

HOUSE BILL No. 2760

AN ACT concerning hospitals; amending K.S.A. 65-468 and K.S.A. 2003 Supp. 76-3304 and repealing the existing sections.

*Be it enacted by the Legislature of the State of Kansas:*

Section 1. K.S.A. 65-468 is hereby amended to read as follows: 65-468. As used in K.S.A. 65-468 to 65-474, inclusive, and amendments thereto:

(a) "Health care provider" means any person licensed or otherwise authorized by law to provide health care services in this state or a professional corporation organized pursuant to the professional corporation law of Kansas by persons who are authorized by law to form such corporation and who are health care providers as defined by this subsection, or an officer, employee or agent thereof, acting in the course and scope of employment or agency.

(b) "Member" means any hospital, emergency medical service, local health department, home health agency, adult care home, medical clinic, mental health center or clinic or nonemergency transportation system.

(c) "Mid-level practitioner" means a physician's assistant or advanced registered nurse practitioner who has entered into a written protocol with a rural health network physician.

(d) "Physician" means a person licensed to practice medicine and surgery.

(e) "Rural health network" means an alliance of members including at least one critical access hospital and at least one other hospital which has developed a comprehensive plan submitted to and approved by the secretary of health and environment regarding patient referral and transfer; the provision of emergency and nonemergency transportation among members; the development of a network-wide emergency services plan; and the development of a plan for sharing patient information and services between hospital members concerning medical staff credentialing, risk management, quality assurance and peer review.

(f) "Critical access hospital" means a member of a rural health network which makes available twenty-four hour emergency care services; provides not more than ~~15~~ 25 acute care inpatient beds or in the case of a facility with an approved swing-bed agreement a combined total of extended care and acute care beds that does not exceed 25 beds (~~provided that the number of beds used at any time for acute care inpatient services does not exceed 15 beds~~); provides acute inpatient care for a period that does not exceed, on an annual average basis, 96 hours per patient; and provides nursing services under the direction of a licensed professional nurse and continuous licensed professional nursing services for not less than 24 hours of every day when any bed is occupied or the facility is open to provide services for patients unless an exemption is granted by the licensing agency pursuant to rules and regulations. The critical access hospital may provide any services otherwise required to be provided by a full-time, on-site dietician, pharmacist, laboratory technician, medical technologist and radiological technologist on a part-time, off-site basis under written agreements or arrangements with one or more providers or suppliers recognized under medicare. The critical access hospital may provide inpatient services by a physician's assistant, nurse practitioner or a clinical nurse specialist subject to the oversight of a physician who need not be present in the facility. *In addition to the facility's 25 acute beds or swing beds, or both, the critical access hospital may have a psychiatric unit or a rehabilitation unit, or both. Each unit shall not exceed 10 beds and neither unit will count toward the 25-bed limit, nor will these units be subject to the average 96-hour length of stay restriction.*

(g) "Hospital" means a hospital other than a critical access hospital which has entered into a written agreement with at least one critical access hospital to form a rural health network and to provide medical or administrative supporting services within the limit of the hospital's capabilities.

Sec. 2. K.S.A. 2003 Supp. 76-3304 is hereby amended to read as follows: 76-3304. (a) There is hereby established a body politic and corporate, with corporate succession, to be known as the university of Kansas hospital authority. The authority shall be an independent instrumentality of this state. Its exercise of the rights, powers and privileges conferred by this act shall be deemed and held to be the performance of an essential governmental function.

(b) The authority shall be governed by a nineteen-member board of directors. Thirteen of the members *shall be appointed by the governor, subject to confirmation by the senate as provided in K.S.A. 75-4315b, and amendments thereto. Members appointed by the governor* shall be representatives of the general public who are recognized for outstanding knowledge and leadership in the fields of finance, business, health-care management, health care providers, legal affairs, education or government. Of the 13 members representing the general public, there shall be at least one member from each congressional district. Six members shall be ex officio voting members consisting of the chancellor of the university of Kansas, the executive vice chancellor of the university of Kansas medical center, the executive dean of the university of Kansas school of medicine, the chief of staff of the university of Kansas hospital medical staff, the president of the authority and the dean of the university of Kansas school of nursing.

~~(c) The 13 members representing the general public appointed to the board shall be appointed by the governor pursuant to subsection (f) and subject to senate confirmation as provided in K.S.A. 75-4315b, and amendments thereto. Any member whose nomination is subject to confirmation during a regular session of the legislature shall be deemed terminated when the senate rejects the nomination. No such termination shall affect the validity of any action taken by such member prior to such termination.~~

~~(d) On the effective date of this act~~

(c) On April 18, 2002, the terms of the general public board members then serving on the board shall expire, and, pursuant to subsection ~~(f)~~ (e), the governor shall reappoint all such general public board members. Of the general public members appointed to the board by the governor under this section, three shall have a term of office of one year, three shall have a term of office of two years, three shall have a term of office of three years and four shall have a term of office of four years. Terms of general public members ~~appointed pursuant to this section~~ shall expire on March 15. Any general public member whose term expires under this ~~section~~ subsection and thereafter is reappointed under this ~~section~~ subsection shall be exempt ~~to~~ from the requirements of subsection ~~(f)~~ (e) for the term of office appointed under this ~~section~~ subsection.

