

2016 Regular Session

SENATE BILL NO. 253

BY SENATOR PEACOCK

FUNDS/FUNDING. Provides for a limitation relative to certain appropriations for hospitals associated with the LSU Health Sciences Center of Shreveport, the LSU Health Sciences Center at New Orleans, and the LSU Health Care Services Division. (7/1/17)

1 AN ACT

2 To amend and reenact R.S. 17:1519.6(A) and to enact R.S. 17:1517(D)(5) and (6), and
3 1519.1(13), relative to limitations on certain appropriations to the LSU Health
4 Sciences Center at Shreveport, the LSU Health Sciences Center at New Orleans, and
5 the LSU Health Care Services Division; to provide for the responsibility for the
6 monies appropriated for certain legacy costs associated with the privatization of the
7 hospitals that are a part of the LSU Health Sciences Center at Shreveport, and the
8 LSU Health Sciences Center at New Orleans and the LSU Health Care Services
9 Division; to provide for an effective date; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 17:1519.6(A) is hereby amended and reenacted and R.S.
12 17:1517(D)(5) and (6), and 1519.1(13) are hereby enacted to read as follows:

13 §1517. Louisiana State University and Agricultural and Mechanical College Medical
14 School at Shreveport; Louisiana State University Health Sciences
15 Center at Shreveport; composition

16 * * *

17 D. The Board of Supervisors of Louisiana State University and Agricultural

1 and Mechanical College as a body corporate shall have authority to exercise all
2 power to direct, control, supervise, and manage the Louisiana State University
3 Hospital at Shreveport, including but not limited to the following:

4 * * *

5 **(5)(a) Notwithstanding any other provision of law to the contrary, in any**
6 **fiscal year that monies are not specifically appropriated for the payment of**
7 **certain legacy costs directly associated with or relative to the hospitals that are**
8 **a part of the Louisiana State University Health Sciences Center at Shreveport**
9 **that have been privatized under a hospital cooperative endeavor agreement**
10 **between the Board of Supervisors of Louisiana State University and**
11 **Agricultural and Mechanical College as established by Article VIII, Section 7**
12 **of the Constitution of Louisiana and a nonpublic party, it shall be the**
13 **responsibility of the division of administration for the payment of such legacy**
14 **costs as provided in this Paragraph.**

15 **(b) Additionally, in the event of a budget deficit or fiscal emergency**
16 **during any fiscal year, neither the appropriations for such legacy costs to the**
17 **Louisiana State University Health Services Center at Shreveport nor the**
18 **personnel associated with such monies shall be reduced from the health sciences**
19 **center to offset or compensate for such deficit or fiscal emergency.**

20 **(c) Any monies specifically appropriated for the payment of certain**
21 **legacy costs as provided in Subparagraph (a) of this Paragraph shall not be used**
22 **to displace, replace, or supplant appropriations for any other operational costs**
23 **of the health sciences center.**

24 **(6) Legacy costs shall include but are not limited to liability and**
25 **insurance coverage for worker's compensation, medical malpractice, and**
26 **property claims; auditing costs; civil service and training costs; personnel costs**
27 **such as termination pay, unemployment compensation, and retiree health and**
28 **life insurance benefits; and miscellaneous costs such as utilities, buildings and**
29 **grounds maintenance costs, security costs, or administrative costs.**

* * *

§1519.1. Definitions

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.

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(13) "Legacy costs" means and includes but are not limited to liability and insurance coverage for worker's compensation, medical malpractice, and property claims; auditing costs; civil service and training costs; personnel costs such as termination pay, unemployment compensation, and retiree health and life insurance benefits; and miscellaneous costs such as utilities, buildings and grounds maintenance costs, security costs, or administrative costs.

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§1519.6. Funding and budget

A.**(1)** 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.

(2)(a) Notwithstanding any other provision of law to the contrary, in any fiscal year that monies are not specifically appropriated for the payment of certain legacy costs directly associated with or relative to the hospitals that are

privatized, it shall be the responsibility of the division of administration for payment of such costs.

Proposed law provides that any monies specifically appropriated for the payment of certain legacy costs shall not be used to displace, replace, or supplant appropriations for any other operational costs of the health sciences center.

Proposed law also specifies that in the event of a budget deficit or fiscal emergency during any fiscal year, the appropriations for legacy costs and associated personnel shall not be reduced from the health sciences centers to compensate for the deficit or fiscal emergency.

Proposed law further defines what legacy costs shall include, such as liability and insurance coverage for worker's compensation; medical malpractice and property claims; auditing costs, civil service and training costs; personnel costs such as termination pay, unemployment compensation, and retiree health and life insurance benefits; and other miscellaneous costs, such as utilities, buildings and grounds maintenance, security costs, or administrative costs.

Effective July 1, 2017.

(Amends R.S. 17:1519.6(A); adds R.S. 17:1517(D)(5) and (6) and 1519.1(13))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Provides that any monies specifically appropriated for the payment of legacy costs shall not be used to displace, replace, or supplant appropriations for any other operational costs of the health sciences center.
2. Expands the responsibility of the division of administration relative to legacy costs includes the hospitals of the LSU Health Sciences Center in Shreveport, the Health Care Services Division, and the Health Sciences Center in New Orleans.