

2020 Regular Session

SENATE BILL NO. 518 (Substitute of Senate Bill No. 485 by Senator Hewitt)

BY SENATOR HEWITT

LOCAL AGENCIES. Provides relative to the St. Tammany Parish Hospital Service District No. 2. (gov sig)

1 AN ACT

2 To enact Part VI of Chapter 10 of Title 46 of the Louisiana Revised Statutes of 1950, to be  
3 comprised of R.S. 46:1098.1 through 1098.18, relative to the St. Tammany Parish  
4 Hospital Service District No. 2; to provide for governance; to provide for the board  
5 of commissioners nominating committee and appointing authority; to provide for  
6 powers, duties, and responsibilities; to provide for taxing and bonding authority; and  
7 to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Part VI of Chapter 10 of Title 46 of the Louisiana Revised Statutes of  
10 1950, comprised of 46:1098.1 through 1098.18, is hereby enacted to read as follows:

11 **PART VI. ST. TAMMANY PARISH HOSPITAL SERVICE**

12 **DISTRICT NO. 2**

13 **§1098.1. St. Tammany Parish Service District No. 2; creation; boundaries;**  
14 **purpose**

15 **A. There is hereby created a hospital service district in St. Tammany**  
16 **Parish, hereafter to be termed the St. Tammany Parish Hospital Service District**  
17 **No. 2, a political subdivision of the state, referred to in this Part as the**

1 "district". The district is hereby granted all of the rights, powers, privileges,  
2 and immunities accorded by law and the Constitution of Louisiana to political  
3 subdivisions of the state, subject to the limitations provided in this Part.

4 B. The district shall be comprised of all territory within Wards 6, 7, 8,  
5 and 9 of St. Tammany Parish and shall own and operate the Slidell Memorial  
6 Hospital.

7 C. The district is created for the following purposes:

8 (1) To own and operate health care facilities, including but not limited  
9 to hospitals, for the care of persons suffering from illness or disability.

10 (2) To administer other activities related to a health care provision or  
11 promotion or to the promotion of the financial viability of the district.

12 (3) To promote and conduct scientific research and training related to  
13 health care.

14 (4) To participate, so far as circumstances may warrant, in any activity  
15 designated and conducted to promote the general health of the community. The  
16 district shall cooperate with the parish health department in the detection,  
17 prevention, and combating of any illness, mass immunization and screening  
18 tests, or public health education that contributes to the best interest of the  
19 public.

20 (5) To cooperate with other public and private institutions and agencies  
21 engaged in providing health services to the public.

22 D. The district shall constitute a body corporate in law with all the  
23 powers of a corporation; shall have perpetual existence; and shall have the  
24 power and right to incur debts and contract obligations, to sue and be sued, and  
25 to do and perform any and all acts in its corporate capacity and its corporate  
26 name necessary and proper for the carrying out of the objects and purposes for  
27 which the district was created. The district shall have the right and power of  
28 expropriating property for the purpose of acquiring land for any purpose that  
29 it may find necessary in the operation of a hospital service district and may

1 acquire by donation or purchase, any existing hospital facility in the district. It  
2 shall also have the power and authority to acquire any and all necessary  
3 equipment and buildings for the purpose of performing the objects for which  
4 it is formed, and shall own all sites and physical facilities, which are acquired  
5 either by donation, purchase, expropriation, exchange, or otherwise, in full  
6 ownership. The provisions of this Subsection shall be subject to the limitations  
7 of this Part.

8 E. The district shall have an audit and examination of its books and  
9 accounts conducted annually by a qualified certified public accountant. The  
10 audit shall be filed with the legislative auditor within six months after the close  
11 of the period audited. The legislative auditor shall have the authority to  
12 prescribe the terms and conditions of the audit conducted by a certified public  
13 accountant and to require the district to present the terms and conditions to  
14 him for approval prior to the commencement of the audit. The legislative  
15 auditor shall have access to the working papers of the accountant during the  
16 examination and subsequent to its termination. The legislative auditor shall be  
17 authorized to conduct an independent audit and examination of the books and  
18 accounts of the district pursuant to R.S. 24:513.

19 F. The district may establish by resolution any health care facility as a  
20 profit or nonprofit corporation as defined by law. The district shall have a  
21 corporate seal. Copies of all the regulations and copies of proceedings of the  
22 board certified by its secretary-treasurer, under its corporate seal, shall be  
23 received in all courts as prima facie evidence of the acts and proceedings of the  
24 commission.

