

By: Senator(s) Lee (35th), Burton, Flowers, Hyde-Smith, Chaney, Wilemon, Michel, Butler, Kirby, Hewes, Mettetal, Moffatt

To: Public Health and Welfare; Appropriations

SENATE BILL NO. 2577

1 AN ACT TO AMEND SECTION 41-7-191, MISSISSIPPI CODE OF 1972,  
2 TO AUTHORIZE AND DIRECT THE STATE DEPARTMENT OF HEALTH TO ISSUE A  
3 CERTIFICATE OF NEED FOR 14 PSYCHIATRIC RESIDENTIAL TREATMENT  
4 FACILITY (PRTF) BEDS IN SIMPSON COUNTY FOR A SPECIALIZED UNIT FOR  
5 THE SUB-ACUTE TREATMENT OF CHILDREN AND ADOLESCENTS; AND FOR  
6 RELATED PURPOSES.

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

8 **SECTION 1.** Section 41-7-191, Mississippi Code of 1972, is  
9 amended as follows:

10 41-7-191. (1) No person shall engage in any of the  
11 following activities without obtaining the required certificate of  
12 need:

13 (a) The construction, development or other  
14 establishment of a new health care facility;

15 (b) The relocation of a health care facility or portion  
16 thereof, or major medical equipment, unless such relocation of a  
17 health care facility or portion thereof, or major medical  
18 equipment, which does not involve a capital expenditure by or on  
19 behalf of a health care facility, is within five thousand two  
20 hundred eighty (5,280) feet from the main entrance of the health  
21 care facility;

22 (c) Any change in the existing bed complement of any  
23 health care facility through the addition or conversion of any  
24 beds or the alteration, modernizing or refurbishing of any unit or  
25 department in which the beds may be located; however, if a health  
26 care facility has voluntarily delicensed some of its existing bed  
27 complement, it may later relicense some or all of its delicensed  
28 beds without the necessity of having to acquire a certificate of  
29 need. The State Department of Health shall maintain a record of

30 the delicensing health care facility and its voluntarily  
31 delicensed beds and continue counting those beds as part of the  
32 state's total bed count for health care planning purposes. If a  
33 health care facility that has voluntarily delicensed some of its  
34 beds later desires to relicense some or all of its voluntarily  
35 delicensed beds, it shall notify the State Department of Health of  
36 its intent to increase the number of its licensed beds. The State  
37 Department of Health shall survey the health care facility within  
38 thirty (30) days of that notice and, if appropriate, issue the  
39 health care facility a new license reflecting the new contingent  
40 of beds. However, in no event may a health care facility that has  
41 voluntarily delicensed some of its beds be reissued a license to  
42 operate beds in excess of its bed count before the voluntary  
43 delicensure of some of its beds without seeking certificate of  
44 need approval;

45 (d) Offering of the following health services if those  
46 services have not been provided on a regular basis by the proposed  
47 provider of such services within the period of twelve (12) months  
48 prior to the time such services would be offered:

- 49 (i) Open heart surgery services;
- 50 (ii) Cardiac catheterization services;
- 51 (iii) Comprehensive inpatient rehabilitation  
52 services;
- 53 (iv) Licensed psychiatric services;
- 54 (v) Licensed chemical dependency services;
- 55 (vi) Radiation therapy services;
- 56 (vii) Diagnostic imaging services of an invasive  
57 nature, i.e. invasive digital angiography;
- 58 (viii) Nursing home care as defined in  
59 subparagraphs (iv), (vi) and (viii) of Section 41-7-173(h);
- 60 (ix) Home health services;
- 61 (x) Swing-bed services;
- 62 (xi) Ambulatory surgical services;

63 (xii) Magnetic resonance imaging services;

64 (xiii) Extracorporeal shock wave lithotripsy

65 services;

66 (xiv) Long-term care hospital services;

67 (xv) Positron Emission Tomography (PET) services;

68 (e) The relocation of one or more health services from  
69 one physical facility or site to another physical facility or  
70 site, unless such relocation, which does not involve a capital  
71 expenditure by or on behalf of a health care facility, (i) is to a  
72 physical facility or site within one thousand three hundred twenty  
73 (1,320) feet from the main entrance of the health care facility  
74 where the health care service is located, or (ii) is the result of  
75 an order of a court of appropriate jurisdiction or a result of  
76 pending litigation in such court, or by order of the State  
77 Department of Health, or by order of any other agency or legal  
78 entity of the state, the federal government, or any political  
79 subdivision of either, whose order is also approved by the State  
80 Department of Health;

81 (f) The acquisition or otherwise control of any major  
82 medical equipment for the provision of medical services; provided,  
83 however, (i) the acquisition of any major medical equipment used  
84 only for research purposes, and (ii) the acquisition of major  
85 medical equipment to replace medical equipment for which a  
86 facility is already providing medical services and for which the  
87 State Department of Health has been notified before the date of  
88 such acquisition shall be exempt from this paragraph; an  
89 acquisition for less than fair market value must be reviewed, if  
90 the acquisition at fair market value would be subject to review;

91 (g) Changes of ownership of existing health care  
92 facilities in which a notice of intent is not filed with the State  
93 Department of Health at least thirty (30) days prior to the date  
94 such change of ownership occurs, or a change in services or bed  
95 capacity as prescribed in paragraph (c) or (d) of this subsection

96 as a result of the change of ownership; an acquisition for less  
97 than fair market value must be reviewed, if the acquisition at  
98 fair market value would be subject to review;

99 (h) The change of ownership of any health care facility  
100 defined in subparagraphs (iv), (vi) and (viii) of Section  
101 41-7-173(h), in which a notice of intent as described in paragraph  
102 (g) has not been filed and if the Executive Director, Division of  
103 Medicaid, Office of the Governor, has not certified in writing  
104 that there will be no increase in allowable costs to Medicaid from  
105 revaluation of the assets or from increased interest and  
106 depreciation as a result of the proposed change of ownership;

107 (i) Any activity described in paragraphs (a) through  
108 (h) if undertaken by any person if that same activity would  
109 require certificate of need approval if undertaken by a health  
110 care facility;

111 (j) Any capital expenditure or deferred capital  
112 expenditure by or on behalf of a health care facility not covered  
113 by paragraphs (a) through (h);

114 (k) The contracting of a health care facility as  
115 defined in subparagraphs (i) through (viii) of Section 41-7-173(h)  
116 to establish a home office, subunit, or branch office in the space  
117 operated as a health care facility through a formal arrangement  
118 with an existing health care facility as defined in subparagraph  
119 (ix) of Section 41-7-173(h).

