

By: Representatives Chism, Harrison

To: Local and Private  
Legislation

HOUSE BILL NO. 1880

1 AN ACT TO AMEND CHAPTER 1003, LOCAL AND PRIVATE LAWS OF 1994,  
2 AS AMENDED BY CHAPTER 951, LOCAL AND PRIVATE LAWS OF 1995, TO  
3 REVISE THE INVESTMENT AUTHORITY OF THE TRUSTEES OF THE GOLDEN  
4 TRIANGLE COMMUNITY HEALTH FOUNDATION; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Chapter 1003, Local and Private Laws of 1994, as  
7 amended by Chapter 951, Local and Private Laws of 1995, is amended  
8 as follows:

9 Section 1. It is determined and declared that for the  
10 benefit of the people of Lowndes County, Mississippi, and the  
11 other areas served by the Golden Triangle Regional Medical Center  
12 and its successors (the "service area") and the improvement and  
13 maintenance of their health and living conditions, it is essential  
14 that the county fulfill its responsibility to provide for the care  
15 of the indigent or needy residents of the county and to promote  
16 and enhance the health, education and welfare of the residents of  
17 Lowndes County and the service area; that it is the purpose of  
18 this act to establish an alternative method to make funds  
19 available to fulfill these obligations by authorizing the  
20 creation, operation, maintenance and administration of the Golden  
21 Triangle Community Health Foundation through which health care  
22 services will be provided to indigent or needy residents of  
23 Lowndes County and the service area in an economical and efficient  
24 manner and the cost thereof defrayed, and through which the level  
25 and quality of the welfare of the residents of Lowndes County and  
26 the service area will be maintained, all to the public benefit and  
27 good, as more fully provided herein. This act shall not suspend



28 the operation of any general law and shall be liberally construed  
29 in conformity with the intention expressed in this section.

30 Section 2. The following words and phrases shall have the  
31 meanings ascribed in this section unless the context clearly  
32 indicates otherwise:

33 (a) "Board of supervisors" means the Board of  
34 Supervisors of Lowndes County, Mississippi.

35 (b) "County" means Lowndes County, Mississippi, acting  
36 by and through its board of supervisors.

37 (c) "Foundation" means the Golden Triangle Community  
38 Health Foundation established under this act.

39 (d) "Fund" means the Golden Triangle Community Health  
40 Foundation Fund established under this act.

41 (e) "Hospital" means the existing Golden Triangle  
42 Regional Medical Center, or other structure, facility, machinery,  
43 equipment and/or other property, real or personal, whether already  
44 constructed and equipped, suitable for use as, or in connection  
45 with, the operation or proposed operations of such hospital or  
46 hospitals.

47 (f) "Indigent" means an individual or family with an  
48 income which is not more than the current poverty guideline of the  
49 Community Services Administration (as currently set forth in 45  
50 C.F.R. 1060.2-1 et seq.) that applies to the individual or family  
51 for the twelve (12) months preceding the determination of  
52 eligibility for hospital services at the hospital.

53 (g) "Lease agreement" means any agreement between  
54 Lowndes County, Mississippi, acting by and through its board of  
55 supervisors for Golden Triangle Regional Medical Center and any  
56 nonprofit corporation for a lease of the hospital for thirty-five  
57 (35) years or more.

58 (h) "Lessee" means any nonprofit corporation leasing  
59 the hospital from the county under a lease agreement.



60 (i) "Needy" means those residents of Lowndes County  
61 whom the trustees of the fund, as defined herein, in extraordinary  
62 cases deem to be indigent due to hardship, although the  
63 individuals do not meet the income requirements to be indigent as  
64 defined herein.

65 (j) "Trustees" means the persons chosen by the board of  
66 supervisors and the lessee to perform in a manner so as to  
67 safeguard the interests of the people of Lowndes County,  
68 Mississippi, the administrative and management duties necessary to  
69 fulfill the purposes of the Golden Triangle Community Health  
70 Foundation and Fund.

