

Regular Session, 2003

ACT No. 906

SENATE BILL NO. 867

BY SENATOR SCHEDLER AND REPRESENTATIVES DURAND AND
WELCH

AN ACT

To amend and reenact Subpart C-2 of Part II of Chapter 4 of Title 17 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 17:1519 through 1519.15, and R.S. 46:6(A), to enact Chapter 59 of Title 46 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 46:2761, and to repeal R.S. 46:6(B) and (C), relative to the Louisiana State University Health Sciences Center-Health Care Services Division; to provide for definitions; to provide for structure, duties, powers, and responsibilities of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College to govern the division; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Subpart C-2 of Part II of Chapter 4 of Title 17 of the Louisiana Revised Statutes of 1950, comprised of R.S. 17:1519 through 1519.15 is hereby amended and reenacted to read as follows:

SUBPART C-2. LSU HEALTH SCIENCES CENTER -- HEALTH CARE SERVICES DIVISION

§1519. ~~Definitions~~ **Title**

~~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:

(1) "~~Academic health center~~" means an organization that has a medical school, one or more other health professional schools or programs, and one or more affiliated teaching hospitals.

(2) "~~Administrative board~~" means either the administrative board for the Medical Center of Louisiana at New Orleans created by cooperative endeavor agreement pursuant to R.S. 17:1519.6 or the administrative board for Huey P. Long Medical Center created by cooperative endeavor agreement pursuant to R.S. 17:1519.7. "~~Administrative boards~~" means both of such boards.

(3) "~~Board~~" means the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.

(4) "~~Health care services division~~" or "~~division~~" means the organizational unit of the medical center comprised of the hospitals and administrative personnel immediately responsible for the operation of the division.

(5) "~~Hospitals~~" means the health care institutions transferred to the board as provided in R.S. 17:1519.1. "~~Hospital~~" shall mean any one of these hospitals. "~~Hospitals~~" shall not include the health care institution, formerly known as the Confederate Memorial Medical Center at Shreveport, merged with the Louisiana State University Health Sciences Center at Shreveport by R.S. 17:1517.

(6) "~~Medical center~~" means the Louisiana State University Health Sciences Center.

(7) "~~Medical Center of Louisiana at New Orleans~~" means Charity Hospital and the Medical Center of Louisiana at New Orleans including University Hospital.

This Subpart shall be known as the "Louisiana State University Health Care Services Division Act."

§1519.1. State hospitals; transferred to the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College; merger with Louisiana State University Health Sciences Center Definitions

~~A.(1) The hospitals enumerated in Subsection B are hereby transferred to the board. Louisiana State University Health Sciences Center shall be responsible for their operation as more specifically provided in this Subpart. They shall be operated primarily for the medical care of the uninsured and medically indigent residents of the state and others in need of medical care and as teaching institutions.~~

~~(2) The Board of Regents shall not include the health care services division of the Louisiana State University Health Sciences Center in either its funding formula or master planning process. Management of the hospitals shall be the responsibility of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College through the Louisiana State University Health Sciences Center as more specifically provided in this Subpart.~~

~~B. The hospitals, including all programs and facilities thereof, transferred to the board are:~~

~~(1) Charity Hospital and Medical Center of Louisiana at New Orleans, including University Hospital:~~

~~(2) Earl K. Long Medical Center:~~

~~(3) Huey P. Long Medical Center:~~

~~(4) E. A. Conway Medical Center:~~

~~(5) University Medical Center:~~

~~(6) Leonard J. Chabert Medical Center.~~

~~(7) Lallie Kemp Regional Medical Center.~~

~~(8) Washington-St. Tammany Regional Medical Center.~~

~~(9) W. O. Moss Regional Medical Center.~~

~~C.(1) All employees engaged in the performance of duties relating to the functions of the hospitals transferred to the board in Subsection A of this Section shall become employees of the board and shall continue to perform their duties and maintain their rights, privileges, and benefits in accordance with all laws, rules, and regulations applicable to civil service employees and employees of the board. All future chief executive officers and senior managers of each of the facilities transferred to the board shall be in the unclassified service of the state in accordance with applicable civil service regulations. All chief executive officers and senior managers of each facility who are currently in the classified service of the state may elect to remain in the classified service or elect to enter the unclassified service. The determination of what constitutes a senior manager will be made by the board in consultation with the Department of State Civil Service. All other employees of the board and its facilities shall remain in the classified service in accordance with applicable civil service regulations.~~

~~(2) The board, through the medical center, shall make available to all employees engaged in the performance of duties relating to the functions of hospitals transferred to the board by Subsection A of this Section the ability to payroll deduct and direct deposit their payroll earnings in favor of any credit union which served these employees prior to the transfer. The board shall further continue to support these~~

~~previously existing credit union relationships by allowing said credit unions to solicit current and new employees for membership as an employee benefit.~~

~~D. All books, papers, records, money, accounts receivable, actions, and all property of every kind, movable and immovable, real and personal, heretofore possessed, controlled, or used by each hospital or the Louisiana Health Care Authority, are hereby transferred to the board, to be used by the health care services division. For accounting purposes all liabilities, expenses, obligations, accounts receivable, revenues, and similar items shall be deemed to have been transferred to the board to the same extent as if originally made.~~

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.

A. "Academic health center" means an organization that has a medical school, one or more other health professional schools or programs, and one or more affiliated teaching hospitals.

B. "Administrative board" means either the administrative board for the Medical Center of Louisiana at New Orleans created by cooperative endeavor agreement pursuant to R.S. 17:1519.9 or the administrative board for Huey P. Long Medical Center created by cooperative endeavor agreement pursuant to R.S. 17:1519.10.

C. "Administrative boards" means both such boards.

D. "Board" means the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.

E. "Chancellor" means either the Chancellor of the LSU Health Sciences Center at New Orleans or the Chancellor of the

LSU Health Sciences Center at Shreveport. "Chancellors" means both such chancellors.

F. "Health care services division" or "division" means the organizational unit of the LSU Health Sciences Center at New Orleans comprised of the hospitals and administrative personnel immediately responsible for the operation of the division.

G. "Huey P. Long Medical Center" means the Huey P. Long Medical Center and any facilities owned or leased by the board to provide services formerly or currently provided by the hospital.

H. "LSU Health Sciences Center" and "LSU HSC" mean the Louisiana State University Health Sciences Center at New Orleans or the Louisiana State University Health Sciences Center at Shreveport. "LSU Health Sciences Center at New Orleans" and "LSU HSC-NO" mean the Louisiana State University Health Sciences Center at New Orleans. "LSU Health Sciences Center-Shreveport" and "LSU HSC-S" mean the Louisiana State University Health Sciences Center at Shreveport.

I. "LSU HSC hospitals" means the health care institutions set forth in R.S. 17:1519.2(B), together with all programs and facilities thereof. "LSU HSC-NO hospitals" means all the health care institutions set forth in R.S. 17:1519.2(B)(1), together with all the programs and facilities thereof.

J. "LSU HSC-S hospitals" means all the health care institutions set forth in R.S. 17:1519.2(B)(3), together with all the programs and facilities thereof.

K. "Medical Center of Louisiana at New Orleans" means Charity Hospital and the Medical Center of Louisiana at New

Orleans including University Hospital at New Orleans.

L. "University Hospital Shreveport" means Louisiana State University Hospital Shreveport, which merged with the LSU Health Sciences Center at Shreveport pursuant to R.S. 17:1517.

M. "Medically indigent" means any person whose income is below two hundred percent of the federal poverty level and who is uninsured.

~~§1519.2. Louisiana State University Health Sciences Center; health care services division; organization; mission; rules; reports~~ State hospitals operated by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College as part of the Louisiana State University Health Sciences Center

~~A. The hospitals and administrative personnel immediately responsible for the operation of the division shall comprise the health care services division of the Louisiana State University Health Sciences Center. The division and its component hospitals shall be under the immediate direction and control of the Louisiana State University Health Sciences Center, subject to the overall direction, supervision, and management of the board.~~

~~B. The health care services division shall be an organizational unit within the medical center and shall be budgeted as a single appropriation schedule separate and distinct from the appropriation schedule or budget for any other institution or school under the supervision and management of the board. Each hospital shall be a separate line item within the appropriation schedule. For the period July 1, 2001 through June 30, 2005, the appropriation for the health care~~

~~services division shall only indicate the amount of state general fund dollars appropriated to these schedules 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.~~

~~C.(1) The medical center shall establish a role, scope, and mission statement for the division consistent with state law and the historical mission of the hospitals. In addition, the medical center shall conduct a needs analysis to define, in the context of the needs and health care resources of the community served, the role, scope, and mission of each hospital in the division and University Hospital at Shreveport. The needs analysis shall include public hearings and the utilization of information and data provided by the Department of Health and Hospitals, including strategic goals, operation objectives, and regional health status and access data. Based upon such analysis and hearings, the chancellor of the medical center shall make a recommendation to the board for the role, scope, and mission of each hospital. The recommendations for the role, scope, and mission of the Charity Hospital and Medical Center of Louisiana at New Orleans, including University Hospital, and Huey P. Long Medical Center shall be developed in consultation with the administrative boards of these~~

~~hospitals created pursuant to R.S. 17:1519.6 and 1519.7. The board shall review such recommendations and submit a written report of its findings and recommendations, including recommendations concerning required funding, to the presiding officers of the House of Representatives and the Senate, to the Joint Legislative Committee on the Budget, and to the House and Senate Committees on Health and Welfare not less than sixty days prior to the 1998 Regular Session of the legislature and periodically thereafter as requested by the Joint Legislative Committee on the Budget and the House and Senate Committees on Health and Welfare. The Joint Legislative Committee on the Budget and the House and Senate Committees on Health and Welfare may conduct hearings on the findings and recommendations of the board.~~

~~(2) No hospital shall be closed without legislative approval. Such approval may be granted by the legislature either by concurrent resolution or by appropriate action in the General Appropriation Act.~~

~~(3) The board or the division shall not authorize a hospital to reduce health care services provided by the facility in any manner that causes annual expenditures of the facility to be reduced by ten percent or more without legislative approval. Such approval may be granted by the legislature either by concurrent resolution or by appropriate action in the General Appropriation Act.~~

~~(4) For the period July 1, 2001 through June 30, 2003, the board or division shall not authorize a facility to provide any new or expanded health care service in any manner that causes annual budgeted expenditures of the facility to be increased by two percent or more without legislative approval. Such approval may be granted by the~~

~~legislature either by appropriate action of the Joint Legislative Committee on the Budget or in the General Appropriation Act.~~

