

ACT 112 of 1968  
R.S. 17:3051

CHAPTER 21. HEALTH EDUCATION AUTHORITY OF LOUISIANA

§3051. Statement of purpose and function

In order to promote the medical and/or health educational activities of various public and private institutions and organizations in the state of Louisiana and to promote health and welfare of its citizens through encouraging and assisting in the provision of medical care and prompt and efficient health and health related services at reasonable cost by public and private institutions and organizations in modern, well-equipped facilities, and to strive to achieve superlative standards of attainment in health care and education that will place Louisiana in the position of regional, national, and international leadership in those fields, it is hereby declared to be in the public interest that the Health Education Authority of Louisiana be created within the Department of Health and Hospitals. The purposes and functions of the authority are:

(1) To operate, in accordance with a master plan, a cooperative and coordinated multi-institutional complex that will serve to attract, encourage and assist public and private institutions and organizations that are dedicated to exemplary patient care, health science education and biomedical research, as well as organizations providing facilities and/or services deemed appropriate by the authority, to locate and/or operate in a functional geographic relationship with said complex.

(2) To aid in the development of health care and education programs by the primary and participating institutions and to assist in the coordination of planning and in implementing the attainment of the objectives of such institutions.

(3) To acquire or assist in the acquisition of land and the planning, acquisition, construction, reconstruction, rehabilitation, improvement and development of facilities in the complex and primary service area for the use of the primary and participating institutions, and the development, acquisition, construction, reconstruction, rehabilitation, improvement and operation of jointly usable facilities for such institutions, and

(4) To assist in or provide for the financing of any of the above and foregoing activities or facilities in the manner hereinafter authorized.

Added by Acts 1968, No. 112, §1, emerg. eff. July 17, 1968, at 11:40 A.M.

Amended by Acts 1975, Ex.Sess., No. 24, §1, eff. Jan. 28, 1975; Acts 1977, No. 725, §1; Acts 1978, No. 439, §1.

§3052. Definitions

The following terms shall have the following meanings, unless the context clearly indicates otherwise:

(1) "Act" shall mean Act 112 of the Regular Session of the Legislature of Louisiana for the year 1968, as amended, which Act as so amended now appears as La.R.S. 17:3051 to La.R.S. 17:3060, inclusive, and all future acts supplemental thereto or amendatory thereof.

(2) "Authority" shall mean the Health Education Authority of Louisiana, and when used in connection with action authorized to be taken by the authority, shall mean the authority acting by and through its board of trustees.

(3) "Board" shall mean the board of trustees of the Health Education Authority of Louisiana.

(4) "Complex" shall mean the Louisiana Medical Complex at New Orleans, to consist of that area of land within the primary service area designated by the master plan of the authority as heretofore or hereafter adopted by the authority, provided that the area of land bounded by and including LaSalle Street, Perdido Street, Clara Street and Poydras Street in the city of New Orleans shall not be included within the said Louisiana Medical Complex.

(5) "Executive director" shall mean the executive director of the Health Education Authority of Louisiana.

(6) "Participating institutions" shall mean those institutions which apply to and are designated by the authority, other than primary institutions, and consisting of (a) public or private hospital, medical or health corporations or institutions located or desiring to locate in the complex or (b) public or private hospital, medical or health corporations or institutions which deliver medical or health services or provide facilities therefor outside the complex but within the primary service area.

(7) "Primary institutions" shall mean Charity Hospital of Louisiana at New Orleans, Louisiana State University and Agricultural and Mechanical College, and Tulane University of Louisiana.

(8) "Primary service area" means that area within a radius of ten miles of Charity Hospital of Louisiana at New Orleans.

(9) "Project" shall mean any specific facility, work or improvement undertaken or to be financed by the authority under the provisions of the Act.

Added by Acts 1968, No. 112, §2, emerg. eff. July 17, 1968, at 11:40 A.M.  
Amended by Acts 1975, Ex.Sess., No. 24, §1, eff. Jan. 28, 1975; Acts 1980, No. 759, §1, eff. July 31, 1980.