25 §1098.2. Domicile and membership of the board of commissioners

26 A. The domicile of the board shall be the Slidell Memorial Hospital in  
27 Slidell, Louisiana.

28 B. In order to provide for effectuation of the purposes of the district, the  
29 district shall be administered and governed by a board of commissioners,

1 referred to in this Part as the "board", comprised of nine commissioners as  
2 follows:

3 (1) Seven members, appointed pursuant to R.S. 46:1098.5, all of whom  
4 shall be registered to vote in and shall be residents and domiciliaries of Wards  
5 6, 7, 8, or 9 of St. Tammany Parish for not less than two years prior to  
6 appointment.

7 (2) Two members shall be appointed by Slidell Memorial Hospital  
8 pursuant to R.S. 46:1098.4.

9 §1098.3. Nominating committee

10 A. Commissioners appointed to the board, except those named by the  
11 Slidell Memorial Hospital medical staff, shall be chosen by the appointing  
12 authority as provided for in R.S. 46:1098.5, from nominations received from the  
13 nominating committee composed of nine members as provided in this Section.  
14 Members of the permanent nominating committee shall be appointed from  
15 entities outlined in this Section and shall submit a copy of their appointments  
16 to the state senator in whose district Slidell Memorial Hospital resides. The state  
17 senator shall be responsible for ensuring the proper appointment of all  
18 members of the nominating committee pursuant to this Section, calling and  
19 providing proper notice of all meetings of the nominating committee, and  
20 maintaining all appropriate documentation of the nominating committee. The  
21 nominating committee shall select annually a chairman to conduct meetings of  
22 the committee.

23 B. The nominating committee shall be composed as follows:

24 (1) Three persons, appointed jointly by the mayor and the city council  
25 of Slidell, who reside within the city limits of Slidell.

26 (2) Three persons, appointed jointly by the parish president and the  
27 parish governing authority of St. Tammany Parish, who reside within the  
28 geographical boundaries of the district.

29 (3) Three persons, appointed jointly by the legislative delegation

1 comprised of all state representatives and senators who represent all or part of  
2 Wards 6, 7, 8, or 9 of St. Tammany Parish. The legislative delegation shall  
3 choose among nominees of the Slidell Memorial Hospital medical staff.

4 C. All members of the nominating committee shall serve terms of three  
5 years.

6 D.(1) All members of the nominating committee shall:

7 (a) Seek applications from the community as a whole by widely  
8 publicizing the openings on the board of commissioners' website and in the  
9 newspaper of public record.

10 (b) Seek applications from a broad section of community organizations  
11 and shall obtain nominations from each of Wards 6, 7, 8, and 9 of St. Tammany  
12 Parish where feasible.

13 (2) Public interviews of the applicants shall be conducted.

14 (3) The nominating committee shall attempt to identify whether any  
15 potential nominee has a conflict of interest that would preclude his or her  
16 participation as a member of the board of commissioners under the Louisiana  
17 Code of Governmental Ethics.

18 E. The nominating committee should make every reasonable effort to  
19 include in its nominations at least one person from each of the following  
20 categories:

21 (1) A member of the Louisiana State Bar Association in good standing  
22 who has considerable experience or expertise in hospital representation.

23 (2) A certified public accountant authorized to practice in Louisiana with  
24 a minimum of five years experience in audit and financial procedures of  
25 hospitals.

26 (3) A person with at least a bachelor's degree and five years of financial  
27 experience in commercial and bond work.

28 (4) An insurance executive with at least a bachelor's degree and five  
29 years experience in the area of group benefits and managed care issues.

1           (5) A health professional with five years experience in the previous ten  
2 years in either a hospital or other direct care setting.

3           (6) A business executive with at least an MBA or equivalent degree and  
4 five years of experience in operating a large business corporation or large  
5 nonprofit corporation.

6           F. Members of the nominating committee shall not be public officials.

7           G. The nominating committee shall hold interviews in a public forum  
8 and as a result of the forum present to the appointing authority, pursuant to this  
9 Section, a list of a minimum of two and a maximum of three nominees for each  
10 position to be filled.

11 §1098.4. Board nominations by Slidell Memorial Hospital

12           Slidell Memorial Hospital Appointments. The board members from the  
13 Slidell Memorial Hospital medical staff shall be nominated and appointed as  
14 follows:

15           (1) Two practicing medical staff members of Slidell Memorial Hospital  
16 shall be nominated by the medical staff of the hospital. One nominee shall be the  
17 current chief of the medical staff or his medical staff designee, and the other  
18 shall be a staff member who regularly treats patients at the hospital and who  
19 has the majority of his practice at Slidell Memorial Hospital. Both physician  
20 nominees shall have long-standing professional ties to Slidell Memorial  
21 Hospital. Medical staff nominees are not required to reside within the  
22 geographical boundaries of the district.

