

By: Senator(s) Bean

To: Public Health and
Welfare; Finance

SENATE BILL NO. 2264

1 AN ACT TO CREATE THE MISSISSIPPI QUALIFIED HEALTH CENTER
2 GRANT PROGRAM TO PROVIDE SERVICE GRANTS TO MISSISSIPPI QUALIFIED
3 HEALTH CENTERS; TO PROVIDE THAT SUCH PROGRAM SHALL BE ADMINISTERED
4 BY THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT; TO
5 PRESCRIBE THE PROCEDURE TO APPLY FOR SERVICE GRANTS; TO PROVIDE
6 THE PURPOSES FOR WHICH SUCH GRANTS MAY BE USED; TO ESTABLISH AN
7 ADVISORY PANEL TO REVIEW AND MAKE RECOMMENDATIONS ON THE AWARDING
8 OF SERVICE GRANTS; TO CREATE A SPECIAL FUND TO BE KNOWN AS THE
9 MISSISSIPPI QUALIFIED HEALTH CENTER GRANT PROGRAM INTO WHICH ALL
10 MONEY RECEIVED FROM THE ISSUANCE OF BONDS PURSUANT TO THIS ACT
11 SHALL BE DEPOSITED; TO PROVIDE FOR THE ISSUANCE OF \$20,000,000.00
12 IN GENERAL OR LIMITED OBLIGATION BONDS OF THE STATE TO FUND THE
13 PROGRAM; AND FOR RELATED PURPOSES.

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

15 SECTION 1. For purposes of this act:

16 (a) "Mississippi qualified health center" means a
17 public or nonprofit entity which provides comprehensive primary
18 care services that:

19 (i) Has a community board of directors, the
20 majority of whom are users of such centers;

21 (ii) Accepts all patients that present themselves
22 despite their ability to pay and uses a sliding-fee-schedule for
23 payments; and

24 (iii) Serves a designated medically underserved
25 area or population, as provided in Section 330 of the Public
26 Health Service Act.

27 (b) "Uninsured or medically indigent patient" means a
28 patient receiving services from a Mississippi qualified health
29 center who is not eligible for Medicaid, Medicare or any other
30 type of governmental reimbursement for health care costs or
31 receiving third-party payments via an employer.

32 (c) "DEAD" means the Mississippi Department of Economic
33 and Community Development.

34 (d) "Primary care" means the basic entry level of
35 health care provided by health care practitioners or non-physician
36 health care practitioners, which is generally provided in an
37 outpatient setting.

38 (e) "Medically undeserved area or population" means an
39 area designated by the Secretary of the United States Department
40 of Health and Human Services as an area with a shortage of
41 professionals, health services or a population group designated by
42 the secretary as having a shortage of such services.

43 (f) "Service grant" means a grant by the DEAD to a
44 Mississippi qualified health center in accordance with this act.

45 (g) "Program" means the Mississippi Qualified Health
46 Center Grant Program established in this act.

47 SECTION 2. The Mississippi Qualified Health Center Grant
48 Program is hereby established, under the direction and
49 administration of the DEAD, for the purpose of making service
50 grants to Mississippi qualified health centers for their use in
51 providing care to uninsured or medically indigent patients in
52 Mississippi.

53 SECTION 3. (1) Any Mississippi qualified health center
54 desiring to participate in the program shall make application for
55 a grant to the DEAD in a form satisfactory to the DEAD. The DEAD
56 shall receive grant proposals from Mississippi qualified health
57 centers. All proposals shall be submitted in accordance with the
58 provisions of grant procedures, criteria and standards developed
59 and made public by the DEAD.

60 (2) The DEAD shall use the funds provided by this act to
61 make grants during the next five (5) years to Mississippi
62 qualified health centers upon proposals made pursuant to
63 subsection (1) of this section. Grants that are awarded to
64 Mississippi qualified health centers shall only be used by such

65 centers to:

66 (a) Increase access to preventative and primary care
67 services by uninsured or medically indigent patients that are
68 served by such centers; and

69 (b) Create new services or augment existing services
70 provided to uninsured or medically indigent patients, including,
71 but not limited to, primary care medical and preventive services,
72 dental services, optometric services, in-house laboratory
73 services, diagnostic services, pharmacy services, nutritional
74 services and social services.

75 (3) Grants received by Mississippi qualified health centers
76 pursuant to this act shall not be used:

77 (a) To supplant federal funds traditionally received by
78 such centers, but shall be used to supplement them;

79 (b) For speculative land or real estate investments;

80 (c) To finance or satisfy any existing debt; or

81 (d) Unless the health center specifically complies with
82 a definition of a Mississippi qualified health center contained in
83 Section 1 of this act.

