

Regular Session, 2010

HOUSE BILL NO. 1450

BY REPRESENTATIVES ELLINGTON AND RITCHIE

HOSPITALS: Creates the Rural Hospital Capital Improvement Act

1 AN ACT

2 To enact Subpart R of Part II-A of Chapter 1 of Subtitle I of Title 39 of the Louisiana
3 Revised Statutes of 1950, to be comprised of R.S. 39:100.130 and 100.131, relative
4 to state grants and capital outlay; to establish the Rural Hospital Capital
5 Improvement Act; to provide for a grant program for certain rural hospitals; to
6 authorize rulemaking; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Subpart R of Part II-A of Chapter 1 of Subtitle I of Title 39 of the
9 Louisiana Revised Statutes of 1950, comprised of R.S. 39:100.130 and 100.131, is hereby
10 enacted to read as follows:

11 SUBPART R. RURAL HOSPITAL CAPITAL IMPROVEMENT ACT

12 §100.130. Rural Hospital Capital Improvement Act; intent; definitions

13 A. The legislature finds that:

14 (1) Rural hospitals constitute a key component of the state's health care
15 safety net by providing a broad array of health care services within Louisiana's rural
16 communities, and are especially important for access to health care for the uninsured
17 and underinsured.

18 (2) Rural hospitals have historically confronted substantial barriers to
19 accessing capital for the replacement and improvement of their facilities and
20 technology necessary to achieve good health care outcomes in patient care.

1 (3) This legislation will assist rural hospitals in overcoming the obstacles to
2 accessing necessary capital and will provide opportunities for such hospitals to
3 ensure access to needed services in underserved areas.

4 B. There is hereby established the Rural Hospital Capital Improvement Grant
5 Program to provide for grants for capital and other improvements to rural hospitals.

6 C. Definitions. As used in this Subpart, the following words and phrases
7 shall have the following meaning unless the context indicates otherwise.

8 (1) "Department" means the Department of Health and Hospitals, or its
9 successor in the role of designated state agency under Title XIX of the Social
10 Security Act or any successor act including but not limited to block grants or any
11 other funding for medical care of the poor.

12 (2) "Rural hospital" means a hospital of sixty beds or less licensed by the
13 department that meets the definition of a rural hospital under R.S. 40:1300.143(7)
14 as of April 20, 2010.

15 (3) "Secretary" means the secretary of the Department of Health and
16 Hospitals.
17 §100.131. Rural Hospital Capital Improvement Grant Program.

18 The department shall administer a program of grants to be available to rural
19 hospitals as provided in this Section. Grants shall be made each year from monies
20 appropriated for such purpose to provide funding for capital and other improvements
21 for rural hospitals which have applied for a grant for that fiscal year. The total
22 amount of grants awarded in a year shall not exceed the appropriation, and the
23 amount available for each grant shall be contingent upon the total available funding
24 and the number of grant applicants. The grant program shall prioritize capital
25 initiatives which sustain access to services, enhance health care programs, or create
26 opportunities for rural hospitals to develop revenue-producing programs that help
27 reduce the reliance of rural hospitals on state funds.

1 A. The secretary of the department shall design and provide for an
2 application procedure and all necessary forms and documentation. At a minimum,
3 the grant application shall include the following:

4 (1) A statement by the governing body of the hospital expressing a specific
5 need or deficiency for which grant monies are being sought.

6 (2) A detailed plan for the utilization of grant monies, including the
7 organizational structure, financial system and facilities involved, and the system of
8 record keeping which will account for the expenditure of grant monies within the
9 hospital service area.

10 (3) An estimate of the duration or longevity of the remedy or solution
11 achieved by use of the grant money.

12 (4) Evidence that the hospital has been unable to raise or otherwise acquire
13 funding sufficient to address the need or deficiency for which the grant application
14 is submitted.

15 (5) Evidence that the receipt of grant funding will assist in maintaining or
16 returning the hospital to an economically stable condition or that any plan for closure
17 or realignment of services will involve the development of innovative alternatives
18 for discontinued services.

19 B. Each rural hospital requesting grant support may receive a grant award
20 in an amount determined by the department, subject to legislative appropriation,
21 upon application to the department for projects to acquire, repair, improve or upgrade
22 systems, including but not limited to electronic health record technology and other
23 facilities or equipment.

24 C. The department shall consider any information submitted as part of or
25 supporting a grant application in its determination of an applicant's eligibility for
26 receipt of a grant; however, no single element or item of information by itself may
27 by used to deny an applicant's grant eligibility.

28 D. The department shall ensure that grant monies are used solely for the
29 purposes specified in this Section.

- 1 E. The secretary of the department shall establish by rule the criteria for the
 2 award of grants in any year in which appropriations for such purpose exceed the total
 3 amount of grant applications.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Ellington

HB No. 1450

Abstract: Establishes the Rural Hospital Capital Improvement Act which provides for a program of grants to rural hospitals for acquisition, repair, and upgrade of hospital facilities and equipment.

Proposed law establishes the Rural Hospital Capital Improvement Act which shall provide for a program of grants to rural hospitals for acquisition, repair, and upgrade of hospital facilities and equipment.

Proposed law provides for definitions, including "rural hospital", which means a hospital of 60 beds or less licensed by the Dept. of Health and Hospitals, hereinafter "department", that meets the definition of a rural hospital established in present law (R.S. 40:1300.143(7)) as of April 20, 2010.

Proposed law establishes the Rural Hospital Capital Grant Program to be administered by the department to provide grants to rural hospitals for capital and other improvements intended to address specific deficiencies or problems. Proposed law provides that the grant program shall prioritize capital initiatives which sustain access to services, enhance health care programs, or create opportunities for rural hospitals to develop revenue-producing programs that help reduce the reliance of rural hospitals on state funds; and that the annual distribution of grant funding shall be contingent upon the availability of monies appropriated for such purpose.

Proposed law requires the secretary of the department to design and provide for a grant application procedure. Proposed law provides for specific elements to be contained in the application, which include a statement by the governing body of the hospital expressing a specific need or deficiency for which grant monies are being sought, a detailed plan for expenditures, and evidence that the hospital has been unable to raise or otherwise acquire funding sufficient to address the need or deficiency for which the grant application is submitted.

Proposed law authorizes the secretary to promulgate rules to establish the criteria for the award of grants in any year in which appropriations for such purpose exceed the total amount of grant applications.

(Adds R.S. 39:100.130 and 100.131)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Health and Welfare to the original bill.

1. Removed provisions relating to the Rural Hospital Capital Outlay Assistance Program.
2. Changed definitions and made technical changes to provisions relating to the Rural Hospital Capital Outlay Assistance Program.
3. Changed language from providing that rural hospitals requesting grant support "shall" receive a grant award to language providing that such hospitals "may" receive a grant award.
4. Changed the specified grant amount from \$100,000 annually to an amount determined by the Dept. of Health and Hospitals.

House Floor Amendments to the engrossed bill.

1. Added language stating intent of proposed law to the legislative findings section.
2. Added provisions on prioritization of initiatives to be funded by the Rural Hospital Capital Improvement Grant Program.