

2016 Regular Session

SENATE BILL NO. 230

BY SENATOR PETERSON

HEALTH SERVICES. Provides relative to the Health Education Authority of Louisiana (HEAL). (8/1/16)

1 AN ACT  
2 To amend and reenact the introductory paragraph of R.S. 17:3051, 3051(1) and (3), 3052(6),  
3 (7) and (8), 3053(A), (B)(3), (6), (C) and (G), 3055(10), 3056(A)(1) and (H), and  
4 3058, and R.S. 36:259(B) and to repeal R.S. 17:3052(4) and 3055(9), relative to the  
5 Health Education Authority of Louisiana; to provide for clarification to statement of  
6 purpose; to provide for definitions; to provide for updates to the authority  
7 membership; to provide for powers and duties; to provide with respect to bonds; to  
8 provide for an effective date; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 17:3051 (introductory paragraph), (1) and (3), 3052(6), (7) and (8),  
11 3053(A), (B)(3), (6) and (C), 3055(10), 3056(A)(1) and (H), and 3058, and R.S. 36:259(B)  
12 are hereby amended and reenacted to read as follows:

13 CHAPTER 21. HEALTH EDUCATION AUTHORITY OF LOUISIANA

14 §3051. Statement of purpose and function

15 In order to promote the medical and/or health educational activities of various  
16 public and private institutions and organizations in the state of Louisiana and to  
17 promote health and welfare of its citizens through encouraging and assisting in the

1 provision of medical care and prompt and efficient health and health related services  
 2 at reasonable cost by public and private institutions and organizations in modern,  
 3 well-equipped facilities, and to strive to achieve superlative standards of attainment  
 4 in health care and education that will place Louisiana in the position of regional,  
 5 national, and international leadership in those fields, it is hereby declared to be in the  
 6 public interest that the Health Education Authority of Louisiana ~~be created within the~~  
 7 ~~Department of Health and Hospitals.~~ **serve the following** purposes and  
 8 functions of the authority are:

9 (1) To ~~operate, in accordance with a master plan, a cooperative and~~  
 10 ~~coordinated multi-institutional complex that will serve to attract, encourage and~~  
 11 assist public and private institutions and organizations that are dedicated to  
 12 exemplary patient care, health science education and biomedical research, as well as  
 13 organizations providing facilities and/or services deemed appropriate by the  
 14 authority, ~~to locate and/or operate in a functional geographic relationship with said~~  
 15 ~~complex.~~

\* \* \*

17 (3) To acquire or assist in the acquisition of land and the planning,  
 18 acquisition, construction, reconstruction, rehabilitation, improvement and  
 19 development of facilities in the ~~complex~~ and primary service area for the use of the  
 20 primary and participating institutions, and the development, acquisition,  
 21 construction, reconstruction, rehabilitation, improvement and operation of jointly  
 22 usable facilities for such institutions, and

\* \* \*

24 §3052. Definitions

25 The following terms shall have the following meanings, unless the context  
 26 clearly indicates otherwise:

\* \* \*

28 (6) "Participating institutions" shall mean those institutions which apply to  
 29 and are designated by the authority, other than primary institutions, and consisting

1 of ~~(a) public or private hospital, medical or health corporations or institutions located~~  
2 ~~or desiring to locate in the complex or~~ (b) public or private hospital **hospitals**,  
3 medical or health corporations or institutions which deliver medical or health  
4 services or provide facilities ~~therefor outside the complex but~~ within the primary  
5 service area.

6 (7) "Primary institutions" shall mean ~~Charity Hospital of Louisiana~~  
7 **University Medical Center** at New Orleans, Louisiana State University and  
8 Agricultural and Mechanical College, and Tulane University of Louisiana.

