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HOUSE BILL NO. 2013

Offered January 8, 2003

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A BILL to amend and reenact § 23-77.3 of the Code of Virginia, relating to the University of Virginia Medical Center; deemed licensure.

 Patron—Bell

Referred to Committee on Education

Be it enacted by the General Assembly of Virginia:**1. That § 23-77.3 of the Code of Virginia is amended and reenacted as follows:****§ 23-77.3. Operations of Medical Center.**

A. In enacting this section, the General Assembly recognizes that the ability of the University of Virginia to provide medical and health sciences education and related research is dependent upon the maintenance of high quality teaching hospitals and related health care and health maintenance facilities, collectively referred to in this section as the Medical Center, and that the maintenance of a Medical Center serving such purposes requires specialized management and operation that permit the Medical Center to remain economically viable and to participate in cooperative arrangements reflective of changes in health care delivery.

B. *The Medical Center shall be deemed a licensed hospital pursuant to Article 1 (§ 32.1-123 et seq.) of Chapter 5 of Title 32.1, unless the Commonwealth or its agencies are specifically excluded from a provision of law applicable to licensed facilities but only to the extent such law provides, subject to its maintaining accreditation from the Joint Commission on Accreditation of Healthcare Organizations or other appropriate accrediting body. However, the Medical Center shall remain exempt from licensure by the Board of Health pursuant to clause (vi) of § 32.1-124 and be subject as an agency of the Commonwealth to the provisions of the Virginia Tort Claims Act as provided by § 8.01-195.2. Nothing in this subsection shall be construed as a waiver of the Commonwealth's sovereign immunity.*

C. Without limiting the powers provided in this chapter, the University of Virginia may create, own in whole or in part or otherwise control corporations, partnerships, insurers or other entities whose activities will promote the operations of the Medical Center and its mission, may cooperate or enter into joint ventures with such entities and government bodies and may enter into contracts in connection therewith. Without limiting the power of the University of Virginia to issue bonds, notes, guarantees, or other evidence of indebtedness under subsection C in connection with such activities, no such creation, ownership or control shall create any responsibility of the University, the Commonwealth or any other agency thereof for the operations or obligations of any such entity or in any way make the University, the Commonwealth, or any other agency thereof responsible for the payment of debt or other obligations of such entity. All such interests shall be reflected on the financial statements of the Medical Center.

ED. Notwithstanding the provisions of Chapter 3 (§ 23-14 et seq.) of this title, the University of Virginia may issue bonds, notes, guarantees, or other evidence of indebtedness without the approval of any other governmental body subject to the following provisions:

1. Such debt is used solely for the purpose of paying not more than fifty percent of the cost of capital improvements in connection with the operation of the Medical Center or related issuance costs, reserve funds, and other financing expenses, including interest during construction or acquisitions and for up to one year thereafter;

2. The only revenues of the University pledged to the payment of such debt are those derived from the operation of the Medical Center and related health care and educational activities, and there are pledged therefor no general fund appropriation and special Medicaid disproportionate share payments for indigent and medically indigent patients who are not eligible for the Virginia Medicaid Program;

3. Such debt states that it does not constitute a debt of the Commonwealth or a pledge of the faith and credit of the Commonwealth;

4. Such debt is not sold to the public;

5. The total principal amount of such debt outstanding at any one time does not exceed twenty-five million dollars;

6. The Treasury Board has approved the terms and structure of such debt;

7. The purpose, terms, and structure of such debt are promptly communicated to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees; and

8. All such indebtedness is reflected on the financial statements of the Medical Center.

Subject to meeting the conditions set forth above, such debt may be in such form and have such

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59 terms as the board of visitors may provide and shall be in all respects debt of the University for the
60 purposes of §§ 23-23, 23-25, and 23-26.