

Regular Session, 2012

HOUSE BILL NO. 241

BY REPRESENTATIVE HENSGENS

ETHICS/CODE: Authorizes certain transactions between Hospital Service District No. 3 of Vermilion Parish and a board member and legal entities in which a board member owns an interest

1 AN ACT

2 To enact R.S. 42:1123(18)(b), relative to ethics; to allow a member of the board of  
3 commissioners of Hospital Service District No. 3 of Vermilion Parish to engage in  
4 certain transactions and to own an interest in entities that engage in certain  
5 transactions with the district; to provide for recusal; to provide for restrictions and  
6 limitations; and to provide for related matters.

7 Notice of intention to introduce this Act has been published  
8 as provided by Article III, Section 13 of the Constitution of  
9 Louisiana.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 42:1123(18)(b) is hereby enacted to read as follows:

12 §1123. Exceptions

13 This Part shall not preclude:

14 \* \* \*

15 (18)

16 \* \* \*

17 (b) A member of the board of commissioners of Hospital Service District  
18 No. 3 of Vermilion Parish or a legal entity in which such a board member owns an  
19 interest from entering into transactions with the board or with a hospital over which  
20 the board exercises jurisdiction provided that the total amount of such transactions  
21 does not exceed one thousand five hundred dollars per year. The board member

1           shall not participate in any action regarding the transaction before the board and shall  
2           recuse himself from voting on any action regarding the transaction.

3   \*           \*           \*

4           Section 2. This Act shall become effective upon signature by the governor or, if not  
5 signed by the governor, upon expiration of the time for bills to become law without signature  
6 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
7 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
8 effective on the day following such approval.

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)]

Hensgens HB No. 241

**Abstract:** Allows a member of the board of Hospital Service District No. 3 of Vermilion Parish to enter into transactions of no more than \$1,500 per month with the board or with a hospital over which the board exercises jurisdiction. Prohibits the member from participating in any action regarding the transaction and requires that he recuse himself from voting on any action regarding the transaction.

Present law (R.S. 42:1123(18)) – relative to exceptions to the Code of Governmental Ethics) allows any physician serving as a member of a hospital service district board or commission, if such board or commission is required by law or by local ordinance, rule, or regulation adopted by a municipal or parish governing authority to have one or more physician members, to lease space for the provision of health care services from a hospital under jurisdiction of the board or commission for fair market value. Further allows a licensed physician who is a member of a hospital service district board located within a parish with a population of 125,000 or less to contract with the hospital over which the board exercises jurisdiction, to subcontract with another provider who contracts with the hospital, and to have an ownership interest in an entity that contracts with the hospital. Requires the physician to recuse himself from participating in a transaction before the board relating to such transactions.

Proposed law further allows a member of the board of commissioners of Hospital Service District No. 3 of Vermilion Parish or a legal entity in which such a board member owns an interest to enter into transactions with the board or with a hospital over which the board exercises jurisdiction provided that the total amount of such transactions does not exceed \$1,500 per year. Provides that the board member shall not participate in any action regarding the transaction before the board and shall recuse himself from voting on any action regarding the transaction.

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

(Adds R.S. 42:1123(18)(b))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on House and Governmental Affairs to the original bill.

1. Changes transaction limit from \$1,500 per month to \$1,500 per year.