~~D. The medical center shall adopt and promulgate rules and regulations for the operation of the health care services division. Prior to the adoption, amendment, or repeal of any rule by the medical center, the medical center shall submit the proposed rule change and a report thereon to the House Committee on Health and Welfare and the Senate Committee on Health and Welfare. No later than thirty days after its receipt of the proposed rule change and report, the Senate and House Committees on Health and Welfare may reject the proposed rule. If either committee rejects the proposed rule, the committee shall immediately submit its reasons for rejection to the governor. No later than ten days after receipt of the reasons for rejection, the governor may veto the committee rejection. Unless the governor timely vetoes the committee rejection, the medical center shall not adopt the proposed rule. If the medical center finds that an emergency requires adoption of a rule change without compliance with this requirement, the medical center shall transmit the emergency rule and a report thereon to the committees within five days after adoption of the rule. If an emergency rule is promulgated, no later than six months after promulgation, the emergency rule shall expire unless a permanent rule has been adopted. The provisions of this Subsection shall not apply to rules related to the academic mission of the medical center or the board.~~

~~E. Beginning in 1998, the medical center shall submit an annual report to the governor and the legislature no later than November fifteenth. The report shall include:~~

~~(1) A complete and detailed operating and financial statement of~~

~~the health care services division for the prior fiscal year.~~

~~(2) A cash statement of the health care services division for the prior fiscal year.~~

~~(3) The information required by R.S. 17:1519.4.~~

~~(4) A plan outlining the types of services to be provided by the division for the next fiscal year, including specific service plans for each facility.~~

~~(5) Performance measurements. Such measurements shall include summary information regarding accessibility, availability, acceptability, and quality of care. Information shall include, for external comparisons, indicators developed by the Joint Commission for Accreditation of Healthcare Organizations and the National Committee for Quality Assurance and measurements developed in cooperation with the Department of Health and Hospitals to evaluate the medical center's contribution to meeting Louisiana public health objectives. Priority shall be given to conditions with severe consequences and to high prevalence conditions among children, adolescents, and adults of the beneficiary population. Standardized performance measures for managed care may be included, with indicators for primary prevention, early detection, acute and chronic care, and continuum of care. Trends, comparisons with programs elsewhere, analysis, and plans for improvements shall be included in the performance measurements.~~

~~(6) Any recommendations for additional legislation or other action necessary to carry out the purposes of the division.~~

~~F.(1) The division shall establish an effective quality assurance program, including provisions related to the accessibility of care, availability, acceptability, and quality of care. The program shall utilize~~

~~performance measurements as provided in Paragraph (5) of Subsection E of this Section. Data to measure quality assurance shall be collected that is appropriate for the method of service delivery, including encounter-based data for managed care services. The division shall periodically provide the board with reports summarizing the effectiveness of such programs as required by the Joint Commission on the Accreditation of Healthcare Organizations and summarizing performance evaluation information required by Medicare, Medicaid, and other third party payers. The board shall submit summaries of the information provided to the board by the division to the House and Senate Committees on Health and Welfare on a semiannual basis or as requested by either committee.~~

~~(2) Provisions related to accessibility of care in the quality assurance program established by the division shall ensure that programs established by the medical center shall not be limited to residents of only specified parishes in any hospital catchment area except when required by a managed care plan approved by the commissioner of insurance.~~

~~G. To ensure the provision of adequate service, the hospitals shall maintain policies of access to services governed by the following:~~

~~(1) The medically indigent or uninsured shall be afforded first priority for admission for any form of treatment available at a particular hospital.~~

~~(2) Those persons who are determined not to be medically indigent or uninsured or those with emergency medical conditions or requiring services not otherwise available shall be admitted on a space available basis and shall be reasonably charged for treatment or service~~

received.

~~H. For the period July 1, 2001 through June 30, 2005, the health care services division shall submit quarterly reports to the Joint Legislative Committee on the Budget and the Department of Health and Hospitals no later than the fifteenth day of October, January, April, and July. The reports shall include, for each hospital and the executive administration and general support program, a complete and detailed accounting of all revenues by source, including but not limited to state general fund, Medicaid, Medicaid-Uncompensated Care, Medicare, self-pay and commercial insurance, federal grants, and receipts from any other public or private entity, and all expenditures for the prior quarter in a form and manner to be approved by the Joint Legislative Committee on the Budget. The reports shall also include, for each hospital and the executive administration and general support program for the current quarter and the next three quarters, projections of the costs that will be eligible for reimbursement from Medicaid payments or uncompensated care payments to be made by the Department of Health and Hospitals.~~

A.(1) The board shall own and operate the hospitals set forth in Subsection B, and any successor entities, in its discretion, as more specifically provided in this Subpart.

(2) The Board of Regents shall not include the division in either its funding formula or master planning process.

B.(1) The LSU Health Sciences Center–New Orleans shall be responsible for the following hospitals, including all programs and facilities thereof:

(a) Medical Center of Louisiana at New Orleans.

(b) Earl K. Long Medical Center in Baton Rouge.

(c) Huey P. Long Medical Center in Pineville.

(d) University Medical Center in Lafayette.

(e) Leonard J. Chabert Medical Center in Houma.

(f) Lallie Kemp Regional Medical Center in Independence.

(g) Bogalusa Medical Center in Bogalusa.

(h) W. O. Moss Regional Medical Center in Lake Charles.

(2) Operation and management of the LSU HSC-NO hospitals shall be the responsibility of the board pursuant to this Subpart.

(3) LSU Health Sciences Center-Shreveport shall be responsible for the following hospitals, including all programs and facilities thereof:

(a) University Hospital Shreveport.

(b) E. A. Conway Medical Center in Monroe.

(4) Operation and management of the LSU HSC-S hospitals shall be the responsibility of the board pursuant to R.S. 17:1517.

~~§1519.3. Powers and duties of the board, health sciences center, and health care services division~~ Louisiana State University Health Sciences Center-New Orleans; health care services division organization

~~A. The board shall have the following general powers and duties, any or all of which it may delegate to the health sciences center or the division:~~

~~(1) To provide health and medical services including services for the uninsured and medically indigent residents of Louisiana, through the operation of health care facilities and otherwise, as provided in this~~

~~Subpart. Health and medical services shall not include long-term care services rendered by nursing facilities.~~

~~(2)(a) Except as limited by Subparagraph (b) of this Paragraph, to enjoy the same powers and exemptions granted to hospital service districts under Chapter 10 of Title 46 of the Louisiana Revised Statutes of 1950, insofar as such powers and exemptions are not inconsistent with the power granted in this Subpart. The exemptions granted in this Section shall not include those relating to open meetings and public records as set forth in R.S. 46:1073(B) and (C) except for sealed bids submitted by respondents as part of a competitive bid process as required in the Louisiana Procurement Code. For purposes of this Paragraph all references in said Chapter to the "district" shall mean the "division" and all references to the "commission" or the "police jury" shall mean the "board".~~

~~(3) To hold title to immovable and movable property, to acquire such property through purchase, gift, lease, construction, or otherwise, and to dispose of such property by sale or lease in accordance with the general laws of the state. However, the sale of any immovable property on which a hospital is located, the lease of an entire hospital facility to any entity other than another state agency, or the sale of an entire hospital facility shall be subject to approval by the legislature. The proceeds from any such sale or lease shall be dedicated to the improvement of other facilities of the division for the betterment of patient care. The authority provided in this Paragraph shall be in addition to the powers granted under the provisions of R.S. 46:1074.~~

~~(4) To bill liable third parties, enter into contracts with third party payers for the provision of medical services on a fee-for-service~~

~~or other basis, or otherwise participate in managed care activities as allowed under applicable state and federal laws. Such authority shall be granted to the individual hospitals, the division, and such medical service provider organizations, including local health departments and federally qualified health centers, as are established by or under the direct control of the Louisiana State University Health Sciences Center or are included in the approved network of the medical center.~~

~~(5) To enter into any contract, agreement, or other instrument necessary or convenient in the exercise of the powers and functions of the health care services division and not inconsistent with this Subpart.~~

~~(6) To contract for, to seek, and to accept any gifts, grants, and loans of funds or any other aid in any form from the federal government, the state, any state agency, or any other source, or any combination thereof, and to comply, subject to the provisions of this Subpart, with the terms and conditions thereof.~~

~~(7) To perform comprehensive health planning in cooperation with other public and private institutions and agencies, including local health departments and federally qualified health centers, engaged in providing hospital and other health services to residents of the state or any area served by the medical center.~~

~~(8) To establish health care delivery policies subject to the procedures for adoption of rule changes as provided in R.S. 17:1519.2(D) in conformance with state law for the admission of hospital patients and the determination of the indigent status of patients.~~

~~(9) To provide for coordination in the delivery of services provided by the Louisiana State University Health Sciences Center with those services provided by the Department of Health and Hospitals and~~

~~local health departments and federally qualified health centers, including but not limited to services for the mentally ill, for persons with mental retardation and developmental disabilities, and for alcohol and drug abusers, and public health services and services provided under the Medicaid program or its successor. Such coordination shall include the providing by the health sciences center of relevant, reliable data that will contribute to the Department of Health and Hospitals' monitoring, analysis, and reporting to the public of the state's health status, access to care, outcomes of care, patient satisfaction with care, and public health goals and objectives.~~

~~(10) To enter into affiliation agreements with other institutions in support of their educational programs in nursing, allied health, and other health professions. Such affiliation agreements shall include agreements with other institutions in support of educational programs which have historically provided such services at a hospital or hospitals.~~

~~(11) To establish, in accordance with the procedures provided in R.S. 17:1519.2(D), a sliding schedule of reasonable charges for services provided. Such charges shall be based upon the income of the persons receiving the services.~~

~~B.(1) Based upon the allocation of medical education resources as provided by R.S. 36:254(A)(14), the board, through the division, shall enter into annual agreements with other academic health centers or other institutions which have historically provided medical education services for a hospital. Notwithstanding any other provision of this Subpart, the physicians, medical residents, and fellows of such an academic health center or institution shall have access to the respective~~

~~hospital as provided in such agreement. Such access shall include the right of the members of the faculty or staff of the academic health center or institution who are on the medical staff of the hospital to admit patients to the respective hospital and afford the academic health center or institution the availability of house officer training positions at the hospital as provided in the agreement.~~

~~(2) The physician members of each such academic health center or institution shall provide supervision of its house officers at the respective hospital and shall provide professional services to the hospital, and to the extent that funds are appropriated by the legislature every year for this purpose, the academic health center or institution shall be entitled to reimbursement for the services of its physicians, residents, and fellows, all as provided in the annual agreement.~~

~~(3) Any academic health center, institution, or any of their physicians who treat patients at a hospital may bill third party payers, including the Medicare and Medicaid programs, for patient care services provided by such academic health center, institution, or physician or may receive payment for such services billed and collected by the hospital for such services in accordance with the annual agreement.~~