84 (4) The DEAD shall develop regulations, procedures and
85 application forms to govern how grants will be awarded, shall
86 develop a plan to ensure that grants are equitably distributed
87 among all Mississippi qualified health centers, and shall develop
88 an audit process to assure that grant monies are used to provide
89 and expend care to the uninsured and medially indigent.

90 (5) The DEAD shall establish a five-year fund for the
91 purpose of providing service grants to Mississippi qualified
92 health centers in accordance with this act and the following terms
93 and conditions:

94 (a) The total amount of grants issued pursuant to this
95 act shall not exceed Four Million Dollars (\$4,000,000.00) in one
96 (1) calendar year.

97 (b) No Mississippi qualified health center shall

98 receive assistance under this program in excess of Two Hundred
99 Thousand Dollars (\$200,000.00) per calendar year.

100 (c) Each Mississippi qualified health center receiving
101 a service grant shall provide a yearly report to the DEAD which
102 details the number of additional uninsured and medically indigent
103 patients that are cared for and the types of services that are
104 provided.

105 (6) The DEAD shall establish an advisory council to review
106 and make recommendations to the DEAD on the awarding of any grants
107 to Mississippi qualified health centers. Such recommendations by
108 the advisory council shall not be binding upon the DEAD, but when
109 a recommendation by the advisory council is not followed by the
110 DEAD, the DEAD shall place in its minutes reasons for not
111 accepting the advisory council's recommendation, and provide for
112 an appeals process.

113 (7) The composition of the advisory council shall be the
114 following:

115 (a) Two (2) employees of the DEAD, one (1) of whom must
116 have experience in reviewing and writing grant proposals;

117 (b) Two (2) executive employees of Mississippi
118 qualified health centers, one (1) of whom must be a chief
119 financial officer;

120 (c) Two (2) health care providers who are affiliated
121 with a Mississippi qualified health center; and

122 (d) One (1) health care provider who is not affiliated
123 with a Mississippi qualified health center nor the DEAD but has
124 training and experience in primary care.

125 (8) The DEAD may use a portion of any grant monies received
126 under this act to administer the program and to pay reasonable
127 expenses incurred by the advisory council; provided, however, in
128 no case shall more than two and one-half percent (2-1/2%) or One
129 Hundred Thousand Dollars (\$100,000.00) annually, whichever is
130 less, be used to absorb program expenses.

131 (9) No assistance shall be provided to a Mississippi
132 qualified health center under this act unless the Mississippi
133 qualified health center certifies to the DEAD, that it will not
134 discriminate against any employee or against any applicant for
135 employment because of race, religion, color, national origin, sex
136 or age.

137 SECTION 4. There is hereby created a special fund in the
138 State Treasury to be known as the Mississippi Qualified Health
139 Center Grant Program out of which grants and expenditures
140 authorized in connection with the program shall be disbursed. All
141 monies received by issuance of bonds to carry out the purposes of
142 this act shall be deposited into the Mississippi Qualified Health
143 Center Grant Program.

144 SECTION 5. (1) All bonds issued under the authority of this
145 act shall be redeemed at maturity, together with all interest due,
146 on the bonds, and these principal and interest payments shall be
147 paid from the General Fund.

148 (2) In the event that all or any part of the bonds and notes
149 are purchased, they shall be canceled and returned to the loan and
150 transfer agent as canceled and paid bonds and notes; and
151 thereafter all payments of interest thereon shall cease and the
152 canceled bonds, notes and coupons, together with any other
153 canceled bonds, notes and coupons, shall be destroyed as promptly
154 as possible after cancellation but no later than two (2) years
155 after cancellation. A certificate evidencing the destruction of
156 the canceled bonds, notes and coupons shall be provided by the
157 loan and transfer agent to the seller.

158 (3) The State Treasurer shall determine and report to the
159 Department of Finance and Administration and Legislative Budget
160 Office by September 1 of each year the amount of money necessary
161 for payment of the principal and interest on outstanding
162 obligations for the following fiscal year and the times and
163 amounts of the payments. It shall be the duty of the Governor to

164 include in every executive budget submitted to the Legislature
165 full information relating to the issuance of bonds and notes under
166 the provisions of this act and the status of the General Fund for
167 the payment of the principal and interest on the bonds and notes.

