

By: Representatives Moody, Masterson, Clarke

To: Public Health and Welfare

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1220

1 AN ACT TO CREATE A PROGRAM OF PAID EDUCATIONAL LEAVE FOR
2 HOSPITAL EMPLOYEES; TO AMEND SECTION 41-13-35, MISSISSIPPI CODE OF
3 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** (1) (a) A hospital may grant paid educational
6 leave to those applicants it deems qualified therefor, upon such
7 terms and conditions as it may impose and as provided for in this
8 section.

9 (b) In order to be eligible for paid educational leave,
10 an applicant must:

11 (i) Be working at the sponsoring hospital at the
12 time of application;

13 (ii) Attend any college or school approved and
14 designated by the sponsoring hospital; and

15 (iii) Agree to work in a health care occupation as
16 a licensed practical nurse, registered nurse, nurse practitioner,
17 speech pathologist, occupational therapist, physical therapist or
18 other health care professional in the sponsoring hospital for a
19 period of time equivalent to the period of time for which the
20 applicant receives paid educational leave compensation, calculated
21 to the nearest whole month, but in no event less than two (2)
22 years.

23 (c) (i) Before being granted paid educational leave,
24 each applicant shall enter into a contract with the sponsoring
25 hospital agreeing to the terms and conditions upon which the paid
26 educational leave shall be granted. The contract shall include
27 such terms and provisions necessary to carry out the full purpose



28 and intent of this section. The contract shall be signed by the
29 administrator of the sponsoring hospital and the recipient of paid
30 educational leave compensation. If the recipient is a minor, his
31 or her minority disabilities shall be removed by a chancery court
32 of competent jurisdiction before the contract is signed.

33 (ii) The sponsoring hospital shall have the
34 authority to cancel any contract made between it and any recipient
35 for paid educational leave upon such cause being deemed sufficient
36 by the administrator of the hospital.

37 (iii) The sponsoring hospital is vested with full
38 and complete authority and power to sue in its own name any
39 recipient for any balance due to the hospital on any such
40 uncompleted contract. The sponsoring hospital may contract with a
41 collection agency or banking institution for collection of any
42 balance due to the hospital from any recipient. The sponsoring
43 hospital and its employees and, if applicable, its board of
44 trustees are immune from any suit brought in law or equity for
45 actions taken by the collection agency or banking institution
46 incidental to or arising from their performance under the
47 contract. The sponsoring hospital, collection agency and banking
48 institution may negotiate for the payment of a sum that is less
49 than full payment in order to satisfy any balance the recipient
50 owes.

51 (iv) Failure to meet the terms of an educational
52 loan contract shall be grounds for revocation of the professional
53 license that was earned through the paid educational leave
54 compensation granted under this section.

55 (v) A finding by the sponsoring hospital of a
56 default by the recipient shall be a finding of unprofessional
57 conduct and, therefore, a basis for the revocation of the
58 professional license that was obtained through the educational
59 leave program.



60 (vi) Notice of pending default status, the
61 consequences of a default and the hearing to determine the pending
62 default status shall be mailed by the sponsoring hospital to the
63 recipient at the last known address.

64 (vii) The sponsoring hospital shall conduct a
65 hearing of pending default status, make a final determination,
66 and, if appropriate, issue a finding of default.

67 (viii) Recipients may appear at the hearing of
68 pending default status, either personally or through counsel, or
69 both, and produce and cross-examine witnesses or evidence in the
70 recipient's behalf. The procedure of the hearing shall not be
71 bound by the Mississippi Rules of Civil Procedure and Evidence.

72 (ix) If at the hearing a recipient is found to be
73 in default, a copy of the finding of default shall be forwarded to
74 the appropriate licensing agency.

75 (x) Appeals from a finding of default made by the
76 sponsoring hospital shall be to the circuit court of the county in
77 which the hospital is located.

78 (xi) Rules and regulations governing the hearing
79 of pending default status and other applicable matters shall be
80 promulgated by the sponsoring hospital.

81 (xii) Any person who is subject to the revocation
82 of his or her professional license for not meeting the terms of an
83 educational loan contract may appear before the appropriate
84 licensing agency to show mitigating circumstances for failure to
85 meet the terms of the contract, and may appeal any revocation of
86 his or her professional license under the laws applicable to the
87 licensing agency.

88 (xiii) A license that has been revoked under this
89 section shall be reinstated upon a showing of proof that the
90 recipient is no longer in default.

