

2020 Regular Session

SENATE BILL NO. 456

BY SENATOR HENSGENS

HOSPITALS. Provides relative to rural hospitals. (8/1/20)

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AN ACT

To amend and reenact R.S. 40:1189.3, relative to rural hospitals; to provide for rural hospitals; to provide for definitions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 40:1189.3 is hereby amended and reenacted to read as follows:

§1189.3. Definitions

As used in this Part:

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

(2) "Emergency medical condition" means acute symptoms of sufficient severity such that the absence of immediate medical attention could reasonably be expected to result in any one or more of the following:

(a) Placing the health of the individual in serious jeopardy, including the health of the unborn child in the case of a pregnant woman.

(b) Serious impairment to any bodily function.

1 (c) Serious dysfunction of any bodily part.

2 (3) "Health care provider" means an individual, person, corporation, facility,
3 or institution licensed by the state to provide health care or professional services as
4 a physician, nurse, or allied health professional.

5 (4) "Prospective rates approximating cost" means the median cost of a rural
6 hospital providing inpatient acute or inpatient psychiatric services plus ten percent,
7 which cost has been inflated by the Medicare market basket inflation factor to the
8 midpoint of the state's fiscal year in which services may be furnished. The median
9 cost and rates shall be re-based by the department at least every other year using the
10 most current rural hospital cost reports on file with the department.

11 (5) "Public rural hospital" means a rural hospital owned or operated by a
12 political subdivision of the state, including but not limited to a hospital service
13 district, parish, or municipality.

14 (6) "Reasonable cost" means the cost of hospital outpatient services,
15 including without limitation provider-based rural health clinics, utilizing Medicare
16 cost reimbursement principles applicable to the respective rural hospital, including
17 hospital-based rural health clinics licensed as hospital departments. In the event a
18 more limited definition of reasonable cost is required to obtain federal approval for
19 the related state plan amendment for those rural hospitals that are reimbursed under
20 Medicare's Prospective Payment System, hereinafter referred to as "PPS", the
21 department shall utilize the most liberal definition of "reasonable cost" for such rural
22 PPS hospitals that is acceptable to the United States Department of Health and
23 Human Services, Centers for Medicare and Medicaid Services, hereinafter referred
24 to as "CMS".

25 (7)(a) "Rural hospital" means a hospital **which is** licensed by the department
26 **and** which meets one of the following criteria:

27 (i) Has no more than sixty hospital beds as of July 1, 1994, and:

28 (aa) Is located in a parish with a population of less than fifty thousand; or

29 (bb) Is located in a municipality with a population of less than twenty

1 thousand.

2 (ii) Meets the qualifications of a sole community hospital under 42 CFR
3 412.92(a); or met the qualifications of a sole community hospital as of June 30,
4 2005, and subsequently converted to a critical access hospital status.

5 (iii) Has no more than sixty hospital beds as of July 1, 1999, and is located
6 in a parish with a population, as measured by the 1990 census, of less than seventeen
7 thousand.

8 (iv) Has no more than sixty hospital beds as of June 30, 2000, and is located
9 in a municipality with a population, as measured by the 1990 census, of less than
10 twenty thousand.

11 (v) Has no more than sixty beds as of July 1, 1997, and is located in a parish
12 with a population, as measured by the 1990 and 2000 censuses, of less than fifty
13 thousand.

14 (vi) Was a hospital facility licensed by the department that had no more than
15 sixty hospital beds as of July 1, 1994, which hospital facility has been in continuous
16 operation since July 1, 1994, is currently operating under a license issued by the
17 department, and is located in a parish with a population, as measured by the 1990
18 census, of less than fifty thousand.

19 (vii) Has no more than sixty hospital beds or has notified the Louisiana
20 Department of Health as of March 7, 2002 of its intent to reduce its number of
21 hospital beds to no more than sixty, and:

22 (aa) Is located, as measured by the 2000 census, in a municipality with a
23 population of less than thirteen thousand and;

24 (bb) Is located, as measured in the 2000 census, in a parish with a population
25 of less than thirty-two thousand.

