

Regular Session, 2010

HOUSE BILL NO. 971

BY REPRESENTATIVE ABRAMSON

HEALTH/DHH: Provides for the leasing of the John J. Hainkel, Jr., Home and Rehabilitation Center and a portion of Southeast Louisiana Hospital

1 AN ACT

2 To enact R.S. 40:16.3, relative to state property; to authorize and empower the secretary of
3 the Department of Health and Hospitals and the commissioner of administration to
4 lease the John J. Hainkel, Jr., Home and Rehabilitation Center to the New Orleans
5 Home for the Incurables; to specify certain terms and conditions of the lease; to
6 authorize and empower the secretary of the Department of Health and Hospitals and
7 the commissioner of administration to lease property at Southeast Louisiana Hospital
8 to Beacon Behavioral Health; to provide for an effective date; and to provide for
9 related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 40:16.3 is hereby enacted to read as follows:

12 §16.3. John J. Hainkel, Jr., Home and Rehabilitation Center; lease

13 A. The secretary of the Department of Health and Hospitals and the
14 commissioner of administration are hereby authorized to execute a negotiated lease
15 to the New Orleans Home for Incurables for the John J. Hainkel, Jr., Home and
16 Rehabilitation Center, including the lease of the property, buildings, equipment,
17 movable assets, and all other appurtenances of the facility, which is described as
18 follows:

19 That portion of ground, together with all the buildings and improvements
20 thereon and all the rights, ways, privileges, servitudes, appurtenances, and

1 advantages thereunto belonging, or in anywise appertaining, situated in the Sixth
2 District of the city of New Orleans, State of Louisiana, Burtheville, being all of
3 Square 22, composed of Lots 1 through 24, bounded by Patton, Constance, Calhoun,
4 and Henry Clay, and said square measures 317 feet 8 inches 5 lines (317 feet 6
5 inches 7 1/2 lines title) front on Patton, 311 feet 3 inches 0 lines (311 feet 6 1/2 lines
6 title) front on Constance, 289 feet 7 inches 4 lines (289 feet 3 inches 7 lines 7 inches
7 title) front on Henry Clay, containing 91,063.10 square feet; all in accordance with
8 survey of Joseph F. Varisco, Jr., dated November 14, 1975, resurveyed January 23,
9 1976. And, according to a survey of Joseph F. Varisco, Jr., dated September 14,
10 1977, revised November 27, 1979, said property has the same actual dimensions,
11 encompasses all of Square 22 and contains improvements known as 612 Henry Clay
12 Avenue.

13 B. The lease of property by the secretary and the commissioner shall be
14 expressly exempted from the provisions of R.S. 41:1211 et seq., relative to the lease
15 of public land.

16 C. The secretary and the commissioner of administration shall be authorized
17 and empowered to execute the appropriate instrument or instruments, and any
18 corrections thereof, to effectuate the lease of the property described in Subsection A
19 of this Section. Additionally, the secretary and the commissioner of administration
20 shall hereby be authorized and empowered to negotiate such terms and conditions
21 in the lease document as may be necessary to ensure:

22 (1) That the facility shall continue to be named the "John J. Hainkel, Jr.,
23 Home and Rehabilitation Center" and operate as a long-term care facility that
24 provides nursing home level services and adult day health care services.

25 (2) That the facility shall continue its mission to provide quality health care
26 services to indigent persons.

27 (3) That the facility shall continue as a medical and clinical training facility.

28 (4) That the facility shall be operated by the New Orleans Home for the
29 Incurables; however, the New Orleans Home for the Incurables shall have the option

1 to enter into a sublease or a cooperative endeavor agreement to operate the facility
2 consistent with the terms and conditions of the lease, subject to approval by the
3 Department of Health and Hospitals.

4 (5) That the Medicaid rate shall be set at the rate as of March 19, 2010, and
5 shall be set at such rate for at least one year from the effective date of any lease,
6 subject to approval by the Centers for Medicare and Medicaid Services.

7 (6) That the state shall continue and complete all previously budgeted capital
8 outlay repairs to the facility.

9 (7) That the New Orleans Home for the Incurables shall offer those
10 employees who are employed by the John J. Hainkel, Jr., Home and Rehabilitation
11 Center at the commencement of the lease first priority for employment.

12 (8) That the lease shall terminate if the facility ceases to operate as a long-
13 term care facility.

14 (9) Any and all other terms and conditions consistent herein to effectuate this
15 Section.

16 D. Nothing in this Section shall preclude the Department of Health and
17 Hospitals from negotiating readiness assessment criteria with the New Orleans Home
18 for the Incurables prior to the commencement of the lease.