23           (2) The appointing authority shall appoint as members of the board the  
24 two nominees of the medical staff.

25           (3)(a) Notwithstanding any other provision of law to the contrary, a  
26 licensed physician who is a member or former member of the board of  
27 commissioners elected pursuant to this Subsection, is not prohibited from  
28 contracting, subcontracting with another provider who contracts, owning an  
29 interest in an entity that contracts, or accepting employment with Slidell

1 Memorial Hospital, provided that the contract is related to the licensed  
2 physician's practice of medicine or expertise as a licensed physician. However,  
3 such licensed physician shall recuse himself from participating in any  
4 transaction before the board relating to any contracts permitted by this  
5 Paragraph and entered into by him, by a provider with which he subcontracts,  
6 or by any entity in which he owns an interest.

7 (b) All contracts permitted by this Section, entered into while the  
8 physician is a member of the board of commissioners, shall be disclosed to the  
9 Louisiana Board of Ethics within thirty days of the execution of the contract.  
10 The disclosure shall include the parties to the contract, the purpose of the  
11 contract, and the date the contract was executed.

12 §1098.5. Appointing authority

13 A. The members of the board of commissioners shall be appointed in a  
14 public forum by the appointing authority from the list of nominees within thirty  
15 days of receipt of the nominations pursuant to R.S. 46:1098.3.

16 B. The appointing authority shall be composed of seven members as  
17 follows:

18 (1) One appointee of the Slidell city council who resides within the city  
19 limits of Slidell.

20 (2) One appointee of the mayor of Slidell who resides within the city  
21 limits of Slidell.

22 (3) One appointee of the St. Tammany Parish council who resides within  
23 the geographical boundaries of the district.

24 (4) One appointee of the St. Tammany Parish president who resides  
25 within the geographical boundaries of the district.

26 (5) One appointee of the governing authority of the town of Pearl River  
27 who resides within the corporate limits of Pearl River.

28 (6) Two appointees of the state senator and the state representative in  
29 whose district Slidell Memorial Hospital resides.

1           C. The state senator shall be responsible for ensuring the proper  
2           appointment of all members of the nominating committee pursuant to this  
3           Section, calling and providing proper notice of all meetings of the nominating  
4           committee, and maintaining all appropriate documentation of the nominating  
5           committee. The nominating committee shall select annually a chairman to  
6           conduct meetings of the committee.

7           D.(1) The appointing authority members who are not elected officials  
8           shall serve terms of three years.

9           (2) Elected officials serving on the appointing authority may serve for a  
10          term commensurate with their term of office.

11          E. For board vacancies expected due to term limits, the appointing  
12          authority shall conduct their meetings and fulfill their duties by December  
13          fifteenth of each year in order that each appointee may have six months to  
14          observe and orient to the board prior to taking their office on July first of the  
15          following year. Orienting appointees shall be compensated at a per diem rate  
16          and for reasonable expenses for attending meetings or education sessions of the  
17          board prior to taking office.

18          §1098.6. Qualifications of board of commissioners

19          A.(1) No person owning or possessing any property interest in any of the  
20          stocks, bonds, or other securities issued by any private hospital located in the  
21          same area served by the district, and no person who is a director or other officer  
22          of any private hospital shall be eligible for or hold any position on the board of  
23          commissioners except those positions to be named by the Slidell Memorial  
24          Hospital medical staff.

25          (2) With respect to privileges at any district hospital, such a decision  
26          regarding a person owning or possessing any property interest in any of the  
27          stocks, bonds, or other securities issued by a private hospital located in the same  
28          area served by the St. Tammany Parish Hospital Service District No. 2 is strictly  
29          left to the discretion of the board of commissioners. Such an interest shall not



1 require the suspension of or the rejection of a request for privileges at a service  
2 district hospital; however, privileges may be suspended or denied based upon  
3 such an ownership interest.

4 (3) For the purposes of this Subsection, the possession or ownership of  
5 an interest, stocks, bonds, or other securities by the spouse or minor children  
6 of any person shall be considered to be the possession or interest of such person.

7 B.(1) Members of the board are eligible for reappointment by the  
8 appointing authority. Any vacancy on the commission shall be filled for the  
9 remaining portion of the term in the same manner as the original appointment.

10 (a) No member of the board, whether appointed by recommendation of  
11 the nominating committee or the medical staff, shall serve more than three  
12 consecutive terms.