9 (8) "Primary service area" means ~~that area within a radius of ten miles of~~  
10 ~~Charity Hospital of Louisiana at New Orleans~~ **communities in Louisiana where**  
11 **graduate medical education is offered.**

12 \* \* \*

13 §3053. Health Education Authority of Louisiana; creation; domicile; membership;  
14 terms; vacancies; quorum; staff

15 A. There is hereby created ~~within the office of management and finance of~~  
16 ~~the Department of Health and Hospitals~~ the Health Education Authority of  
17 Louisiana, which is hereby declared to be a body corporate and public, constituting  
18 an instrumentality of the state of Louisiana and exercising public and essential  
19 governmental functions. The domicile of the authority shall be the city of New  
20 Orleans.

21 B. The power to establish policy to carry out the intent of this Chapter shall  
22 be vested in a board of trustees which shall consist of the governor as ex-officio  
23 trustee and thirteen persons selected as follows:

24 \* \* \*

25 (3) Two members shall be appointed by the governor from a list of six names  
26 submitted by the Board of Administrators of ~~Charity Hospital of Louisiana~~  
27 **University Medical Center** at New Orleans.

28 \* \* \*

29 (6) One member shall be appointed by the mayor of the city of New Orleans

1 with the advice and consent of the Commission Council from a list of five names,  
 2 one each submitted by the Board of Administrators of the Tulane Educational Fund,  
 3 Tulane University of Louisiana; the Board of Administrators of ~~Charity Hospital of~~  
 4 ~~Louisiana~~ **University Medical Center** at New Orleans; the Board of Supervisors of  
 5 Louisiana State University and Agricultural and Mechanical College; local dental  
 6 association memberships including Orleans Parish dentists; and the Orleans Parish  
 7 Medical Society.

8 \* \* \*

9 C. No person appointed directly by the governor or mayor or nominated by  
 10 any of the nominating groups or individuals shall be associated in any staff or  
 11 advisory capacity for which he receives payment for services from Louisiana State  
 12 University and Agricultural and Mechanical College, Tulane University of  
 13 Louisiana, or ~~Charity Hospital of Louisiana~~ **University Medical Center** at New  
 14 Orleans, any statewide dental association, or the Louisiana State Medical Society.

15 \* \* \*

16 G. The board shall employ a professionally qualified executive director to  
 17 carry out the policies established by the board. ~~The secretary of the Department of~~  
 18 ~~Health and Hospitals shall employ such staff as is necessary to carry out the policies~~  
 19 ~~and directives of the board and to operate and administer the functions of the~~  
 20 ~~authority.~~ The compensation of the executive director shall be determined by the  
 21 board and he shall be in the unclassified service of the state.

22 §3055. Powers; duties; functions

23 To accomplish the purposes of this Act **Chapter**, and for the general welfare  
 24 and health of the citizens of Louisiana, the Health Education Authority of Louisiana  
 25 shall have the following powers, duties and functions:

26 \* \* \*

27 (10) To construct, acquire, reconstruct, rehabilitate, improve, repair, operate,  
 28 lease, as lessor or lessee, or to enter into contracts for the management and operation  
 29 of hospitals, sanitariums, clinics, laboratories, or any other facility, building or

1 structure of the primary and/or participating institutions in the ~~complex~~ or primary  
2 service area which may be of use or benefit in the teaching, training or practice of  
3 medical science and the treatment of human ailments, or for such other facilities as  
4 the authority shall find useful in the study of, research in, or treatment of illnesses  
5 or infirmities. The authority may construct, acquire, reconstruct, rehabilitate,  
6 improve, repair, operate, lease, as lessor or lessee, or enter into contracts for the  
7 management and operation of support facilities for primary and/or participating  
8 institutions in the ~~complex~~ or primary service area that are useful, necessary or  
9 convenient for the orderly conduct of such institutions, including but not limited to:  
10 parking facilities, ambulatory care facilities, office buildings for physicians or  
11 dealers in medical accessories, dormitories, homes or residences for the medical  
12 profession, including interns, nurses, students or other officers or employees of the  
13 primary or participating institutions, or for the use of relatives or visitors of patients  
14 in the hospitals or other institutions within the ~~complex~~ or primary service area. The  
15 authority may finance, acquire property for and plan and acquire, construct,  
16 reconstruct, rehabilitate or improve facilities for, and provide and operate, central  
17 services and shared facilities for the common use of the primary and participating  
18 institutions ~~in the complex~~. The authority may, at its option, rent, lease or sell the use  
19 of these facilities or services, or provide them at no cost. The authority may not  
20 acquire, construct, reconstruct, rehabilitate, improve or develop any of the facilities  
21 herein authorized except at the request of any one of the primary or participating  
22 institutions and, in the case of primary institutions, only if the authority has  
23 determined, after a public hearing held thereon, that there is a public need and  
24 necessity for the proposed facilities.

