its successor.
- (18) To conduct public hearings and share public input on at least a biannual basis concerning the priorities of communities comprising the districts' and authorities' service areas for the provision of health care services.

Proposed law provides that for the purpose of ensuring accountability and quality of care, each district shall:

- (1) Operate an electronic health record for inpatient and outpatient services which meets the current standards of the U.S. Dept. of Health and Human Services for electronic health record interoperability.
- (2) Participate in a health information exchange which facilitates sharing of clinical data among districts.
- (3) Measure and report on its costs associated with inpatient stays, inpatient days, primary care clinic visits, specialty clinic visits, and any other metrics required pursuant to DHH rule.
- (4) Measure and report on service utilization metrics including duration of inpatient stays, readmissions, emergency department utilization, clinic wait times, and any other metrics required pursuant to DHH rule.
- (5) Maintain a disease registry according to disease state of its patient population in conformance with rules promulgated by the department.
- (6) Measure and report in a standard format on process and outcome metrics for patient care, including measures of care for persons with chronic disease as well as primary prevention activities for the entire patient population.
- (7) Measure and report in a standard format on patient satisfaction metrics as reported through patient experience survey tools developed and implemented in accordance with rules promulgated by the department.

Proposed law requires that on or before Dec. 1, 2014, and annually thereafter, each district shall submit a report encompassing the most recent calendar year of its operation to DHH which addresses the above-listed accountability measures provided for in proposed law.

Proposed law provides that each human services district and authority shall:

- (1) Have the authority to incur debt and issue bonds as authorized by present law and as specifically provided in proposed law.
- (2) Apply to the Interim Emergency Board for emergency funding for any emergency as defined in present law prior to closing any facility or eliminating any major service at any facility it operates. Provides that each district and authority shall be required to receive legislative approval prior to closing, selling, or leasing any facility or eliminating a major service at any facility.
- (3) Establish annual operating budgets for each medical center in its system which encompass incentives for efficiency, including but not limited to any payments from the accountable care organization program of the Centers for Medicare and Medicaid Services, and any other state or federal coordinated care program in which it participates.
- (4) Submit annual budget requests for state funds to the governor through the division of administration, in accordance with the provisions of present law, for an annual or supplemental appropriation from the legislature sufficient to ensure the continued provision of indigent health care, medical education, and human services, with such funds specifically designated as patient care revenues.
- (5) Enter into an annual agreement with DHH, subject to the provisions of present law and approval of or revision by the legislative committees on health and welfare and the Joint Legislative Committee on the Budget, to provide indigent health care services to the citizens of La.
- (6) Promulgate any such rules as may be necessary to carry out its duties, including rules relative to the establishment of a billing and payment system for services rendered to persons who are determined not to be medically indigent.
- (7) Based upon the allocation of medical education resources pursuant to the provisions of present law, enter into annual agreements with academic health centers or other institutions that have historically provided medical education services at hospitals of the districts and authorities.
- (8) Take all such actions as are necessary to apply for participation in the Accountable Care Organization (ACO) shared savings program administered by the Centers for Medicare and Medicaid Services pursuant to 42 U.S.C. 1395jjj.
- (9) Submit a report and annual operational plan on or before Dec. 31 annually to the legislative committees on health and welfare which includes the following items:
 - (a) Analysis and commentary on public health challenges observed in the service area.
 - (b) Summary data exclusive of patient identifying information on health services

delivered and patient health outcomes in the period covered by the report.

- (c) Impacts on health outcomes and health care costs in the service area during the period covered by the report which resulted from participation in any federal or state coordinated care programs.
- (d) Analysis and commentary on any anticipated barriers to improvement of health care services delivered by the district or authority.

Proposed law provides that a human services district or authority may provide for the private operation or management of all or part of any of its facilities subject to legislative approval in conformance with proposed law.

Human services districts and authorities - bonds

Proposed law authorizes each human services district and authority to issue and sell bonds, notes, or other evidences of indebtedness in one or more series to fund the cost of equipping, renovating, replacing, improving, and constructing medical centers and related improvements and facilities.

Proposed law provides that the total scheduled annual principal, interest, and other requirements for bonds issued to fund the costs of equipment and of renovating, replacing, improving, and constructing medical centers may not exceed amounts as determined and set forth by the State Bond Commission within a single fiscal year.