120 (2) The State Department of Health shall not grant approval  
121 for or issue a certificate of need to any person proposing the new  
122 construction of, addition to, or expansion of any health care  
123 facility defined in subparagraphs (iv) (skilled nursing facility)  
124 and (vi) (intermediate care facility) of Section 41-7-173(h) or  
125 the conversion of vacant hospital beds to provide skilled or  
126 intermediate nursing home care, except as hereinafter authorized:

127 (a) The department may issue a certificate of need to  
128 any person proposing the new construction of any health care

129 facility defined in subparagraphs (iv) and (vi) of Section  
130 41-7-173(h) as part of a life care retirement facility, in any  
131 county bordering on the Gulf of Mexico in which is located a  
132 National Aeronautics and Space Administration facility, not to  
133 exceed forty (40) beds. From and after July 1, 1999, there shall  
134 be no prohibition or restrictions on participation in the Medicaid  
135 program (Section 43-13-101 et seq.) for the beds in the health  
136 care facility that were authorized under this paragraph (a).

137 (b) The department may issue certificates of need in  
138 Harrison County to provide skilled nursing home care for  
139 Alzheimer's disease patients and other patients, not to exceed one  
140 hundred fifty (150) beds. From and after July 1, 1999, there  
141 shall be no prohibition or restrictions on participation in the  
142 Medicaid program (Section 43-13-101 et seq.) for the beds in the  
143 nursing facilities that were authorized under this paragraph (b).

144 (c) The department may issue a certificate of need for  
145 the addition to or expansion of any skilled nursing facility that  
146 is part of an existing continuing care retirement community  
147 located in Madison County, provided that the recipient of the  
148 certificate of need agrees in writing that the skilled nursing  
149 facility will not at any time participate in the Medicaid program  
150 (Section 43-13-101 et seq.) or admit or keep any patients in the  
151 skilled nursing facility who are participating in the Medicaid  
152 program. This written agreement by the recipient of the  
153 certificate of need shall be fully binding on any subsequent owner  
154 of the skilled nursing facility, if the ownership of the facility  
155 is transferred at any time after the issuance of the certificate  
156 of need. Agreement that the skilled nursing facility will not  
157 participate in the Medicaid program shall be a condition of the  
158 issuance of a certificate of need to any person under this  
159 paragraph (c), and if such skilled nursing facility at any time  
160 after the issuance of the certificate of need, regardless of the  
161 ownership of the facility, participates in the Medicaid program or

162 admits or keeps any patients in the facility who are participating  
163 in the Medicaid program, the State Department of Health shall  
164 revoke the certificate of need, if it is still outstanding, and  
165 shall deny or revoke the license of the skilled nursing facility,  
166 at the time that the department determines, after a hearing  
167 complying with due process, that the facility has failed to comply  
168 with any of the conditions upon which the certificate of need was  
169 issued, as provided in this paragraph and in the written agreement  
170 by the recipient of the certificate of need. The total number of  
171 beds that may be authorized under the authority of this paragraph  
172 (c) shall not exceed sixty (60) beds.

173 (d) The State Department of Health may issue a  
174 certificate of need to any hospital located in DeSoto County for  
175 the new construction of a skilled nursing facility, not to exceed  
176 one hundred twenty (120) beds, in DeSoto County. From and after  
177 July 1, 1999, there shall be no prohibition or restrictions on  
178 participation in the Medicaid program (Section 43-13-101 et seq.)  
179 for the beds in the nursing facility that were authorized under  
180 this paragraph (d).

181 (e) The State Department of Health may issue a  
182 certificate of need for the construction of a nursing facility or  
183 the conversion of beds to nursing facility beds at a personal care  
184 facility for the elderly in Lowndes County that is owned and  
185 operated by a Mississippi nonprofit corporation, not to exceed  
186 sixty (60) beds. From and after July 1, 1999, there shall be no  
187 prohibition or restrictions on participation in the Medicaid  
188 program (Section 43-13-101 et seq.) for the beds in the nursing  
189 facility that were authorized under this paragraph (e).

190 (f) The State Department of Health may issue a  
191 certificate of need for conversion of a county hospital facility  
192 in Itawamba County to a nursing facility, not to exceed sixty (60)  
193 beds, including any necessary construction, renovation or  
194 expansion. From and after July 1, 1999, there shall be no

195 prohibition or restrictions on participation in the Medicaid  
196 program (Section 43-13-101 et seq.) for the beds in the nursing  
197 facility that were authorized under this paragraph (f).

198 (g) The State Department of Health may issue a  
199 certificate of need for the construction or expansion of nursing  
200 facility beds or the conversion of other beds to nursing facility  
201 beds in either Hinds, Madison or Rankin County, not to exceed  
202 sixty (60) beds. From and after July 1, 1999, there shall be no  
203 prohibition or restrictions on participation in the Medicaid  
204 program (Section 43-13-101 et seq.) for the beds in the nursing  
205 facility that were authorized under this paragraph (g).

206 (h) The State Department of Health may issue a  
207 certificate of need for the construction or expansion of nursing  
208 facility beds or the conversion of other beds to nursing facility  
209 beds in either Hancock, Harrison or Jackson County, not to exceed  
210 sixty (60) beds. From and after July 1, 1999, there shall be no  
211 prohibition or restrictions on participation in the Medicaid  
212 program (Section 43-13-101 et seq.) for the beds in the facility  
213 that were authorized under this paragraph (h).

214 (i) The department may issue a certificate of need for  
215 the new construction of a skilled nursing facility in Leake  
216 County, provided that the recipient of the certificate of need  
217 agrees in writing that the skilled nursing facility will not at  
218 any time participate in the Medicaid program (Section 43-13-101 et  
219 seq.) or admit or keep any patients in the skilled nursing  
220 facility who are participating in the Medicaid program. This  
221 written agreement by the recipient of the certificate of need  
222 shall be fully binding on any subsequent owner of the skilled  
223 nursing facility, if the ownership of the facility is transferred  
224 at any time after the issuance of the certificate of need.  
225 Agreement that the skilled nursing facility will not participate  
226 in the Medicaid program shall be a condition of the issuance of a  
227 certificate of need to any person under this paragraph (i), and if

228 such skilled nursing facility at any time after the issuance of  
229 the certificate of need, regardless of the ownership of the  
230 facility, participates in the Medicaid program or admits or keeps  
231 any patients in the facility who are participating in the Medicaid  
232 program, the State Department of Health shall revoke the  
233 certificate of need, if it is still outstanding, and shall deny or  
234 revoke the license of the skilled nursing facility, at the time  
235 that the department determines, after a hearing complying with due  
236 process, that the facility has failed to comply with any of the  
237 conditions upon which the certificate of need was issued, as  
238 provided in this paragraph and in the written agreement by the  
239 recipient of the certificate of need. The provision of Section  
240 43-7-193(1) regarding substantial compliance of the projection of  
241 need as reported in the current State Health Plan is waived for  
242 the purposes of this paragraph. The total number of nursing  
243 facility beds that may be authorized by any certificate of need  
244 issued under this paragraph (i) shall not exceed sixty (60) beds.  
245 If the skilled nursing facility authorized by the certificate of  
246 need issued under this paragraph is not constructed and fully  
247 operational within eighteen (18) months after July 1, 1994, the  
248 State Department of Health, after a hearing complying with due  
249 process, shall revoke the certificate of need, if it is still  
250 outstanding, and shall not issue a license for the skilled nursing  
251 facility at any time after the expiration of the eighteen-month  
252 period.