13 (b) If an appointee is named to fill the term of a member who has left the  
14 board and less than two years remain in the term, that appointee's term shall  
15 not be considered one of the three consecutive terms to which a member is  
16 limited.

17 (c) If an appointee is named to fill the term of a member who has left the  
18 board and more than two years remain in the term, that appointee's term shall  
19 be considered one of the three consecutive terms to which a member is limited.

20 (d) All vacancies on the board shall be filled by the appointing authority  
21 within sixty days of the vacancy.

22 (2) Notwithstanding any other provision of law to the contrary, any  
23 member of the board who is a licensed physician shall not be prohibited from  
24 contracting or accepting employment with Slidell Memorial Hospital following  
25 expiration of his service on the board of commissioners.

26 C. Any commissioner may be removed by majority vote of the board or  
27 by the appointing authority, but only for cause, including misconduct,  
28 incompetency, or neglect of duty, and on charges preferred against the member  
29 in writing and after public hearing and proof of the sufficiency of such charges.

1 Any commissioner so removed shall have the right to contest in the  
2 Twenty-Second Judicial District Court the sufficiency of the charges and of the  
3 evidence tendered in support thereof.

4 §1098.7. Rights, powers, and duties of board of commissioners

5 The district acting by and through its board shall have and exercise all  
6 rights, powers, and duties for the carrying out of its objects and purposes  
7 including but not limited to the following:

8 (1) To represent the public interest in providing medical care in the  
9 parish.

10 (2) To advise the parish governing authority and the directors of health  
11 care facilities under its control of problems concerning the operation of district  
12 facilities.

13 (3) To make, amend, and repeal and to promulgate and enforce rules,  
14 regulations, resolutions, guidelines, and organizational modifications  
15 concerning the conduct of health care facilities in order to ensure proper and  
16 reliable operation of such facilities.

17 (4) To conduct hearings and rule upon complaints by or against any  
18 officer or employee of the district.

19 (5) To review and modify or set aside any action of the officers or  
20 employees of the district which the board may determine to be desirable or  
21 necessary in the public interest.

22 (6)(a) To select, appoint, and enter into an employment contract with a  
23 chief executive officer of the hospital who shall be given full responsibility and  
24 authority to manage the hospital in accordance with the policies established by  
25 the board.

26 (b) The chief executive officer's employment contract may be for a fixed  
27 term.

28 (c) The chief executive officer shall report directly to the board of  
29 commissioners.

1           (7) To contract for the construction of facilities, the provision of services,  
2           or in any other manner which will assist the board in providing quality health  
3           care for the district.

4           (8) To appoint any standing and special committees as may be necessary  
5           to carry out the purposes of the district.

6           (9)(a) To select, appoint, and enter into an employment contract with a  
7           chief financial officer to oversee the financial matters of the district.

8           (b) The chief financial officer shall report directly to the chief executive  
9           officer, but shall maintain a fiduciary duty to the board of commissioners.

10          (10) To approve bylaws for the medical staff and for the board, to  
11          suspend the bylaws at any time and for any length of time, and to require the  
12          rewriting of all or part of such bylaws.

13          (11) To accept any or all officers elected by the medical staff, or to refuse  
14          to accept any or all such officers, and to require the election of new officers.

15          (12)(a) To purchase and acquire lands and to purchase, acquire,  
16          construct, and maintain health care facilities, including: hospitals, clinics,  
17          nursing homes, offices for health care professionals, laboratories, and any other  
18          physical facilities necessary to carry out the purposes of the district.

19          (b) The board shall not relocate the primary health care facilities from  
20          the municipal corporate limits of the city presently the domicile of the board of  
21          commissioners without the consent of the governing authority of St. Tammany  
22          Parish.

23          (13) To employ legal counsel as determined by the board of  
24          commissioners.

25          (14) To establish, maintain, and carry on its activities through one or  
26          more profit or nonprofit corporations for the benefit of the district.

27          (15) To borrow money and to issue general obligation bonds, revenue  
28          bonds, notes, certificates, or other evidences of indebtedness of the district in  
29          order to accomplish any of its objects and purposes.

1           (16) To delegate authority to its officers, appointees, and employees.

2           (17) To do any and all things except as limited by the Louisiana  
3           Constitution which are necessary for and to the advantage of health care  
4           facilities, including but not limited to the extension of privileges and use of  
5           health care facilities to persons residing outside the district.

6           (18) In addition to other benefits, salary, and compensation, to offer  
7           assistance through the district to members of the medical staff in order to  
8           attract and retain competent staff, including but not limited to the following:

9           (a) The establishment of clinic and group practice.

10          (b) Malpractice insurance coverage under the health care facility's policy  
11          of professional liability insurance.