~~(4) Notwithstanding any provisions of this Subpart to the contrary, the board shall respect the historic relationship between Leonard J. Chabert Medical Center and the Alton Ochsner Medical Foundation in medical residency and fellowship educational programs. The board shall continue, in accordance with this Subpart, to enter into annual agreements with Alton Ochsner Medical Foundation under which Alton Ochsner Medical Foundation shall continue to direct the~~

~~medical residency and fellowship educational programs conducted at Leonard J. Chabert Medical Center.~~

~~C.(1) Pursuant to recommendations by the medical center, the board may enter into joint ventures, contracts, or both for hospital health services as provided in R.S. 46:1077 and may delegate such authority to the medical center or division. The board, medical center, or division will be guided by the following criteria in the selection of a contractor:~~

~~(a) The contractor must meet all standards that have been established for accreditation of such services.~~

~~(b)(i) Except as otherwise provided in Item (ii), the contractor must meet all the requirements of the Joint Commission for Accreditation of Healthcare Organizations and be in compliance with federal and state statutes regulating such areas of practice.~~

~~(ii) The board may waive specific Joint Commission on Accreditation of Healthcare Organizations requirements for hospitals. However, such hospitals shall comply with all federal and state laws, rules, and regulations regarding such area of practice.~~

~~(c) The contractor must be in current compliance with any continuing education requirements that might exist for his speciality.~~

~~(d) The contractor shall allow inspection by the division wherever the services are provided.~~

~~(e) All records maintained by the contractor relative to the services provided under the contract must be available for inspection as required by state and federal laws and regulations.~~

~~(2) The board may enter into joint ventures, contracts, or both for services and programs authorized under Paragraph (4) of Subsection~~

~~A of this Section and may delegate such authority to the medical center or division.~~

~~(3) Notwithstanding any provisions of this Subpart to the contrary, the board, medical center, or division may only enter into a joint venture or contract for the management of any hospital or hospitals, if all of the following conditions are met:~~

~~(a) Any academic health center or other institution which has historically provided medical services to such hospital or hospitals shall be consulted in the selection process.~~

~~(b) The contract or joint venture receives legislative approval in accordance with both Item (i) and Item (ii) of this Subparagraph:~~

~~(i) A majority of the members present and voting of the House Committee on Health and Welfare, a majority of the members present and voting of the Senate Committee on Health and Welfare, and a majority of the members present and voting of the Joint Legislative Committee on the Budget, meeting jointly or separately, approve the contract or joint venture at a public hearing or hearings.~~

~~(ii) Upon approval of the committees as provided in Item (i) of this Paragraph, a majority of the elected members of each house approves the contract or joint venture by a vote obtained in either of the following ways:~~

~~(aa) If the legislature is in session, by a favorable vote of a majority of the elected members of each house on a concurrent resolution approving the contract or joint venture.~~

~~(bb) If the legislature is not in session, by a favorable vote of a majority of the elected members of each house obtained by mail ballot as provided by Paragraph (6) of this Subsection.~~

~~(4) Any contract or joint venture described in Paragraph (3) of this Subsection shall be deemed a consulting service contract as provided in R.S. 39:1484(4)(a).~~

~~(5) Any such joint venture or contract pursuant to this Subsection shall be presumed to be a cooperative endeavor as provided by Article VII, Section 14(C) of the Constitution of Louisiana. The board, medical center, or division shall be further presumed to have entered into such contract for the purpose of obtaining a tangible benefit and for a public purpose, and such contract shall not be presumed to be a donation in contravention of Article VII, Section 14(A) of the Constitution of Louisiana.~~

~~(6)(a)(i) In order to obtain the approval of a majority of the elected members of each house of the legislature by mail ballot as provided in Subitem (3)(b)(ii)(bb) of this Subsection, the clerk of the House of Representatives and the secretary of the Senate shall prepare and transmit a ballot to each member of the legislature by certified mail with return receipt requested. The joint venture or contract shall be provided to a member no later than five days after requested by the member.~~

~~(ii) The ballot shall be uniform and contain a factual statement or summary of each contract or joint venture being submitted to the members of the legislature for their approval and a proposal for such approval for which the members may vote yes or no, as well as such other pertinent information as the clerk and secretary shall determine. The board and the commissioner of administration shall provide the clerk of the House of Representatives and the secretary of the Senate such information as shall be necessary for them to prepare the ballots.~~

~~(iii) If more than one contract or joint venture is to be approved, the ballot shall set forth each contract or joint venture as a separate proposal in such form as to enable each member to cast his vote separately for or against each proposal.~~

~~(iv) Each ballot also shall contain the name of the member to whom it is to be mailed and the member shall sign the ballot after casting his vote.~~

~~(b)(i) The ballots mailed to all members shall be postmarked on the same day and shall be returned to the clerk of the House of Representatives and the secretary of the Senate within fifteen days after the postmarked date. No ballot received by the clerk or the secretary after 5:00 p.m. on the fifteenth day after the date on which the ballots were mailed, shall be valid or counted, but the day and time received shall be marked on each ballot received after such time and the ballot shall be marked "Invalid". However, prior to 5:00 p.m. on the fifteenth day after the postmarked date, a member may withdraw his ballot or change his vote upon his written request.~~

~~(ii) For the purposes of this Paragraph, an electronically transmitted facsimile of a ballot transmitted through connection with a telephone network may be accepted as a ballot. A ballot so transmitted shall be sealed immediately upon receipt and its contents not disclosed until the day when all ballots are opened and tabulated.~~

~~(c)(i) On the sixteenth day after the date on which the ballots were mailed, as provided herein, the clerk of the House of Representatives and the secretary of the Senate shall open and tabulate the vote in roll call order for each house of the legislature. The clerk and the secretary shall hold such ballots unopened and shall not~~

~~disclose the contents to any person until the day when such ballots are opened and tabulated. No ballot shall be deemed spoiled if inadvertently opened in processing or if received and sealed as an electronically transmitted facsimile as provided in Item (b)(ii) of this Paragraph.~~

~~(ii) The tabulation shall indicate by name those members who voted in favor of each proposal, those who voted against each proposal, those who did not vote on one or more proposals, those who did not return the ballot by the due date and time, and those whose ballots were invalid because not signed by the member. The clerk and the secretary shall sign the tabulation sheet or sheets and cause a summary thereof to be transmitted to the board, the commissioner of administration, and each member of the legislature.~~

~~(7)(a) The board may enter into contracts, joint ventures, cooperative endeavors, or any combination thereof, for hospital health services provided to the medically indigent or uninsured at rural hospitals or hospitals in rural parishes offering twenty-four hour emergency care. Such contracts, joint ventures, cooperative endeavors, or any combination thereof, shall assist the hospitals to provide inpatient services to medically indigent and uninsured residents of the state within the service area of the hospital.~~

~~(b) Nothing in this Subsection shall be construed to require that a rural hospital or hospital in a rural parish be accredited by the Joint Commission on Accreditation of Healthcare Organizations in order to participate in a contract, joint venture, or cooperative endeavor, or any combination thereof, as provided in this Paragraph.~~

~~(c) The board shall enter into a contract, joint venture, or~~

~~cooperative endeavor, or any combination thereof, only pursuant to rules and regulations promulgated in accordance with R.S. 17:1519.2(D). Such rules and regulations shall include criteria for the determination of eligible rural hospitals or hospitals in rural parishes and of the service area of any such hospital and the methodology to determine funding and programs necessary to provide services to the medically indigent and uninsured state residents within a service area.~~

~~(8) Nothing in this Subsection shall be construed to require legislative approval for any joint venture or contract entered into by the board, medical center, or division for the management of any part or service of a hospital.~~

~~D.(1) The division shall be subject to the laws relative to the following services, systems, and programs of the state of Louisiana as and to the extent provided by the constitution and by law:~~

~~(a) Comprehensive liability, workers' compensation, and fire and extended coverage insurance, and medical malpractice liability laws (R.S. 39:1527 et seq. and R.S. 40:1299.39 et seq.).~~

~~(b) State procurement systems for supplies, equipment, and services and for professional, personal, consulting, or social services (R.S. 39:1551 et seq., R.S. 39:1761 et seq., R.S. 38:2310 et seq., R.S. 39:1481 et seq., and R.S. 15:1157).~~

~~(c) Legal services (R.S. 49:257 et seq.).~~

~~(d) State planning and budgeting system (Subtitle I of Title 39 of the Louisiana Revised Statutes of 1950).~~

~~(2) Excluding the provisions of Subparagraph (d) of Paragraph (1) of this Subsection, and notwithstanding any law to the contrary, and specifically notwithstanding Chapters 1, 16, and 17 of Title 39 of the~~

~~Louisiana Revised Statutes of 1950, the board, through the medical center or division, may contract for any service, system, or program, as provided in Paragraph (1) of this Subsection, if the board, medical center, or division, as the case may be, obtains documentation that such contract will result in a reduction of costs when compared to the use of the state's services, systems, and programs. Such documentation shall be submitted to the commissioner of administration for review and approval prior to entering into such contract. Notwithstanding any provisions of this Paragraph to the contrary, the authority granted in this Paragraph shall extend to the services, systems, and programs included in Subparagraph (b) of Paragraph (1) of this Subsection only for the procurement of medical supplies, pharmaceutical supplies, and equipment medically required for purposes of diagnosis or direct treatment of a patient by a health care provider in a hospital or clinic setting.~~

~~E.(1) The board shall appoint community advisory committees for each area served by a hospital in the division. When two or more hospitals are located in the same parish, only one community advisory committee shall be appointed for the hospitals in the parish. Each community advisory committee shall perform the following functions:~~

~~(a) Assess unmet health needs within the community and make recommendations on ways to meet such needs.~~

~~(b) Review the performance of the hospital in meeting its established patient care goals and make recommendations on improving performance and revising goals as needed.~~

~~(c) Review plans that would result in changes in health services that would be available in the community and recommend changes as~~

needed:

~~(d) Review proposed agreements with other providers of health care services that might impact the accessibility or quality of health care services in the hospital and recommend changes as needed.~~

~~(e) Safeguard the patient care mission of its respective hospital.~~

~~(f) Work with the local hospital administration and the board to educate the community about the role, functions, and impact of the hospital.~~

~~(g) Community advisory committee members shall serve without remuneration, but the committee may reimburse its members for expenses directly related to their service on the committee in accordance with state travel regulations established by the division of administration.~~

~~(h) Meetings of local advisory committees shall be subject to state open meetings laws and regulations.~~

~~(2)(a) In performance of the functions described in Paragraph (1) of this Subsection, each community advisory committee shall receive a budget for staff support from the division. Such support will include a full-time staff member selected by the hospital in consultation with the committee. Such support shall include the provision of health information such as the Health Care Report Card, parish health profiles, and other timely, accurate, and relevant information from the Department of Health and Hospitals and other sources as requested by the members of the community advisory committee.~~