253 (j) The department may issue certificates of need to  
254 allow any existing freestanding long-term care facility in  
255 Tishomingo County and Hancock County that on July 1, 1995, is  
256 licensed with fewer than sixty (60) beds. For the purposes of  
257 this paragraph (j), the provision of Section 41-7-193(1) requiring  
258 substantial compliance with the projection of need as reported in  
259 the current State Health Plan is waived. From and after July 1,  
260 1999, there shall be no prohibition or restrictions on



261 participation in the Medicaid program (Section 43-13-101 et seq.)  
262 for the beds in the long-term care facilities that were authorized  
263 under this paragraph (j).

264 (k) The department may issue a certificate of need for  
265 the construction of a nursing facility at a continuing care  
266 retirement community in Lowndes County. The total number of beds  
267 that may be authorized under the authority of this paragraph (k)  
268 shall not exceed sixty (60) beds. From and after July 1, 2001,  
269 the prohibition on the facility participating in the Medicaid  
270 program (Section 43-13-101 et seq.) that was a condition of  
271 issuance of the certificate of need under this paragraph (k) shall  
272 be revised as follows: The nursing facility may participate in  
273 the Medicaid program from and after July 1, 2001, if the owner of  
274 the facility on July 1, 2001, agrees in writing that no more than  
275 thirty (30) of the beds at the facility will be certified for  
276 participation in the Medicaid program, and that no claim will be  
277 submitted for Medicaid reimbursement for more than thirty (30)  
278 patients in the facility in any month or for any patient in the  
279 facility who is in a bed that is not Medicaid-certified. This  
280 written agreement by the owner of the facility shall be a  
281 condition of licensure of the facility, and the agreement shall be  
282 fully binding on any subsequent owner of the facility if the  
283 ownership of the facility is transferred at any time after July 1,  
284 2001. After this written agreement is executed, the Division of  
285 Medicaid and the State Department of Health shall not certify more  
286 than thirty (30) of the beds in the facility for participation in  
287 the Medicaid program. If the facility violates the terms of the  
288 written agreement by admitting or keeping in the facility on a  
289 regular or continuing basis more than thirty (30) patients who are  
290 participating in the Medicaid program, the State Department of  
291 Health shall revoke the license of the facility, at the time that  
292 the department determines, after a hearing complying with due  
293 process, that the facility has violated the written agreement.

294           (1) Provided that funds are specifically appropriated  
295 therefor by the Legislature, the department may issue a  
296 certificate of need to a rehabilitation hospital in Hinds County  
297 for the construction of a sixty-bed long-term care nursing  
298 facility dedicated to the care and treatment of persons with  
299 severe disabilities including persons with spinal cord and  
300 closed-head injuries and ventilator-dependent patients. The  
301 provision of Section 41-7-193(1) regarding substantial compliance  
302 with projection of need as reported in the current State Health  
303 Plan is hereby waived for the purpose of this paragraph.

304           (m) The State Department of Health may issue a  
305 certificate of need to a county-owned hospital in the Second  
306 Judicial District of Panola County for the conversion of not more  
307 than seventy-two (72) hospital beds to nursing facility beds,  
308 provided that the recipient of the certificate of need agrees in  
309 writing that none of the beds at the nursing facility will be  
310 certified for participation in the Medicaid program (Section  
311 43-13-101 et seq.), and that no claim will be submitted for  
312 Medicaid reimbursement in the nursing facility in any day or for  
313 any patient in the nursing facility. This written agreement by  
314 the recipient of the certificate of need shall be a condition of  
315 the issuance of the certificate of need under this paragraph, and  
316 the agreement shall be fully binding on any subsequent owner of  
317 the nursing facility if the ownership of the nursing facility is  
318 transferred at any time after the issuance of the certificate of  
319 need. After this written agreement is executed, the Division of  
320 Medicaid and the State Department of Health shall not certify any  
321 of the beds in the nursing facility for participation in the  
322 Medicaid program. If the nursing facility violates the terms of  
323 the written agreement by admitting or keeping in the nursing  
324 facility on a regular or continuing basis any patients who are  
325 participating in the Medicaid program, the State Department of  
326 Health shall revoke the license of the nursing facility, at the

327 time that the department determines, after a hearing complying  
328 with due process, that the nursing facility has violated the  
329 condition upon which the certificate of need was issued, as  
330 provided in this paragraph and in the written agreement. If the  
331 certificate of need authorized under this paragraph is not issued  
332 within twelve (12) months after July 1, 2001, the department shall  
333 deny the application for the certificate of need and shall not  
334 issue the certificate of need at any time after the twelve-month  
335 period, unless the issuance is contested. If the certificate of  
336 need is issued and substantial construction of the nursing  
337 facility beds has not commenced within eighteen (18) months after  
338 July 1, 2001, the State Department of Health, after a hearing  
339 complying with due process, shall revoke the certificate of need  
340 if it is still outstanding, and the department shall not issue a  
341 license for the nursing facility at any time after the  
342 eighteen-month period. Provided, however, that if the issuance of  
343 the certificate of need is contested, the department shall require  
344 substantial construction of the nursing facility beds within six  
345 (6) months after final adjudication on the issuance of the  
346 certificate of need.

347 (n) The department may issue a certificate of need for  
348 the new construction, addition or conversion of skilled nursing  
349 facility beds in Madison County, provided that the recipient of  
350 the certificate of need agrees in writing that the skilled nursing  
351 facility will not at any time participate in the Medicaid program  
352 (Section 43-13-101 et seq.) or admit or keep any patients in the  
353 skilled nursing facility who are participating in the Medicaid  
354 program. This written agreement by the recipient of the  
355 certificate of need shall be fully binding on any subsequent owner  
356 of the skilled nursing facility, if the ownership of the facility  
357 is transferred at any time after the issuance of the certificate  
358 of need. Agreement that the skilled nursing facility will not  
359 participate in the Medicaid program shall be a condition of the