12          (c) Professional fee billing.

13          (d) The opportunity to rent office space in facilities owned and operated  
14          by the district.

15          (e) The employment of physicians by contracts for a fixed term.

16          (19)(a) To permit by a general or specific grant of authority upon a  
17          majority vote of the board of commissioners, a health care facility to expend or  
18          contract to expend money, or incur liability, including a mortgage on property,  
19          or enter into a contract or contracts which by the terms involves the  
20          expenditure of money for purposes not provided for in the budget or which are  
21          in excess of the amounts appropriated in the resolution of the commission  
22          approving the budget for the next fiscal year.

23          (b) Upon a majority vote of the board of commissioners, to expend, or  
24          contract to expend money, or incur liability, including a mortgage on property,  
25          or enter into a contract or contracts which by the terms involves the  
26          expenditure of money for purposes not provided for in the budget or which are  
27          in excess of the amounts appropriated in the resolution of the board approving  
28          the budget for the fiscal year.

29          (20) To attend and complete all education courses and seminars made

1 available or assigned to the board by the hospital, including but not limited to  
2 state ethics laws, HIPAA, and preventing sexual harassment and fraud and  
3 abuse.

4 (21) Notwithstanding any other provisions of law to the contrary, to  
5 annually appoint a former member of the board to serve as a nonvoting  
6 "Commissioner Emeritus" to advise and provide historical perspective to the  
7 board when requested by the chairman. Such person shall be paid a per diem  
8 equal to that paid to other board members for attendance at the meeting  
9 together with reasonable expenses to attend any event attended by the board of  
10 commissioners. The "Commissioner Emeritus" may not serve longer than one  
11 year.

12 (22) At the beginning of each hospital fiscal year, to elect a chairperson,  
13 vice chairperson, secretary/treasurer, and other officers considered necessary,  
14 all to serve terms of one year. No chairperson or vice chairperson shall serve  
15 more than two consecutive terms as chairperson or vice chairperson.

16 (23) To hold regular meetings at least monthly and as often as necessary  
17 for the conduct of its business. Special meetings may be called upon with  
18 forty-eight hour notice by the chairperson, or in his absence, by the vice  
19 chairperson, or upon the written authorization of a majority of the members of  
20 the board. Emergency meetings, providing notice of at least twenty-four hours,  
21 may be called by the chairperson, or in his absence, by the vice chairperson, or  
22 by any three members of the board.

23 (24)(a) To pay each board member a per diem not to exceed one hundred  
24 dollars for each meeting attended. However, except in the case of an emergency,  
25 no board member shall receive per diem for more than seven meetings per  
26 month. The chairman or other officer of the board may receive per diem for ten  
27 meetings per month. In the case of an emergency, the chairman may receive per  
28 diem for more than ten meetings per month. Telephone or video conferences for  
29 educational or managerial purposes may be considered by the chairman of the

1 board to be a meeting for which compensation may be paid.

2 (b) Members of the board shall receive no additional compensation for  
3 any other services rendered as commissioners.

4 (c) Members of the board, or a physician, by reason of his service on the  
5 board, shall not receive health insurance as compensation for service on the  
6 board.

7 (d) Members of the board may be reimbursed for reasonable expenses,  
8 for the board member only, to a professional or educational meeting or seminar,  
9 the subject matter of which would be directly beneficial to the service district.  
10 Any board member seeking approval of such expenses shall make the request  
11 in writing and shall present to the board a written report on the contents of the  
12 meeting or seminar within sixty days of returning from the meeting or seminar.

13 (25) Each quarter, at regularly scheduled public meetings of the board,  
14 to receive a financial overview of the current financial status of the district  
15 which shall be presented, taking into consideration both proprietary  
16 information and information pertaining to marketing.

17 (26) Each year, to present to the appointing authority in a regularly  
18 scheduled open meeting the audited and certified financial statement for the  
19 previous fiscal year.

20 §1098.8. Bylaws; compliance

21 The bylaws of the board and of the medical staff shall be made  
22 compatible in all respects within the provisions of this Part. Any discrepancy  
23 between the bylaws of the medical staff and this Part, or between the bylaws of  
24 the board and this Part, shall be resolved in favor of this Part. In no case shall  
25 the bylaws of the medial staff prevail against either this Part or the bylaws of  
26 the board.

