

1 SB574
2 142649-7
3 By Senator Blackwell (N & P)
4 RFD: Local Legislation No. 2
5 First Read: 01-MAY-12

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4 With Notice and Proof

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6 ENGROSSED

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9 A BILL

10 TO BE ENTITLED

11 AN ACT

12
13 Relating to any Class 1 municipality; to provide for
14 the creation of a health care authority in a Class 1
15 municipality for the purpose of operating a health care
16 facility and providing health care; to provide for the
17 membership, powers, and duties of the health care authority;
18 to authorize the authority to operate any general-care
19 hospital owned by the county where the authority is located;
20 to authorize the health care authority to lease the parking
21 deck of the general-care hospital; to authorize the authority
22 to construct new health care facilities and other facilities
23 related thereto; and to require the authority take one of the
24 following actions: (1) To construct a new facility and
25 facilities to operate an outpatient clinic, and/or urgent care
26 facility; or (2) to continue to operate the hospital as a 50
27 to 150 bed acute care hospital; or (3) to enter into a

1 management affiliation for the operation of the general-care
2 hospital with the mandate to reduce the size, scope, and
3 operation of the hospital.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. This act shall apply only in a Class 1
6 municipality.

7 Section 2. (a) The following terms shall have the
8 following meanings unless the context indicates clearly
9 another meaning:

10 (1) ARTICLE 11 AND ARTICLE 11A. Article 11 and
11 Article 11A of Chapter 21, Title 22, Code of Alabama 1975,
12 relating to local health care authorities.

13 (2) AUTHORITY. The health care authority created by
14 this act.

15 Section 3. (a) The Health Care Authority is created
16 for the purpose of operating and maintaining a nonprofit
17 facility as outlined in subdivision (1) of subsection (c).

18 (b) The health care authority established in the
19 Class 1 municipality pursuant to this act may assume the
20 operation of the general-care hospital owned by the county
21 commission of the county where the Class 1 municipality is
22 located. Upon assumption of the operation of the hospital, the
23 authority may lease the parking deck of the hospital.

24 (c) (1) The authority shall, by a two-thirds vote, do
25 one of the following upon the assumption of the operation of
26 the hospital:

1 a. Construct a new facility and facilities to
2 operate an outpatient clinic and/or an urgent care facility.

3 b. Convert the general-care hospital to a 50 to
4 150-bed acute care hospital.

5 c. Enter into a management affiliation for the
6 operation of the general-care hospital with the mandate of
7 reducing the size, scope, and operations of its hospital,
8 within six months after the effective date of this act.

9 (2) The authority shall present its plan of action
10 to the Jefferson County Commission and the Jefferson County
11 local legislative delegation within six months after the
12 effective date of this act. The authority shall assure that
13 the medical care provided meets all standards for care.

14 (d) Except as otherwise provided in this act, the
15 authority shall be formed, have the powers, duties, and
16 restrictions, and operate as provided in Article 11, Chapter
17 21, Title 22, Code of Alabama 1975, the Health Care
18 Authorities Act of 1982, and shall have the additional powers
19 of health care authorities as provided in Article 11A, Chapter
20 21, Title 22, Code of Alabama 1975.

21 (e) The authority is expressly authorized to do all
22 of the following:

23 (1) Borrow money in order to finance the
24 construction and maintenance of a new or existing facility on
25 the site of the general-care hospital.

26 (2) Sell and issue interest-bearing securities and
27 pledge any revenues, including proceeds from any tax to which

1 the authority may be entitled, for payment of any of its
2 securities; and to mortgage or pledge any or all of its
3 property and assets, or any combination of its property or
4 assets, as security for payment of principal and interest on
5 any securities issued by the authority, as permitted by
6 Article 11.

7 (f) Notwithstanding Section 22-21-339, Code of
8 Alabama 1975, the property and assets owned by the authority
9 may not be sold unless previously approved at a referendum
10 held by the city for that purpose.

11 (g) The authority shall annually provide audited
12 financial statements, by a certified public accounting firm
13 using standard accounting practices, which include profit and
14 loss statements, cash flow, balance sheets, and actual budgets
15 versus projected budgets completed within 60 days of the end
16 of the fiscal year. A copy of the audit shall be given to the
17 Jefferson County Commission and the Jefferson County local
18 legislative delegation within 10 days of completion of the
19 audit.

20 (h) The authority shall operate independently and
21 not require or request additional revenue from the county
22 commission of the county where the authority is located.

23 (i) (1) Notwithstanding Sections 22-21-316 and
24 22-21-352, Code of Alabama 1975, or any other contrary
25 provisions of Articles 11 or 11A, the authority shall consist
26 of the following members:

27 a. Two members appointed by the Governor.

1 b. One member appointed by the mayor of the Class 1
2 municipality.

3 c. One member appointed by the Regional Council of
4 the Alabama Hospital Association for the Class 1 municipality.

5 d. One member appointed by the county commission
6 where the Class 1 municipality is located.

7 e. One member appointed by county health department
8 where the Class 1 municipality is located.

9 f. One member appointed by the Birmingham Health
10 Care, Inc.

11 g. One member appointed by the Mineral District
12 Medical Society.

13 h. The director of the existing hospital.

14 (2) The membership of the board shall be inclusive
15 and reflect the racial, gender, geographic, urban/rural, and
16 economic diversity of the state.

17 (3)a. The term of office for the initial members
18 appointed by the Governor, the director of the existing
19 hospital, and the Regional Council of the Alabama Hospital
20 Association shall be for six years; the term of office for the
21 initial members appointed by the county health department and
22 Birmingham Health Care, Inc., shall be for four years; and the
23 term of office for the initial members appointed by the county
24 commission, the mayor, and the Mineral District Medical
25 Society shall be three years. Thereafter, members shall be
26 appointed for a term of six years.

1 b. Each member may serve beyond an expired term
2 until a successor is appointed and confirmed, but shall not
3 hold over beyond one year of the expired term. Vacancies for
4 an unexpired term of office shall be filled by the authority
5 that appointed the vacating member.

6 c. After the initial appointments to the authority
7 by the Governor, the authority shall submit three nominees for
8 any vacancy to the Governor for his or her appointment to fill
9 the vacancy.

10 Section 4. This act shall become effective on the
11 first day of the third month following its passage and
12 approval by the Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate
committee on Local Legislation No. 2..... 01-MAY-12

Read for the second time and placed on the calen-
dar with 1 substitute and..... 03-MAY-12

Read for the third time and passed as amended 08-MAY-12

Yeas 16
Nays 0
Abstaining 7

Patrick Harris
Secretary