SLS 17RS-235 ENGROSSED

2017 Regular Session

SENATE BILL NO. 36

BY SENATOR MARTINY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

HOSPITALS. Provides relative to the use of employment contracts in hospital service districts. (8/1/17)

1 AN ACT

To amend and reenact R.S. 46:1056(A) and (B), relative to employment contracts in hospital service districts; to provide for authority to execute certain employment contracts; to provide for definitions; to provide for employment terms; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

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Section 1. R.S. 46:1056(A) and (B) are hereby amended and reenacted to read as follows:

§1056. Hospital director and executives

A. The commission, with the approval of the medical staff, shall enter into a formal written employment agreement with a hospital director, hereafter referred to as "director", who has had experience in the field of hospital administration and is familiar with the principles and methods of hospital and institutional care, and the hospital may enter into a formal written employment agreement with any hospital executive. For purposes of this Section, hospital executive includes but is not limited to any senior member of management such as vice president, assistant administrator or department director. He The director and any

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hospital executive shall be a full-time employee employees of the district or of the hospital management firm. and The director shall receive a salary fixed by the commission.

B. If the director and commission enter into a formal written employment agreement, notwithstanding any law to the contrary, such agreement shall bind both parties to its terms. If a hospital executive and hospital, upon the authority of the director, enter into a formal written employment agreement, notwithstanding any law to the contrary, such agreement shall bind both parties to its terms. Such written agreement agreements shall provide for a fixed term of employment, specify the director's or hospital executive's duties, and be renewable for an additional term or terms at the pleasure of the commission or hospital director, respectively. In the absence of a formal written employment agreement, the director shall serve at the pleasure of the commission and the hospital executive shall serve at the pleasure of the director.

* * *

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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Martiny

<u>Present law</u> provides for a hospital service district commission contracting for a director with approval of the medical staff. <u>Proposed law</u> adds the option of the commission contracting with hospital executives, including but not limited to the vice president, assistant administrator, and department director and removes the requirement for approval by the medical staff.

Effective August 1, 2017.

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(Amends R.S. 46:1056(A) and (B))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Health and Welfare to the original bill

- 1. Removes the requirement that the medical staff of the hospital service district must approve employment agreements that the commission enters into with the hospital director and executive staff.
- 2. Clarifies that the hospital has the authority to enter into a formal agreement for employment.

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Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.