Regular Session, 2013

HOUSE CONCURRENT RESOLUTION NO. 140

BY REPRESENTATIVE HUNTER

PRIVATIZATION: Directs implementation of certain requirements for private contractors as conditions for privatizing the operation of any state hospital

1	A CONCURRENT RESOLUTION
2	To direct the division of administration, the Department of Health and Hospitals, and the
3	Board of Supervisors of Louisiana State University and Agricultural and Mechanical
4	College to implement certain requirements for private contractors as conditions for
5	privatizing the operation of any state hospital.
6	WHEREAS, because the essential financial and health policy aspects of cooperative
7	endeavor agreements to privatize state hospitals are being developed in secret, the following
8	matters remain unknown to the Legislature of Louisiana as of the date of filing of this
9	Resolution:
10	(1) Whether the privatization effort will result in cost savings or cost increases to the
11	state.
12	(2) Whether the privatization effort will improve or jeopardize graduate medical
13	education and physician training programs.
14	(3) Whether the privatization effort will enhance or diminish access to health care
15	by those with the greatest need; and
16	WHEREAS, neither the Legislature of Louisiana nor any committee thereof has
17	statutory authority to approve cooperative endeavor agreements to privatize state hospitals;
18	and
19	WHEREAS, the legislature has sought such approval authority through House
20	Concurrent Resolution No. 74, House Resolution No. 42, and Senate Resolution No. 28 of
21	the 2013 Regular Session of the Legislature; and

WHEREAS, while one of the aforementioned legislative instruments has been adopted as of the date of filing of this Resolution, the legislative committee vested with approval authority by the instrument has openly disregarded the instrument's provisions; and WHEREAS, if the legislature will continue to be denied any authority to approve agreements to privatize state hospitals, then this branch of state government should, at minimum, be able to direct certain requirements and conditions for private entities which are set to take on this vital public function in our state.

8 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby 9 direct the division of administration, the Department of Health and Hospitals, and the Board 10 of Supervisors of Louisiana State University and Agricultural and Mechanical College to 11 implement the following requirements for private contractors as conditions which shall be 12 satisfied prior to privatizing the operation of any state hospital:

(1) The private entity shall disclose to the state parties to the cooperative endeavor agreement its audited financial statements for each of the ten years preceding the date on which it will assume operation of a state hospital. The financial statements shall be audited by a certified public accounting firm approved for this purpose by the commissioner of administration. The commissioner may determine and require that additional information be submitted with the audited financial statements.

(2) The private entity shall disclose to the state parties to the cooperative endeavor agreement the patient payor mix for each hospital that it currently owns for each of the ten years preceding the date on which it will assume operation of a state hospital; or all years of operation of a currently owned hospital, if it has been owned by the private entity for less than ten years. The payor mix report shall disclose, at minimum, the proportion of health services financed at each of the private entity's hospitals by the following payors for all years required herein:

- 26 (a) Medicaid.
- (b) Medicare.
- 28 (c) Private insurance.
- 29 (d) Private pay, as defined in R.S. 22:1202.
- 30 (e) Prisoner care.

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1 (f) Uncompensated.

- (3) The private entity shall disclose to the state parties to the cooperative endeavor
- 3
- agreement the salaries of all companyexecutives, hospital administrators, phy sicians, nurses,
- 4 allied health professionals, and ancillary hospital staff persons it employs.
- 5 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
- 6 office of the governor, the commissioner of administration, the secretary of the Department
- 7 of Health and Hospitals, and the chairman of the Board of Supervisors of Louisiana State
- 8 University and Agricultural and Mechanical College.

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

HCR No. 140

Directs DOA, DHH, and LSU to implement the following requirements for private contractors as conditions for privatizing the operation of any state hospital:

- The private entity shall disclose to the state parties to the cooperative endeavor (1)agreement its audited financial statements for each of the 10 years preceding the date on which it will assume operation of a state hospital. The financial statements shall be audited by a certified public accounting firm approved for this purpose by the commissioner of administration. The commissioner may determine and require that additional information be submitted with the audited financial statements.
- The private entity shall disclose to the state parties to the cooperative endeavor (2)agreement the patient payor mix for each hospital that it currently owns for each of the 10 years preceding the date on which it will assume operation of a state hospital; or all years of operation of a currently owned hospital, if it has been owned by the private entity for less than 10 years. The payor mix report required herein shall disclose, at minimum, the proportion of health services financed at each of the private entity's hospitals by the following payors:
 - (a) Medicaid.
 - (b) Medicare.
 - (c) Private insurance.
 - (d) Private pay, as defined in present law.
 - (e) Prisoner care.
 - (f) Uncompensated.
- The private entity shall disclose to the state parties to the cooperative endeavor (3) agreement the salaries of all company executives, hospital administrators, physicians, nurses, allied health professionals, and ancillary hospital staff persons it employs.