HOUSE BILL NO. 1616

AN ACT TO AMEND CHAPTER 1003, LOCAL AND PRIVATE LAWS OF 1994, as amended by Chapter 951, Local and Private Laws of 1995, to revise the investment authority of the Trustees of the Golden Triangle Community Health Foundation; and for related purposes.

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

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

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

H. B. No. 1616
03/HR03/R1900
PAGE 1 (CTE\LN)
the operation of any general law and shall be liberally construed
in conformity with the intention expressed in this section.

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

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

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

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

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

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

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

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

(h) "Lessee" means any nonprofit corporation leasing
the hospital from the county under a lease agreement.
(i) "Needy" means those residents of Lowndes County whom the trustees of the fund, as defined herein, in extraordinary cases deem to be indigent due to hardship, although the individuals do not meet the income requirements to be indigent as defined herein.

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

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

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

(2) The fund shall be governed by a board of trustees consisting of six (6) members, with three (3) members appointed by the Lowndes County Board of Supervisors and three (3) members appointed by the lessee. The term of office of the initial trustees shall be: two (2) trustees, one (1) each appointed by the methods set forth above, shall serve for a three-year term;
two (2) trustees appointed in a like manner shall serve for a
two-year term; and two (2) trustees appointed in a like manner
shall serve for a one-year term. In the succeeding years
following the first year, two (2) new trustees shall be appointed,
one (1) each in a like manner as set forth above for the original
board of trustees whose term of office shall be for three (3)
years. Any vacancy shall be filled by the appropriate appointing
body and appointment shall be for the remainder of the unexpired
term. Being a member of the board of trustees shall be an
honorary position and trustees shall receive no compensation for
their services.

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

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

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

(c) In United States government agency, United States
government instrumentality, or United States government sponsored
enterprise obligations, the principal and interest of which are
fully guaranteed by the government of the United States, such as
the Government National Mortgage Association; or United States
government agency, United States government instrumentality, or United States government sponsored enterprise obligations, the principal and interest of which are guaranteed by any United States government agency, United States government instrumentality, or United States government sponsored enterprise. However, at no time shall the funds invested in United States government agency, United States government instrumentality, or United States government sponsored enterprise obligations described in the preceding sentence exceed fifty percent (50%) of all monies invested with maturities of thirty (30) days or longer. The limitation set forth in the preceding sentence shall be applicable only at the time of purchase and shall not require the liquidation of any investment at any time;

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

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

(f) In any open-end or closed-end management type investment company or investment trust registered under the provisions of 15 USCS Section 80(a)-1 et seq., provided that the portfolio of that investment company or investment trust is limited to direct obligations issued by the United States of America, United States government agencies, United States government instrumentalities or United States government sponsored enterprises, and to repurchase agreements fully collateralized by direct obligations of the United States of America, United States government agencies, United States government instrumentalities or United States government sponsored enterprises, and the investment
A company or investment trust takes delivery of the collateral for the repurchase agreement, either directly or through an authorized custodian. The total dollar amount of funds invested in all open-end and closed-end management type investment companies and investment trusts at any one time shall not exceed twenty percent (20%) of the total dollar amount of funds invested under this subsection. The limitation set forth in the preceding sentence shall be applicable only at the time of purchase and shall not require the liquidation of any investment at any time.

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

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

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

(b) The corpus component of the fund shall consist of the installment payments for the net current assets as described in this act, any additional, subsequent deposits made by the county or other third party, and fifteen percent (15%) of the annual income earned from the investment of the fund, exclusive of any portion of the earnings component carried forward from any preceding year. The corpus component shall be maintained and used to generate interest income and shall not be invaded or used by the trustees, except that the corpus component may be used by the trustees to satisfy any indemnification obligations of Lowndes County or the board of trustees of the hospital arising under the lease agreement. The trustees shall, upon request of the county supported with evidence of liability, make payments out of the corpus component of the fund as directed by the county to satisfy the indemnification liabilities of Lowndes County or the board of trustees of the hospital arising under the lease agreement.
(c) The earnings component shall be composed of the annual interest earned on the corpus component of the fund and payments of interest on the outstanding and unpaid installments of the net current assets as provided in the lease agreement. The earnings component shall be distributed by the trustees as described in subsection (2) of this section and to meet the purposes of the Golden Triangle Community Health Foundation.

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

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

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

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

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

(ii) To loan or grant scholarships to employees of the hospital or students to provide educational assistance whenever the students or hospital employees agree to work at the...
hospital for a stipulated period of time and whenever educational upgrading would directly benefit the hospital;

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

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

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

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

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

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

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

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

and

(xi) To pay any contingent liabilities of Golden Triangle Regional Medical Center arising before the commencement date of the lease and that are not barred by limitations or sovereign immunity or that have not been assumed by the lessee.
(3) If the trustees are requested by the lessee to pay or reimburse the hospital for payment of the items provided in (2)(a), (2)(b) or (2)(c) of this Section 5, the trustees shall pay to the lessee within thirty (30) days for the items requested provided that the trustees shall have no obligation to pay in any one (1) calendar year an aggregate amount in excess of eighty-five percent (85%) of the earnings component of the fund. As of December 31 of each year, the trustees shall transfer from the earnings component of the fund to the corpus component of the fund an amount equal to fifteen percent (15%) of the amount deposited into the earnings component during the calendar year, exclusive of any portion carried forward from any preceding year. Any funds not expended from the earnings component of the fund for the above purposes shall be carried forward into the next year and be available for payments in the subsequent years. Any amounts deposited into the earnings component of the fund shall be immediately available for payment to the hospital by the trustees. The trustees' obligations to make payments for the indicated purposes shall be mandatory and shall not be subject to the discretion of the trustees.

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

Section 6. The fund at the end of the term of the lease agreement and after payment to the lessee of all amounts due from the fund through the date of termination of the lease, unless the lease is otherwise extended by the hospital and the board of supervisors, shall be disbursed in termination of the fund by the trustees to the county for the county's unrestricted use. All other transactions described in the agreement to lease among...
ST: Golden Triangle Community Health
Foundation; revise investment authority of

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

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