91 (2) (a) Any recipient who is granted paid educational leave
92 by a hospital shall be compensated by the sponsoring hospital



93 during the time the recipient is in school, at the rate of pay
94 received by a nurse's aide employed at the hospital. All
95 educational leave compensation received by the recipient while in
96 school shall be considered earned conditioned upon the fulfillment
97 of the terms and obligations of the educational leave contract and
98 this section. However, no recipient of full-time educational
99 leave shall accrue personal or major medical leave while the
100 recipient is on paid educational leave. Recipients of paid
101 educational leave shall be responsible for their individual costs
102 of tuition and books.

103 (b) Paid educational leave shall be granted only upon
104 the following conditions:

105 (i) The recipient shall fulfill his or her
106 obligation under the contract with the sponsoring hospital by
107 working as a licensed practical nurse, registered nurse, nurse
108 practitioner, speech pathologist, occupational therapist, physical
109 therapist or other health care professional. The total
110 compensation that the recipient was paid while on educational
111 leave shall be considered as unconditionally earned on an annual
112 pro rata basis for each year of service rendered under the
113 educational leave contract as a health care professional in the
114 sponsoring hospital.

115 (ii) If the recipient does not work as a licensed
116 practical nurse, registered nurse, nurse practitioner, speech
117 pathologist, occupational therapist, physical therapist or other
118 health care professional in the sponsoring hospital for the period
119 required under this section, the recipient shall be liable for
120 repayment on demand of the remaining portion of the compensation
121 that the recipient was paid while on paid educational leave that
122 has not been unconditionally earned, with interest accruing at ten
123 percent (10%) per annum from the recipient's date of graduation or
124 the date that the recipient last worked at the sponsoring
125 hospital, whichever is the later date. In addition, there shall



126 be included in any contract for paid educational leave a provision
127 for liquidated damages equal to Five Thousand Dollars (\$5,000.00),
128 which may be reduced on a pro rata basis for each year served
129 under the contract.

130 (iii) If any recipient fails or withdraws from
131 school at any time before successfully completing his or her
132 health care training, the recipient shall be liable for repayment
133 on demand of the amount of the total compensation that the
134 recipient was paid while on paid educational leave, with interest
135 accruing at ten percent (10%) per annum from the date the
136 recipient failed or withdrew from school. However, the recipient
137 shall not be liable for liquidated damages, and if the recipient
138 returns to work at the sponsoring hospital in the same position
139 held at the hospital before accepting educational leave, or a
140 position approved by the hospital, the recipient shall not be
141 liable for payment of any interest on the amount owed.

142 (iv) The issuance and renewal of the professional
143 license required to work as a licensed practical nurse, registered
144 nurse, nurse practitioner, speech pathologist, occupational
145 therapist, physical therapist or other health care professional
146 for which the educational leave was granted shall be contingent
147 upon the repayment of the total compensation that the recipient
148 received while on paid educational leave. Failure to meet the
149 terms of an educational loan contract shall be grounds for
150 revocation of the professional license that was earned through the
151 paid educational leave compensation granted under this section.
152 Any individual who receives any amount of paid educational leave
153 compensation while in school and subsequently receives a
154 professional license shall be deemed to have earned the
155 professional license through paid educational leave. Any person
156 who is subject to the revocation of his or her professional
157 license for not meeting the terms of an educational loan contract
158 may appear before the appropriate licensing agency to show



159 mitigating circumstances for failure to meet the terms of the
160 contract, and may appeal any revocation of his or her professional
161 license under the laws applicable to the licensing agency.

162 **SECTION 2.** Section 41-13-35, Mississippi Code of 1972, is
163 amended as follows:

164 41-13-35. (1) The board of trustees of any community
165 hospital shall have full authority to appoint an administrator,
166 who shall not be a member of the board of trustees, and to
167 delegate reasonable authority to such administrator for the
168 operation and maintenance of such hospital and all property and
169 facilities otherwise appertaining thereto.

170 (2) The board of trustees shall have full authority to
171 select from its members, officers and committees and, by
172 resolution or through the board bylaws, to delegate to such
173 officers and committees reasonable authority to carry out and
174 enforce the powers and duties of the board of trustees during the
175 interim periods between regular meetings of the board of trustees;
176 provided, however, that any such action taken by an officer or
177 committee shall be subject to review by the board, and actions may
178 be withdrawn or nullified at the next subsequent meeting of the
179 board of trustees if the action is in excess of delegated
180 authority.