§3053. Health Education Authority of Louisiana; creation; domicile; membership; terms; vacancies; quorum; staff

A. There is hereby created in the office of management and finance of the Department of Health and Hospitals the Health Education Authority of Louisiana, which is hereby declared to be a body corporate and public, constituting an instrumentality of the state of Louisiana and exercising public and essential governmental functions. The domicile of the authority shall be in the city of New Orleans.

B. The power to establish policy to carry out the intent of this Chapter shall be vested in a board of trustees which shall consist of the governor as ex-officio trustee and thirteen persons selected as follows:

(1) Two members shall be appointed by the governor from a list of six names submitted by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.

(2) Two members shall be appointed by the governor from a list of six names submitted by the Board of Administrators of the Tulane Educational Fund, Tulane University of Louisiana.

(3) Two members shall be appointed by the governor from a list of six names submitted by the Board of Administrators of Charity Hospital of Louisiana at New Orleans.

(4) Two members shall be appointed by the governor from a list of six names submitted by the Executive Board of the Louisiana State Medical Society.

(5) One member shall be appointed by the governor from a list of six names submitted by the statewide dental associations.

(6) One member shall be appointed by the mayor of the city of New Orleans with the advice and consent of the Commission Council from a list of five names, one each submitted by the Board of Administrators of the Tulane Educational Fund, Tulane University of Louisiana; the Board of Administrators of Charity Hospital of Louisiana at New Orleans; the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College; local dental association memberships including Orleans Parish dentists; and the Orleans Parish Medical Society.

(7) Three members shall be appointed by the governor from the state at large.

C. No person appointed directly by the governor or mayor or nominated by any of the nominating groups or individuals shall be associated in any staff or advisory capacity for which he receives payment for services from Louisiana State University and Agricultural and Mechanical College, Tulane University of Louisiana, or Charity Hospital of Louisiana at New Orleans, any statewide dental association, or the Louisiana State Medical Society.

D. Each appointment by the governor shall be submitted to the Senate for confirmation.

E. Members of the board who are appointed by the governor shall serve at the pleasure of the governor. The member appointed by the mayor of New Orleans shall serve a term of six years.

F. A vacancy occurring on the board for any reason shall be filled in the same manner as the original appointment.

G. The board shall employ a professionally qualified executive director to carry out the policies established by the board. The secretary of the Department of Health and Hospitals shall employ such staff as is necessary to carry out the policies and directives of the board and to operate and administer the functions of the authority. The compensation of the executive director shall be determined by the board and he shall be in the unclassified service of the state.

Added by Acts 1968, No. 112, §3, emerg. eff. July 17, 1968, at 11:40 A.M.

Amended by Acts 1977, No. 725, §2; Acts 1978, No. 439, §1; Acts 1984, No. 727, §1, eff. July 13, 1984; Acts 1985, No. 705, §1.

{{NOTE: SEE ACTS 1984, NO. 727, §2.}}

§3054. Meetings; rules; officers; compensation

A. The board shall adopt rules for the transaction of business and shall keep a record of its resolutions, transactions, findings and determinations. Eight members shall constitute a quorum for the transaction of business.

B. The board shall meet at such times as provided by its rules.

C. The governor shall designate one member of the board to serve as chairman. The board shall elect a vice-chairman, secretary, treasurer, and such other officers as it shall determine. Officers elected by the board shall serve a term of one year.

D. No member of the authority shall receive compensation or per diem for service on the authority, but shall be reimbursed for actual expenses while attending meetings and other authority business; such payments to be made in accordance with appropriate state regulations.

Added by Acts 1968, No. 112, §4, emerg. eff. July 17, 1968, at 11:40 A.M. Acts 1984, No. 727, §1, eff. July 13, 1984.

