



County Technical Assistance Service  
INSTITUTE *for* PUBLIC SERVICE

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## Chapter VIII - Health

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

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# Chapter VIII - Health

## Healthcare Facilities Board

### Private Acts of 2010 Chapter 36

**SECTION 1.** Chapter 94 of the Private Acts of 1967, as amended by Chapter 75 of the Private Acts of 1981, and any other amendatory acts thereto, is hereby repealed.

**SECTION 2.** That the general and overall purpose of this Act be, and the same is hereby declared to be, to cause healthcare facilities to be maintained, managed, and operated within Bledsoe County.

**SECTION 3.** That all authorities granted hereunder to the Healthcare Facilities Board to be created hereby and to be established in accordance with this Act by said County, and any amendments to such authority under the auspices of this Act or other applicable law, not herein or by other applicable law expressly or by necessary implication authorized to be otherwise taken, shall occur pursuant to action of the County Legislative Body of said County. Any expansion, limitation, amendments or modifications to the authorities crated or granted hereby to the Healthcare Facilities Board by the County Legislative Body shall occur or be had only upon a vote of a two-thirds (2/3) majority of the County Legislative Body at a regular or special called meeting of the County Legislative Body for said County.

**SECTION 4.** That the Healthcare Facilities Board is the successor entity to the Board of Hospital Directors for Bledsoe County General Hospital, established by Chapter 94 of the Private Acts of 1967-68, as amended. All leases, contracts and all contract rights and responsibilities in existence with the Board of Hospital Directors with respect to the duties transferred in accordance with this Act shall be preserved and transferred to the Healthcare Facilities Board. All assets, liabilities and obligations of the Board of Hospital Directors with respect to the duties transferred in accordance with this Act shall become the assets, liabilities and obligations of the Healthcare Facilities Board.

**SECTION 5.** That the County shall be, and is hereby authorized to acquire, purchase or lease land and/or to erect, construct, acquire, purchase or lease buildings, equipment, fixtures and personal properties or to otherwise own, purchase, sell, lease and dispose of facilities for general healthcare purposes consisting of but not limited to a General Hospital, Nursing Home, Convalescent Care Center, Clinics, Urgent Care and Primary Care facilities, or other related medical care facilities of every type and nature within Bledsoe County.

**SECTION 6.** That Bledsoe County be and is hereby authorized to acquire, maintain, operate, manage or lease such hospitals, nursing homes, convalescent care facilities, clinics, care centers and/or other related medical and healthcare facilities through a Healthcare Facilities' Board of Directors, which Board is hereby created, and which Board shall have and exercise, for and on behalf of the County, full authority and powers in and for the purpose of the general and governing control and supervision of the maintenance and operation of such facilities by the County, including the authority and powers to formulate, adopt, prescribe, and carry out policies, plans, rules and regulations for the management, maintenance and operation of such facilities by the County. In accordance with applicable statutory law, the Healthcare Facilities Board shall have the right and power, with the approval of the County Legislative Body, to execute contracts and to pledge the income and assets of such facilities in order to obtain funds for the operation of such institutions and for the acquisition of equipment, properties, supplies or capital improvements.

**SECTION 7.** The Healthcare Facilities Board shall be composed of six (6) members who are citizens of the County and who have resided in the County for at least two (2) years and shall be at least twenty-one (21) years of age. Not more than three (3) members of the Board shall be persons who are also County Commissioners. The members of the Board shall be designated and appointed by the County Legislative Body. The terms of office shall be for four (4) years, and shall be so staggered that not more than two (2) members will be elected each year in order to have a continuing Board so that there will always be experienced members on the Board. The initial six (6) members of the Board shall be comprised of the existing Board of Hospital Directors, which Board was initially established by Chapter 94 of the Private Acts of 1967-68, as amended. The terms of two (2) members of the Board of Hospital Directors, or the terms of their predecessors in office expired on February 1, 1970, and terms of two (2) members of the Board of Hospital Directors, or their predecessors in office, expired on February 1, 1971 and the terms of two (2) members of the Board of Hospital Directors, or their predecessors in office, expired on February 1, 1972, and a staggered four (4) year succession has continued thereafter. This staggered succession shall remain in full force and effect for the Healthcare Facilities Board created hereunder, and the County Legislative Body shall appoint two (2) members to the Board each year at its first regular meeting after

January 1. A Director whose term has expired shall continue to serve until his or her successor shall have been selected in the manner herein provided. Vacancies occurring in the membership of the Board shall be filled at the next regular or special called meeting of the County Legislative Body. Each member of the Healthcare Facilities Board shall, before entering upon the duties of his or her office, make and file with Clerk of the County Court an oath to the effect that he or she will faithfully, honestly and impartially discharge the duties of his or her office to the best of his or her ability.

**SECTION 8.** That the Directors of the Healthcare Facilities Board shall receive no compensation for their services but may be paid their necessary expenses incurred in the proper exercise of their duties as members of the Board.

**SECTION 9.** That the Board shall, at its first meeting after January 1 of each year, organize by electing one (1) of their number as Chairperson and shall also elect a Secretary, who may or may not be a member of such Board. It will be the duty of the Directors to hold a meeting on no less than a quarterly basis at some place designated by the Directors. They shall meet at any other time upon the call of the Chairperson, or upon the call of any three (3) Directors. The Board shall keep complete, permanent and public records and minutes reflecting all business and transactions of the Board.