71 Section 3. The board of supervisors is authorized to  
72 establish the Golden Triangle Community Health Foundation. The  
73 board of supervisors is authorized to fund and deposit into the  
74 Golden Triangle Community Health Foundation Fund any or all  
75 payments received from the lessee in consideration for the  
76 purchase of the net current assets as provided in the lease of the  
77 hospital. The lessee is authorized, on behalf of the county, to  
78 deposit into the Golden Triangle Community Health Foundation Fund  
79 the installment payments for the purchase of the net current  
80 assets, as provided in the lease agreement. The trustees shall  
81 also be authorized to accept public and private contributions to  
82 the fund.

83 Section 4. (1) The board of supervisors shall delegate the  
84 administration and management of the fund to the trustees to be  
85 chosen in the manner provided in this act, and the trustees shall  
86 manage the fund as provided in this act.

87 (2) The fund shall be governed by a board of trustees  
88 consisting of six (6) members, with three (3) members appointed by  
89 the Lowndes County Board of Supervisors and three (3) members  
90 appointed by the lessee. The term of office of the initial  
91 trustees shall be: two (2) trustees, one (1) each appointed by  
92 the methods set forth above, shall serve for a three-year term;



93 two (2) trustees appointed in a like manner shall serve for a  
94 two-year term; and two (2) trustees appointed in a like manner  
95 shall serve for a one-year term. In the succeeding years  
96 following the first year, two (2) new trustees shall be appointed,  
97 one (1) each in a like manner as set forth above for the original  
98 board of trustees whose term of office shall be for three (3)  
99 years. Any vacancy shall be filled by the appropriate appointing  
100 body and appointment shall be for the remainder of the unexpired  
101 term. Being a member of the board of trustees shall be an  
102 honorary position and trustees shall receive no compensation for  
103 their services.

104 (3) The trustees shall administer and manage the fund and  
105 deposit the principal and interest income of the fund in a  
106 depository or depositories selected by the trustees. The funds  
107 shall be treated as other public funds, except the trustees may  
108 invest any part of the fund that exceeds the sums necessary to  
109 meet the current needs and demands of no more than seven (7)  
110 business days in any of the following:

111 (a) In any bonds or other direct obligations of the  
112 United States of America or the State of Mississippi, or of any  
113 county, school district or municipality of this state, which  
114 county, school district or municipal bonds have been approved by a  
115 reputable bond attorney or have been validated by decree of the  
116 chancery court;

117 (b) In obligations issued or guaranteed in full as to  
118 principal and interest by the United States of America that are  
119 subject to a repurchase agreement with a financial institution  
120 certified as a qualified depository;

121 (c) In United States government agency, United States  
122 government instrumentality, or United States government sponsored  
123 enterprise obligations, the principal and interest of which are  
124 fully guaranteed by the government of the United States, such as  
125 the Government National Mortgage Association; or United States



126 government agency, United States government instrumentality, or  
127 United States government sponsored enterprise obligations, the  
128 principal and interest of which are guaranteed by any United  
129 States government agency, United States government  
130 instrumentality, or United States government sponsored enterprise.  
131 However, at no time shall the funds invested in United States  
132 government agency, United States government instrumentality, or  
133 United States government sponsored enterprise obligations  
134 described in the preceding sentence exceed fifty percent (50%) of  
135 all monies invested with maturities of thirty (30) days or longer.  
136 The limitation set forth in the preceding sentence shall be  
137 applicable only at the time of purchase and shall not require the  
138 liquidation of any investment at any time;

139 (d) In an account or accounts in one or more financial  
140 institutions located in this state, and those funds when so  
141 invested shall have the same security and protection as required  
142 in Section 27-105-315;