168 SECTION 6. (1) The seller is authorized to borrow, on the
169 credit of the state, money not exceeding the aggregate sum of
170 Twenty Million Dollars (\$20,000,000.00), not including money
171 borrowed to refund outstanding bonds, notes or replacement notes,
172 as may be necessary to carry out the purposes of this act. The
173 rate of interest on any such bonds or notes which are not subject
174 to taxation shall not exceed the rates set forth in Section
175 75-17-101, Mississippi Code of 1972, for general obligation bonds.

176 (2) As evidence of indebtedness authorized in this act,
177 general or limited obligation bonds of the state shall be issued
178 from time to time to provide monies necessary to carry out the
179 purposes of this act for such total amount, in such form, in such
180 denominations, payable in such currencies (either domestic or
181 foreign or both), and subject to such terms and conditions of
182 issue, redemption and maturity, rate of interest and time of
183 payment of interest as the seller directs, except that such bonds
184 shall mature or otherwise be retired in annual installments
185 beginning not more than five (5) years from date thereof and
186 extending not more than twenty (20) years from the date thereof.

187 (3) All bonds and notes issued under authority of this act
188 shall be signed by the chairman of the seller or by his facsimile
189 signature, and the official seal of the seller shall be affixed
190 thereto, attested by the secretary of the seller.

191 (4) All bonds and notes issued under authority of this act
192 may be general or limited obligations of the state, and the full
193 faith and credit of the State of Mississippi as to general
194 obligation bonds, or the revenue derived from projects assisted as
195 to limited obligation bonds, are hereby pledged for the payment of
196 the principal of and interest on such bonds and notes.

197 (5) Such bonds and notes and the income therefrom shall be
198 exempt from all taxation in the State of Mississippi.

199 (6) The bonds may be issued as coupon bonds or registered as
200 to both principal and interest as the seller may determine. If
201 interest bonds are attached, they shall contain the facsimile
202 signature of the chairman and the secretary of the seller.

203 (7) As to bonds issued hereunder and designated as taxable
204 bonds by the seller, any immunity of the state to taxation by the
205 United States government of interest on bonds or notes issued by
206 the state is hereby waived.

207 SECTION 7. (1) Whenever bonds are issued, they shall be
208 offered for sale at not less than par value and accrued interest
209 and shall be sold by the seller at public or private sale, from
210 time to time, in such manner and at such price as may be
211 determined by the seller to be most advantageous.

212 (2) Any portion of any bond issue so offered and not sold or
213 subscribed for at public sale may be disposed of by private sale
214 by the seller in such manner and at such prices not less than par
215 and accrued interest, as the seller shall direct.

216 (3) When bonds are issued from time to time, the bonds of
217 each issue shall constitute a separate series to be designated by
218 the seller or may be combined for sale as one (1) series with
219 other general obligation bonds of the State of Mississippi.

220 (4) Until permanent bonds can be prepared, the seller may in
221 its discretion issue, in lieu of permanent bonds, temporary bonds
222 in such form and with such privileges as to registration and
223 exchange for permanent bonds as may be determined by the seller.

224 (5) Pending their application to the purposes authorized,
225 bond proceeds held or deposited by the State Treasurer may be
226 invested or reinvested as are other funds in the custody of the
227 State Treasurer in the manner provided by law. All earnings
228 received from the investment or deposit of such funds shall be
229 paid into the State Treasury to the credit of the Mississippi

230 Qualified Health Center Assistance Fund.

231 (6) The State Treasurer shall prepare the necessary registry
232 book to be kept in the office of the duly authorized loan and
233 transfer agent of the state for the registration of any bonds, at
234 the request of owners thereof, according to the terms and
235 conditions of issue directed by the seller.

236 (7) All costs and expenses in connection with the issue of,
237 sale and registration of the bonds and notes in connection with
238 this act, and all costs and expenses in connection with
239 implementation of the program and development of application
240 forms, procedures and requirements for use in connection with the
241 program may be paid from the proceeds of bonds and notes issued
242 under this act.

243 (8) The seller may provide in the resolution authorizing the
244 issuance of such bonds for the employment of one or more persons
245 or firms to assist in the sale of the bonds; to enter into
246 contracts with financial institutions located either within or
247 without the State of Mississippi to act as registrar, paying
248 agents, transfer agents or otherwise; for rating of the bonds; and
249 to purchase insurance.

250 SECTION 8. (1) Pending the issuance of bonds of the state
251 as authorized under this act, the seller is hereby authorized in
252 accordance with the provisions of this act and on the credit of
253 the state, to make temporary borrowings not to exceed two (2)
254 years in anticipation of the issue of bonds in order to provide
255 funds in such amounts as may, from time to time, be deemed
256 advisable prior to the issue of bonds. In order to provide for
257 and in connection with such temporary borrowings, the seller is
258 hereby authorized in the name and on behalf of the state to enter
259 into any purchase, loan or credit agreement or agreements, or
260 other agreement or agreements with any financial institution or
261 persons in the United States having power to enter into the same,
262 which agreements may contain such provisions not inconsistent with

263 the provisions of this act as may be authorized by the seller.