360 issuance of a certificate of need to any person under this  
361 paragraph (n), and if such skilled nursing facility at any time  
362 after the issuance of the certificate of need, regardless of the  
363 ownership of the facility, participates in the Medicaid program or  
364 admits or keeps any patients in the facility who are participating  
365 in the Medicaid program, the State Department of Health shall  
366 revoke the certificate of need, if it is still outstanding, and  
367 shall deny or revoke the license of the skilled nursing facility,  
368 at the time that the department determines, after a hearing  
369 complying with due process, that the facility has failed to comply  
370 with any of the conditions upon which the certificate of need was  
371 issued, as provided in this paragraph and in the written agreement  
372 by the recipient of the certificate of need. The total number of  
373 nursing facility beds that may be authorized by any certificate of  
374 need issued under this paragraph (n) shall not exceed sixty (60)  
375 beds. If the certificate of need authorized under this paragraph  
376 is not issued within twelve (12) months after July 1, 1998, the  
377 department shall deny the application for the certificate of need  
378 and shall not issue the certificate of need at any time after the  
379 twelve-month period, unless the issuance is contested. If the  
380 certificate of need is issued and substantial construction of the  
381 nursing facility beds has not commenced within eighteen (18)  
382 months after the effective date of July 1, 1998, the State  
383 Department of Health, after a hearing complying with due process,  
384 shall revoke the certificate of need if it is still outstanding,  
385 and the department shall not issue a license for the nursing  
386 facility at any time after the eighteen-month period. Provided,  
387 however, that if the issuance of the certificate of need is  
388 contested, the department shall require substantial construction  
389 of the nursing facility beds within six (6) months after final  
390 adjudication on the issuance of the certificate of need.

391 (o) The department may issue a certificate of need for  
392 the new construction, addition or conversion of skilled nursing

393 facility beds in Leake County, provided that the recipient of the  
394 certificate of need agrees in writing that the skilled nursing  
395 facility will not at any time participate in the Medicaid program  
396 (Section 43-13-101 et seq.) or admit or keep any patients in the  
397 skilled nursing facility who are participating in the Medicaid  
398 program. This written agreement by the recipient of the  
399 certificate of need shall be fully binding on any subsequent owner  
400 of the skilled nursing facility, if the ownership of the facility  
401 is transferred at any time after the issuance of the certificate  
402 of need. Agreement that the skilled nursing facility will not  
403 participate in the Medicaid program shall be a condition of the  
404 issuance of a certificate of need to any person under this  
405 paragraph (o), and if such skilled nursing facility at any time  
406 after the issuance of the certificate of need, regardless of the  
407 ownership of the facility, participates in the Medicaid program or  
408 admits or keeps any patients in the facility who are participating  
409 in the Medicaid program, the State Department of Health shall  
410 revoke the certificate of need, if it is still outstanding, and  
411 shall deny or revoke the license of the skilled nursing facility,  
412 at the time that the department determines, after a hearing  
413 complying with due process, that the facility has failed to comply  
414 with any of the conditions upon which the certificate of need was  
415 issued, as provided in this paragraph and in the written agreement  
416 by the recipient of the certificate of need. The total number of  
417 nursing facility beds that may be authorized by any certificate of  
418 need issued under this paragraph (o) shall not exceed sixty (60)  
419 beds. If the certificate of need authorized under this paragraph  
420 is not issued within twelve (12) months after July 1, 2001, the  
421 department shall deny the application for the certificate of need  
422 and shall not issue the certificate of need at any time after the  
423 twelve-month period, unless the issuance is contested. If the  
424 certificate of need is issued and substantial construction of the  
425 nursing facility beds has not commenced within eighteen (18)

426 months after the effective date of July 1, 2001, the State  
427 Department of Health, after a hearing complying with due process,  
428 shall revoke the certificate of need if it is still outstanding,  
429 and the department shall not issue a license for the nursing  
430 facility at any time after the eighteen-month period. Provided,  
431 however, that if the issuance of the certificate of need is  
432 contested, the department shall require substantial construction  
433 of the nursing facility beds within six (6) months after final  
434 adjudication on the issuance of the certificate of need.

435           (p) The department may issue a certificate of need for  
436 the construction of a municipally-owned nursing facility within  
437 the Town of Belmont in Tishomingo County, not to exceed sixty (60)  
438 beds, provided that the recipient of the certificate of need  
439 agrees in writing that the skilled nursing facility will not at  
440 any time participate in the Medicaid program (Section 43-13-101 et  
441 seq.) or admit or keep any patients in the skilled nursing  
442 facility who are participating in the Medicaid program. This  
443 written agreement by the recipient of the certificate of need  
444 shall be fully binding on any subsequent owner of the skilled  
445 nursing facility, if the ownership of the facility is transferred  
446 at any time after the issuance of the certificate of need.  
447 Agreement that the skilled nursing facility will not participate  
448 in the Medicaid program shall be a condition of the issuance of a  
449 certificate of need to any person under this paragraph (p), and if  
450 such skilled nursing facility at any time after the issuance of  
451 the certificate of need, regardless of the ownership of the  
452 facility, participates in the Medicaid program or admits or keeps  
453 any patients in the facility who are participating in the Medicaid  
454 program, the State Department of Health shall revoke the  
455 certificate of need, if it is still outstanding, and shall deny or  
456 revoke the license of the skilled nursing facility, at the time  
457 that the department determines, after a hearing complying with due  
458 process, that the facility has failed to comply with any of the

459 conditions upon which the certificate of need was issued, as  
460 provided in this paragraph and in the written agreement by the  
461 recipient of the certificate of need. The provision of Section  
462 43-7-193(1) regarding substantial compliance of the projection of  
463 need as reported in the current State Health Plan is waived for  
464 the purposes of this paragraph. If the certificate of need  
465 authorized under this paragraph is not issued within twelve (12)  
466 months after July 1, 1998, the department shall deny the  
467 application for the certificate of need and shall not issue the  
468 certificate of need at any time after the twelve-month period,  
469 unless the issuance is contested. If the certificate of need is  
470 issued and substantial construction of the nursing facility beds  
471 has not commenced within eighteen (18) months after July 1, 1998,  
472 the State Department of Health, after a hearing complying with due  
473 process, shall revoke the certificate of need if it is still  
474 outstanding, and the department shall not issue a license for the  
475 nursing facility at any time after the eighteen-month period.  
476 Provided, however, that if the issuance of the certificate of need  
477 is contested, the department shall require substantial  
478 construction of the nursing facility beds within six (6) months  
479 after final adjudication on the issuance of the certificate of  
480 need.

481 (q) (i) Beginning on July 1, 1999, the State  
482 Department of Health shall issue certificates of need during each  
483 of the next four (4) fiscal years for the construction or  
484 expansion of nursing facility beds or the conversion of other beds  
485 to nursing facility beds in each county in the state having a need  
486 for fifty (50) or more additional nursing facility beds, as shown  
487 in the fiscal year 1999 State Health Plan, in the manner provided  
488 in this paragraph (q). The total number of nursing facility beds  
489 that may be authorized by any certificate of need authorized under  
490 this paragraph (q) shall not exceed sixty (60) beds.