**SECTION 10.** That the powers and duties of the Board shall include the authority to contract or enter into management agreements for all facilities or to lease such facilities. Absent such management or lease agreements, and/or when not provided for by such agreements, the powers and duties of the Board shall include the authority to engage, employ, contract with or otherwise obtain, retain, regulate and control the services of administrators or superintendents, to be in immediate charge of and to personally administer or superintend the maintenance and operation of such facilities by the County, which administrator or superintendent shall so serve at the will, consistent with any applicable contract provisions, of the Board and be directly responsible and accountable to it for and in connection with such operation of the facilities. The compensation of such administrator or superintendent, and any other benefits or other matters in connection with his compensation or basis therefore, shall be as prescribed by the Board. Such administrator or superintendent shall execute and remain under surety bond payable to the State of Tennessee for the use and benefit of the County in such amount and with such surety or sureties as may be prescribed by the Board and be approved by its Chairman and Secretary to be conditioned so as to assure the full, faithful, complete and honest performance of the duties of such administrator or superintendent and the accounting for and paying over into the office of the County Trustee, in the manner as hereinafter provided, all funds collected or otherwise received in or by virtue of the operation of the healthcare facilities by the County, and to account for, preserve or turn over to the Board all funds on hand, materials, supplies and equipment. Any person authorized by the Board to countersign checks shall also be required to execute a like surety bond in an amount to be determined by the Board.

**SECTION 11.** For such facilities, the Directors of the Healthcare Facilities Board shall administer its own financial affairs, and maintain separate banking arrangements. All disbursements made by the Board shall be made by check, signed by the Administrator (if any) or other person designated by the Board and countersigned by at one (1) member of the Board or other person designated by the Board. The Board shall install and maintain a system of double entry accounting of all funds received and expended. The Board shall annually prepare and submit to the County Legislative Body a budget reflecting in detail all estimated receipts and disbursements of the facilities. Said Budget shall be for the fiscal year July 1st to June 30th, and shall be submitted by the Board not later than May 1st, prior to the commencement of the fiscal year.

**SECTION 12.** The County Legislative Body of Bledsoe County be and the same is hereby authorized to appropriate to the Directors of the Healthcare Facilities Board from the General fund of the County, such sums as may be required for the operation and management of all Healthcare Facilities, and thereafter such sums as may be required to pay any deficits arising in the operation, management or maintenance of said facilities; and the County Legislative Body is further authorized and empowered to levy a Hospital tax or other taxes sufficient for this purpose upon all the taxable property located in said County; and provided that the funds derived from such levies shall be carried on the official books and records of said County, separate and apart from other accounts, and which tax shall be in addition to the levies for general county purposes when collected by the Trustee and received by the Trustee from other miscellaneous revenue shall be transferred by the Trustee to the Directors of the Healthcare Facilities Board. The County Legislative Body is further authorized to direct other taxes or revenues available for general purposes for the operation, maintenance and management of such Healthcare Facilities.

**SECTION 13.** That on the fifteenth (15th) day of July of every year hereinafter, such profits or funds that are in the hands of the Directors of the Healthcare Facilities Board, after retaining such amount or amounts in the Board's sole discretion as they may deem necessary or advisable for working capital, will be delivered over the Trustee of Bledsoe County and take his or her receipt therefore. Such profits or

funds delivered over to the Trustee will be set aside by the Trustee in a separate and dedicated fund for healthcare facilities' purposes. Any and all interest or earnings generated through the investment of such funds by the Trustee shall inure to the benefit of this fund and be paid into this fund rather than the general fund of Bledsoe County or retained by the Trustee in this fund, to be used for healthcare facilities' purposes rather than for the general purposes of Bledsoe County, unless the Healthcare Facilities Board specifically authorizes the use of such interest for other county purposes.

**SECTION 14.** That the Directors of the Healthcare Facilities Board shall cause an audit to be made annually of the books and records of said hospital by a Certified Public Accountant and reports of said audit, properly certified, shall be to the County Mayor who shall present the same to the County Legislative Body. A copy of said audit shall be filed with the County Court Clerk which shall become a public record and be open to the inspection of any interested citizen or taxpayer.

**SECTION 15.** That all laws, on parts of laws, in conflict with or inconsistent with the provisions of this Act, or any part thereof, are hereby repealed.

**SECTION 16.** That should any Section, or part of a Section, of this Act be declared unconstitutional or for any reason invalid, same shall not be held to impair or invalidate the constitutionality, validity, force or effect of any other section or part of this Act, it being expressly declared by the General Assembly that this Act and the remaining Sections, or parts of Sections, would have been approved or adopted without regard to the invalidity or unconstitutionality of any part of a Section, unless it clearly appears that the remainder of the Act be necessarily dependent upon that part declared invalid or unconstitutional.

**SECTION 17.** For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved as provided in Section 18.

**SECTION 18.** That this Act shall have no effect unless the same shall have been approved by two-thirds ( $\frac{2}{3}$ ) vote of the County Legislative Body of Bledsoe County, Tennessee, on or before the next regular meeting of said County Legislative Body occurring more than sixty (60) days after its approval by the Chief Executive of this State. Its approval or non-approval shall be proclaimed by the presiding officer of the County Legislative Body of Bledsoe County, Tennessee, and shall be certified by him to the Secretary of State.

Passed: February 17, 2010.

## Health - Historical Notes

### Health

The following summary is included herein for reference purposes.

1. Private Acts of 2010, Chapter 65, almost identical to Private Acts of 2010, Chapter 36 included herein. No action was taken on Private Acts of 2010, Chapter 65.

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