181 (3) The board of trustees shall be responsible for governing
182 the community hospital under its control and shall make and
183 enforce staff and hospital bylaws and/or rules and regulations
184 necessary for the administration, government, maintenance and/or
185 expansion of such hospitals. The board of trustees shall keep
186 minutes of its official business and shall comply with Section
187 41-9-68.

188 (4) The decisions of said board of trustees of the community
189 hospital shall be valid and binding unless expressly prohibited by
190 applicable statutory or constitutional provisions.



191 (5) The power of the board of trustees shall specifically
192 include, but not be limited to, the following authority:

193 (a) To deposit and invest funds of the community
194 hospital in accordance with Section 27-105-365;

195 (b) To establish such equitable wage and salary
196 programs and other employment benefits as may be deemed expedient
197 or proper, and in so doing, to expend reasonable funds for such
198 employee salary and benefits. Allowable employee programs shall
199 specifically include but not be limited to, medical benefit, life,
200 accidental death and dismemberment, disability, retirement and
201 other employee coverage plans. The hospital may offer and fund
202 such programs directly or by contract with any third party and
203 shall be authorized to take all actions necessary to implement,
204 administer and operate such plans, including payroll deductions
205 for such plans;

206 (c) To authorize employees to attend and to pay actual
207 expenses incurred by employees while engaged in hospital business
208 or in attending recognized educational or professional meetings;

209 (d) To enter into loan or scholarship agreements with
210 employees or students to provide educational assistance where such
211 student or employee agrees to work for a stipulated period of time
212 for the hospital;

213 (e) To devise and implement employee incentive
214 programs;

215 (f) To recruit and financially assist physicians and
216 other health care practitioners in establishing, or relocating
217 practices within the service area of the community hospital
218 including, without limitation, direct and indirect financial
219 assistance, loan agreements, agreements guaranteeing minimum
220 incomes for a stipulated period from opening of the practice and
221 providing free office space or reduced rental rates for office
222 space where such recruitment would directly benefit the community



223 hospital and/or the health and welfare of the citizens of the
224 service area;

225 (g) To contract by way of lease, lease-purchase or
226 otherwise, with any agency, department or other office of
227 government or any individual, partnership, corporation, owner,
228 other board of trustees, or other health care facility, for the
229 providing of property, equipment or services by or to the
230 community hospital or other entity or regarding any facet of the
231 construction, management, funding or operation of the community
232 hospital or any division or department thereof, or any related
233 activity, including, without limitation, shared management
234 expertise or employee insurance and retirement programs, and to
235 terminate said contracts when deemed in the best interests of the
236 community hospital;

237 (h) To file suit on behalf of the community hospital to
238 enforce any right or claims accruing to the hospital and to defend
239 and/or settle claims against the community hospital and/or its
240 board of trustees;

241 (i) To sell or otherwise dispose of any chattel
242 property of the community hospital by any method deemed
243 appropriate by the board where such disposition is consistent with
244 the hospital purposes or where such property is deemed by the
245 board to be surplus or otherwise unneeded;

246 (j) To let contracts for the construction, remodeling,
247 expansion or acquisition, by lease or purchase, of hospital or
248 health care facilities, including real property, within the
249 service area for community hospital purposes where such may be
250 done with operational funds without encumbrancing the general
251 funds of the county or municipality, provided that any contract
252 for the purchase of real property must be ratified by the owner;

253 (k) To borrow money and enter other financing
254 arrangements for community hospital and related purposes and to
255 grant security interests in hospital equipment and to pledge a



256 percentage of hospital revenues as security for such financings
257 where needed; provided that the owner shall specify by resolution
258 the maximum borrowing authority and maximum percent of revenue
259 which may be pledged by the board of trustees during any given
260 fiscal year;

261 (l) To expend hospital funds for public relations or
262 advertising programs;

263 (m) To offer the following inpatient and outpatient
264 services, after complying with applicable health planning,
265 licensure statutes and regulations, whether or not heretofore
266 offered by such hospital or other similar hospitals in this state
267 and whether or not heretofore authorized to be offered, long-term
268 care, extended care, home care, after-hours clinic services,
269 ambulatory surgical clinic services, preventative health care
270 services including wellness services, health education,
271 rehabilitation and diagnostic and treatment services; to promote,
272 develop, operate and maintain a center providing care or
273 residential facilities for the aged, convalescent or handicapped;
274 and to promote, develop and institute any other services having an
275 appropriate place in the operation of a hospital offering complete
276 community health care;

