

1 AN ACT relating to the rural hospital loan fund and declaring an emergency.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 154.20-190 is amended to read as follows:

4 (1) As used in this section:

5 (a) "Authority" means the Kentucky Economic Development Finance Authority;
6 ~~[and]~~

7 (b) **"Qualifying former hospital" means a hospital facility:**

8 **1. At a location that closed within thirty-six (36) months prior to an**
9 **application for a loan; and**

10 **2. For which the former owner or new owner has obtained a certificate**
11 **of need to open a new hospital or other health facility as defined in**
12 **KRS 216B.015 that provides inpatient care at the closed location; and**

13 (c) "Rural hospital" means any hospital **or qualifying former hospital** located
14 within a county of the Commonwealth having a population of less than fifty
15 thousand (50,000) according to the most recent annual estimates of the
16 resident population issued by the United States Census Bureau.

17 (2) (a) The rural hospital operations and facilities revolving loan fund is established.
18 ~~[for]~~The authority **shall**~~[to]~~ provide loans to a rural hospital **not to exceed**
19 **one million dollars (\$1,000,000) for any project within a rural hospital and**
20 **shall not exceed more than two million dollars (\$2,000,000) every five (5)**
21 **years.**

22 (b) Any loan issued by the authority shall not exceed a twenty (20) year term and
23 shall be utilized by the Cabinet for Economic Development to assist a rural
24 hospital in providing needed direct health care services for the citizens of the
25 Commonwealth by:

- 26 1. Maintaining or upgrading the hospital's facilities;
27 2. Maintaining or increasing the current staff of the rural hospital;~~[or]~~

- 1 **3. Reopening a qualifying former hospital; or**
2 **4.~~[3.]~~ Providing health care services that are not currently available to citizens.**
3 **(c) The authority shall consider a group with multiple locations eligible under**
4 **this section as if each separate location is a separate entity for purposes of**
5 **determining eligibility and applicable loan limits.**

- 6 (3) The Cabinet for Economic Development shall:
- 7 (a) Determine the terms and conditions of each loan, including the repayment to
8 be deposited back in the revolving loan fund for issuance of future loans to
9 other rural hospitals;
- 10 (b) Monitor the performance of the rural hospital; and
- 11 (c) By October 1, 2020, and by each October 1 thereafter, report to the Interim
12 Joint Committee on Appropriations and Revenue information about each
13 outstanding loan issued, including:
- 14 1. The name and location of the rural hospital;
- 15 2. The amount of principal originally loaned;
- 16 3. The terms of the loan and whether the rural hospital is currently meeting
17 those terms; and
- 18 4. How the rural hospital used the loan related to facilities, staff, or
19 additional services.
- 20 (4) (a) The fund created in subsection (2) of this section shall be a trust and agency
21 account.
- 22 (b) The Cabinet for Economic Development shall administer the fund.
- 23 (c) The fund shall consist of appropriations, contributions, donations, gifts, or
24 federal funds.
- 25 (d) Notwithstanding KRS 45.229, any moneys remaining in the fund at the close
26 of the fiscal year shall not lapse but shall be carried forward into the
27 succeeding fiscal year.

1 (e) Any interest earnings of the fund shall become a part of the fund and shall not
2 lapse.

3 (f) Moneys deposited in the fund are hereby appropriated for the sole purpose of
4 providing loans to rural hospitals.

5 ➔Section 2. Whereas the General Assembly desires to ensure that the citizens of
6 the Commonwealth have access to quality and reliable healthcare services, an emergency
7 is declared to exist, and this Act takes effect upon its passage and approval by the
8 Governor or upon its otherwise becoming a law.