~~(b) Recommendations of each committee may be made to the administration of the hospital or hospitals which it advises, to the division, to the medical center, or to the board as the committee deems~~

appropriate:

~~(c) If the committee believes that proposed changes in health care services would undermine access in the community to needed health services or would undermine the quality of patient care, the committee shall send a resolution indicating its objections to the board.~~

~~(3) Each community advisory committee shall be comprised of the following:~~

~~(a) The administrator of the hospital or hospitals, who shall serve as an ex officio and nonvoting member.~~

~~(b) The medical director of the hospital or hospitals, who shall serve as an ex officio and nonvoting member.~~

~~(c) Three health professionals with nominations submitted by but not limited to the following organizations:~~

~~(i) Federally funded community health centers in the area.~~

~~(ii) Local chapters of the Louisiana Medical Association and the Louisiana State Medical Society.~~

~~(iii) Local chapters of the Louisiana Nurses Association.~~

~~(iv) Parish health units, including the New Orleans Department of Health.~~

~~(v) Local chapters of the Louisiana Nursing Home Association.~~

~~(vi) The district of the Louisiana Hospital Association in which the division hospital is located.~~

~~(vii) Local chapters of the National Association of Social Workers.~~

~~(viii) Local Chapter of the American Academy of Physical Therapy.~~

~~(ix) New Orleans Health Corporation.~~

~~(d) Three religious and community leaders with nominations submitted by but not limited to the following organizations with demonstrated expertise in health issues. The following organizations shall be consulted in the selection of such members:~~

~~(i) Local Chambers of Commerce.~~

~~(ii) Local chapters of the Central Trades and Labor Council.~~

~~(iii) Local chapters of the National Association for the Advancement of Colored People.~~

~~(iv) Local community foundations.~~

~~(v) The Southern Christian Leadership Conference.~~

~~(vi) The Louisiana Negro Business League.~~

~~(vii) Local interfaith organizations.~~

~~(e) Three consumer advocates with nominations submitted by but not limited to the following organizations:~~

~~(i) Local councils on aging.~~

~~(ii) Local chapters of the American Association of Retired Persons.~~

~~(iii) Local chapters of the United Way.~~

~~(iv) Local developmental disabilities planning councils.~~

~~(v) Local chapters of Families Helping Families.~~

~~(vi) The Agenda for Children.~~

~~(vii) Local chapter of the United Cerebral Palsy Association.~~

~~(viii) Louisiana Health Care Campaign.~~

~~(f) Three consumers of hospital services chosen from the community at large. An organization in existence for five years or more and whose membership is made up primarily of people who use the hospital, people who are uninsured, or people on Medicaid shall be~~

consulted in the selection.

~~(g) In addition to the organizations and entities which are authorized to submit nominations to the board as provided in Subparagraphs (c) through (f) of this Paragraph, the board, in making such appointments, shall consider the recommendations for any of such appointments submitted to the board by any similar organization to those listed in each case which chooses to make a recommendation.~~

~~(h) Each community advisory committee shall select its own officers and establish bylaws which shall be approved by the board.~~

~~(i) Each appointment to the community advisory committee shall be submitted to the Senate for confirmation.~~

~~(j) In the appointment of each community advisory committee, an effort shall be made to reflect the demographic diversity of the community the hospital serves including age, gender, race, and other relevant factors.~~

~~F. The board shall establish or shall require the division to establish an office of patient advocacy within the division and an effective patient advocacy program for each hospital. The office of patient advocacy will review the effectiveness of the hospital advocacy programs and make recommendations to the administrators of the hospitals and to the board as deemed appropriate with respect to improving the services at the hospitals and effectiveness of the advocacy programs.~~

~~G. Nothing in this Section shall be construed to exempt the board, the medical center, or the division from the provisions of the facility need review process provided in R.S. 40:2116 for new nursing facility beds and community and group home beds for the mentally~~

retarded:

~~H. Notwithstanding any other law to the contrary, the division shall in all cases give preference to blind persons, under the administration of the Department of Social Services, and shall with the Department of Social Services jointly work to insure proper operation of vending stands, vending machines, and other small business concessions which are currently in operation on the premises and shall give priority to similar concessions in the future in accordance with R.S. 46:333. No other vending stands, vending machines, or small business concessions shall be operated on the same premises with vending stands, vending machines, or other small business concessions operated under the provisions of this Subsection. No blind person shall be required to pay any fee, service charge, or equivalent thereof in the operation of a vending stand, vending machines, or other small business concessions in hospitals or the premises transferred pursuant to R.S. 17:1519 et seq., nor shall the blind person be disturbed in the security of the operation of the vending stand, vending machine, or small business concession in any way, without reasonable or just cause. The provisions of this Subsection shall not prevent the division from permitting the operation of gift shops or similar concessions by voluntary organizations which contribute the proceeds to the hospital or which spend the proceeds on behalf of the hospital.~~

~~I. For the period July 1, 2001 through June 30, 2003, the board may only enter into a joint venture or contract for the lease or purchase of immovable property or for the operation of nonstate health care facilities, or both, and only if such joint venture or contract is approved pursuant to the procedures provided in R.S. 17:1519.3(C)(3)(b)(i).~~

A. The division and its component hospitals shall be under the immediate direction and control of the LSU HSC-NO subject to the overall direction, supervision, and management of the board.

B. No hospital nor any emergency room may be closed without legislative approval. Such approval may be granted by the legislature either by concurrent resolution or by appropriate action in the General Appropriation Act.

C. The board or the division shall not authorize a hospital to reduce health care services provided by any one of the hospitals of the Health Care Services Division in any manner which causes expenditures of any hospital to be reduced on an annualized basis by greater than thirty-five percent of the previous fiscal year actual spending level. If any services are reduced by greater than fifteen percent in any one year, legislative approval must be obtained before reducing such services greater than fifteen percent in any year for the next three years. Funding may be provided by any local, regional, state, federal, or private sources to augment existing funding or to restore reduced funding.

D. In no event shall emergency medical treatment be denied to anyone in the nearest general hospital owned or operated by the board.

§1519.4. Health care services division; funds; budgets Objects of the Louisiana State University Health Sciences Center in operating the Louisiana State University Health Sciences Center-New Orleans hospitals

~~A.(1) The board, through the medical center or division, shall establish and maintain a restricted fund, to be known as the Health Care~~

~~Services Fund, that shall operate as a restricted fund to receive the operating revenues and incur the operating expenses of the health care services division. This fund shall be administered, to the maximum extent possible, in such a fashion that the costs of providing the division's services on a continuing basis shall be financed or recovered primarily from patient care revenues and to ensure that the revenues and expenses of the hospital division are accounted for separately from the other financial records of any institution, school, or division under the management of the board.~~

~~(2) The Health Care Services Fund shall:~~

~~(a) Serve as the repository of all sources of revenue on behalf of the division.~~

~~(b) Include such accounts as may be necessary to fund the division's operating expenses and necessary reserves.~~

~~(3) The Health Care Services Fund shall be accounted for consistent with existing accounting principles and practices of the medical center.~~

~~B.(1) REPEALED BY ACTS 2001, No. 1024, §2. eff. July 1, 2001.~~

~~(2) Subject to the requirements of Subsection C of this Section, any net surplus in the Health Care Services Fund not expended by the division in any fiscal year shall be available to fund operating capital and capital improvement and equipment requirements and medical services improvements pursuant to Subsection D of this Section.~~

~~C.(1) The division shall include in the annual report required by R.S. 17:1519.2(E) a reconciliation of the total actual revenues and expenses of the Health Care Services Fund for that fiscal year as~~

~~compared to the budget approved by the legislature , or, for the period July 1, 2001 through June 30, 2005, the budget approved by the board for each fiscal year.~~

~~(2) If the division reports in the annual financial statement audited by the legislative auditor a net surplus, the division shall be permitted to carry over to the following fiscal year an amount not to exceed ten percent of the total approved operating budget for the year for which the surplus is reported.~~

~~(3)(a) The year-end reconciliation statement shall compare revenues and expenses of the Health Care Services Fund and specify:~~

~~(i) The dollar amount of any net deficit or net surplus incurred by the fund in that fiscal year.~~

~~(ii) The outstanding cash balance.~~

~~(b) Expenses paid by the division from designated funds as described in Paragraph (1) of Subsection D of this Section from prior fiscal years shall not be treated as expenses for the purpose of calculating the net deficit or net surplus. Unused funds within the limits as described in Paragraph (1) of Subsection D of this Section and surplus funds from prior fiscal years shall not be treated as revenues for the purpose of calculating the net deficit or net surplus.~~

~~(4)(a) For the period July 1, 2001 through June 30, 2005, if the division reports in the annual financial statement audited by the legislative auditor a net surplus generated from Medicaid or Medicaid-Uncompensated Care, the division shall be permitted to carry over such net surplus into the next state fiscal year.~~

~~(b) For the period July 1, 2001 through June 30, 2003, the division shall be permitted to carry over and retain one-third of~~

~~Medicaid or Medicaid-Uncompensated Care net surplus; another one-third shall be transferred to the Department of Health and Hospitals' Medicaid budget; and the final third shall be transferred to the division of administration until such time as the total payments to the division of administration are equal to the repayment as required in the memorandum of understanding between the division of administration and the Board of Supervisors of the Louisiana State University Agricultural and Mechanical College - Health Care Services Division signed March 3, 1999, or the division of administration determines that its portion is unnecessary; then and in such case that portion shall be transferred to the Department of Health and Hospitals to be deposited in the Health Trust Fund.~~

~~(c) For the period July 1, 2001 through June 30, 2005, any net surplus from non-Medicaid sources shall be permitted to be carried over into the next fiscal year.~~

~~(d) For the period July 1, 2001 through June 30, 2003, thirty percent of such net surplus from non-Medicaid sources shall be transferred to the Department of Health and Hospitals to assist in full funding of the Rural Hospital Preservation Act of 1997, and to be used for physician and allied health recruitment and retention in medically underserved areas.~~

~~(e) For the period July 1, 2001 through June 30, 2003, the division's net surplus from non-Medicaid sources carried over into the next state fiscal year shall be limited to two percent of the division's total operating revenue in the previous year, and the balance of net surplus not carried over under this Section in any year shall be transferred to the Department of Health and Hospitals.~~

~~D.(1) The medical center is authorized to establish and maintain three current restricted funds for the division: an operating working capital fund, a capital improvement and equipment fund, and a medical services improvement fund. The operating working capital fund shall not exceed ninety days of total operating expenses for the current fiscal year. The capital improvement and equipment fund may include funded depreciation accounts and debt service accounts consistent with generally accepted accounting principles and shall not exceed ten percent of total budget for the current fiscal year. The medical services improvement fund shall be used to support improvements in direct patient care and shall not exceed five percent of the total budget for the current fiscal year.~~