§3055. Powers; duties; functions

To accomplish the purposes of this Act, and for the general welfare and health of the citizens of Louisiana, the Health Education Authority of Louisiana shall have the following powers, duties and functions:

(1) To designate as a participating institution any public or private hospital, medical or health corporation or institution which delivers medical and health services or provides facilities therefor within the primary service area and which applies for and is accepted in accordance with rules and regulations promulgated by the board of trustees of the authority. The board of trustees of the authority is hereby authorized to promulgate rules and regulations with respect to the primary or participating institutions, which rules and regulations shall be consistent with the purposes of the authority.

(2) To sue and be sued in its own name.

(3) To employ consulting engineers, architects, attorneys, accountants, construction and financial experts, superintendents, managers and other such employees and agents as may be necessary to carry out its purposes, and to fix their compensation.

(4) To make contracts of every nature and to execute all instruments necessary or convenient for the carrying out of its business, and to pledge, hypothecate or otherwise encumber all or any of its receipts as security for all or any of the obligations of the authority.

(5) To solicit, accept and collect funds, federal, state or local grants, donations and contributions in cash or in property and to take by will or bequest, donation, devise or other legal means, in trust or absolutely, real or personal property, whether tangible or intangible, subject to the terms, conditions or limitations contained in the instrument by which such property is acquired. The authority is hereby specifically empowered to serve as the beneficiary of a public trust heretofore or hereafter created pursuant to R.S. 9:2341 to 2347 as now or hereafter amended. The authority may also accept and expend any sum appropriated by the federal government, the state of Louisiana, or any political subdivision or agency thereof for the purpose of administering this Act or for the carrying out of any purposes or functions of the authority authorized thereby.

(6) To acquire real and personal property by lease, purchase, donation or otherwise, including, but not limited to, the following: land; oil, gas and mineral rights; stocks; bonds; notes; and any other things of value. Title thereto shall be taken in the name of the authority. The authority shall have the right to expropriate real property in accordance with the provisions of Part I of Title 19 of the Louisiana Revised Statutes of 1950, as amended, in connection with the financing of projects of primary institutions, but only in accordance with its master plan, provided that the authority shall not have the right to acquire property belonging to public institutions or private educational, medical, or religious institutions without the consent of those institutions. The authority of the Health Education Authority of Louisiana to expropriate property shall be limited to the geographic area located within the boundaries of the Louisiana Medical Complex at New Orleans as shown in the master plan of the authority in effect on January 1, 1975, provided that the area of land bounded by and including LaSalle Street, Perdido Street,

Clara Street and Poydras Street in the city of New Orleans shall not be included within said Louisiana Medical Complex.

(7) To own, hold, sell, mortgage, convey, lease, rent, alienate and otherwise manage, contract with reference to, or dispose of, all or any part of its property, real or personal, or services, on any terms and conditions as may be lawful and consistent with the provisions and objectives of this Act, and likewise to invest all proceeds and income of such property in any type or kind of property, real or personal, tangible or intangible, as appears advisable to the board; provided that the authority shall not lease any facility acquired for demolition, including individual rooms or apartments or housing accommodations acquired for such purpose, for longer than a period of one year at a time.

(8) To borrow money from any available source for any of the purposes of the authority, and in evidence of the money so borrowed, to issue negotiable notes, bonds and certificates of indebtedness; to provide for the payment of such obligations by pledge of all or any of its income, revenues and receipts, and to make and execute mortgages to further secure such obligations.

(9) To formulate a general master plan of development of the complex in coordination with the master development plans of the primary institutions and in coordination with the health plans of the official state health planning agency and the state and officially recognized areawide health councils for the purpose of harmonizing the medical and health educational activities and facilities of primary institutions and of participating institutions locating in the complex. Prior to initiation of any major facet, or change of any major facet, of the master plan for complex facilities by primary institutions, the authority shall hold public hearings at which time the ideas and views of institutions and persons concerned with the practice of medicine or the provision of health care and health and medical research, and training, and medical and health education will be solicited and considered. The authority may acquire land and acquire, construct, reconstruct, rehabilitate or improve facilities for the primary institutions and participating institutions locating in the complex only in accordance with its master plan. The primary institutions and participating institutions locating in the complex may independently acquire property and finance, plan and construct facilities appropriate to the complex if, in the opinion of the authority, the function, scale and location of the facilities adheres to the general master plan of the authority.