491                   (ii) Subject to the provisions of subparagraph  
492 (v), during each of the next four (4) fiscal years, the department  
493 shall issue six (6) certificates of need for new nursing facility  
494 beds, as follows: During fiscal years 2000, 2001 and 2002, one  
495 (1) certificate of need shall be issued for new nursing facility  
496 beds in the county in each of the four (4) Long-Term Care Planning  
497 Districts designated in the fiscal year 1999 State Health Plan  
498 that has the highest need in the district for those beds; and two  
499 (2) certificates of need shall be issued for new nursing facility  
500 beds in the two (2) counties from the state at large that have the  
501 highest need in the state for those beds, when considering the  
502 need on a statewide basis and without regard to the Long-Term Care  
503 Planning Districts in which the counties are located. During  
504 fiscal year 2003, one (1) certificate of need shall be issued for  
505 new nursing facility beds in any county having a need for fifty  
506 (50) or more additional nursing facility beds, as shown in the  
507 fiscal year 1999 State Health Plan, that has not received a  
508 certificate of need under this paragraph (q) during the three (3)  
509 previous fiscal years. During fiscal year 2000, in addition to  
510 the six (6) certificates of need authorized in this subparagraph,  
511 the department also shall issue a certificate of need for new  
512 nursing facility beds in Amite County and a certificate of need  
513 for new nursing facility beds in Carroll County.

514                   (iii) Subject to the provisions of subparagraph  
515 (v), the certificate of need issued under subparagraph (ii) for  
516 nursing facility beds in each Long-Term Care Planning District  
517 during each fiscal year shall first be available for nursing  
518 facility beds in the county in the district having the highest  
519 need for those beds, as shown in the fiscal year 1999 State Health  
520 Plan. If there are no applications for a certificate of need for  
521 nursing facility beds in the county having the highest need for  
522 those beds by the date specified by the department, then the  
523 certificate of need shall be available for nursing facility beds



524 in other counties in the district in descending order of the need  
525 for those beds, from the county with the second highest need to  
526 the county with the lowest need, until an application is received  
527 for nursing facility beds in an eligible county in the district.

528 (iv) Subject to the provisions of subparagraph  
529 (v), the certificate of need issued under subparagraph (ii) for  
530 nursing facility beds in the two (2) counties from the state at  
531 large during each fiscal year shall first be available for nursing  
532 facility beds in the two (2) counties that have the highest need  
533 in the state for those beds, as shown in the fiscal year 1999  
534 State Health Plan, when considering the need on a statewide basis  
535 and without regard to the Long-Term Care Planning Districts in  
536 which the counties are located. If there are no applications for  
537 a certificate of need for nursing facility beds in either of the  
538 two (2) counties having the highest need for those beds on a  
539 statewide basis by the date specified by the department, then the  
540 certificate of need shall be available for nursing facility beds  
541 in other counties from the state at large in descending order of  
542 the need for those beds on a statewide basis, from the county with  
543 the second highest need to the county with the lowest need, until  
544 an application is received for nursing facility beds in an  
545 eligible county from the state at large.

546 (v) If a certificate of need is authorized to be  
547 issued under this paragraph (q) for nursing facility beds in a  
548 county on the basis of the need in the Long-Term Care Planning  
549 District during any fiscal year of the four-year period, a  
550 certificate of need shall not also be available under this  
551 paragraph (q) for additional nursing facility beds in that county  
552 on the basis of the need in the state at large, and that county  
553 shall be excluded in determining which counties have the highest  
554 need for nursing facility beds in the state at large for that  
555 fiscal year. After a certificate of need has been issued under  
556 this paragraph (q) for nursing facility beds in a county during

557 any fiscal year of the four-year period, a certificate of need  
558 shall not be available again under this paragraph (q) for  
559 additional nursing facility beds in that county during the  
560 four-year period, and that county shall be excluded in determining  
561 which counties have the highest need for nursing facility beds in  
562 succeeding fiscal years.

563 (vi) If more than one (1) application is made for  
564 a certificate of need for nursing home facility beds available  
565 under this paragraph (q), in Yalobusha, Newton or Tallahatchie  
566 County, and one (1) of the applicants is a county-owned hospital  
567 located in the county where the nursing facility beds are  
568 available, the department shall give priority to the county-owned  
569 hospital in granting the certificate of need if the following  
570 conditions are met:

571 1. The county-owned hospital fully meets all  
572 applicable criteria and standards required to obtain a certificate  
573 of need for the nursing facility beds; and

574 2. The county-owned hospital's qualifications  
575 for the certificate of need, as shown in its application and as  
576 determined by the department, are at least equal to the  
577 qualifications of the other applicants for the certificate of  
578 need.

579 (r) (i) Beginning on July 1, 1999, the State  
580 Department of Health shall issue certificates of need during each  
581 of the next two (2) fiscal years for the construction or expansion  
582 of nursing facility beds or the conversion of other beds to  
583 nursing facility beds in each of the four (4) Long-Term Care  
584 Planning Districts designated in the fiscal year 1999 State Health  
585 Plan, to provide care exclusively to patients with Alzheimer's  
586 disease.

587 (ii) Not more than twenty (20) beds may be  
588 authorized by any certificate of need issued under this paragraph  
589 (r), and not more than a total of sixty (60) beds may be

590 authorized in any Long-Term Care Planning District by all  
591 certificates of need issued under this paragraph (r). However,  
592 the total number of beds that may be authorized by all  
593 certificates of need issued under this paragraph (r) during any  
594 fiscal year shall not exceed one hundred twenty (120) beds, and  
595 the total number of beds that may be authorized in any Long-Term  
596 Care Planning District during any fiscal year shall not exceed  
597 forty (40) beds. Of the certificates of need that are issued for  
598 each Long-Term Care Planning District during the next two (2)  
599 fiscal years, at least one (1) shall be issued for beds in the  
600 northern part of the district, at least one (1) shall be issued  
601 for beds in the central part of the district, and at least one (1)  
602 shall be issued for beds in the southern part of the district.

603 (iii) The State Department of Health, in  
604 consultation with the Department of Mental Health and the Division  
605 of Medicaid, shall develop and prescribe the staffing levels,  
606 space requirements and other standards and requirements that must  
607 be met with regard to the nursing facility beds authorized under  
608 this paragraph (r) to provide care exclusively to patients with  
609 Alzheimer's disease.

610 (3) The State Department of Health may grant approval for  
611 and issue certificates of need to any person proposing the new  
612 construction of, addition to, conversion of beds of or expansion  
613 of any health care facility defined in subparagraph (x)  
614 (psychiatric residential treatment facility) of Section  
615 41-7-173(h). The total number of beds which may be authorized by  
616 such certificates of need shall not exceed three hundred  
617 forty-eight (348) beds for the entire state.

618 (a) Of the total number of beds authorized under this  
619 subsection, the department shall issue a certificate of need to a  
620 privately-owned psychiatric residential treatment facility in  
621 Simpson County for the conversion of sixteen (16) intermediate  
622 care facility for the mentally retarded (ICF-MR) beds to

623 psychiatric residential treatment facility beds, provided that  
624 facility agrees in writing that the facility shall give priority  
625 for the use of those sixteen (16) beds to Mississippi residents  
626 who are presently being treated in out-of-state facilities.