~~(e)~~ (d) After the board of directors is appointed under subsection ~~(d)~~ (c), members other than ex officio shall be appointed for a term of four years each, ~~except in the event of a vacancy the appointment shall be for the remainder of the unexpired portion of the. Whenever a vacancy occurs in the membership of the board prior to the expiration of a term of office, the governor shall appoint, in the manner provided by subsection (e), a qualified successor to fill the unexpired term.~~ Each member shall hold office for the term of appointment and until the successor has been appointed and confirmed. Any member is eligible for reappointment, but members shall not be eligible to serve more than three consecutive four-year terms, except that this limitation shall not include any previous term of office of any general public member serving on the board on ~~the effective date of this act~~ April 18, 2002.

~~(f)~~ (e) When a vacancy occurs or is announced regarding a member or members representing the general public, a nominating committee of the board after receiving input from the board and conferring with the board shall assemble a slate of not less than two nor more than three persons for each vacancy and shall forward each slate to the governor. The governor shall appoint one board member from each slate and shall forward each appointment to the senate for confirmation as provided in K.S.A. 75-4315b, and amendments thereto. Except as provided by K.S.A. 2003 Supp. 46-2601, and amendments thereto, no person appointed to the board shall exercise any power, duty or function as a member of the board until confirmed by the senate.

~~(g)~~ (f) The terms of members serving by virtue of their office shall expire immediately upon termination of their holding such office.

~~(h)~~ (g) The board annually shall elect one of their number as chairperson and another as vice-chairperson. The board also shall elect a secretary and treasurer for terms determined by the board. The same person may serve as both secretary and treasurer. The board shall establish an executive committee, nominating committee and other standing or special committees and prescribe their duties and powers, and any executive

committee may exercise all such powers and duties of the board as the board may delegate.

~~(j)~~ (h) Members of the board of directors of the authority shall serve without compensation. Members of the board attending meetings of the board, or attending a subcommittee meeting thereof authorized by the board, shall be paid mileage and all other applicable expenses, provided such expenses are consistent with policies established from time-to-time by the authority's board of directors and as required by subsection ~~(j)~~ (i).

~~(j)~~ (i) No part of the funds of the authority shall inure to the benefit of, or be distributed to, its employees, officers or members of the board, except that the authority may make reasonable payments for expenses incurred on its behalf relating to any of its lawful purposes and the authority shall be authorized and empowered to pay reasonable compensation for services rendered to or for its benefit relating to any of its lawful purposes including to pay its employees reasonable compensation.

~~(k)~~ (j) Any member of the board of directors other than an ex officio member may be removed by an affirmative vote of 10 of the members of the board for malfeasance or misfeasance in office, regularly failing to attend meetings, or for any cause which renders the member incapable of or unfit to discharge the duties of director.

~~(l)~~ (k) The board shall meet at least six times per year and at such other times as it deems appropriate, or upon call by the president or the chairperson, or upon written request of a majority of the directors. The board may adopt, repeal and amend such rules, procedures and bylaws, not contrary to law or inconsistent with this act, as it deems expedient for its own governance and for the governance and management of the authority. A majority of the total voting membership of the board shall constitute a quorum for meetings. The board may act by a majority of those at any meeting where a quorum is present, except upon such issues as the board may determine shall require a vote of 10 members for approval. The board shall meet for the initial meeting upon call by the chancellor of the university of Kansas who shall act as temporary chairperson until officers of the board are elected pursuant to subsection ~~(h)~~ (g).

~~(m)~~ (l) The board shall appoint a president who shall serve at the pleasure of the board. The president shall serve as the chief executive officer of the authority. The president's salary shall be set by the board. The board may negotiate and enter into an employment agreement with the individual selected as president of the authority which may provide for compensation allowances, benefits and expenses as may be included in such agreement. The president shall direct and supervise administrative affairs and the general management of the authority. The president, as a member of the board of directors, may not vote on such president's salary.

~~(n)~~ (m) The board may provide to the president of the authority and other employees designated by the board supplemental benefits in addition to the benefits provided in K.S.A. 2003 Supp. 76-3322, and amendments thereto.

~~(o)~~ (n) The authority shall continue until terminated by law, except that no such law shall take effect so long as the authority has bonds outstanding, unless adequate provision has been made for the payment or retirement of such debts or obligations. Upon any such dissolution of the authority, all property, funds and assets thereof shall be vested in the state, university of Kansas medical center or other hospital entity as designated by the board and approved by act of the Kansas legislature.

Sec. 3. K.S.A. 65-468 and K.S.A. 2003 Supp. 76-3304 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

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HOUSE adopted  
Conference Committee Report \_\_\_\_\_

\_\_\_\_\_  
*Speaker of the House.*

\_\_\_\_\_  
*Chief Clerk of the House.*

Passed the SENATE  
as amended \_\_\_\_\_

SENATE adopted  
Conference Committee Report \_\_\_\_\_

\_\_\_\_\_  
*President of the Senate.*

\_\_\_\_\_  
*Secretary of the Senate.*

APPROVED \_\_\_\_\_

\_\_\_\_\_  
*Governor.*