(10) To construct, acquire, reconstruct, rehabilitate, improve, repair, operate, lease, as lessor or lessee, or to enter into contracts for the management and operation of hospitals, sanitariums, clinics, laboratories, or any other facility, building or structure of the primary and/or participating institutions in the complex or primary service area which may be of use or benefit in the teaching, training or practice of medical science and the treatment of human ailments, or for such other facilities as the authority shall find useful in the study of, research in, or treatment of illnesses or infirmities. The authority may construct, acquire, reconstruct, rehabilitate, improve, repair, operate, lease, as lessor or lessee, or enter into contracts for the management and operation of support facilities for primary and/or participating institutions in the complex or primary service area that are

useful, necessary or convenient for the orderly conduct of such institutions, including but not limited to: parking facilities, ambulatory care facilities, office buildings for physicians or dealers in medical accessories, dormitories, homes or residences for the medical profession, including interns, nurses, students or other officers or employees of the primary or participating institutions, or for the use of relatives or visitors of patients in the hospitals or other institutions within the complex or primary service area. The authority may finance, acquire property for and plan and acquire, construct, reconstruct, rehabilitate or improve facilities for, and provide and operate, central services and shared facilities for the common use of the primary and participating institutions in the complex. The authority may, at its option, rent, lease or sell the use of these facilities or services, or provide them at no cost. The authority may not acquire, construct, reconstruct, rehabilitate, improve or develop any of the facilities herein authorized except at the request of any one of the primary or participating institutions and, in the case of primary institutions, only if the authority has determined, after a public hearing held thereon, that there is a public need and necessity for the proposed facilities.

(11) To fix and revise from time to time and charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by a project of the authority or any portion thereof, and to contract with any other person, partnership, association or corporation or other body, public or private in respect thereto.

(12) To charge to and apportion among the primary and participating institutions, in such manner as it may determine, administrative costs and expenses incurred by the authority in the exercise of the powers and duties conferred by this Act in connection with those projects involving such primary and participating institutions.

Added by Acts 1968, No. 112, §5, emerg. eff. July 17, 1968, at 11:40 A.M.

Amended by Acts 1975, Ex.Sess., No. 24, §1, eff. Jan. 28, 1975; Acts 1980, No. 759, §2, eff. July 31, 1980.



§3055.1. Leases

The Health Education Authority of Louisiana is authorized to lease to or from the State of Louisiana or any political subdivision or agency thereof, the United States of America or any agency thereof, for medical and health education and auxiliary purposes, including parking, any public lands and improvements thereon in the manner provided by Part III of Title 41 of the Louisiana Revised Statutes of 1950.

In order to assist the authority in carrying out its functions, duties and responsibilities, the State of Louisiana is authorized to lease lands and improvements owned by it to the authority, for medical and health education and auxiliary purposes, including parking, and any and all leases heretofore entered into by and between the state and the authority for medical and health education and auxiliary purposes, including parking, are hereby ratified, confirmed and approved.

Added by Acts 1972, No. 407, §1, emerg. eff. July 12, 1972, at 11:40 A.M.