627           (b) Of the total number of beds authorized under this  
628 subsection, the department may issue a certificate or certificates  
629 of need for the construction or expansion of psychiatric  
630 residential treatment facility beds or the conversion of other  
631 beds to psychiatric residential treatment facility beds in Warren  
632 County, not to exceed sixty (60) psychiatric residential treatment  
633 facility beds, provided that the facility agrees in writing that  
634 no more than thirty (30) of the beds at the psychiatric  
635 residential treatment facility will be certified for participation  
636 in the Medicaid program (Section 43-13-101 et seq.) for the use of  
637 any patients other than those who are participating only in the  
638 Medicaid program of another state, and that no claim will be  
639 submitted to the Division of Medicaid for Medicaid reimbursement  
640 for more than thirty (30) patients in the psychiatric residential  
641 treatment facility in any day or for any patient in the  
642 psychiatric residential treatment facility who is in a bed that is  
643 not Medicaid-certified. This written agreement by the recipient  
644 of the certificate of need shall be a condition of the issuance of  
645 the certificate of need under this paragraph, and the agreement  
646 shall be fully binding on any subsequent owner of the psychiatric  
647 residential treatment facility if the ownership of the facility is  
648 transferred at any time after the issuance of the certificate of  
649 need. After this written agreement is executed, the Division of  
650 Medicaid and the State Department of Health shall not certify more  
651 than thirty (30) of the beds in the psychiatric residential  
652 treatment facility for participation in the Medicaid program for  
653 the use of any patients other than those who are participating  
654 only in the Medicaid program of another state. If the psychiatric  
655 residential treatment facility violates the terms of the written

656 agreement by admitting or keeping in the facility on a regular or  
657 continuing basis more than thirty (30) patients who are  
658 participating in the Mississippi Medicaid program, the State  
659 Department of Health shall revoke the license of the facility, at  
660 the time that the department determines, after a hearing complying  
661 with due process, that the facility has violated the condition  
662 upon which the certificate of need was issued, as provided in this  
663 paragraph and in the written agreement.

664 The State Department of Health, on or before July 1, 2002,  
665 shall transfer the certificate of need authorized under the  
666 authority of this paragraph (b), or reissue the certificate of  
667 need if it has expired, to River Region Health System.

668 (c) Of the total number of beds authorized under this  
669 subsection, the department shall issue a certificate of need to a  
670 hospital currently operating Medicaid-certified acute psychiatric  
671 beds for adolescents in DeSoto County, for the establishment of a  
672 forty-bed psychiatric residential treatment facility in DeSoto  
673 County, provided that the hospital agrees in writing (i) that the  
674 hospital shall give priority for the use of those forty (40) beds  
675 to Mississippi residents who are presently being treated in  
676 out-of-state facilities, and (ii) that no more than fifteen (15)  
677 of the beds at the psychiatric residential treatment facility will  
678 be certified for participation in the Medicaid program (Section  
679 43-13-101 et seq.), and that no claim will be submitted for  
680 Medicaid reimbursement for more than fifteen (15) patients in the  
681 psychiatric residential treatment facility in any day or for any  
682 patient in the psychiatric residential treatment facility who is  
683 in a bed that is not Medicaid-certified. This written agreement  
684 by the recipient of the certificate of need shall be a condition  
685 of the issuance of the certificate of need under this paragraph,  
686 and the agreement shall be fully binding on any subsequent owner  
687 of the psychiatric residential treatment facility if the ownership  
688 of the facility is transferred at any time after the issuance of

689 the certificate of need. After this written agreement is  
690 executed, the Division of Medicaid and the State Department of  
691 Health shall not certify more than fifteen (15) of the beds in the  
692 psychiatric residential treatment facility for participation in  
693 the Medicaid program. If the psychiatric residential treatment  
694 facility violates the terms of the written agreement by admitting  
695 or keeping in the facility on a regular or continuing basis more  
696 than fifteen (15) patients who are participating in the Medicaid  
697 program, the State Department of Health shall revoke the license  
698 of the facility, at the time that the department determines, after  
699 a hearing complying with due process, that the facility has  
700 violated the condition upon which the certificate of need was  
701 issued, as provided in this paragraph and in the written  
702 agreement.

703 (d) Of the total number of beds authorized under this  
704 subsection, the department may issue a certificate or certificates  
705 of need for the construction or expansion of psychiatric  
706 residential treatment facility beds or the conversion of other  
707 beds to psychiatric treatment facility beds, not to exceed thirty  
708 (30) psychiatric residential treatment facility beds, in either  
709 Alcorn, Tishomingo, Prentiss, Lee, Itawamba, Monroe, Chickasaw,  
710 Pontotoc, Calhoun, Lafayette, Union, Benton or Tippah County.

711 (e) Of the total number of beds authorized under this  
712 subsection (3) the department shall issue a certificate of need to  
713 a privately-owned, nonprofit psychiatric residential treatment  
714 facility in Hinds County for an eight-bed expansion of the  
715 facility, provided that the facility agrees in writing that the  
716 facility shall give priority for the use of those eight (8) beds  
717 to Mississippi residents who are presently being treated in  
718 out-of-state facilities.

719 (f) The department shall issue a certificate of need to  
720 a one-hundred-thirty-four-bed specialty hospital located on  
721 twenty-nine and forty-four one-hundredths (29.44) commercial acres

722 at 5900 Highway 39 North in Meridian (Lauderdale County),  
723 Mississippi, for the addition, construction or expansion of  
724 child/adolescent psychiatric residential treatment facility beds  
725 in Lauderdale County. As a condition of issuance of the  
726 certificate of need under this paragraph, the facility shall give  
727 priority in admissions to the child/adolescent psychiatric  
728 residential treatment facility beds authorized under this  
729 paragraph to patients who otherwise would require out-of-state  
730 placement. The Division of Medicaid, in conjunction with the  
731 Department of Human Services, shall furnish the facility a list of  
732 all out-of-state patients on a quarterly basis. Furthermore,  
733 notice shall also be provided to the parent, custodial parent or  
734 guardian of each out-of-state patient notifying them of the  
735 priority status granted by this paragraph. For purposes of this  
736 paragraph, the provisions of Section 41-7-193(1) requiring  
737 substantial compliance with the projection of need as reported in  
738 the current State Health Plan are waived. The total number of  
739 child/adolescent psychiatric residential treatment facility beds  
740 that may be authorized under the authority of this paragraph shall  
741 be sixty (60) beds. There shall be no prohibition or restrictions  
742 on participation in the Medicaid program (Section 43-13-101 et  
743 seq.) for the person receiving the certificate of need authorized  
744 under this paragraph or for the beds converted pursuant to the  
745 authority of that certificate of need.