19 Section 2. The Department of Health and Hospitals and the division of
20 administration, notwithstanding any other provision of law to the contrary, are hereby
21 authorized and empowered to lease certain buildings and improvements at Southeast
22 Louisiana Hospital in St. Tammany Parish to Beacon Behavioral Health.

23 Section 3. The secretary of the Department of Health and Hospitals and the
24 commissioner of administration, on behalf of the state of Louisiana, are hereby authorized
25 to enter into such agreements, covenants, conditions, and stipulations and to execute such
26 documents as are necessary to properly effectuate any lease of those certain buildings and
27 improvements as more specifically described in any such agreements entered into and
28 documents executed by and between the secretary of the Department of Health and

1 Hospitals, the commissioner of administration, and Beacon Behavioral Health in exchange
2 of consideration proportionate to the value of the property leased.

3 Section 4. This Act shall become effective upon signature by the governor or, if not
4 signed by the governor, upon expiration of the time for bills to become law without signature
5 by the governor, as provided in Article III, Section 18 of the Constitution of Louisiana. If
6 vetoed by the governor and subsequently approved by the legislature, this Act shall become
7 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)]

Abramson

HB No. 971

Abstract: Authorizes the Department of Health and Hospitals (DHH) and the division of administration to lease the John J. Hainkel, Jr., Home and Rehabilitation Center to the New Orleans Home for the Incurables, subject to certain terms and conditions. Authorizes DHH and the division of administration to lease property at Southeast Louisiana Hospital to Beacon Behavioral Health.

Proposed law authorizes the secretary of DHH and the commissioner of administration to enter into a lease with the New Orleans Home for the Incurables, including a lease of the property, buildings, equipment, and movable assets.

Proposed law exempts the lease from the provisions of present law relative to the lease of public lands.

Proposed law provides that the lease shall be negotiated to ensure:

- (1) That the facility shall continue to be named the "John J. Hainkel, Jr., Home and Rehabilitation Center" and operate as a long-term care facility that provides nursing home level services and adult day health care services.
- (2) That the facility shall continue its mission to provide quality health care services to indigent persons.
- (3) That the facility shall continue as a medical and clinical training facility.
- (4) That the facility shall be operated by the New Orleans Home for the Incurables. New Orleans Home for the Incurables shall have the option to enter into a sublease or a cooperative endeavor agreement to operate the facility consistent with the terms and conditions of the lease, subject to approval by DHH.
- (5) That the Medicaid rate shall be set at the rate as of March 19, 2010, and shall be set at such rate for at least one year from the effective date of any lease, subject to approval by the Centers for Medicare and Medicaid Services.
- (6) That the state shall continue and complete all previously budgeted capital outlay repairs to the facility.

- (7) That the New Orleans Home for the Incurables shall offer those employees who are employed by the John J. Hainkel, Jr., Home and Rehabilitation Center at the commencement of the lease first priority for employment.
- (8) That the lease shall terminate if the facility ceases to operate as a long-term care facility.
- (9) Any and all other terms and conditions consistent herein to effectuate the provisions of proposed law.

Proposed law clarifies that no provisions of proposed law shall preclude DHH from negotiating readiness assessment criteria with the New Orleans Home for the Incurables.

Proposed law authorizes DHH and the division of administration, notwithstanding any other provision of law to the contrary, to lease certain buildings and improvements at Southeast Louisiana Hospital in St. Tammany Parish to Beacon Behavioral Health. Authorizes the DHH secretary and commissioner of administration to enter into such agreements, covenants, conditions, and stipulations and to execute such documents as are necessary to properly effectuate any lease of those certain buildings and improvements as more specifically described in any such agreements entered into and documents executed by and between the secretary of DHH, the commissioner of administration, and Beacon Behavioral Health in exchange of consideration proportionate to the value of the property leased.

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

(Adds R.S. 40:16.3)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill.

1. Added provisions authorizing the lease of certain buildings and improvements at Southeast Louisiana Hospital to Beacon Behavioral Health.

House Floor Amendments to the reengrossed bill.

1. Clarified that the Medicaid rate paid to the John J. Hainkel, Jr., Home and Rehabilitation Center shall be set at the rate as of March 19, 2010.
2. Clarified that the New Orleans Home for the Incurables shall offer first priority for employment to those employees who are employed by the John J. Hainkel, Jr., Home and Rehabilitation Center at the beginning of the lease.
3. Stated that DHH is not prohibited from negotiating readiness assessment criteria with the New Orleans Home for the Incurables prior to the commencement of the lease.