27 §1098.9. Board officers; powers, duties, and responsibilities

28 The duties and responsibilities of the officers of the board of  
29 commissioners shall be as follows:

1           (1) The chairman shall preside over all meetings, decide all questions of  
2           procedure, and have all authority generally granted to chairmen and other  
3           presiding officers. Except as otherwise provided in this Part, he may vote on any  
4           issue before the commission, and he shall vote to break a tie in any vote taken  
5           by the commission. Except to break a tie, he shall have no vote in the selection  
6           of the vice chairman. The chairman shall appoint all standing committees and  
7           their officers not later than September 30, 2020, and annually thereafter, and  
8           he shall appoint all other committees and their officers whether or not such  
9           committees consist of commission members. The chairman shall have the right  
10           and power to interest himself in all affairs of the district and the facilities  
11           operated by the district.

12           (2) The vice chairman shall act as chairman in the absence of the  
13           chairman.

14           (3) The secretary-treasurer shall issue notices of all regular and special  
15           meetings, receive and attend to all correspondence of the commission, have  
16           custody of all documents of the board, and otherwise perform such acts as  
17           usually pertain to his office.

18           §1098.10. Chief executive officer; appointment, powers, duties, and  
19           responsibilities

20           A. The board of commissioners shall select, appoint, and employ a chief  
21           executive officer, referred to in this Part as "CEO", who has training and  
22           experience in the field of hospital administration and who is familiar with the  
23           principles and methods of hospital and institutional care. He shall be a full-time  
24           employee of the district and shall receive compensation as fixed by the board.  
25           The board may contract with the CEO, or he may serve at its pleasure.

26           B. In addition to the powers, duties, and responsibilities conferred by any  
27           other provisions of this Part, the CEO shall have the following powers, duties,  
28           and responsibilities:

29           (1) To attend all meetings of the board.

1           **(2) To establish positions of employment and to appoint and employ**  
2           **personnel necessary for the operation of the health care facility or facilities**  
3           **under his jurisdiction; to establish rates of pay and employee benefits; to**  
4           **abolish positions; and to transfer, promote, demote, and otherwise alter the**  
5           **status of employees of the facility or facilities.**

6           **(3) Within the rules, regulations, guidelines, directives, policies, and**  
7           **procedures set forth by the board, to control and direct all business affairs of**  
8           **the health care facility, including but not limited to the following:**

9                   **(a) Maintaining the accounts of the district.**

10                   **(b) Making necessary purchases of equipment, supplies, and materials.**

11                   **(c) Making major and minor repairs to physical facilities.**

12                   **(d) Negotiating and signing contracts.**

13           **(4) Within the rules, regulations, guidelines, directives, policies, and**  
14           **procedures set forth by the board, to set and amend rates for all health care**  
15           **services as considered necessary for the proper fiscal operation of the health**  
16           **care facility.**

17           **(5) To prepare and publish such reports regarding the work of the health**  
18           **care facility as may be required by law or at the direction of the board.**

19           **(6) To ensure that the goals, directives, and policies relating to the**  
20           **conduct of the affairs of the health care facility, as established by the board or**  
21           **by state or federal laws, are carried out.**

22           **(7) To cooperate with the medical staff in the execution of the bylaws and**  
23           **policies which the staff may establish.**

24                   **(8) To prepare an annual budget for approval by the board.**

25           **(9) To provide for documentation and maintenance of appropriate**  
26           **medical records and reports.**

27           **(10) To receive, record, and maintain a correct accounting of all gifts,**  
28           **bequests, grants in aid, and other revenues for purposes designated, all subject**  
29           **to any conditions that may be imposed in any act of donation or any law**



1 providing grants in aid or other revenues for such purposes.

2 (11) To perform any other duties and functions which the CEO or the  
3 board considers necessary or desirable to carry out the purposes of this Part.

4 (12) To serve as ex officio adviser to all committees of the commission  
5 unless specifically excluded from this role by the board or its chairman.

6 §1098.11. Medical staff; appointment; duties, and responsibilities

7 A. The board shall appoint a medical staff to the health care facilities  
8 owned or operated by the district. Such appointments may be made after  
9 consultation with the physicians who are authorized to practice within the  
10 health care facility or facilities.

11 B. The medical staff so appointed shall have the following duties:

12 (1) To provide professional care to the sick and injured.

13 (2) To advise and assist the board and the CEO relative to standards of  
14 health care operation and professional problems.

15 (3) To participate in the educational activities of the district.

16 (4) To propose rules and regulations for the conduct of the medical staff  
17 for board approval.

