

2016 Regular Session

SENATE BILL NO. 253

BY SENATOR PEACOCK

FUNDS/FUNDING. Provides for a limitation relative to certain appropriations for hospitals associated with the LSU Health Sciences Center of Shreveport, the LSU Health Sciences Center at New Orleans, and the LSU Health Care Services Division. (7/1/17)

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AN ACT

To amend and reenact R.S. 17:1519.6(A) and to enact R.S. 17:1517(D)(5) and (6), and 1519.1(13), relative to limitations on certain appropriations to the LSU Health Sciences Center at Shreveport, the LSU Health Sciences Center at New Orleans, and the LSU Health Care Services Division; to provide for the responsibility for the monies appropriated for certain legacy costs associated with the privatization of the hospitals that are a part of the LSU Health Sciences Center at Shreveport, and the LSU Health Sciences Center at New Orleans and the LSU Health Care Services Division; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 17:1519.6(A) is hereby amended and reenacted and R.S. 17:1517(D)(5) and (6), and 1519.1(13) are hereby enacted to read as follows:

§1517. Louisiana State University and Agricultural and Mechanical College Medical School at Shreveport; Louisiana State University Health Sciences Center at Shreveport; composition

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D. The Board of Supervisors of Louisiana State University and Agricultural

1 and Mechanical College as a body corporate shall have authority to exercise all
2 power to direct, control, supervise, and manage the Louisiana State University
3 Hospital at Shreveport, including but not limited to the following:

4 * * *

5 (5)(a) Notwithstanding any other provision of law to the contrary, in any
6 fiscal year that monies are not specifically appropriated for the payment of
7 certain legacy costs directly associated with or relative to the hospitals that are
8 a part of the Louisiana State University Health Sciences Center at Shreveport
9 that have been privatized under a hospital cooperative endeavor agreement
10 between the Board of Supervisors of Louisiana State University and
11 Agricultural and Mechanical College as established by Article VIII, Section 7
12 of the Constitution of Louisiana and a nonpublic party, it shall be the
13 responsibility of the division of administration for the payment of such legacy
14 costs as provided in this Paragraph.

15 (b) Additionally, in the event of a budget deficit or fiscal emergency
16 during any fiscal year, neither the appropriations for such legacy costs to the
17 Louisiana State University Health Services Center at Shreveport nor the
18 personnel associated with such monies shall be reduced from the health sciences
19 center to offset or compensate for such deficit or fiscal emergency.

20 (c) Any monies specifically appropriated for the payment of certain
21 legacy costs as provided in Subparagraph (a) of this Paragraph shall not be used
22 to displace, replace, or supplant appropriations for any other operational costs
23 of the health sciences center.

24 (6) Legacy costs shall include but are not limited to liability and
25 insurance coverage for worker's compensation, medical malpractice, and
26 property claims; auditing costs; civil service and training costs; personnel costs
27 such as termination pay, unemployment compensation, and retiree health and
28 life insurance benefits; and miscellaneous costs such as utilities, buildings and
29 grounds maintenance costs, security costs, or administrative costs.

* * *

§1519.1. Definitions

As used in this Subpart, the terms defined in this Section shall have the meanings herein given to them, except where the context clearly indicates otherwise.

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(13) "Legacy costs" means and includes but are not limited to liability and insurance coverage for worker's compensation, medical malpractice, and property claims; auditing costs; civil service and training costs; personnel costs such as termination pay, unemployment compensation, and retiree health and life insurance benefits; and miscellaneous costs such as utilities, buildings and grounds maintenance costs, security costs, or administrative costs.

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§1519.6. Funding and budget

A.**(1)** The health care services division shall be an organizational unit within the LSU HSC-NO and shall be budgeted as a single appropriation separate and distinct from the appropriation or budget for any other institution or school under the supervision and management of the board. The appropriation for the health care services division shall only indicate the amount of state general fund dollars appropriated to this schedule and shall exclude state general funds for Medicaid and Medicaid-Uncompensated Care. All other funds generated by hospital operations shall be deposited directly into the Health Care Services Fund without appropriation. Funds from other institutions, schools, or divisions under the management of the board shall not be used to offset any deficit which may occur within the health care services division, and, conversely, funds from the health care services division shall not be used to offset any deficit which may occur within other institutions, schools, or divisions under the management of the board.

(2)(a) Notwithstanding any other provision of law to the contrary, in any fiscal year that monies are not specifically appropriated for the payment of certain legacy costs directly associated with or relative to the hospitals that are

1 a part of the Louisiana State University Health Sciences Center at New Orleans
 2 that have been privatized under a hospital cooperative endeavor agreement
 3 between the Board of Supervisors of Louisiana State University and
 4 Agricultural and Mechanical College as established by Article VIII, Section 7
 5 of the Constitution of Louisiana and a nonpublic party, it shall be the
 6 responsibility of the division of administration to pay such legacy costs as
 7 provided in this Paragraph.

8 (b) Additionally, in the event of a budget deficit or fiscal emergency
 9 during any fiscal year, neither the appropriations for such legacy costs to the
 10 Louisiana State University Health Sciences Center at New Orleans or the
 11 Louisiana State University Health Care Services Division nor the personnel
 12 associated with such monies shall be reduced from the health sciences center or
 13 the health care services division to offset or compensate for such deficit or fiscal
 14 emergency.

15 (c) Any monies specifically appropriated for the payment of certain
 16 legacy costs as provided in Subparagraph (2)(a) of this Paragraph shall not be
 17 used to displace, replace, or supplant appropriations for any other operational
 18 costs of the health sciences center or the health care services division.

19 * * *

20 Section 2. This Act shall become effective on July 1, 2017; if vetoed by the governor
 21 and subsequently approved by the legislature, this Act shall become effective on July 1,
 22 2017, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Jay R. Lueckel.

DIGEST

SB 253 Engrossed 2016 Regular Session Peacock

Present law provides relative to the composition of the LSU Medical School at Shreveport, the LSU Health Sciences Center at Shreveport, the LSU Health Care Services Division, and the Health Sciences Center at New Orleans.

Proposed law retains present law and provides that in any fiscal year that monies are not specifically appropriated for the payment of certain legacy costs of any hospitals that are part of the LSU Health Sciences Center and the Health Care Services Division that have been

privatized, it shall be the responsibility of the division of administration for payment of such costs.

Proposed law provides that any monies specifically appropriated for the payment of certain legacy costs shall not be used to displace, replace, or supplant appropriations for any other operational costs of the health sciences center.

Proposed law also specifies that in the event of a budget deficit or fiscal emergency during any fiscal year, the appropriations for legacy costs and associated personnel shall not be reduced from the health sciences centers to compensate for the deficit or fiscal emergency.

Proposed law further defines what legacy costs shall include, such as liability and insurance coverage for worker's compensation; medical malpractice and property claims; auditing costs, civil service and training costs; personnel costs such as termination pay, unemployment compensation, and retiree health and life insurance benefits; and other miscellaneous costs, such as utilities, buildings and grounds maintenance, security costs, or administrative costs.

Effective July 1, 2017.

(Amends R.S. 17:1519.6(A); adds R.S. 17:1517(D)(5) and (6) and 1519.1(13))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Provides that any monies specifically appropriated for the payment of legacy costs shall not be used to displace, replace, or supplant appropriations for any other operational costs of the health sciences center.
2. Expands the responsibility of the division of administration relative to legacy costs includes the hospitals of the LSU Health Sciences Center in Shreveport, the Health Care Services Division, and the Health Sciences Center in New Orleans.