26 (viii) Has no more than sixty hospital beds as of May 1, 2001, and:

27 (aa) Is located, as measured by the 2000 census, in a municipality with a
28 population of less than five thousand five hundred; and

29 (bb) Is located, as measured by the 2000 census, in a parish with a

1 population of less than forty-two thousand.

2 (ix) Has no more than sixty hospital beds as of September 26, 2002, and:

3 (aa) Is located, as measured by the 2000 census, in a municipality with a
4 population of less than ten thousand; and

5 (bb) Is located, as measured by the 2000 census, in a parish with a
6 population of less than thirty-three thousand.

7 (x) Has no more than sixty hospital beds as of January 1, 2003, and:

8 (aa) Is located, as measured by the 2000 census, in a municipality with a
9 population of less than eleven thousand; and

10 (bb) Is located, as measured by the 2000 census, in a parish with a
11 population of less than ninety thousand.

12 (xi) Has no more than sixty hospital beds or has notified the Louisiana
13 Department of Health as of May 16, 2003, of its intent to reduce its number of
14 hospital beds to no more than sixty, and:

15 (aa) Is located, as measured by the 2000 census, in a municipality with a
16 population of less than seven thousand.

17 (bb) Is located, as measured by the 2000 census, in a parish with a
18 population of less than fifty-three thousand.

19 (cc) Is located within ten miles of a United States military base.

20 (xii) Notwithstanding the provisions of Subparagraphs (7)(c) and (d) of this
21 Section, has no more than forty beds as of January 1, 2005, and:

22 (aa) Is located, as measured by the 2000 census, in a municipality with a
23 population of less than three thousand one hundred.

24 (bb) Is located, as measured by the 2000 census, in a parish with a
25 population of less than fifteen thousand eight hundred.

26 (xiii) Notwithstanding the provisions of Subparagraphs (7)(c) and (d) of this
27 Section, has no more than sixty hospital beds as of November 1, 2013, and:

28 (aa) Is located, as measured by the 2000 census, in a municipality with a
29 population of less than thirty-three thousand.

1 (bb) Is located, as measured by the 2000 census, in a parish with a
2 population of less than sixty-eight thousand.

3 (cc) Is located within three miles of Jackson Barracks.

4 (b) "Rural hospital" ~~does~~ **shall** not mean a long-term care hospital, a
5 rehabilitation hospital, or a free-standing psychiatric hospital.

6 (c) For purposes of this Section, no hospital shall be designated as a "rural
7 hospital" that was not downsized to sixty beds by May 16, 2003 and was not so
8 designated prior to July 1, 2003.

9 (d) Notwithstanding anything to the contrary in this Section, no hospital shall
10 be eligible to receive disproportionate share funds contingent upon Centers for
11 Medicare and Medicaid Services approval unless **the hospital has been** designated
12 as a "small rural hospital" and it has been annually certified by the Rural Hospital
13 Coalition, Inc., as an entity eligible for assistance from Building Healthy
14 Communities, Inc.

15 (8) "State plan for medical assistance" means the plan promulgated by the
16 department in accordance with its role as designated state agency under Title XIX
17 of the Social Security Act, or its successor plan, including but not limited to any plan
18 adopted pursuant to any federal law creating block grants or other funding for
19 medical care of the poor.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Brandi Cannon.

DIGEST

SB 456 Original

2020 Regular Session

Hensgens

Present law provides for the Rural Hospital Preservation Act for the purpose of ensuring the continued viability of rural hospitals.

Proposed law retains present law.

Present law defines "department", "emergency medical condition", "health care provider", "prospective rates approximating cost", "public rural hospital", "reasonable cost", "rural hospital", and "state plan for medical assistance".

Proposed law retains present law and makes technical changes.

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SB NO. 456

Effective August 1, 2020.

(Amends R.S. 40:1189.3)