Senate Bill 442

By: Senators Hill of the 4th, Marable of the 52nd and Thomas of the 10th

AS PASSED

A BILL TO BE ENTITLED

AN ACT

To amend Title 31 of the Official Code of Georgia Annotated, relating to health, so as to authorize the Department of Community Health to award grants, as funds become available, to certified rural hospitals for public health purposes; to provide for the Department of Community Health to promulgate rules and regulations for effective administration of such grants; to provide for related matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Title 31 of the Official Code of Georgia Annotated, relating to health, is amended in subsection (f) of Code Section 31-5A-4, relating to the department´s powers, duties, functions, and responsibilities, divisions, directors, the Office of Women´s Health, and contracts for health benefits, by striking the word "and" at the end of paragraph (6), by striking the period at the end of paragraph (7) and inserting in lieu thereof the word and symbol "; and", and by adding a new paragraph (8) to read as follows:

″(8) Is authorized to award grants, as funds are available, to hospital authorities and hospitals for public health purposes, pursuant to Code Sections 31-7-94 and 31-7-94.1.″

SECTION 2.

Said title is further amended by striking Code Section 31-7-94, relating to grants to hospital authorities, and inserting in its place the following:

″31-7-94.

The state is authorized to make grants, as funds are available, to hospital authorities for public health purposes, provided that any funds so granted shall be distributed to and among the various public hospital authorities in the state in proportion to the number of hospital beds operated by each such hospital authority at the end of the calendar year preceding the grant. Funds shall be distributed to public hospitals operated by consolidated governments in the same manner as to authority hospitals prescribed in this Code section.

Grants made by the state pursuant to this Code section shall be administered by the Department of ~~Human Resources~~ Community Health in accordance with such rules, regulations, and procedures as it shall deem necessary for effective administration of such grants."

SECTION 3.

Said title is further amended by striking Code Section 31-7-94.1, relating to certification of rural hospitals for grant eligibility and rules and regulations relative to the "Rural Hospital Authorities Assistance Act," and inserting in its place the following:

"31-7-94.1.

(a) This Code section shall be known and may be cited as the 'Rural Hospital ~~Authorities~~ Assistance Act.'

(b) The General Assembly finds that hospital authorities are created under Code Section 31-7-72 in and for each county and municipal corporation of the state in order to promote public health goals of the state. The General Assembly further finds that many hospitals ~~owned or operated by hospital authorities~~ in rural counties, whether or not they are owned or operated by hospital authorities, are in desperate financial straits. In order to preserve the availability of primary health care services provided by such hospitals to residents of rural counties, the General Assembly has determined that a program of state grants is necessary and recommends funds be made available to such hospitals. These grants will be conditioned upon those hospitals continuing to furnish essential health care services to residents in their areas of operation as well as engaging in the long-range planning and any restructuring which may be required for those hospitals to survive by devising cost-effective and efficient health care systems for meeting local health care needs.

(c) As used in this Code section, the term:

(1) 'Department of Community Health' means the Department of Community Health created under Chapter 5A of this title.

(2) 'Hospital' means an institution which has a permit as a hospital issued under this chapter.

(3) 'Rural county' means a county having a population of less than 35,000 according to the United States decennial census of 1990 or any future such census.

(4) 'Rural hospital' means a hospital ~~owned or operated by a hospital authority,~~ which ~~hospital~~ has been certified by the Department of Community Health as:

(A) Being located in a rural county;

(B) Participating in both Medicaid and medicare and accepting both Medicaid and medicare patients;

(C) Providing health care services to indigent patients; and

(D) Maintaining a 24 hour emergency room.

(d) A rural hospital may apply for a grant available under subsection (e) of this Code section if it has been certified by the Department of Community Health as:

(1) A rural hospital;

(2) Having submitted a grant application which includes:

(A) A problem statement indicating the problem the rural hospital proposes to solve with the grant funds;

(B) The goals of the proposed solution;

(C) The organizational structure, financial system, and facilities that are essential to the proposed solution;

(D) The projected longevity of the proposed solution after the grant funds are expended;

(E) Evidence of collaboration with other community health care providers in achieving the proposed solution;

(F) Evidence that funds for the proposed solution are not available from another source;

(G) Evidence that the grant funds would assist in returning the hospital to an economically stable condition or that any plan for closure or realignment of services involves development of innovative alternatives for the discontinued services;

(H) Evidence of a satisfactory record-keeping system to account for grant fund expenditures within the rural county;

(I) A community health survival plan describing how the plan was developed, the goals of the plan, the links with existing health care providers under the plan, the implementation process including quantification of indicators of the hospital´s financial well-being, measurable outcome targets, and the current condition of such hospital; and

(J) Such additional evidence as the Department of Community Health may require to demonstrate the feasibility of the proposed solution for which grant funds are sought.

(e) Notwithstanding the provisions of Code Section 31-7-94, the ~~department~~ Department of Community Health is authorized to make grants to rural hospitals certified as meeting the requirements of subsection (d) of this Code section. ~~Such grants~~ Grants to rural hospitals owned or operated by hospital authorities may be for any of the following purposes:

(1) Infrastructure development, including, without being limited to, facility renovation or equipment acquisition; provided, however, that the amount granted to any qualified hospital may not exceed the expenditure thresholds that would constitute a new institutional health service requiring a certificate of need under Chapter 6 of this title and the grant award may be conditioned upon obtaining local matching funds;

(2) Strategic planning, including, without being limited to, strategies for personnel retention or recruitment, development of an emergency medical network, or the development of a collaborative and integrated health care delivery system with other health care providers, and the grant award may be conditioned upon obtaining local matching funds for items such as telemedicine, billing systems, and medical records. For the purposes of this paragraph, the maximum grant to any grantee shall be $200,000.00; ~~or~~

(3) Nontraditional health care delivery systems, excluding operational funds and purposes for which grants may be made under paragraph (1) or (2) of this subsection. For the purposes of this paragraph, the maximum grant to any grantee shall be $1.5 million; or

(4) The provision of 24 hour emergency room services open to the general public.

Any grants to certified rural hospitals which are not owned or operated by hospital authorities shall be limited to the purpose described in paragraph (4) of this Code section.

(f) In awarding grants under this Code section, the ~~department~~ Department of Community Health may give priority to any otherwise eligible rural hospital which meets the definition of a 'necessary provider' as specified in the state´s 'Rural Healthcare Plan' of May, 1998.

(g) ~~The department shall adopt regulations to implement its powers and duties under this Code section.~~ The Department of Community Health shall be authorized to certify rural hospitals as provided in subsection (d) of this Code section and shall adopt regulations to implement its powers and duties under this Code section."

SECTION 4.

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

SECTION 5.

All laws and parts of laws in conflict with this Act are repealed.