18 (5) To elect from its membership a chief of staff, a vice chief of staff, and  
19 a secretary-treasurer. If the medical staff of the health care facility is  
20 departmentalized, the staff shall also select from its membership the heads of  
21 any specialized services of the health care facility. Subsequent to the election,  
22 the elected heads of specialized services shall be approved by a committee  
23 consisting of the chairman of the board, who shall serve as chairman of the  
24 committee, the CEO, and the newly elected chief of staff. If an elected head of  
25 a specialized service is not approved by the committee, the committee shall  
26 nominate at least two qualified staff members for the position of head of the  
27 specialized service, and the staff shall elect one from those nominated.

28 (6) To consult with the board in the appointment of a CEO.

29 §1098.12. Sale of ownership or control of hospital

1           Notwithstanding any other law to the contrary, the board may sell to any  
2           person an ownership interest in the district hospital that results in the acquiring  
3           person holding less than fifty percent interest in the ownership or control of the  
4           hospital. The provisions of R.S. 33:4341 shall not apply to any sale pursuant to  
5           the authority granted in this Section.

6           §1098.13. Tax collection and allocation of proceeds

7           For the purpose of providing revenue to carry out the objects  
8           contemplated hereby, the board may levy and collect annually a special tax not  
9           to exceed five mills on all property in the district subject to such tax in  
10           accordance with Article VI, Section 32 of the Louisiana Constitution, subject to  
11           approval by a majority of the electors of the district voting at an election called  
12           by the board of commissioners and held for that purpose. The tax shall be  
13           collected in the same manner as other special taxes. The avails of any such tax  
14           shall be used solely for acquisition, construction, improvement, maintenance,  
15           and operation of health care facilities or improvements.

16           §1098.14. Authority to issue bonds; continuation of prior obligations

17           A. The board shall have the power to issue bonds for the purpose of  
18           constructing, acquiring, extending, and improving health care facilities of the  
19           district pursuant to Article VI, Section 33 of the Louisiana Constitution and  
20           other constitutional and statutory authority supplemental thereto. Such bonds  
21           may be issued only after authorization by a majority of voters in the district  
22           voting at an election called by the board and held for that purpose.

23           B. Bonds or other obligations secured by Slidell Memorial Hospital on  
24           August 1, 1984, shall continue to be secured by both the hospital and the district  
25           until they are retired.

26           §1098.15. Contracts; cooperation

27           The Slidell Memorial Hospital may contract to receive or offer  
28           agreements for materials, services, or supplies pursuant to a shared service or  
29           group purchasing arrangement with other hospitals, either public or private,

1 in accordance with the provisions of R.S. 38:2211 et seq. In addition, Slidell  
2 Memorial Hospital and the district shall otherwise cooperate in all respects  
3 possible for the best interests of the citizens of St. Tammany Parish.

4 §1098.16. Minority partner

5 Only in the event that Slidell Memorial Hospital should acquire a  
6 minority partner with a share of less than fifty percent of the assets of the  
7 hospital, shall the board of commissioners be empowered to allow  
8 representation of the minority partner on the board.

9 (1) By a two-thirds vote of the board of commissioners, the size of the  
10 board may be increased by not more than two members in order to allow for  
11 representation of a minority shareholder on the board.

12 (2) Such board members shall be appointed by the minority shareholder  
13 to serve initial terms of one year and two years respectively.

14 (3) Subsequently, these appointees of the minority shareholder shall  
15 serve full four-year terms.

16 (4) No other restrictions or qualifications shall apply to board members  
17 appointed by a minority shareholder, except with regard to term limitations  
18 contained herein.

19 §1098.17. Liberal construction

20 This Part, being intended to carry out a function of the state to protect  
21 the health and welfare of the inhabitants of the state to be affected thereby, shall  
22 be liberally construed by the courts to effect its purposes.

23 §1098.18. Miscellaneous

24 Members or officers of the medical staff, employees or officers of the  
25 health care facilities of the district, board members, and persons who occupy  
26 management positions, or any other office whatsoever for a facility of the  
27 district or for the district may possess a property interest in or own stocks,  
28 bonds, or other securities issued by health maintenance organizations and  
29 preferred provider organizations and may refer members of these organizations

1           **to the health care facilities of the district.**

2           Section 2. The provisions of this Act shall supercede and control any conflicting  
3 provisions of any Special Act creating St. Tammany Hospital Service District No. 2,  
4 including in particular Act No. 180 of the Regular Session of 1984, as amended by Act 353  
5 of the 1986 Regular Session, Act 999 of the 1991 Regular Session, Act 570 of the 1992  
6 Regular Session, Act 440 of the 1997 Regular Session, Acts 562 and 1214 of the 2003  
7 Regular Session, Act 682 of the 2004 Regular Session, Act 536 of the 2006 Regular Session,  
8 Act 178 of the 2007 Regular Session, Act 394 of the 2010 Regular Session, Act 141 of the  
9 2011 Regular Session, Act 703 of the 2012 Regular Session, and Act 221 of the 2018  
10 Regular Session.