~~(2) The three funds described in Paragraph (1) of this Subsection may be funded from any surplus funds or from other sources that the board may designate.~~

~~(3) The three funds described in Paragraph (1) of this Subsection may be used to offset any portion of a net deficit incurred by the board on behalf of the division.~~

~~E.(1) The board shall establish and submit an annual operating budget for the health care services division under the provisions of Subpart A of Part II of Chapter 1 of Subtitle I of Title 39 of the Louisiana Revised Statutes of 1950. For the period July 1, 2001 through June 30, 2005, the budget, including all revenues and expenditures, shall be submitted as provided in this Paragraph and shall be approved by the board. The budget so approved, or any amendments thereto, shall be submitted to the Joint Legislative Committee on the Budget within ten days after approval by the board. Revenues from the Medicaid~~

~~program for Medicaid and uncompensated care costs included in the operating budget for the division shall not exceed the amount of such revenues which the legislature appropriates in the Medicaid budget for such purpose.~~

~~(2) The board shall annually submit to the governor and the legislature a comprehensive plan for capital improvements for the health care services division. The board shall establish and submit an annual capital budget for the health care services division. The capital budget for the health care services division shall not be less than ten percent of its operating budget in any year, except in the event that the board in its discretion has requested a capital budget in a lesser dollar amount. All capital improvement projects shall be included in the comprehensive state capital budget.~~

~~F. The Department of Health and Hospitals, as the federally designated Medicaid state agency, shall specify in the Medicaid State Plan how uncompensated care is defined and calculated and shall determine what facilities qualify for uncompensated care payments and the amount of the payments. In determining payments as provided in this Subsection, the department shall prioritize local access to primary health care for the medically indigent and uninsured, and shall not include unreimbursed costs resulting from excess inpatient hospital capacity. For the period July 1, 2003 through June 30, 2005, the state's Medicaid uncompensated care payments shall be distributed in proportion to the amount and type of uncompensated care reported by all qualified facilities as required by Senate Bill No. 883 of the 2001 Regular Session. Nothing in this Subsection shall be construed to impede or preclude the Department of Health and Hospitals from~~

implementing the provisions in the Rural Hospital Preservation Act.

A. The LSU Health Sciences Centers shall establish an overall role, scope, and mission statement for hospitals of the division consistent with state law and the historical mission of the hospitals of providing medical care to any resident of the state of Louisiana, including the medically indigent and uninsured population.

(1) In developing the role, scope, and mission, the LSU Health Sciences Center-New Orleans shall consult with the respective hospital advisory committees and administrative boards to increase the number of minority doctors, relying on evidence-based guidelines to determine what care is given.

(2) The LSU Health Sciences Center-New Orleans shall submit such recommendations to the board for approval.

B. The objects and purposes of the LSU Health Sciences Center-New Orleans in operating the hospitals of the division shall include:

(1) Providing access to high quality medical care for patients, including the medically indigent and uninsured.

(2) Developing medical and clinical manpower through accredited residency and other health education programs.

(3) Operating efficiently and cost effectively with the revenue it reasonably expects to collect, as reflected in the operating budget approved by the board.

(4) While achieving its objectives, working cooperatively with other health care providers and agencies to improve health outcomes.

C. Those persons who are determined not to be medically indigent or uninsured and who present with non-emergency medical conditions or requiring services not otherwise available shall be admitted on a space available basis and shall be reasonably charged for treatment or service received.

§1519.5. ~~Health care services division; bonds~~ **Powers of board**

~~A.(1) Without reference to any other provision of the Constitution of Louisiana and the laws of the state and as a grant of power in addition to any other general or special law, the board, through the medical center or division, may issue and sell bonds, notes, or other evidences of indebtedness, hereinafter referred to as "bonds", in one or more series to fund the cost of equipping, renovating, replacing, improving and/or constructing health care facilities for the division and improvements and facilities related thereto, which include public health facilities and community-based and school-based health facilities. The board, through the medical center or division, shall comply with the bid procedures developed by the State Bond Commission prior to contracting with bond counsel, bond underwriting firms, or any other entity which may assist in the issuance or sale of bonds. The authority to issue bonds provided in this Section shall be for the purpose of implementing the comprehensive plan for capital improvements submitted to the governor and the legislature pursuant to the provisions of R.S. 17:1519.4(E).~~

~~(2) The bonds may be payable from fees, rates, rentals, charges, or grants received by the division, or other receipts, income, or revenue sources of the division, including but not limited to Medicare and Medicaid payments. Such bonds shall not carry the pledge of the full~~

~~faith and credit of the state and the issuance of the bonds shall not constitute the incurring of state debt under the Constitution of Louisiana. The bonds may be additionally secured by credit enhancement such as municipal bond insurance, bank guarantees, surety bonds, letters of credit, or other devices to enhance the credit quality of the bonds as the board, through the medical center or division, determines.~~

~~(3) The board, through the medical center or division, shall have the power from time to time, and subject to agreements with the holders of its bonds, to issue refunding bonds whenever the board, through the medical center or division, deems it expedient to refund any bonds by the issuance of new bonds whether the bonds to be refunded have or have not matured and may issue bonds partly to refund bonds then outstanding and partly for any other purpose under this Section. Refunding bonds may be exchanged for outstanding bonds or sold and the proceeds applied to or deposited in escrow for purchase, redemption, or payment of the principal of, interest, and premium, if any, on the bonds to be refunded and for any other purpose specified in the resolution or trust indenture authorizing or securing such bonds.~~

~~B. The bonds shall be issued in the name of the board, through the medical center or division, and shall be issued pursuant to a resolution or resolutions of the board. Such resolution or resolutions shall fix details and provisions of the bonds including their date, form, terms, repayment schedule, registration, and redemption features, and the rights and remedies of the bondholders, and shall contain the provisions for their security and payment. The bonds shall bear interest at such rate or rates, be executed in such manner, be payable at such~~

~~place or places as such resolution or resolutions may provide, and shall be sold by the board, through the medical center or division, at public or private negotiated sale at such price or prices as the board, through the medical center or division, shall determine, subject to the approval of the State Bond Commission. If the board, through the medical center or division, determines to sell the bonds at public sale, notice of such sale upon sealed proposals shall be published at least once not less than seven days prior to the date of such sale in a publication carrying municipal bond notices and devoted primarily to financial news or to the subject of state and municipal bonds, of general circulation in the city of New York, New York, and in a newspaper of general circulation published in either the city of New Orleans or the city of Baton Rouge, Louisiana.~~

~~C. In addition to the foregoing, the following provisions are applicable to bonds issued under this Section:~~

~~(1) As security for the payment of any bonds issued hereunder and any agreement made in connection therewith, the board, through the medical center or division, is authorized to pledge or mortgage all or any part of division revenues or properties as provided in the resolution or trust indenture authorizing the bonds.~~

~~(2) Any pledge of revenues, securities, and other monies made pursuant to this Section shall be valid and binding from the time when the pledge is made. The revenues, securities, and other monies so pledged and then held or thereafter received by the medical center, through the division or any fiduciary shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all~~

~~parties having claims of any kind in contract, tort, or otherwise against the division, whether or not such parties have notice thereof. Neither the resolution nor any trust indenture by which a pledge is created need be filed or recorded except with the State Bond Commission.~~

~~(3) All bonds issued pursuant to this Section shall be and are hereby made negotiable instruments within the meaning of and for all of the purposes of the commercial laws of Louisiana, subject only to the provisions of the bonds for registration.~~

~~(4) All bonds and the income therefrom shall be exempt from all taxation by the state or any political subdivision thereof. The bonds shall be legal and authorized investments for banks, savings banks, insurance companies, homestead and building and loan associations, trustees, and other fiduciaries, and may be used for deposit with any officer, board, municipality, or other political subdivision of the state of Louisiana, in any case where, by present or future laws, deposit or security is required.~~

~~(5) Subject to agreements with the holders of bonds, all proceeds of the bonds and all revenues pledged under the authorizing resolution or trust indenture securing such bonds shall be deposited and held in trust in a fund or funds separate and apart from all other funds of the institutions, schools, or divisions under management of the board. Such funds, at the option of the board on behalf of the medical center or division, shall not be deposited in the state treasury as authorized by Article VII, Section 9(A)(6) of the Constitution of Louisiana. Subject to the resolution or trust indenture, the trustee shall hold the same for the benefit of the holders of the bonds for the application and disposition thereof solely to the respective uses and~~

~~purposes provided in such resolution or trust indenture:~~

~~(6) Bonds authorized in this Section shall not be invalid because of any irregularity or defect in the proceedings or in the issuance and sale thereof and shall be incontestable in the hands of a bona fide purchaser or holder. The board, through the medical center or division, after authorizing the issuance of the bonds, shall publish once in the official journal of the state, as provided by law, a notice of intention to issue the bonds. The notice shall include a description of the bonds and the security therefor. Within thirty days after the publication, any person in interest may contest the legality of the resolution, any provision of the bonds to be issued pursuant to it, the provisions securing the bonds, and the validity of all other provisions and proceedings relating to the authorization and issuance of the bonds. If no action or proceeding is instituted within the thirty days, no person may contest the validity of the bonds, the provisions of the resolution pursuant to which the bonds were issued, the security of the bonds, or the validity of any other provisions or proceedings relating to their authorization and issuance, and the bonds shall be presumed conclusively to be legal. Thereafter, no court shall have authority to inquire in such matters.~~

~~D. Except as otherwise provided in this Subpart:~~

~~(1) Bonds, certificates, or other evidences of indebtedness issued by the board, through the medical center or division, shall be deemed to be securities of public entities within the meaning of Chapters 13 and 13-A, and shall be subject to defeasance in accordance with the provisions of Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, and may be refunded in accordance with the~~

~~provisions of Chapters 14-A and 15 of Title 39 of the Louisiana Revised Statutes of 1950.~~

~~(2) The board, on behalf of the medical center or division, may issue short term revenue notes as a public entity under Chapter 15-A of Title 39 of the Louisiana Revised Statutes of 1950.~~

~~(3) The board, on behalf of the medical center or division, may issue bond anticipation notes in accordance with Chapter 14-B of Title 39 of the Louisiana Revised Statutes of 1950.~~

~~(4) Any suit to determine the validity of bonds issued by the board, through the medical center or division, shall be brought only in accordance with R.S. 13:5121 et seq.~~

~~E. All bonds, notes, or other evidences of indebtedness issued or sold pursuant to this Section shall be subject to approval by the State Bond Commission, as provided by Article VII, Section 8(B) of the Constitution of Louisiana. Nothing in this Section shall be construed as authorizing the issuance or sale of any bond, note, or other evidence of indebtedness without approval by the State Bond Commission.~~

A. The board as a body corporate shall have authority to exercise all power to direct, control, supervise, and manage the division and the hospitals, including without limitation each of the powers set forth in this Section.