Proposed law provides that each human services district and authority shall comply with bid procedures developed by the State Bond Commission prior to contracting with bond counsel, bond underwriting firms, or any other entity which may assist in the issuance or sale of bonds.

Proposed law provides that the bonds may be payable from fees, rates, rentals, charges, or grants received by a human services district or authority, or any other receipts, income, or revenue sources, including but not limited to Medicare and Medicaid payments.

Proposed law provides that such bonds shall not carry the pledge of the full faith and credit of the state and the issuance of the bonds shall not constitute the incurring of state debt under the provisions of present constitution.

Proposed law provides that such bonds shall be issued in the name of the respective district or authority pursuant to a resolution of the district or authority fixing details and provisions of the bonds, including their date, form, terms, repayment schedule, registration, and redemption features, the rights and remedies of the bondholders, and provisions for security and payment of the bonds.

Proposed law provides that as security for the payment of any bonds issued in accordance with proposed law, each human services district and authority is authorized to pledge or mortgage all

or any part of its revenues or properties as provided in the resolution or trust indenture authorizing the bonds.

Proposed law provides that such bonds are negotiable instruments, are authorized investments for financial institutions, may be used for deposit with the state or a political subdivision of the state in any case where deposit or security is required, and that the income from such bonds shall be exempt from taxation by the state or any of political subdivision of the state.

Proposed law provides that bonds issued by a human services district and authority pursuant to proposed law shall be deemed as securities of public entities and subject to defeasance, and may be refunded in accordance with present law.

Human services districts and authorities - transfer of hospital facilities and employees

Proposed law provides that all hospitals heretofore operated by LSU are transferred to and designated as medical centers to be operated by the human services districts and authorities as follows:

- (1) Charity Hospital and Medical Center of Louisiana at New Orleans is transferred to and designated as a medical center to be operated by the Metropolitan Human Services District.
- (2) Earl K. Long Medical Center in Baton Rouge is transferred to and designated as a medical center to be operated by the Capital Area Human Services District.
- (3) Leonard J. Chabert Medical Center in Houma is transferred to and designated as a medical center to be operated by the South Central Louisiana Human Services Authority.
- (4) University Medical Center in Lafayette is transferred to and designated as a medical center to be operated by the Acadiana Area Human Services District.
- (5) W.O. Moss Regional Medical Center in Lake Charles is transferred to and designated as a medical center to be operated by the Imperial Calcasieu Human Services Authority.
- (6) Huey P. Long Medical Center in Pineville is transferred to and designated as a medical center to be operated by the Region 6 Human Services District.
- (7) University Hospital Shreveport is transferred to and designated as a medical center to be operated by the Region 7 Human Services District.
- (8) E.A. Conway Medical Center in Monroe is transferred to and designated as a medical center to be operated by the Northeast Delta Human Services Authority.
- (9) Lallie Kemp Regional Medical Center in Independence is transferred to and designated as a medical center to be operated by the Florida Parishes Human Services Authority.
- (10) Bogalusa Medical Center is transferred to and designated as a medical center to be operated by the Florida Parishes Human Services Authority.

Proposed law provides that no hospital nor any emergency room of a human services district or authority may be closed without legislative approval.

Proposed law provides that all employees engaged in the performance of duties relating to the functions of a facility transferred from LSU to a human services district or authority shall be transferred to the respective district or authority to carry out the functions of the district or authority and its facilities.

Proposed law provides that all legal proceedings and documents relating to facilities and functions transferred to a human services district or authority pursuant to proposed law shall be in the name of the district or authority, and on the date such facilities and functions are transferred, the district or authority shall be substituted for the original party facility, office, department, or division without the necessity for amendment of any document to substitute the name of the district or authority or the name or title of any office, official, employee, or other agent or representative of the district or authority.

