

SENATE BILL 2646

By Watson

AN ACT to amend Tennessee Code Annotated, Title 4;  
Title 68 and Title 71, relative to hospitals.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 3, Part 7, is amended by adding the following as a new section:

(a) This section shall be known and may be cited as the "Tennessee Rural Hospital Transformation Act of 2018."

(b) As used in this section:

(1) "Contractor" means individual consultants or professional firms with rural healthcare experience and expertise;

(2) "Department" means the department of economic and community development;

(3) "Rural hospital" means a hospital located outside of a major urban or suburban area; provided, that the hospital may be located within a metropolitan statistical area;

(4) "Rural hospital transformation program" refers to a grant program administered by the department to support rural hospitals in assessing viability and identifying new delivery models, strategic partnerships, and operational changes that enable the continuation of needed healthcare services in rural communities;

(5) "Target hospital" means a rural hospital deemed eligible by the state for the rural hospital transformation program; and

(6) "Transformation plan" means a strategic plan developed by contractors in close collaboration with target hospitals and community stakeholders to provide recommendations and actionable steps for preserving healthcare services in the target hospital community.

(c)

(1) The department of economic and community development shall establish and manage the rural hospital transformation program.

(2) The department shall identify contractors to provide consultations to target hospitals for the creation of transformation plans, which shall include:

(A) Focused strategies for transitioning the hospital into a sustainable business model in order to avoid or prevent closure;

(B) Recommendations for utilizing transformation funding to offset transition costs;

(C) Recommendations for funding remaining transition costs with hospital or community resources;

(D) Recommendations for ensuring that appropriate and viable services are provided in the target hospital community, serving the best interests of the patients and caregivers;

(E) Recommendations for strategic partnerships and alliances where practical; and

(F) Where partnerships are not practical, recommendations for coordination with the surrounding healthcare community including safety-net providers and tertiary hospitals.

(3) Target hospitals may submit applications to the department for review and approval to receive consultation from identified contractors for the development of a transition plan. The content of applications shall be directed by the department.

(d) Transformation plans shall be developed through collaboration between the contractor, target hospital, target hospital community stakeholders, and other appropriate stakeholders.

(e) Finalized transformation plans shall include a timeline for implementation and must be submitted to the department.

(f) The department shall receive periodic updates on the implementation of transformation plans and monitor the progress of target hospitals.

SECTION 4. This act shall take effect on July 1, 2018, the public welfare requiring it.