25 \* \* \*

26 §3056. Bonds of the authority

27 A.(1) To obtain funds to defray costs of the acquisition of land, the  
28 acquisition or construction of buildings, structures and other facilities, including  
29 furnishings and equipment therefor, the authority may incur debt and issue bonds for

1 ~~an amount not in excess of four hundred million dollars.~~ Said bonds shall be  
2 negotiable instruments, and shall be solely the obligations of the authority and not  
3 of the state of Louisiana. Said bonds and the income thereof shall be exempt from  
4 all taxation in the state of Louisiana. Said bonds shall be payable out of the income,  
5 revenues, and receipts derived or to be derived from the properties and facilities  
6 maintained and operated by the authority or received by the authority from any other  
7 sources whatsoever, including, but not by way of limitation, other monies which, by  
8 law or contract, may be made available to the authority; however, such bonds shall  
9 not be payable out of any funds received by the authority under the Medicaid  
10 program. In addition to the pledge of income, revenues, or receipts to secure said  
11 bonds, the authority may further secure their payment by a conventional mortgage  
12 upon any or all of the properties constructed or acquired or to be constructed or  
13 acquired by it. Such bonds shall be authorized and issued by resolution of the  
14 authority and shall be of such series, bear such date or dates, mature at such time or  
15 times, bear interest at such rate or rates, be in such denominations, be in such form,  
16 either coupon or fully registered without coupons, carry such registration and  
17 exchangeability privileges, be payable in such medium of payment and at such place  
18 or places, be subject to such terms of redemption and be entitled to such priorities  
19 on the income, revenues, and receipts of the authority as such resolution may  
20 provide. The bonds shall be signed by such officers as the authority shall determine,  
21 and coupon bonds shall have attached thereto interest coupons bearing the facsimile  
22 signatures of such officer or officers as the authority shall designate. Any such bonds  
23 may be issued and delivered, notwithstanding that one or more of the officers signing  
24 such bonds or the officer or officers whose facsimile signature or signatures may be  
25 on the coupons shall have ceased to be such officer or officers at the time such bonds  
26 shall actually have been delivered. ~~Such~~ **Notwithstanding any other law to the**  
27 **contrary, such** bonds ~~may~~ **shall** be sold **by the authority** in such manner and from  
28 time to time as may be determined by the authority, and the authority may pay all  
29 expenses and commissions which it may deem necessary or advantageous in



cooperative and coordinated multi-institutional complex to attract medical services within a functional geographic relationship to the complex. Proposed law repeals present law references to the complex and proximity to the complex.

Present law references Charity Hospital of Louisiana. Proposed law updates the current reference to the hospital as University Medical Center.

Present law requires formulation of a general master plan for development of the original complex. Proposed law repeals present law.

Present law places HEAL within the DHH office of management and finance. Proposed law repeals present law.

Present law requires DHH to staff HEAL to carry out policies and administer the functions of the authority. Proposed law repeals present law.

Present law sets a bond cap amount. Proposed law repeals the amount.

Effective August 1, 2016.

(Amends R.S. 17:3051(intro para), (1) and (3), 3052(6), (7) and (8), 3053(A), (B)(3), (6), (C) and (G), 3055(10), 3056(A)(1) and (H), and 3058, and R.S. 36:259(B); repeals R.S. 17:3052(4) and 3055(9))