(1) Each such power shall be construed as in addition to and not in limitation of the powers inherent in the board and those set forth elsewhere in this Subpart.

(2) Except as explicitly limited by the board, such powers may be exercised on its behalf by the chancellor of the LSU HSC-NO. The chancellor of the LSU HSC-NO may delegate any such

powers to the chief executive officer of the division, who may further delegate them to individual hospital administrators.

B. With respect to its operation of the division and the hospitals, the board shall have and may exercise all of the powers otherwise vested in it. Its powers shall include without limitation the power and right:

(1) To represent the public interest in providing hospital and medical care in the region served.

(2) To make, alter, amend, and implement rules and regulations governing the conduct of any hospital or medical facility under its administration.

(3) To appoint a medical staff for each hospital, in accordance with the hospital's medical staff bylaws.

(4) To appoint standing and special committees that may be necessary or appropriate to carry out the purposes of this Subpart.

(5) To enter into such contracts and agreements with any state or federal agency or instrumentality or any other public or private party as may be necessary to procure aid, grants or other funding to assist the division and the hospitals in carrying out the purposes of this Subpart.

(6) To perform comprehensive health planning in cooperation with other public or private institutions and agencies engaged in providing hospital and other health services to residents of the state.

(7) To provide for coordination in the delivery of services provided by the LSU HSC-NO with those services provided by the Department of Health and Hospitals, local health departments,

federally qualified health centers, and other providers.

(8) To perform other acts necessary or appropriate in order for the hospitals to qualify for accreditation by appropriate accrediting bodies, including the Joint Commission on Accreditation of Healthcare Organizations.

(9) To operate or participate in managed care organizations or systems, including without limitation a Medicaid managed care plan and to operate or participate in conformity with federal managed care regulations and standards including but not limited to the regulations and standards for capital solvency, claims payments, and medical management, and to enter into contracts or create new entities as necessary to do so.

(10) To perform any other acts necessary or appropriate for the carrying out of the objects and purposes of this Subpart.

C. The board shall be subject to the laws relating to state procurement systems for supplies, equipment, and services and for professional, personal, consulting, or social services as stated in R.S. 39:1551 et seq. Furthermore, in accordance with R.S. 46:333(A), the division shall in all cases give preference to blind persons, under the administration of the Department of Social Services, in the operation of vending stands, vending machines, and small concessions. No other vending stands, vending machines, or small concessions shall be operated on the same premises, nor shall any blind vendor be required to pay any fee, service charge, or equivalent thereof for the operation of a vending stand, vending machine, or other small concession.

D. The board, or on its behalf the division, shall continue to

enter into annual affiliation or other such agreements with other academic health centers or institutions that wish to continue such agreements.

(1) Based upon the allocation of medical education resources as provided by R.S. 36:254(A)(14), the board, through the division, shall enter into annual agreements with other academic health centers or other institutions that have historically provided medical education services for a hospital.

(a) Notwithstanding any other provision of this Subpart, the physicians, medical residents, and fellows of such an academic health center or institution shall have access to the respective hospital as provided in such agreement.

(b) Such access shall include the right of the members of the faculty or staff of the academic health center or institution who are on the medical staff of the hospital to admit patients to the respective hospital and afford the academic health center or institution the availability of house officer training positions at the hospital as provided in the agreement.

(2) The physician members of each such academic health center or institution shall provide supervision of its house officers at the respective hospital and shall provide professional services to the hospital, and the academic health center or institution shall be entitled to reimbursement for the services of its physicians, residents, and fellows, all as provided in the annual agreement.

(3) Any academic health center, institution, or any of their physicians who treat patients at a hospital may bill third party payers, including the Medicare and Medicaid programs, for patient

care services provided by such academic health center, institution, or physician or may receive payment for such services billed and collected by the hospital for such services in accordance with the annual agreement.

(4) Notwithstanding any provisions of this Subpart to the contrary, the board shall respect the historic relationship between Leonard J. Chabert Medical Center and the Alton Ochsner Medical Foundation in medical residency and fellowship educational programs. The board shall continue, in accordance with this Subpart, to enter into annual agreements with Alton Ochsner Medical Foundation under which Alton Ochsner Medical Foundation shall continue to direct the medical residency and fellowship educational programs conducted at Leonard J. Chabert Medical Center.

E. Nothing in this Subpart shall restrict the authority inherent in the board or otherwise conveyed to it by law.

~~§1519.6. Medical Center of Louisiana at New Orleans; administration~~

Funding and budget

~~A.(1) The Louisiana State University Health Sciences Center, through its chancellor, shall enter into a cooperative endeavor agreement with Tulane University Medical Center through its chancellor and the secretary of the Department of Health and Hospitals or his designee for the administration of the Medical Center of Louisiana at New Orleans.~~

~~(2) For purposes of this Section, administration shall include budgets, staffing, medical services, contracting, and other administrative services. It shall also include distribution of graduate~~

~~medical education resources for the Medical Center of Louisiana at New Orleans, except as provided in R.S. 36:254(A)(14).~~

~~(3) The cooperative endeavor agreement shall include the establishment of an administrative board. The administrative board shall have policymaking authority for the administration of the Medical Center of Louisiana at New Orleans. Notwithstanding the provisions of R.S. 42:1101 et seq., the administrative board shall be comprised of representatives of three institutions to include the Louisiana State University Health Sciences Center, the Tulane University Medical Center, and the Department of Health and Hospitals. Each institution shall have one vote. Each institution shall have three members on the board. Each board member shall have a fiduciary duty to the Medical Center of Louisiana at New Orleans.~~

~~(4) The cooperative endeavor agreement shall also include enumeration of policy decisions which shall require unanimous vote of the three institutions represented on the board prior to implementation. Such decisions shall include only the following:~~

~~(a) The hiring and firing of the chief executive officer.~~

~~(b) The hiring and firing of the medical director.~~

~~(c) The addition, reduction, discontinuation, or transfer of medical services.~~

~~(d) Establishment and maintenance of practices and procedures to insure compliance with the standards set by the Joint Commission on Accreditation of Healthcare Organizations.~~

~~(e) Establishment and maintenance of practices and procedures designed to meet requirements of medical school accrediting bodies and graduate medical education accrediting bodies.~~

~~(f) Annual distribution of house staff and faculty resources between Louisiana State University Health Sciences Center and Tulane University Medical Center.~~

~~(g) Establishment of any contract or affiliation for medical services or medical education.~~

~~(h) Amendments to the medical staff bylaws and hospital policies and procedures.~~

~~(i) Any expenditures for new or expanded major clinical educational research programs.~~

~~(5) Notwithstanding the provisions of Paragraph (4) of this Subsection, changes in the responsibility for providing anesthesiology, radiology, and pathology shall require the approval of the board through the chancellor of the medical center.~~

~~B. Any dispute arising out of matters pursuant to Paragraph (4) of Subsection A of this Section may be referred to nonbinding arbitration by any one of the three institutions represented on the administrative board. One arbitrator shall be selected by each institution represented on the board and those three arbitrators shall name an additional two arbitrators to the panel, one of whom shall serve as chair. If the panel is unable to make a determination, or if any one of the institutions represented on the board is not satisfied with the determination of the panel, any one of the institutions represented on the board may appeal to the commissioner of administration for a final determination.~~

A. 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.

B. The LSU Health Sciences Center-New Orleans is authorized to establish and maintain such funds for the division as the board deems appropriate.

C. Revenues from the Medicaid program for Medicaid costs included in the operating budget for hospitals operated by the LSU Health Sciences Center-New Orleans shall not exceed the amount of such revenues which are budgeted and allocated for such purpose in the Medicaid budget until implementation by the Department of Health and Hospitals of a common Medicaid payment methodology for all state and non-state acute care hospitals. If the amount of such revenues budgeted and allocated for such purpose in the Medicaid budget is revised during a fiscal year, the Department of Health and Hospitals shall notify the

board of such revision. Upon receipt of the notification, the board shall adjust the operating budget for these hospitals which adjustment shall be in conformity with the revision. The Department of Health and Hospitals shall implement a common Medicaid and disproportionate share payment methodology, as soon as possible, but not later than January, 2005. The common Medicaid payment methodology shall be based on acuity and diagnosis-related groupings.

D. The LSU Health Sciences Center shall continue its commitment to collaborate with and support rural physicians and rural hospitals throughout Louisiana through sponsoring continuing medical education, furnishing medical consultation to physicians, and rendering other support as may be appropriate, within available resources. Notwithstanding any other provision of law to the contrary, the LSU Health Sciences Center-New Orleans nor any subdivision or affiliate thereof, either directly or indirectly through their medical staff members, faculty practice plan members, employees, independent contractors, agents or assigns shall undertake to offer in any parish a health care service provided at the time by a rural hospital in that parish without first consulting with each such rural hospital in the parish, and affording each such rural hospital the maximum practical opportunity to participate in the provision of such health care services. For the purposes of this Subsection, "rural hospital" means a hospital defined in the Rural Hospital Preservation Act.

§1519.7. Huey P. Long Medical Center; administration **Hospital** advisory committees

~~A. For purposes of this Section, "Huey P. Long Medical Center" shall mean the Huey P. Long Medical Center and any facilities owned or leased by the board to provide services formerly or currently provided by the hospital.~~

~~B.(1) The Louisiana State University Health Sciences Center, through its chancellor, shall enter into a cooperative endeavor agreement with Tulane University Medical Center through its chancellor and the secretary of the Department of Health and Hospitals or his designee for the administration of the Huey P. Long Medical Center.~~

~~(2) For purposes of this Section, administration shall include budgets, staffing, medical services, contracting, and other administrative services. It shall also include distribution of graduate medical education resources for the Huey P. Long Medical Center, except as provided in R.S. 36:254(A)(14).~~

~~(3) The cooperative endeavor agreement shall include the establishment of an administrative board. The administrative board shall have policymaking authority for the administration of Huey P. Long Medical Center. The board shall be comprised of nine representatives, three from each of the following institutions: the Louisiana State University Health Sciences Center, Tulane University Medical Center, and the Department of Health and Hospitals. Each institution shall have one vote. Each board member shall have a fiduciary duty to the Huey P. Long Medical Center.~~

~~(4) The cooperative endeavor agreement shall also include the enumeration of policy decisions which shall require a unanimous vote of the three institutions represented on the board prior to~~

~~implementation. Such decisions shall include the following:~~

~~(a) The hiring and firing of the chief executive officer.~~

~~(b) The hiring and firing of the medical director.~~

~~(c) The addition, reduction, discontinuation, or transfer of medical services:~~

~~(d) Establishment and maintenance of practices and procedures to insure compliance with the standards set by the Joint Commission on Accreditation of Health Care Organizations:~~

~~(e) Establishment and maintenance of practices and procedures designed to meet requirements of medical school accrediting bodies and graduate medical education accrediting bodies:~~

~~(f) Annual distribution of house staff and faculty resources between Louisiana State University Health Sciences Center and Tulane University Medical Center:~~

~~(g) Establishment of any contract or affiliation for medical services for medical education:~~

~~(h) Amendments to the medical staff bylaws and hospital policies and procedures:~~

~~(i) Any expenditures for new or expanded major clinical educational research programs:~~

~~C. Any dispute arising out of matters pursuant to Paragraph (4) of Subsection B of this Section may be referred to nonbinding arbitration by any one of the three institutions represented on the administrative board. One arbitrator shall be selected by each institution represented on the board and those three arbitrators shall name an additional two arbitrators to the panel, one of whom shall serve as chair. If the panel is unable to make a determination, or if any one of~~

~~the institutions represented on the board is not satisfied with the determination of the panel, any one of the institutions represented on the board may appeal to the commissioner of administration for a final determination.~~

A. A community advisory committee shall represent each area served by a hospital in the division, and the board may establish other hospital committee structures in its discretion. The board shall establish bylaws to govern community advisory committees and any other hospital committee structure and shall set terms of office for committee members.