746 (g) Of the total number of beds authorized under this  
747 subsection, the department shall issue a certificate of need to a  
748 privately-owned psychiatric residential treatment facility (PRTF)  
749 in Simpson County for the construction, expansion or conversion of  
750 fourteen (14) psychiatric residential treatment facility (PRTF)  
751 beds to be used to develop a specialized unit for the sub-acute  
752 treatment of children and adolescents, provided that the facility  
753 agrees in writing that the facility shall give priority for the  
754 use of those fourteen (14) beds to Mississippi residents who are

755 presently being treated in out-of-state facilities. There shall  
756 be no prohibition or restrictions on participation in the Medicaid  
757 program (Section 43-13-101 et seq.) for the person receiving the  
758 certificate of need pursuant to the authority of the certificate  
759 of need authorized under this paragraph (g).

760       (4) (a) From and after July 1, 1993, the department shall  
761 not issue a certificate of need to any person for the new  
762 construction of any hospital, psychiatric hospital or chemical  
763 dependency hospital that will contain any child/adolescent  
764 psychiatric or child/adolescent chemical dependency beds, or for  
765 the conversion of any other health care facility to a hospital,  
766 psychiatric hospital or chemical dependency hospital that will  
767 contain any child/adolescent psychiatric or child/adolescent  
768 chemical dependency beds, or for the addition of any  
769 child/adolescent psychiatric or child/adolescent chemical  
770 dependency beds in any hospital, psychiatric hospital or chemical  
771 dependency hospital, or for the conversion of any beds of another  
772 category in any hospital, psychiatric hospital or chemical  
773 dependency hospital to child/adolescent psychiatric or  
774 child/adolescent chemical dependency beds, except as hereinafter  
775 authorized:

776               (i) The department may issue certificates of need  
777 to any person for any purpose described in this subsection,  
778 provided that the hospital, psychiatric hospital or chemical  
779 dependency hospital does not participate in the Medicaid program  
780 (Section 43-13-101 et seq.) at the time of the application for the  
781 certificate of need and the owner of the hospital, psychiatric  
782 hospital or chemical dependency hospital agrees in writing that  
783 the hospital, psychiatric hospital or chemical dependency hospital  
784 will not at any time participate in the Medicaid program or admit  
785 or keep any patients who are participating in the Medicaid program  
786 in the hospital, psychiatric hospital or chemical dependency  
787 hospital. This written agreement by the recipient of the



788 certificate of need shall be fully binding on any subsequent owner  
789 of the hospital, psychiatric hospital or chemical dependency  
790 hospital, if the ownership of the facility is transferred at any  
791 time after the issuance of the certificate of need. Agreement  
792 that the hospital, psychiatric hospital or chemical dependency  
793 hospital will not participate in the Medicaid program shall be a  
794 condition of the issuance of a certificate of need to any person  
795 under this subparagraph (a)(i), and if such hospital, psychiatric  
796 hospital or chemical dependency hospital at any time after the  
797 issuance of the certificate of need, regardless of the ownership  
798 of the facility, participates in the Medicaid program or admits or  
799 keeps any patients in the hospital, psychiatric hospital or  
800 chemical dependency hospital who are participating in the Medicaid  
801 program, the State Department of Health shall revoke the  
802 certificate of need, if it is still outstanding, and shall deny or  
803 revoke the license of the hospital, psychiatric hospital or  
804 chemical dependency hospital, at the time that the department  
805 determines, after a hearing complying with due process, that the  
806 hospital, psychiatric hospital or chemical dependency hospital has  
807 failed to comply with any of the conditions upon which the  
808 certificate of need was issued, as provided in this subparagraph  
809 and in the written agreement by the recipient of the certificate  
810 of need.

811 (ii) The department may issue a certificate of  
812 need for the conversion of existing beds in a county hospital in  
813 Choctaw County from acute care beds to child/adolescent chemical  
814 dependency beds. For purposes of this subparagraph, the  
815 provisions of Section 41-7-193(1) requiring substantial compliance  
816 with the projection of need as reported in the current State  
817 Health Plan is waived. The total number of beds that may be  
818 authorized under authority of this subparagraph shall not exceed  
819 twenty (20) beds. There shall be no prohibition or restrictions  
820 on participation in the Medicaid program (Section 43-13-101 et

821 seq.) for the hospital receiving the certificate of need  
822 authorized under this subparagraph (a)(ii) or for the beds  
823 converted pursuant to the authority of that certificate of need.

824 (iii) The department may issue a certificate or  
825 certificates of need for the construction or expansion of  
826 child/adolescent psychiatric beds or the conversion of other beds  
827 to child/adolescent psychiatric beds in Warren County. For  
828 purposes of this subparagraph, the provisions of Section  
829 41-7-193(1) requiring substantial compliance with the projection  
830 of need as reported in the current State Health Plan are waived.  
831 The total number of beds that may be authorized under the  
832 authority of this subparagraph shall not exceed twenty (20) beds.  
833 There shall be no prohibition or restrictions on participation in  
834 the Medicaid program (Section 43-13-101 et seq.) for the person  
835 receiving the certificate of need authorized under this  
836 subparagraph (a)(iii) or for the beds converted pursuant to the  
837 authority of that certificate of need.

838 If by January 1, 2002, there has been no significant  
839 commencement of construction of the beds authorized under this  
840 subparagraph (a)(iii), or no significant action taken to convert  
841 existing beds to the beds authorized under this subparagraph, then  
842 the certificate of need that was previously issued under this  
843 subparagraph shall expire. If the previously issued certificate  
844 of need expires, the department may accept applications for  
845 issuance of another certificate of need for the beds authorized  
846 under this subparagraph, and may issue a certificate of need to  
847 authorize the construction, expansion or conversion of the beds  
848 authorized under this subparagraph.

849 (iv) The department shall issue a certificate of  
850 need to the Region 7 Mental Health/Retardation Commission for the  
851 construction or expansion of child/adolescent psychiatric beds or  
852 the conversion of other beds to child/adolescent psychiatric beds  
853 in any of the counties served by the commission. For purposes of

854 this subparagraph, the provisions of Section 41-7-193(1) requiring  
855 substantial compliance with the projection of need as reported in  
856 the current State Health Plan is waived. The total number of beds  
857 that may be authorized under the authority of this subparagraph  
858 shall not exceed twenty (20) beds. There shall be no prohibition  
859 or restrictions on participation in the Medicaid program (Section  
860 43-13-101 et seq.) for the person receiving the certificate of  
861 need authorized under this subparagraph (a)(iv) or for the beds  
862 converted pursuant to the authority of that certificate of need.

