

2016 Regular Session

SENATE BILL NO. 321

BY SENATOR MORRELL

HOSPITALS. To provide for a funding formula for new hospitals that are in adversely impacted areas with limited patient access. (8/1/16)

1 AN ACT

2 To enact Part VI of Chapter 5-D of Title 40 of the Louisiana Revised Statutes of 1950, to be
3 comprised of R.S. 40:1190, 1190.1, and 1190.2, relative to hospital funding; to
4 provide legislative intent; to establish a program; to create a fund and provide for
5 legislative appropriation; to provide rulemaking authority; to provide for an effective
6 date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Part VI of Chapter 5-D of Title 40 of the Louisiana Revised Statutes of
9 1950, comprised of R.S. 40:1190, 1190.1, and 1190.2, is hereby enacted to read as follows:

10 **PART VI. STARTUP HOSPITAL BRIDGE PROGRAM**

11 **§1190. Program creation**

12 **This Part may be cited as the "Startup Hospital Bridge Program".**

13 **§1190.1. Legislative findings**

14 **A. The legislature finds that:**

15 **(1) Given the devastation that has resulted to our communities by**
16 **natural disasters, the number of hospitals available to serve our communities**
17 **has diminished. Hospitals that endeavor to serve these communities provide an**

1 invaluable part of the health care delivery system of the state, as well as
2 facilitating the economic development and stabilization for our state.

3 (2) Many of the residents living in these communities are in poorer
4 health than residents living in more populated areas of the state, and these
5 residents generally lack access to adequate public transportation.

6 (3) Due to our state's unique geography which limits points of ingress
7 and egress, such hospitals do not meet federal geographic distance standards
8 that would facilitate additional federal funding.

9 (4) During the startup period for these facilities, participation in
10 uncompensated care or disproportionate funding programs is unavailable due
11 to the lack of sufficient information regarding the mix of care.

12 (5) It is necessary to create a limited financial support program to assist
13 these hospitals in operating until such time as their operation is developed in a
14 measurable way and this financial support program is replaced with funds from
15 federal, state, and private payors.

16 B. The legislature hereby declares that, absent the enactment of the
17 following provisions, new hospitals will not be established in these communities,
18 thereby impeding the redevelopment of these areas.

19 §1190.2. Startup assistance program

20 A. The startup hospital bridge funding program is hereby established for
21 the purpose of providing qualified startup hospitals with an opportunity to
22 participate in a supplemental funding program for up to a two-year period of
23 time during which it may augment its reimbursements received from all sources
24 with a single annual grant in an amount to be determined annually in
25 accordance with the provisions of this Part.

26 B. The startup hospital bridge fund shall be established and funded
27 annually by the legislature and shall be shared by all qualified startup hospitals
28 on a proportionate level as established by the Department of Health and
29 Hospitals.

1 **C. The Department of Health and Hospitals shall promulgate rules and**
2 **regulations to implement the provisions of this Part.**

3 Section 2. This Act shall become effective on August 1, 2016; if vetoed by the
4 governor and subsequently approved by the legislature, this Act shall become effective on
5 August 1, 2016, 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 Christine Arbo Peck.

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Proposed law establishes the Startup Hospital Bridge Program, provides legislative findings and purpose for the program, and establishes a supplemental funding program for a period of two years. Further provides for legislative appropriation for the fund and authorizes the Department of Health and Hospitals to promulgate rules for the implementation of the program.

Effective August 1, 2016.

(Adds R.S. 40:1190, 1190.1, and 1190.2)