277 (n) To promote, develop, acquire, operate and maintain
278 on a nonprofit basis, or on a profit basis if the community
279 hospital's share of profits is used solely for community hospital
280 and related purposes in accordance with this chapter, either
281 separately or jointly with one or more other hospitals or
282 health-related organizations, facilities and equipment for
283 providing goods, services and programs for hospitals, other health
284 care providers, and other persons or entities in need of such
285 goods, services and programs and, in doing so, to provide for
286 contracts of employment or contracts for services and ownership of
287 property on terms that will protect the public interest;



288 (o) To establish and operate medical offices, child
289 care centers, wellness or fitness centers and other facilities and
290 programs which the board determines are appropriate in the
291 operation of a community hospital for the benefit of its
292 employees, personnel and/or medical staff which shall be operated
293 as an integral part of the hospital and which may, in the
294 direction of the board of trustees, be offered to the general
295 public. If such programs are not established in existing
296 facilities or constructed on real estate previously acquired by
297 the owners, the board of trustees shall also have authority to
298 acquire, by lease or purchase, such facilities and real property
299 within the service area, whether or not adjacent to existing
300 facilities, provided that any contract for the purchase of real
301 property shall be ratified by the owner. The trustees shall lease
302 any such medical offices to members of the medical staff at rates
303 deemed appropriate and may, in its discretion, establish rates to
304 be paid for the use of other facilities or programs by its
305 employees or personnel or members of the public whom the trustees
306 may determine may properly use such other facilities or programs;

307 (p) Provide, at its discretion, ambulance service
308 and/or to contract with any third party, public or private, for
309 the providing of such service;

310 (q) Establish a fair and equitable system for the
311 billing of patients for care or users of services received through
312 the community hospital, which in the exercise of the board of
313 trustees' prudent fiscal discretion, may allow for rates to be
314 classified according to the potential usage by an identified group
315 or groups of patients of the community hospital's services and may
316 allow for standard discounts where the discount is designed to
317 reduce the operating costs or increase the revenues of the
318 community hospital. Such billing system may also allow for the
319 payment of charges by means of a credit card or similar device and
320 allow for payment of administrative fees as may be regularly



321 imposed by a banking institution or other credit service
322 organization for the use of such cards;

323 (r) To establish as an organizational part of the
324 hospital or to aid in establishing as a separate entity from the
325 hospital, hospital auxiliaries designed to aid the hospital, its
326 patients, and/or families and visitors of patients, and when the
327 auxiliary is established as a separate entity from the hospital,
328 the board of trustees may cooperate with the auxiliary in its
329 operations as the board of trustees deems appropriate; and

330 (s) To make any agreements or contracts with the
331 federal government or any agency thereof, the State of Mississippi
332 or any agency thereof, and any county, city, town, supervisors
333 district or election district within this state, jointly or
334 separately, for the maintenance of charity facilities;

335 (t) To develop a paid educational leave program for the
336 study of certain health care occupations, including a licensed
337 practical nurse, registered nurse, nurse practitioner, speech
338 pathologist, occupational therapist, physical therapist and other
339 health care occupations by an employee who works at the community
340 hospital and who declares an intention to work in that respective
341 health care occupation in the same hospital in which the employee
342 was working when granted educational leave, for a minimum period
343 of time after graduation in accordance with Section 1 of House
344 Bill No. 1220, 2003 Regular Session.

345 (6) No board of trustees of any community hospital may
346 accept any grant of money or other thing of value from any
347 not-for-profit or for-profit organization established for the
348 purpose of supporting health care in the area served by the
349 facility unless two-thirds (2/3) of the trustees vote to accept
350 the grant.

351 (7) No board of trustees, individual trustee or any other
352 person who is an agent or servant of the trustees of any community
353 hospital shall have any personal financial interest in any



354 not-for-profit or for-profit organization which, regardless of its
355 stated purpose of incorporation, provides assistance in the form
356 of grants of money or property to community hospitals or provides
357 services to community hospitals in the form of performance of
358 functions normally associated with the operations of a hospital.

359 **SECTION 3.** Section 1 of this act shall be codified in
360 Chapter 9 of Title 41, Mississippi Code of 1972.

361 **SECTION 4.** This act shall take effect and be in force from
362 and after July 1, 2003.