B. The board, upon recommendation of the division, shall appoint members to the community advisory committees as the board deems appropriate. Such appointments shall be submitted to the Senate for confirmation.

C. In selecting community advisory committee members, an effort shall be made to reflect the demographic diversity of the community the hospital serves including age, gender, race, and other relevant factors. The board shall solicit and accept nominations from the community at large and from organizations representing community interests, including without limitation health professionals, religious and community leaders, consumer advocates, and consumers of hospital services.

D. Each community advisory committee shall select its own officers. Community advisory committee members shall serve without remuneration, but may be reimbursed for expenses directly related to their service on the committee in accordance with state travel regulations established by the division of

administration.

E. Each community advisory committee shall perform the following functions:

(1) Assess unmet health needs within the community and make recommendations on ways to meet such needs.

(2) Review the performance of the hospital in meeting its established patient care goals and make recommendations on improving performance, increasing the number of minority doctors, relying on evidence-based guidelines to determine what care is given and revising goals as needed.

(3) Review plans that would result in changes in health services that would be available in the community and recommend changes as needed.

(4) Review proposed agreements with other providers of health care services that might impact the accessibility or quality of health care services in the hospital and recommend changes as needed.

(5) Safeguard the patient care mission of its respective hospital.

(6) Work with the local hospital administration and the board to educate the community about the role, functions, and impact of the hospital.

(7) Perform such other duties as the board shall determine.

F. Each committee may provide recommendations to the administration of the hospital or hospitals which it advises, to the division, to the LSU HSC-NO, or to the board as the committee deems appropriate. If the committee believes that proposed

changes in health care services would undermine access in the community to needed health services or would undermine the quality of patient care, the committee shall send a resolution indicating its objections to the board.

G. Each community advisory committee shall receive staff support from the division. Such support will include a staff member selected by the hospital in consultation with the committee. Such support shall include the provision of health information such as the Health Care Report Card, parish health profiles, and other timely, accurate, and relevant information from the Department of Health and Hospitals and other sources as requested by the members of the community advisory committee.

§1519.8. ~~Medical Education Commission~~ Audit and reporting requirements

~~A. There is hereby established the Medical Education Commission within the office of the secretary of the Department of Health and Hospitals:~~

~~B. Notwithstanding the provisions of R.S. 42:1101, the Medical Education Commission shall be composed of three members as follows:~~

~~(1) The chancellor of Tulane University Medical Center or his designee:~~

~~(2) The chancellor of Louisiana State University Health Sciences Center or his designee:~~

~~(3) The chief executive officer of the Alton Ochsner Medical Foundation or his designee:~~

~~C. The Medical Education Commission shall:~~

~~(1) Make recommendations to the secretary of the Department~~

~~of Health and Hospitals on the distribution of funding for residency positions, residency supervision, and other medical education resources for the hospitals in the health care services division of the Louisiana State University Health Sciences Center among medical education programs providing services in such hospitals.~~

~~(2) Analyze and make recommendations to the secretary of the Department of Health and Hospitals regarding appropriate formulas to be used in calculating the amounts to be paid to a medical institution in support of its training programs in hospitals in the health care services division of the Louisiana State University Health Sciences Center.~~

A. The division will engage in audits of its financial transactions under the same terms and with the same frequency as other components of the Louisiana State University system.

B. The division will issue routine reports of its operations under the same terms and with the same frequency as other components of the Louisiana State University system, or as otherwise required of all hospitals licensed by the Department of Health and Hospitals.

C. Beginning July 1, 2003, the division shall report to the Joint Legislative Committee on the Budget and the Department of Health and Hospitals quarterly on the division's actual and projected expenses and revenues. The reports shall include, for each hospital and the executive administration and general support program, a complete and detailed accounting on a cash basis of all revenues by source, including but not limited to, state general fund, Medicaid, Medicaid-Uncompensated Care, Medicare, self-pay and commercial insurance, federal grants, and receipts from any other

public or private entity, and all expenditures for the prior quarter in a form and manner approved by the Joint Legislative Committee on the Budget. The reports shall also include, for each hospital and the executive administration and general support program for the current quarter and the next three quarters, projections of the costs that will be eligible for reimbursement from Medicaid payments or uncompensated care payments to be made by the Department of Health and Hospitals.

§1519.9. ~~Venue~~ Medical Center of Louisiana at New Orleans; administration

~~Nothing contained in the provisions of R.S. 17:1519 through 1519.8 shall be construed to modify the venue of lawsuits of any kind against the state, a state agency, or political subdivision of the state, including but not limited to any employee, hospital, board, or commission transferred to the Louisiana State University Board of Supervisors pursuant to these statutes.~~

A. The LSU Health Sciences Center–New Orleans, through its chancellor, shall continue to enter into a cooperative endeavor agreement with Tulane University Health Sciences Center, through its senior vice president, and the secretary of Department of Health and Hospitals, or his designee, for the administration of the Medical Center of Louisiana at New Orleans. For purposes of this Section, administration shall include budgets, staffing, medical services, contracting, and other administrative services. It also shall include distribution of graduate medical education resources for the Medical Center of Louisiana at New Orleans, except as provided in R.S. 36:254(A)(14).

B. Any such cooperative endeavor agreement shall include the establishment of an administrative board.

(1) Notwithstanding the provisions of R.S. 42:1101 et seq., the administrative board shall be comprised of fifteen representatives, three from the LSU HSC-NO, three from the Tulane University Health Sciences Center, three from Xavier University, three from the Department of Health and Hospitals, one each from Dillard University and Southern University at New Orleans, which collectively shall have one vote, and the chief executive officer of the division, who will serve as an ex officio non-voting member. Each institution shall have one vote with the exception of Dillard University and Southern University at New Orleans. Each administrative board member shall have a fiduciary duty to the Medical Center of Louisiana at New Orleans.

(2) The administrative board shall have policy-making authority for the administration of the Medical Center of Louisiana at New Orleans.

C. The cooperative endeavor agreements shall require that policy-making decisions by the administrative board require unanimous vote of the institutions represented on the administrative board prior to implementation.

D. Policy making decisions or recommendations can include:

(1) The hiring and firing of the chief executive officer for the Medical Center of Louisiana at New Orleans.

(2) The hiring and firing of the medical director for the Medical Center of Louisiana at New Orleans.

(3) The addition, reduction, discontinuation, or transfer of medical services.

(4) The establishment and maintenance of practices and procedures to ensure compliance with the standards set by the Joint Commission on Accreditation of Healthcare Organizations.

(5) The establishment and maintenance of practices and procedures designed to meet requirements of medical school accrediting bodies and graduate medical education accrediting bodies.

(6) Annual distribution of house staff and faculty resources between the LSU HSC-NO and Tulane University Health Sciences Center.

(7) The establishment of any contract or affiliation for medical services or medical education.

(8) Amendments to the medical staff bylaws and hospital policies and procedures.

(9) Any expenditures for new or expanded major clinical educational research programs.

E. Notwithstanding the provisions of this Section, changes in the responsibility for providing anesthesiology, radiology, and pathology shall require the approval of the board through the chancellor of the LSU HSC-NO.

F. Any dispute arising out of matters pursuant to this Section may be referred to non-binding arbitration by any one of the five institutions represented on the administrative board.

(1) One arbitrator shall be selected by each institution represented on the administrative board and those five arbitrators

shall name an additional two arbitrators to the panel, one of whom shall serve as chair.

(2) If the panel is unable to make a determination or if any one of the institutions represented on the administrative board is not satisfied with the determination of the panel, any one of the institutions represented on the administrative board may appeal to the commissioner of administration for a final determination.

§1519.10. Huey P. Long Medical Center; administration

R.S. 17:1519.10 is all new law.

A. The LSU Health Sciences Center–New Orleans, through its chancellor, shall enter into a cooperative endeavor agreement with Tulane University Health Sciences Center, through its senior vice president, and the secretary of the Department of Health and Hospitals, or his designee, for the administration of the Huey P. Long Medical Center.

B. For purposes of this Section, administration shall include budgets, staffing, medical services, contracting, and other administrative services. It shall also include distribution of graduate medical education resources for the Huey P. Long Medical Center, except as provided in R.S. 36:254(A)(14).

C. Any such cooperative endeavor agreement shall include the establishment of an administrative board.

D. The administrative board shall be comprised of ten representatives, three from the LSU HSC-NO, three from the Tulane University Health Sciences Center, three from the Department of Health and Hospitals and the chief executive officer of the division, who will serve as an ex officio non-voting member. Each institution

shall have one vote. Each administrative board member shall have a fiduciary duty to the Huey P. Long Medical Center.

E. The administrative board shall have policy making authority for the administration of the Huey P. Long Medical Center.

F. The cooperative endeavor agreements shall require that policy-making decisions by the administrative board require unanimous vote of the institutions represented on the administrative board prior to implementation.

G. Policy making decisions or recommendations can include:

(1) The hiring and firing of the chief executive officer of the Huey P. Long Medical Center.

(2) The hiring and firing of the medical director of the Huey P. Long Medical Center.

(3) The addition, reduction, discontinuation, or transfer of medical services.

(4) Establishment and maintenance of practices and procedures to ensure compliance with the standards set by the Joint Commission on Accreditation of Healthcare Organizations.

(5) Establishment and maintenance of practices and procedures designed to meet requirements of medical school accrediting bodies and graduate medical education accrediting bodies.

(6) Annual distribution of house staff and faculty resources between the LSU HSC-NO and Tulane University Health Sciences Center.

(7) Establishment of any contract or affiliation for medical services or medical education.

