

SENATE RESOLUTION NO. 28

BY SENATOR MURRAY

A RESOLUTION

To direct the LSU Board of Supervisors to submit to the Senate Committee on Finance for approval of any cooperative endeavor agreement that transfers the management and operation of a state owned hospital to a private entity.

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

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

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

- (a) Medical Center of Louisiana at New Orleans.
- (b) Earl K. Long Medical Center in Baton Rouge.
- (c) University Medical Center in Lafayette.
- (d) Leonard J. Chabert Medical Center in Houma.
- (e) Lallie Kemp Regional Medical Center in Independence.
- (f) Bogalusa Medical Center in Bogalusa.
- (g) W. O. Moss Regional Medical Center in Lake Charles.
- (h) University Medical Center in Baton Rouge; and

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

- (a) University Hospital Shreveport.
- (b) E. A. Conway Medical Center in Monroe.
- (c) Huey P. Long Medical Center in Pineville; and

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

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

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

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

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

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

(e) With Biomedical Research Foundation of Northwest Louisiana regarding the LSU Medical Center - Shreveport in Shreveport, Louisiana and E.A. Conway Medical Center in Monroe, Louisiana; and

WHEREAS, the attorney general of the state of Louisiana issued an opinion and determined that the board does not need the approval of the legislature to lease an entire state hospital facility under the board's control and management; and

WHEREAS, state law prohibits the closure of any hospital or emergency room under

the authority of the board without legislative approval, which approval may be granted by the legislature either by concurrent resolution or by appropriate action in the General Appropriation Act; and

WHEREAS, the opinion of the attorney general does not address whether the lease of an entire state hospital facility to a private entity constitutes the closure of the publicly owned hospital facility; and

WHEREAS, the General Appropriation Act for Fiscal Year 2012-2013, namely Act No. 13 of the 2012 Regular Session of the Legislature, does not contemplate the closure of any of the publicly owned hospital facilities; and

WHEREAS, Louisiana law further provides that prior to the confection of any cooperative endeavor agreement which would result or is expected to result in any nonpublic party to the agreement generating or expending revenue of one million dollars or more per year from the operation, management, or control of a state resource, the state agency shall inform the Joint Legislative Committee on the Budget of the proposed agreement and the Joint Legislative Committee on the Budget may hold a hearing on the agreement any time prior to the official confection of the agreement; and

WHEREAS, given the important nature of the mission and purpose of these hospitals, including but not limited to the provision of access to high quality medical care for the most vulnerable patients including the medically indigent and uninsured, the development of medical and clinical manpower throughout the state in the various accredited residency and other health education programs, and the cooperative nature in which these hospitals work collaboratively with other healthcare providers and agencies to improve the health outcomes of the citizens of the state, it is the right and the responsibility of the legislature to actively participate and deliberate on the management structure for these hospitals to ensure that they are operating efficiently and effectively in the best interests of the citizens of the state.

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

BE IT FURTHER RESOLVED that the LSU Board of Supervisors is directed to submit to the Senate Committee on Finance for approval of any cooperative endeavor agreement that transfers the management and operation of a state owned hospital to a private entity.

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

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PRESIDENT OF THE SENATE