143 (e) In an insured account or accounts in one or more  
144 financial institutions in this state whose accounts are insured by  
145 the Federal Deposit Insurance Corporation. However, the amount in  
146 any single account shall not exceed the amount that at any one  
147 time is insured by the Federal Deposit Insurance Corporation;

148 (f) In any open-end or closed-end management type  
149 investment company or investment trust registered under the  
150 provisions of 15 USCS Section 80(a)-1 et seq., provided that the  
151 portfolio of that investment company or investment trust is  
152 limited to direct obligations issued by the United States of  
153 America, United States government agencies, United States  
154 government instrumentalities or United States government sponsored  
155 enterprises, and to repurchase agreements fully collateralized by  
156 direct obligations of the United States of America, United States  
157 government agencies, United States government instrumentalities or  
158 United States government sponsored enterprises, and the investment



159 company or investment trust takes delivery of the collateral for  
160 the repurchase agreement, either directly or through an authorized  
161 custodian. The total dollar amount of funds invested in all  
162 open-end and closed-end management type investment companies and  
163 investment trusts at any one time shall not exceed twenty percent  
164 (20%) of the total dollar amount of funds invested under this  
165 subsection. The limitation set forth in the preceding sentence  
166 shall be applicable only at the time of purchase and shall not  
167 require the liquidation of any investment at any time.

168 In addition, the trustees, in their discretion, may invest  
169 those funds as permitted by Section 19-9-29, 21-33-323, 27-105-33  
170 or 37-59-43, as the same may be amended from time to time.

171 Section 5. (1) The fund shall be invested and disbursed as  
172 follows:

173 (a) The fund shall be divided into two (2) components;  
174 (i) the corpus component, and (ii) the earnings component.

175 (b) The corpus component of the fund shall consist of  
176 the installment payments for the net current assets as described  
177 in this act, any additional, subsequent deposits made by the  
178 county or other third party, and fifteen percent (15%) of the  
179 annual income earned from the investment of the fund, exclusive of  
180 any portion of the earnings component carried forward from any  
181 preceding year. The corpus component shall be maintained and used  
182 to generate interest income and shall not be invaded or used by  
183 the trustees, except that the corpus component may be used by the  
184 trustees to satisfy any indemnification obligations of Lowndes  
185 County or the board of trustees of the hospital arising under the  
186 lease agreement. The trustees shall, upon request of the county  
187 supported with evidence of liability, make payments out of the  
188 corpus component of the fund as directed by the county to satisfy  
189 the indemnification liabilities of Lowndes County or the board of  
190 trustees of the hospital arising under the lease agreement.



191 (c) The earnings component shall be composed of the  
192 annual interest earned on the corpus component of the fund and  
193 payments of interest on the outstanding and unpaid installments of  
194 the net current assets as provided in the lease agreement. The  
195 earnings component shall be distributed by the trustees as  
196 described in subsection (2) of this section and to meet the  
197 purposes of the Golden Triangle Community Health Foundation.

198 (2) The trustees are specifically given the power and  
199 authority in connection with the earnings component of the fund to  
200 do the following:

201 (a) To assist the medically indigent in the county and  
202 service area in paying for their inpatient and outpatient care and  
203 ambulance services rendered to them at the hospital. The trustees  
204 shall, on a quarterly or more frequent basis as determined by  
205 them, make payments out of the earnings component of the fund to  
206 the lessee, for health care services rendered to indigent  
207 residents of the county and service area, based upon statements  
208 submitted by the lessee which verify the indigency status of the  
209 patients and detail the amount of care and services provided, and  
210 the payments shall not be unreasonably withheld.

211 (b) To expend funds required in connection with the  
212 management by the trustees of the fund, including but not limited  
213 to payments for accounting fees, legal fees and investment advisor  
214 or fund management fees.