(8) Amendments to the medical staff bylaws and hospital

policies and procedures.

(9) Any expenditures for new or expanded major clinical educational research programs.

H. Notwithstanding the provisions of this Section, changes in the responsibility for providing anesthesiology, radiology, and pathology shall require the approval of the board through the chancellor of the LSU HSC-NO.

I. Any dispute arising out of matters pursuant to this Section may be referred to non-binding arbitration by any one of the three institutions represented on the administrative board. One arbitrator shall be selected by each institution represented on the administrative board and those three arbitrators shall name an additional two arbitrators to the panel, one of whom shall serve as chair. If the panel is unable to make a determination or if any one of the institutions represented on the administrative board is not satisfied with the determination of the panel, any one of the institutions represented on the administrative board may appeal to the commissioner of administration for a final determination.

§1519.11. E.A. Conway Medical Center; Advisory Council

R.S. 17:1519.11 is all new law.

A.(1) E.A. Conway Medical Center Advisory Council is hereby established. The council shall consist of fourteen members who shall serve without compensation. Legislators representing the parishes of Caldwell, East Carroll, Franklin, Jackson, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union and West Carroll shall each appoint a member to serve on the advisory council. One member shall be appointed by the hospital administrator. One member shall be

appointed by the hospital employee union.

(2) Each member of the council shall hold office until the appointment and qualification of his successor. Members shall be appointed for a term of four years. Members may serve two successive terms only.

(3) The council shall meet at least once in each quarter of each calendar year or upon call of the secretary or the chairman. Seven members shall constitute a quorum. The council shall elect from its members a chairman, a vice chairman and secretary, and such committees as it deems necessary to carry out its duties, each for a term of one year. All meetings of the council shall be public, and except as otherwise provided by law, all records of the council shall be open to inspection.

(4) Within thirty days after their appointment, the members of the council shall take an oath, before any person authorized to administer oaths, to faithfully and impartially perform their duties. Such oaths shall be filed with the secretary of state.

(5) The domicile of the council shall be in the city of Monroe.

B. The council shall:

(1) Inquire into the needs of the population and health care providers in the catchment area, the matter of the policies thereof, and make such recommendations with respect thereto as may be deemed important and necessary for the welfare of the catchment area, the health of the public in this area, and the welfare and progress of the hospitals in the catchment area.

(2) Confer and advise the hospital administrator as to how the council may best serve the E.A. Conway Medical Center.

§1519.12. Medical Education Commission

R.S. 17:1519.12 is all new law.

A. There is hereby established the Medical Education Commission within the office of the secretary of the Department of Health and Hospitals.

B. Notwithstanding the provisions of R.S. 42:1101, the Medical Education Commission shall be composed of four members as follows:

(1) The chancellor of the LSU Health Sciences Center–New Orleans, or his designee.

(2) The chancellor of the LSU Health Sciences Center-Shreveport or his designee.

(3) The senior vice president for health sciences of Tulane University Health Sciences Center or his designee.

(4) The chief executive officer of the Alton Ochsner Medical Foundation or his designee.

C. The Medical Education Commission shall:

(1) Make recommendations to the secretary of the Department of Health and Hospitals on the distribution of funding for residency positions, residency supervision, and other medical education resources for the LSU HSC hospitals among medical education programs providing services in such hospitals.

(2) Analyze and make recommendations to the secretary of the Department of Health and Hospitals regarding appropriate formulas to be used in calculating the amounts to be paid to a medical institution in support of its training programs in the LSU HSC hospitals.

§1519.13. Academic Advisory Council

R.S. 1519.13 is all new law.

A. There is hereby established the Academic Advisory Council within the LSU Health Sciences Center-Health Care Services Division.

B. The Academic Advisory Council shall rotate its membership every two years, and shall be composed of thirty-two representatives, as follows:

(1) Fifteen members representing the state's public universities.

(2) Three members representing the state's private universities.

(3) Three members representing the state's community colleges.

(4) Three members representing public vocational-technical schools and programs.

(5) Three members representing private vocational-technical schools and programs.

(6) One member representing the Louisiana Department of Labor.

(7) One member representing the Louisiana Department of Education.

(8) Three members at large.

C. The Academic Advisory Council shall hold public meetings, seek public input, and provide advice and suggestions to the LSU HSC-Health Care Services Division with regard to the coordination and improvement of health training programs, other than those specifically covered by the Medical Education Commission, which are operated within the hospitals and clinics of the division.

§1519.14. Southern University Planning Council

R.S. 1519.14 is all new law.

A. There is hereby established the Southern University Planning Council within the LSU Health Sciences Center New Orleans-Health

Care Services Division.

B. The Southern University Planning Council shall be composed of three representatives from Southern University appointed by the chancellor of Southern University's Baton Rouge Campus, and three representatives from LSU Health Sciences Center New Orleans appointed by its chancellor.

C. The Southern University Planning Council shall meet as often as necessary for the purpose of coordinating nursing and other health training programs at the Earl K. Long Medical Center in Baton Rouge.

§1519.15. Lallie Kemp Regional Medical Center Advisory Council

R.S. 1519.15 is all new law.

A.(1) Lallie Kemp Regional Medical Center Advisory Council is hereby established. The council shall consist of eleven members who shall serve without compensation. Legislators representing the parishes of St. Helena and Tangipahoa shall appoint nine members to serve on the advisory council. Each legislator representing portions of St. Helena and Tangipahoa parish shall appoint one member. One member shall be appointed by the hospital administrator. One member shall be appointed by the hospital employee union.

(2) Each member of the council shall hold office until the appointment and qualification of his successor. Members shall be appointed for a term of four years. Members may serve two successive terms only.

(3) The council shall meet at least once in each quarter of each calendar year or upon call of the secretary or the chairman. Six members shall constitute a quorum. The council shall elect from its members a chairman, a vice chairman and secretary, and such

committees as it deems necessary to carry out its duties, each for a term of one year. All meetings of the council shall be public, and except as otherwise provided by law, all records of the council shall be open to inspection.

(4) Within thirty days after their appointment, the members of the council shall take an oath, before any person authorized to administer oaths, to faithfully and impartially perform their duties. Such oaths shall be filed with the secretary of state.

(5) The domicile of the council shall be in the city of Independence.

B. The council shall:

(1) Inquire into the needs of the population and health care providers in the catchment area, the matter of the policies thereof, and make such recommendations with respect thereto as may be deemed important and necessary for the welfare of the catchment area, the health of the public in this area, and the welfare and progress of the hospitals in the catchment area.

(2) Confer and advise the hospital administrator as to how the council may best serve the Lallie Kemp Regional Medical Center.

Section 2. R.S. 46:6(A) is hereby amended and reenacted to read as follows:

§6. Admission criteria to state supported charity hospitals; ~~minimum fee~~

A. Any bona fide resident of the state of Louisiana who is ~~medically indigent or medically needy~~ **in need of medical services, including but not limited to the uninsured,** shall be eligible ~~to be~~ **admitted** for any form of treatment by any general hospital owned and

~~or operated by the state of Louisiana~~ **board in accordance with policy adopted by the LSU Board of Supervisors. However, any person with an income greater than two hundred percent of the federal poverty level otherwise eligible for treatment may be denied access to non-emergency medical care if such person refuses to pay any appropriately adopted reasonable charges for treatment or service received, unless the patient's clinical condition requires immediate treatment as determined by the patient's treating physician, or if the person has been treated in the past, billed based upon his or her ability to pay, and has refused to pay for previous medical services without justifiable excuse or to make arrangements for periodic partial payments, unless the patient's clinical condition requires immediate treatment as determined by the patient's treating physician or medical director.** Those persons who are determined not to be medically indigent or medically needy shall be admitted only on a space available basis and shall be reasonably charged for any treatment or services received. In no event shall emergency treatment be denied to anyone; and in no event shall any person housed in any parish jail facility or state prison in the state of Louisiana, irrespective of his state of residency, be denied any form of **medically necessary** medical treatment in the nearest general hospital owned ~~and~~ **or** operated by the state of Louisiana **board**. Those persons who are determined not to be medically indigent or medically needy shall be charged a minimum fee of three dollars and fifty cents for any treatment or service rendered; and further shall be charged on a sliding scale according to the service or services rendered and the financial status of the patient and the size of the family for which the person is

~~responsible.~~ Further, any prisoner treated at a ~~state charity facility~~ **general hospital owned or operated by the board** shall have those services paid through the facility receiving state funding for the incarceration of said prisoner.

Section 3. R.S. 46:6(B) and (C) are hereby repealed.

Section 4. Chapter 59 of Title 46 of the Louisiana Revised Statutes of 1950, comprised of R.S. 46:2761, is hereby enacted to read as follows:

Chapter 59. UNCOMPENSATED CARE HOSPITAL PAYMENTS

Chapter 59 is all new law.

§2761. Uncompensated Care Hospital Payments

R.S. 46:2761 is all new law.

A. The Department of Health and Hospitals shall specify in the Medicaid State Plan how uncompensated care is defined and calculated and shall determine what facilities qualify for uncompensated care payments and the amount of the payments. In determining payments as provided in this Subsection, the department shall prioritize local access to care, and shall distribute uncompensated care payments in proportion to the amount and type of uncompensated care reported by all qualified facilities as required by rule and as allocated in appropriations to the Medical Vendor Payments Program. The secretary shall require as a condition of payment of uncompensated care costs provided under this Subsection, that hospitals and other health care facilities report to the department patient specific data on the amount and type of uncompensated care provided. In addition, if a hospital or other health care facility does not provide the required patient specific data, the secretary of the department may withhold an amount equal to five percent of Medicaid payments due that provider. Such withholding

shall increase by five percent for each successive month that the required data is not received, but the total amount withheld shall not exceed twenty-five percent of the total monthly amount due the facility. Upon receipt of the required data, the department shall pay the facility all amounts previously withheld as a result of the failure to submit the required data. A hospital or other health care facility subject to withholding under this provision may request an administrative review as provided by R.S. 46:437.4. The format of the data submission shall be defined by the secretary of the department. Nothing in this Subsection shall be construed to impede or preclude the Department of Health and Hospitals from implementing the provisions of the Rural Hospital Preservation Act.

B. The secretary of the Department of Health and Hospitals shall, subject to approval from the Centers for Medicare and Medicaid Services, amend the State Medicaid Plan to provide for Medicaid disproportionate share payments to hospitals operated by the LSU Health Sciences Center-New Orleans under the provision of federal law that permits the reimbursement of uncompensated cost up to one hundred and seventy-five percent of allowable cost. In state fiscal years 2003-2004 and 2004-2005, Medicaid disproportionate share payments retained by the hospitals shall not exceed a cap as agreed upon by the division and the Department of Health and Hospitals and as reflected in appropriations to the Medical Vendor Payments Program for each year.

Section 5. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III,

Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____