Proposed law provides that nothing in proposed law shall impair the contractual or other obligations of any facility, office, department, or division, including any labor or collective bargaining agreement, the provisions for which may be affected by proposed law. Provides that all obligations and liabilities of any such facility, office, department, or division shall be deemed to be the obligations and liabilities of the respective human services districts and authorities to the same extent as if originally incurred by the district or authority. Further provides that any gift, donation, deed, will, trust, or other instrument or disposition by which property of any kind has been vested in any such facility, office, department, or division shall be deemed to have been vested in the respective district or authority, in the same manner, and to the same extent as if originally vested in the district or authority. Further provides that each district and authority and their respective boards shall be the successor in every way to each such facility, office, department, or division, including all of the obligations and debts of each such facility, office, department, or division.

Proposed law provides that all books, papers, records, money, accounts receivable, actions, and other property of every kind, movable and immovable, real and personal, heretofore possessed, controlled, or used, by each facility, office, department, or division, the provisions for which are affected by proposed law, are transferred to the respective district or authority, provided that for accounting purposes all liabilities, expenses, obligations, accounts receivable, revenues, etc., shall be deemed to have been transferred to the district or authority to the same extent as if originally made.

Proposed law provides that any bona fide resident and taxpayer of the state shall be eligible to be admitted for any form of treatment by a medical center of a human services district or authority. Provides that those persons who are determined not to be medically indigent or medically needy shall be admitted only on a space available basis and shall be reasonably charged for any treatment or service received. Stipulates that in no event shall emergency treatment be denied to anyone.

Proposed law provides that if a human services district or authority is terminated or ceases to exist for any reason, the hospitals and all facilities transferred to or acquired by that district or authority shall be transferred to the state, through DHH or its successor, and all employees, property, obligations, and books and records of the district or authority shall also be so transferred.

Proposed law provides that each medical center of a human services district or authority may facilitate the employment of health care professionals for the medical center by establishing an

unclassified health care professional employee pool. Retains and relocates provisions of present law relative to such unclassified health care employee pools.

Human services districts and authorities - miscellaneous provisions

Proposed law retains and relocates present law providing that each licensed physician serving on the staff of a medical center of a human services district or employee and his full-time supervisory medical staff member, by joint signature, are required, when requested by a social security claimant who is, or who has been, a patient of the physician at the medical center and who has a treating relationship with the patient in the appropriate field and sufficient knowledge to render an opinion, to provide descriptive statements and opinions for the patient with respect to the patient's medical condition, employability, and ability to function, upon which disability determinations may be based.

Proposed law retains and relocates present law providing for the coordinated school health and wellness centers pilot program authorized as a cooperative endeavor of the Lafayette Parish School System and University Medical Center in Lafayette, the state hospital to be administered by the Acadiana Area Human Services District in accordance with proposed law.

Effective date

Upon signature of governor or lapse of time for gubernatorial action, proposed law becomes effective July 1, 2014.

(Amends R.S. 11:162(E)(1), R.S. 15:713(A)(2), 824(B)(1)(c)(ii), and 831(B)(2), R.S. 17:3215(6) and (7), R.S. 28:831(A)(intro. para.) and (2), (C)(1)(a), (b)(i)-(iii), (E), and (F)(1), (4), and (5), 852(A), 853(B), 854(A)(2) and (5) and (D), 856, 862(A), 863(B), 864(A)(2) and (5) and (D), 866, 872(A), 873(B), 874(A) and (D), 876, 892, 893(B), 894(A), (B)(intro. para.) and (5), and (D), 896, 902(A), 903(B)(1), 904(A)(6) and (D), 906, 912(A)(1) and (B), 913(A)(2) and (3), 915(C) and (F)(5), 917(A) and (D), and 920, R.S. 36:254(A)(14) and (F)(1) and 259(FF), R.S. 39:98.3(B)(3), 98.4(B)(3), 1533(A), 1536(A)(2), 1543(D), and 1593.1(A), R.S. 40:1300.83(3) and 2018.1(B)(13), R.S. 42:398 and 808(D)(1), R.S. 43:31(B)(3), and R.S. 46:160.8(A)(3)(a), 1072(2)(b), 1083(C), 1093(C), 2605(B)(27), and 2761(B); Adds R.S. 28:854(A)(6), 864(A)(6), 904(A)(7), and 915(G), R.S. 36:254(A)(15) and (16), R.S. 40:2003, and 2861-2972; Repeals R.S. 17:1516-1519.18, R.S. 28:4, 241-261, and 912(C), R.S. 43:31(B)(2)(d), and R.S. 46:1191-1196)