

1 SB574
2 139894-3
3 By Senator Blackwell (N & P)
4 RFD: Local Legislation No. 2
5 First Read: 01-MAY-12

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8 SYNOPSIS: This bill would provide for the creation of
9 a health care authority in a Class 1 municipality
10 for the purpose of operating a health care facility
11 and providing health care; provide for the
12 membership, powers, and duties of the health care
13 authority; authorize the authority to purchase any
14 general-care hospital owned by the county where the
15 authority is located, including the real property
16 and any other assets of the hospital; authorize the
17 health care authority to sell or lease the parking
18 deck of the general-care hospital; authorize the
19 authority to construct new health care facilities
20 and other facilities related thereto; and require
21 the authority take one of the following actions:
22 (1) Convert the general-care hospital and/or to
23 construct new facilities to operate an outpatient
24 clinic; (2) Continue to operate the hospital as a
25 50 to 150 bed acute care hospital; or (3) Enter
26 into a management affiliation for the operation of

1 the general-care hospital with the goal to reduce
2 the size, scope, and operation of the hospital.

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4 A BILL
5 TO BE ENTITLED
6 AN ACT

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8 Relating to any Class 1 municipality; to provide for
9 the creation of a health care authority in a Class 1
10 municipality for the purpose of operating a health care
11 facility and providing health care; to provide for the
12 membership, powers, and duties of the health care authority;
13 to authorize the authority to purchase any general-care
14 hospital owned by the county where the authority is located,
15 including the real property and any other assets of the
16 hospital; to authorize the health care authority to sell or
17 lease the parking deck of the general-care hospital; to
18 authorize the authority to construct new health care
19 facilities and other facilities related thereto; and to
20 require the authority take one of the following actions: (1)
21 To convert the general-care hospital and/or to construct new
22 facilities to operate an outpatient clinic; (2) to continue to
23 operate the hospital as a 50 to 150 bed acute care hospital;
24 or (3) to enter into a management affiliation for the
25 operation of the general-care hospital with the goal to reduce
26 the size, scope, and operation of the hospital.
27 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 1. This act shall apply only in a Class 1
2 municipality.

3 Section 2. (a) The following terms shall have the
4 following meanings unless the context indicates clearly
5 another meaning:

6 (1) ARTICLE 11 AND ARTICLE 11A. Article 11 and
7 Article 11A of Chapter 21, Title 22, Code of Alabama 1975,
8 relating to local health care authorities.

9 (2) AUTHORITY. The health care authority created by
10 this act.

11 Section 3. (a) The Health Care Authority is created
12 for the purpose of operating and maintaining a nonprofit
13 outpatient clinic.

14 (b) The health care authority established in the
15 Class 1 municipality pursuant to this act may purchase
16 ownership of the property and assets of a general-care
17 hospital owned by the county commission of the county where
18 the Class 1 municipality is located and pay the county the
19 fair market value of the real and personal property of the
20 hospital as determined by an appraisal. Upon purchase of the
21 hospital, the authority may sell or lease the parking deck of
22 the hospital.

23 (c) (1) The authority shall do one of the following
24 upon the purchase of the hospital:

25 a. Convert the general-care hospital and/or
26 construct new facilities to operate an outpatient clinic.

1 b. Convert the general-care hospital to a 50 to
2 150-bed acute care hospital.

3 c. Enter into a management affiliation for the
4 operation of the general-care hospital with the goal of
5 reducing the size, scope, and operations of its hospital.

6 (2) The authority shall present its plan of action
7 to the Jefferson County Commission and the Jefferson County
8 local legislative delegation within five months after the
9 effective date of this act.

10 (d) Except as otherwise provided in this act, the
11 authority shall be formed, have the powers, duties, and
12 restrictions, and operate as provided in Article 11, Chapter
13 21, Title 22, Code of Alabama 1975, the Health Care
14 Authorities Act of 1982, and shall have the additional powers
15 of health care authorities as provided in Article 11A, Chapter
16 21, Title 22, Code of Alabama 1975.

17 (e) The authority is expressly authorized to do all
18 of the following:

19 (1) Borrow money in order to finance the
20 construction and maintenance of a new facility on the site of
21 the general-care hospital.

22 (2) Sell and issue interest-bearing securities and
23 pledge any revenues, including proceeds from any tax to which
24 the authority may be entitled, for payment of any of its
25 securities; and to mortgage or pledge any or all of its
26 property and assets, or any combination of its property or
27 assets, as security for payment of principal and interest on

1 any securities issued by the authority, as permitted by
2 Article 11.

3 (f) Notwithstanding Section 22-21-339, Code of
4 Alabama 1975, the property and assets owned by the authority
5 may not be sold unless previously approved at a referendum
6 held by the city for that purpose.

7 (g) The authority shall annually provide audited
8 financial statements, which include profit and loss
9 statements, cash flow, balance sheets, and actual budgets
10 versus projected budgets. A copy of the audit shall be given
11 to the Jefferson County Commission and the Jefferson County
12 local legislative delegation.

13 (h) The authority shall operate independently and
14 not require or request additional revenue from the county
15 commission of the county where the authority is located.

16 (i) (1) Notwithstanding Sections 22-21-316 and
17 22-21-352, Code of Alabama 1975, or any other contrary
18 provisions of Articles 11 or 11A, the authority shall consist
19 of five members as follows:

20 a. Two members appointed by the Governor.

21 b. One member appointed by the mayor of the Class 1
22 municipality.

23 c. One member appointed by the Birmingham Regional
24 Council of the Alabama Hospital Association.

25 d. One member appointed by the county commission
26 where the Class 1 municipality is located.

1 (2) a. The term of office for the initial members
2 appointed by the Governor to the authority shall be for three
3 years, and the initial term of office for the members
4 appointed by the county commission, the city council, and the
5 Birmingham Regional Council of the Alabama Hospital
6 Association shall be two years. Thereafter, members shall be
7 appointed for a term of five years.

8 b. Each member may serve beyond an expired term
9 until a successor is appointed and confirmed. Vacancies for an
10 unexpired term of office shall be filled by the authority that
11 appointed the vacating member.

12 Section 4. The authority shall pay to the Jefferson
13 County Commission the value of the assets of the general-care
14 hospital beginning three years after the effective date of
15 this act to be paid in equal installments for the next 15
16 years thereafter.

17 Section 5. This act shall become effective on the
18 first day of the third month following its passage and
19 approval by the Governor, or its otherwise becoming law.