11           Section 3. This Act shall become effective upon signature by the governor or, if not  
12 signed by the governor, upon expiration of the time for bills to become law without signature  
13 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
14 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
15 effective on the day following such approval.

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The original instrument was prepared by James Benton. The following digest, which does not constitute a part of the legislative instrument, was prepared by Christine Arbo Peck.

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DIGEST

SB 518 Reengrossed

2020 Regular Session

Hewitt

Present law creates, by special uncodified acts of the legislature, the two hospital service districts in St. Tammany Parish, termed the St. Tammany Parish Hospital Service District No. 1 and the St. Tammany Parish Hospital Service District No. 2, as the successors to the St. Tammany Parish Hospital Service District.

Proposed law incorporates the provisions of the uncodified acts relating to the St. Tammany Parish Hospital Service District No. 2 in Title 46 of the La. Revised Statutes of 1950.

Present law provides that St. Tammany Parish Hospital Service District No. 1 shall be comprised of all territory within Wards 1, 2, 3, 4, 5, and 10 of the parish and shall own and operate the St. Tammany Parish Hospital. St. Tammany Parish Hospital Service District No. 2 shall be comprised of all territory within Wards 6, 7, 8, and 9 of the parish and shall own and operate the Slidell Memorial Hospital.

Proposed law retains present law.

Present law provides for an advisory board composed of at least one resident of each of Wards 6, 7, 8, and 9 of St. Tammany parish.

Proposed law eliminates present law.

Proposed law allows the Board of Commissioners to appoint a former member of the Board as a Commissioner emeritus who may not serve longer than one year and is a nonvoting member to provide historical perspective to the Board.

Proposed law provides that the nominating committee shall attempt to identify whether any potential nominee has a conflict of interest that would preclude his or her participation as a member of the board of commissioners under the Louisiana Code of Governmental Ethics.

Proposed law provides that the nominating committee must make every reasonable effort to include in its nominations a business executive with at least an MBA or equivalent degree and five years of experience in operating a large business corporation or large nonprofit corporation.

Proposed law provides that for board vacancies expected due to term limits, the appointing authority shall conduct their meetings and fulfill their duties by December 15 of each year in order that each appointee may have six months to observe and orient to the board prior to taking their office on July first of the following year. Orienting appointees will be compensated a per diem rate and reasonable expenses for attending meetings or education sessions of the board prior to taking office.

Proposed law provides that board members must attend and complete all education courses and seminars made available or assigned to the board by the hospital, including but not limited to state ethics laws, HIPAA, and preventing sexual harassment and fraud and abuse.

Proposed law provides that notwithstanding any other provisions of law to the contrary, the board may annually appoint a former member of the board to serve as a nonvoting "Commissioner Emeritus" to advise and provide historical perspective to the board when requested by the chairman. Such person will be paid a per diem equal to that paid to other board members for attendance at the meeting together with reasonable expenses to attend any event attended by the board of commissioners. The "Commissioner Emeritus" may not serve longer than one year.

Present law provides that the chairman of the board may receive per diem for ten meetings per month. In the case of an emergency, the chairman may receive per diem for more than ten meetings per month.

Proposed law maintains present law and includes other officers. Furthermore, proposed law provides that telephone or video conferences for educational or managerial purposes may be considered by the chairman of the board to be a meeting for which compensation may be paid.

Present law requires the nominating committee to make every reasonable effort to include in its nominations at least one person from each of the following categories: a member of the Louisiana State Bar Association, a certified public accountant, a person with financial experience in commercial and board work, an insurance executive, and a health professional.

Proposed law retains present law and includes a business executive with at least an MBA or equivalent degree and five years of experience in operating a large business corporation or large nonprofit corporation.

Present law provides for the board to appoint and enter into an employment contract with a Chief Executive Officer of the hospital.

Proposed law retains present law and clarifies that the board shall also select the chief executive officer.

Present law proves that the Chief Executive Officer will establish positions of employment and to appoint and employ personnel necessary for the operation of the health care facility

or facilities under his jurisdiction; to establish rates of pay and employee benefits; to abolish positions; and to transfer, promote, demote, and otherwise alter the status of employees of the facility or facilities.

Proposed law retains present law but also adds the establishment of employee benefits to the list of items to be established by the Chief Executive Officer.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 46:1098.1-1098.18)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Changes date for the chairman to appoint all standing committees from September 30, 1984 to September 30, 2020.
2. Makes technical changes.