215 (c) In addition, upon request of the lessee, the  
216 trustees are given the power and authority in connection with the  
217 earnings component of the fund to do the following:

218 (i) To provide funds to defray the actual expenses  
219 incurred by hospital employees to attend recognized educational or  
220 professional meetings;

221 (ii) To loan or grant scholarships to employees of  
222 the hospital or students to provide educational assistance  
223 whenever the students or hospital employees agree to work at the



224 hospital for a stipulated period of time and whenever educational  
225 upgrading would directly benefit the hospital;

226 (iii) To provide funds for programs designed to  
227 advance any cost containment or managed care efforts implemented  
228 at the hospital;

229 (iv) To recruit and financially assist at the  
230 request of the hospital, physicians and other health care  
231 practitioners in locating in the service area of the hospital  
232 whenever such assistance would directly benefit the hospital and  
233 the health and welfare of the citizens of Lowndes County;

234 (v) To expend funds to promote, develop and  
235 institute any other services at the hospital that will serve to  
236 enhance, complement and expand complete community health care;

237 (vi) To pay for the provision of uncompensated  
238 care to residents of Lowndes County at the hospital;

239 (vii) To pay for the losses from operations of the  
240 ambulance service at the hospital;

241 (viii) To reimburse the hospital for the  
242 acquisition of diagnostic, therapeutic and other medical and  
243 related equipment, implements, instruments and aids for the use or  
244 for the benefit of the residents of Lowndes County and the service  
245 area;

246 (ix) To establish a screening committee to  
247 determine the medical indigency of applicants and to recommend  
248 payment to the hospital for their benefit;

249 (x) To pay for inpatient and outpatient care  
250 rendered at the hospital to inmates of the Lowndes County jail;  
251 and

252 (xi) To pay any contingent liabilities of Golden  
253 Triangle Regional Medical Center arising before the commencement  
254 date of the lease and that are not barred by limitations or  
255 sovereign immunity or that have not been assumed by the lessee.





256 (3) If the trustees are requested by the lessee to pay or  
257 reimburse the hospital for payment of the items provided in  
258 (2)(a), (2)(b) or (2)(c) of this Section 5, the trustees shall pay  
259 to the lessee within thirty (30) days for the items requested  
260 provided that the trustees shall have no obligation to pay in any  
261 one (1) calendar year an aggregate amount in excess of eighty-five  
262 percent (85%) of the earnings component of the fund. As of  
263 December 31 of each year, the trustees shall transfer from the  
264 earnings component of the fund to the corpus component of the fund  
265 an amount equal to fifteen percent (15%) of the amount deposited  
266 into the earnings component during the calendar year, exclusive of  
267 any portion carried forward from any preceding year. Any funds  
268 not expended from the earnings component of the fund for the above  
269 purposes shall be carried forward into the next year and be  
270 available for payments in the subsequent years. Any amounts  
271 deposited into the earnings component of the fund shall be  
272 immediately available for payment to the hospital by the trustees.  
273 The trustees' obligations to make payments for the indicated  
274 purposes shall be mandatory and shall not be subject to the  
275 discretion of the trustees.

276 (4) Notwithstanding any provisions of this act to the  
277 contrary, the trustees shall have the discretion in their sole  
278 judgment to pay for health care services rendered at the hospital  
279 to nonindigent residents of Lowndes County or the service area in  
280 cases where there has been a determination of hardship by the  
281 trustees.

282 Section 6. The fund at the end of the term of the lease  
283 agreement and after payment to the lessee of all amounts due from  
284 the fund through the date of termination of the lease, unless the  
285 lease is otherwise extended by the hospital and the board of  
286 supervisors, shall be disbursed in termination of the fund by the  
287 trustees to the county for the county's unrestricted use. All  
288 other transactions described in the agreement to lease among



289 Lowndes County, the Board of Trustees of the Golden Triangle  
290 Regional Medical Center and Baptist Memorial Health Care  
291 Development Corporation, dated January 29, 1993, and the lease  
292 agreement are approved and authorized in all respects.

293         **SECTION 2.** This act shall take effect and be in force from  
294 and after its passage.

