HOUSE BILL NO. 1386
(As Passed the House)

AN ACT TO AMEND SECTION 41-7-187, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT COUNTY-OWNED HOSPITALS SHALL BE GIVEN PRIORITY IN RECEIVING CERTIFICATES OF NEED FOR NURSING HOME BEDS WHENEVER MORE THAN ONE APPLICATION IS MADE FOR NURSING HOME BEDS AND ONE OF THE APPLICANTS IS A COUNTY-OWNED HOSPITAL, IF CERTAIN CONDITIONS ARE MET; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 41-7-187, Mississippi Code of 1972, is amended as follows:

41-7-187. (1) The State Department of Health is authorized to develop and implement a statewide health care certificate of need program. The State Department of Health is authorized and empowered to adopt by rule and regulation:

(a) Criteria, standards and plans to be used in evaluating applications for certificates of need;

(b) Effective standards to determine when a person, facility or organization must apply for a certificate of need;

(c) Standards to determine when a change of ownership has occurred or will occur; and

(d) Review procedures for conducting reviews of applications for certificates of need.

(2) (a) As part of the criteria, standards and plans to be used in evaluating applications for certificates of need that are adopted by the State Department of Health under paragraph (a) of subsection (1), the department shall include the following criteria or standard: Whenever more than one (1) application is made for a certificate of need for nursing facility beds, and one (1) of the applicants is a county-owned hospital located in the
county where the nursing facility beds are available, the
department shall give priority to the county-owned hospital
located in the county where the nursing facility beds are
available in granting the certificate of need, if all of the
following conditions are met:

(i) The county-owned hospital fully meets all
applicable criteria and standards required to obtain a certificate
of need for the nursing facility beds;

(ii) The county-owned hospital's qualifications
for the certificate of need, as shown in its application and as
determined by the department, are at least equal to the
qualifications of the other applicants for the certificate of
need; and

(iii) The county-owned hospital has fewer than
seventy-five (75) nursing facility beds in any nursing facility
that is owned or leased by the hospital on July 1, 2000.

(b) Any county-owned hospital that obtains a
certificate of need for nursing facility beds by being given
priority under paragraph (a) of this subsection shall not be
allowed to sell or otherwise transfer the certificate of need so
obtained to any other person or entity, and shall not be allowed
to sell or otherwise transfer the nursing facility in which those
nursing facility beds are located to any other person or entity.

If a county-owned hospital that has obtained a certificate of need
for nursing facility beds by being given priority under paragraph
(a) of this subsection is sold or otherwise transferred by the
county, the county shall not be allowed to sell or otherwise
transfer the nursing facility in which those nursing facility beds
are located, but must retain ownership of the nursing facility in
the name of the county. No exception shall be allowed to the
provisions of this paragraph (b) unless there is an amendment to
this section by the Legislature that specifically authorizes such
an exception.

SECTION 2. This act shall take effect and be in force from
and after July 1, 2000.