§3056. Bonds of the authority

A.(1) To obtain funds to defray costs of the acquisition of land, the acquisition or construction of buildings, structures, and other facilities, including furnishings and equipment therefor, the authority may incur debt and issue bonds for an amount not in excess of four hundred million dollars. Said bonds shall be negotiable instruments and shall be solely the obligations of the authority and not of the state of Louisiana. Said bonds and the income thereof shall be exempt from all taxation in the state of Louisiana. Said bonds shall be payable out of the income, revenues, and receipts derived or to be derived from the properties and facilities maintained and operated by the authority or received by the authority from any other sources whatsoever, including, but not by way of limitation, other monies which, by law or contract, may be made available to the authority; however, such bonds shall not be payable out of any funds received by the authority under the Medicaid program. In addition to the pledge of income, revenues, or receipts to secure said bonds, the authority may further secure their payment by a conventional mortgage upon any or all of the properties constructed or acquired or to be constructed or acquired by it. Such bonds shall be authorized and issued by resolution of the authority and shall be of such series, bear such date or dates, mature at such time or times, bear interest at such rate or rates, be in such denominations, be in such form, either coupon or fully registered without coupons, carry such registration and exchangeability privileges, be payable in such medium of payment and at such place or places, be subject to such terms of redemption and be entitled to such priorities on the income, revenues, and receipts of the authority as such resolution may provide. The bonds shall be signed by such officers as the authority shall determine, and coupon bonds shall have attached thereto interest coupons bearing the facsimile signatures of such officer or officers as the authority shall designate. Any such bonds may be issued and delivered, notwithstanding that one or more of the officers signing such bonds or the officer or officers whose facsimile signature or signatures may be on the coupons shall have ceased to be such officer or officers at the time such bonds shall actually have been delivered. Such bonds may be sold in such manner and from time to time as may be determined by the authority, and the authority may pay all expenses and commissions which it may deem necessary or advantageous in connection with the issuance and sale thereof.

(2) Notwithstanding any other provision of this Chapter to the contrary, the authority may incur debt and issue bonds, as provided in this Section, for the Louisiana State University Health Science Center in Shreveport.

B. The authority may in any resolution authorizing the issuance of such bonds enter into such covenants with the future holder or holders of the bonds as to the management and operation of facilities, the lease or rental thereof, the imposition and collection of fees and charges for services and facilities furnished by the authority, the disposition of such fees and revenues, the issuance of future bonds and the creation of future liens and encumbrances against such facilities and the revenues therefrom, the carrying of insurance on the facilities, the keeping of books and records, and other pertinent matters, as may be deemed proper by the authority to assure the marketability of the bonds, provided such covenants are not inconsistent with the provisions of this

Chapter. Any holder of the bonds or of any of the coupons thereto attached may by appropriate legal action compel performance of all duties required of the authority and officials thereof by the resolution authorizing the issuance of bonds not inconsistent with the provisions of this Chapter. If any bond issued hereunder is permitted to go into default as to principal or interest, any court of competent jurisdiction may pursuant to the application of the holder of the bond, appoint a receiver for the facilities of the authority, which receiver shall be under the duty of operating the facilities and collecting and distributing the revenues thereof pledged to the payment of the bonds, pursuant to the provisions and requirements of this Act and the resolution authorizing the bonds. As hereinbefore provided, such bonds may in the discretion of the authority be additionally secured by conventional mortgage on all or any part of the properties or facilities acquired, constructed, extended or improved with the proceeds thereof, and the authority shall have full discretion to make such provisions as it may see fit for the making and enforcement of such mortgage and the provisions to be therein contained.

C. If more than one series of bonds is issued hereunder payable from the revenues of any facility, priority of lien on such revenues shall depend on the time of delivery of the bonds, each series enjoying a lien prior and superior to that enjoyed by any series of bonds subsequently delivered, except that where provision is made in the proceedings authorizing any issue or series of bonds for the issuance of additional bonds in the future on a parity therewith pursuant to procedure or restrictions provided in such proceedings, additional bonds may be issued in the future on a parity with such issue or series in the manner so provided in such proceedings. As to any issue or series of bonds which may be authorized as a unit but delivered from time to time in blocks, the authority may in the proceedings authorizing the issuance of the bonds provide that all of the bonds of the series or issue shall be coequal as to lien regardless of the time of delivery.

D. The authority may issue bonds under this Chapter payable from the revenues to be derived from two or more facilities owned and operated by the authority (whether or not such facilities are related or used in conjunction) for the purpose of constructing, acquiring, extending or improving any one or more of the facilities, which bonds may be additionally secured by a conventional mortgage upon such facilities; provided, however, in no event shall the bonds constitute a claim against any property or revenue of the authority not specially pledged or hypothecated for payment of such bonds.

