

Regular Session, 2013

HOUSE CONCURRENT RESOLUTION NO. 74

BY REPRESENTATIVE BROSSETT

LEGISLATIVE POWERS: Requires submission for approval by the Joint Legislative Committee on the Budget of any cooperative endeavor agreements between the LSU Board of Supervisors and a private entity involving the change in management of a public hospital

1 A CONCURRENT RESOLUTION

2 To direct the LSU Board of Supervisors to submit to the Joint Legislative Committee on the
3 Budget for approval of any cooperative endeavor agreement that transfers the
4 management and operation of a state owned hospital to a private entity.

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

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

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

- 15 (a) Medical Center of Louisiana at New Orleans.
- 16 (b) Earl K. Long Medical Center in Baton Rouge.
- 17 (c) University Medical Center in Lafayette.
- 18 (d) Leonard J. Chabert Medical Center in Houma.
- 19 (e) Lallie Kemp Regional Medical Center in Independence.
- 20 (f) Bogalusa Medical Center in Bogalusa.

1 (g) W. O. Moss Regional Medical Center in Lake Charles.

2 (h) University Medical Center in Baton Rouge; and

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

7 (a) University Hospital Shreveport.

8 (b) E. A. Conway Medical Center in Monroe.

9 (c) Huey P. Long Medical Center in Pineville; and

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

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

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

24 (b) With Lafayette General Health System, Inc. regarding University Medical Center
25 in Lafayette, Louisiana;

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

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

1 (e) With Biomedical Research Foundation of Northwest Louisiana regarding the LSU
2 Medical Center - Shreveport in Shreveport, Louisiana and E.A. Conway Medical Center in
3 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 cooperative endeavor agreement which would result or is expected to result in any nonpublic
19 party to the agreement generating or expending revenue of one million dollars or more per
20 year from the operation, management, or control of a state resource, the state agency shall
21 inform the Joint Legislative Committee on the Budget of the proposed agreement and the
22 Joint Legislative Committee on the Budget may hold a hearing on the agreement any time
23 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 collaboratively with other healthcare providers and agencies to improve the
30 health outcomes of the citizens of the state, it is the right and the responsibility of the

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

4 THEREFORE, BE IT RESOLVED that any public private partnership between the
5 Board of Supervisors of Louisiana State University and a private entity for the operation and
6 management of a public hospital shall require the approval of the Joint Legislative
7 Committee on the Budget, and such approval shall be in addition to the requirements of R.S.
8 39:366.1 et seq.

9 BE IT FURTHER RESOLVED that the LSU Board of Supervisors is directed to
10 submit to the Joint Legislative Committee on the Budget for approval of any cooperative
11 endeavor agreement that transfers the management and operation of a state owned hospital
12 to a private entity.

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

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)]

Brossett

HCR No. 74

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Directs the LSU Board of Supervisors to submit to the Joint Legislative Committee on the Budget for approval of any cooperative endeavor agreement that transfers the management and operation of a state owned hospital to a private entity.