264 (2) All temporary borrowings made under this section shall
265 be evidenced by notes of the state which shall be issued, from
266 time to time, for such amounts not exceeding in the aggregate the
267 applicable statutory and constitutional debt limitation, in such
268 form and in such denominations and subject to terms and conditions
269 of sale and issue, prepayment or redemption and maturity, rate or
270 rates of sale and time of payment of interest as the seller shall
271 authorize and direct and in accordance with this act. Such
272 authorization and direction may provide for the subsequent
273 issuance of replacement notes to refund, upon issuance thereof,
274 such notes, and may specify such other terms and conditions with
275 respect to the notes and replacement notes thereby authorized for
276 issuance as the seller may determine and direct.

277 (3) When the authorization and direction of the seller
278 provide for the issuance of replacement notes, the seller is
279 hereby authorized in the name and on behalf of the state to enter
280 into agreements with any financial institutions or persons in the
281 United States having the power to enter into the same:

282 (a) To purchase or underwrite an issue or series of
283 issues of notes.

284 (b) To enter into any purchase, loan or credit
285 agreements, and to draw monies pursuant to any such agreements on
286 the terms and conditions set forth therein and to issue notes as
287 evidence of borrowings made under any such agreements.

288 (c) To appoint or act as issuing and paying agent or
289 agents with respect to notes.

290 (d) To do such other acts as may be necessary or
291 appropriate to provide for the payment, when due, of the principal
292 of and interest on such notes.

293 Such agreements may provide for the compensation of any
294 purchasers or underwriters of notes or replacement notes by
295 payment of a fixed fee or commission at the time of issuance

296 thereof, and for all other costs and expenses, including fees for
297 agreements related to the notes issuing and paying agent costs.
298 Costs and expenses of issuance may be paid from the proceeds of
299 the notes.

300 (4) When the authorization and direction of the seller
301 provides for the issuance of replacement notes, it shall, at or
302 prior to the time of delivery of these notes or replacement notes,
303 determine the principal amounts, dates of issue, interest rate or
304 rates, rates of discount, denominations and all other terms and
305 conditions relating to the issuance. The State Treasurer shall
306 perform all acts and things necessary to pay or cause to be paid,
307 when due, all principal of and interest on the notes being
308 refunded by replacement notes and to assure that the same may draw
309 upon any monies available for that purpose pursuant to any
310 purchase loan or credit agreements established with respect
311 thereto, all subject to the authorization and direction of the
312 seller.

313 (5) Outstanding notes evidencing such borrowings may be
314 funded and retired by the issuance and sale of the bonds of the
315 state as hereinafter authorized. The refunding bonds must be
316 issued and sold not later than a date two (2) years after the date
317 of issuance of the first notes evidencing such borrowings to the
318 extent that payment of such notes has not otherwise been made or
319 provided for by sources other than proceeds of replacement notes.

320 (6) The proceeds of all such temporary borrowing shall be
321 paid to the State Treasurer to be held and disposed of in
322 accordance with the provisions of Section 4 of this act.

323 SECTION 9. (1) The proceeds realized from the sale of bonds
324 and notes under this act, other than refunding bonds and
325 replacement notes, shall be paid to the State Treasurer and
326 deposited into the Mississippi Qualified Health Center Grant
327 Program and specifically dedicated to the purposes enumerated in
328 this act.

329 (2) All non-federal funds which may become available for the
330 purposes of this act shall be deposited into the Mississippi
331 Qualified Health Center Grant Program and shall be allocated for
332 the purposes of this act.

333 (3) The proceeds of the sale of refunding bonds and
334 replacement notes shall be applied solely to the payment of the
335 principal of and the accrued interest on and premium, if any, and
336 costs of redemption of the bonds and notes for which such
337 obligations have been issued.

338 SECTION 10. The Attorney General of the State of Mississippi
339 shall represent the seller in issuing, selling and validating
340 bonds or notes herein provided for, and the seller is hereby
341 authorized and empowered to expend from the proceeds derived from
342 the sale of the bonds or notes authorized hereunder all necessary
343 administrative, legal and other expenses incidental and related to
344 the issuance of bonds or notes authorized under this act.

345 SECTION 11. This act shall take effect and be in force from
346 and after July 1, 1999.