E. The authority may authorize the issuance of refunding bonds of the authority for the purpose of refunding outstanding bonds issued pursuant to this Chapter. Such refunding bonds may either be sold and the proceeds applied to or deposited in escrow for the retirement of the outstanding bonds, or may be delivered in exchange for the outstanding bonds. The refunding bonds shall be authorized in all respects as original bonds are herein required to be authorized, and the authority in authorizing the refunding bonds shall provide for the security of the bonds, the sources from which the bonds are to be paid and for the rights of the holders thereof in all respects as herein provided for other bonds issued under authority of this Chapter. The authority may also provide that the refunding bonds shall have the same priority of lien on the revenues pledged for their payment as was enjoyed by the bonds refunded.

F. It may be provided in the resolution authorizing any bonds hereunder that such bonds shall recite that they are issued under authority of this Chapter. Such recital shall conclusively import full compliance with all of the provisions of this Chapter and all bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value after thirty days from the date of publication of the resolution authorizing their issuance.

G. For a period of thirty days from the date of publication of the resolution authorizing the issuance of any bonds hereunder, which publication shall be made in a newspaper of general circulation in the city of New Orleans, Louisiana, or in the city of Baton Rouge, Louisiana, any person or persons in interest shall have the right to contest the legality of the resolution and the legality of the bond issue for any cause, after which time no one shall have any cause or right of action to contest the legality of said resolution or of the bonds authorized thereby for any cause whatsoever. If no suit, action or proceedings are begun contesting the validity of the bonds within the thirty days herein prescribed, the authority to issue the bonds and to provide for the payment thereof, the legality thereof and of all of the provisions of the resolution authorizing the issuance of the bonds shall be conclusively presumed, and no court shall have authority to inquire into such matters. Such bonds shall have all the qualities of negotiable instruments under the law merchant and the Negotiable Instruments Law of the State of Louisiana.

H. No bonds of the authority shall be issued or sold by the State Bond Commission without the prior approval of the secretary of the Department of Health and Hospitals.

Added by Acts 1968, No. 112, §6, emerg. eff. July 17, 1968, at 11:40 A.M.  
Amended by Acts 1978, No. 439, §1; Acts 2001, No. 420, §1, eff. June 15, 2001.

§3057. Limitation on exercise of power

The authority shall never exercise any power, express or implied, which would infringe upon the autonomy of the primary institutions.

Added by Acts 1968, No. 112, §7, emerg. eff. July 17, 1968, at 11:40 A.M.

§3058. Professional advisory committees

The authority shall appoint committees to assist in the carrying out of its business. Membership on said committees need not be restricted to primary and/or participating institutions of the complex, but may be drawn from all institutions, organizations, and persons concerned with the delivery of health services. The authority shall also consult with advisory committees appointed by medical and health related organizations and nonprovider consumer groups.

Added by Acts 1968, No. 112, §8, emerg. eff. July 17, 1968, at 11:40 A.M.

§3059. Hearings

Wherever the provisions of this Chapter require the authority to hold a hearing, notice of such hearing shall be given at least ten days in advance by publication in the official journal of the state and in a newspaper having general circulation in Orleans Parish, and by notifying all members of the board of trustees and the chairmen of the boards of each of the primary institutions. Such hearings shall be open to the public and shall be conducted in accordance with rules adopted by the board of trustees.

Added by Acts 1968, No. 112, §9, emerg. eff. July 17, 1968, at 11:40 A.M.

§3060. R.S. 40:2113 and 40:2113.1 unaffected

No provision of this Chapter shall be construed so as to modify, change or in any way affect the provisions of R.S. 40:2113 and R.S. 40:2113.1, as they apply to the Charity Hospital of Louisiana at New Orleans.

Added by Acts 1968, No. 112, §10, emerg. eff. July 17, 1968, at 11:40 A.M.