863 (v) The department may issue a certificate of need  
864 to any county hospital located in Leflore County for the  
865 construction or expansion of adult psychiatric beds or the  
866 conversion of other beds to adult psychiatric beds, not to exceed  
867 twenty (20) beds, provided that the recipient of the certificate  
868 of need agrees in writing that the adult psychiatric beds will not  
869 at any time be certified for participation in the Medicaid program  
870 and that the hospital will not admit or keep any patients who are  
871 participating in the Medicaid program in any of such adult  
872 psychiatric beds. This written agreement by the recipient of the  
873 certificate of need shall be fully binding on any subsequent owner  
874 of the hospital if the ownership of the hospital is transferred at  
875 any time after the issuance of the certificate of need. Agreement  
876 that the adult psychiatric beds will not be certified for  
877 participation in the Medicaid program shall be a condition of the  
878 issuance of a certificate of need to any person under this  
879 subparagraph (a)(v), and if such hospital at any time after the  
880 issuance of the certificate of need, regardless of the ownership  
881 of the hospital, has any of such adult psychiatric beds certified  
882 for participation in the Medicaid program or admits or keeps any  
883 Medicaid patients in such adult psychiatric beds, the State  
884 Department of Health shall revoke the certificate of need, if it  
885 is still outstanding, and shall deny or revoke the license of the  
886 hospital at the time that the department determines, after a

887 hearing complying with due process, that the hospital has failed  
888 to comply with any of the conditions upon which the certificate of  
889 need was issued, as provided in this subparagraph and in the  
890 written agreement by the recipient of the certificate of need.

891 (vi) The department may issue a certificate or  
892 certificates of need for the expansion of child psychiatric beds  
893 or the conversion of other beds to child psychiatric beds at the  
894 University of Mississippi Medical Center. For purposes of this  
895 subparagraph (a)(vi), the provision of Section 41-7-193(1)  
896 requiring substantial compliance with the projection of need as  
897 reported in the current State Health Plan is waived. The total  
898 number of beds that may be authorized under the authority of this  
899 subparagraph (a)(vi) shall not exceed fifteen (15) beds. There  
900 shall be no prohibition or restrictions on participation in the  
901 Medicaid program (Section 43-13-101 et seq.) for the hospital  
902 receiving the certificate of need authorized under this  
903 subparagraph (a)(vi) or for the beds converted pursuant to the  
904 authority of that certificate of need.

905 (b) From and after July 1, 1990, no hospital,  
906 psychiatric hospital or chemical dependency hospital shall be  
907 authorized to add any child/adolescent psychiatric or  
908 child/adolescent chemical dependency beds or convert any beds of  
909 another category to child/adolescent psychiatric or  
910 child/adolescent chemical dependency beds without a certificate of  
911 need under the authority of subsection (1)(c) of this section.

912 (5) The department may issue a certificate of need to a  
913 county hospital in Winston County for the conversion of fifteen  
914 (15) acute care beds to geriatric psychiatric care beds.

915 (6) The State Department of Health shall issue a certificate  
916 of need to a Mississippi corporation qualified to manage a  
917 long-term care hospital as defined in Section 41-7-173(h)(xii) in  
918 Harrison County, not to exceed eighty (80) beds, including any  
919 necessary renovation or construction required for licensure and

920 certification, provided that the recipient of the certificate of  
921 need agrees in writing that the long-term care hospital will not  
922 at any time participate in the Medicaid program (Section 43-13-101  
923 et seq.) or admit or keep any patients in the long-term care  
924 hospital who are participating in the Medicaid program. This  
925 written agreement by the recipient of the certificate of need  
926 shall be fully binding on any subsequent owner of the long-term  
927 care hospital, if the ownership of the facility is transferred at  
928 any time after the issuance of the certificate of need. Agreement  
929 that the long-term care hospital will not participate in the  
930 Medicaid program shall be a condition of the issuance of a  
931 certificate of need to any person under this subsection (6), and  
932 if such long-term care hospital at any time after the issuance of  
933 the certificate of need, regardless of the ownership of the  
934 facility, participates in the Medicaid program or admits or keeps  
935 any patients in the facility who are participating in the Medicaid  
936 program, the State Department of Health shall revoke the  
937 certificate of need, if it is still outstanding, and shall deny or  
938 revoke the license of the long-term care hospital, at the time  
939 that the department determines, after a hearing complying with due  
940 process, that the facility has failed to comply with any of the  
941 conditions upon which the certificate of need was issued, as  
942 provided in this subsection and in the written agreement by the  
943 recipient of the certificate of need. For purposes of this  
944 subsection, the provision of Section 41-7-193(1) requiring  
945 substantial compliance with the projection of need as reported in  
946 the current State Health Plan is hereby waived.

947 (7) The State Department of Health may issue a certificate  
948 of need to any hospital in the state to utilize a portion of its  
949 beds for the "swing-bed" concept. Any such hospital must be in  
950 conformance with the federal regulations regarding such swing-bed  
951 concept at the time it submits its application for a certificate  
952 of need to the State Department of Health, except that such

953 hospital may have more licensed beds or a higher average daily  
954 census (ADC) than the maximum number specified in federal  
955 regulations for participation in the swing-bed program. Any  
956 hospital meeting all federal requirements for participation in the  
957 swing-bed program which receives such certificate of need shall  
958 render services provided under the swing-bed concept to any  
959 patient eligible for Medicare (Title XVIII of the Social Security  
960 Act) who is certified by a physician to be in need of such  
961 services, and no such hospital shall permit any patient who is  
962 eligible for both Medicaid and Medicare or eligible only for  
963 Medicaid to stay in the swing beds of the hospital for more than  
964 thirty (30) days per admission unless the hospital receives prior  
965 approval for such patient from the Division of Medicaid, Office of  
966 the Governor. Any hospital having more licensed beds or a higher  
967 average daily census (ADC) than the maximum number specified in  
968 federal regulations for participation in the swing-bed program  
969 which receives such certificate of need shall develop a procedure  
970 to insure that before a patient is allowed to stay in the swing  
971 beds of the hospital, there are no vacant nursing home beds  
972 available for that patient located within a fifty-mile radius of  
973 the hospital. When any such hospital has a patient staying in the  
974 swing beds of the hospital and the hospital receives notice from a  
975 nursing home located within such radius that there is a vacant bed  
976 available for that patient, the hospital shall transfer the  
977 patient to the nursing home within a reasonable time after receipt  
978 of the notice. Any hospital which is subject to the requirements  
979 of the two (2) preceding sentences of this subsection may be  
980 suspended from participation in the swing-bed program for a  
981 reasonable period of time by the State Department of Health if the  
982 department, after a hearing complying with due process, determines  
983 that the hospital has failed to comply with any of those  
984 requirements.

985 (8) The Department of Health shall not grant approval for or  
986 issue a certificate of need to any person proposing the new  
987 construction of, addition to or expansion of a health care  
988 facility as defined in subparagraph (viii) of Section 41-7-173(h).

989 (9) The Department of Health shall not grant approval for or  
990 issue a certificate of need to any person proposing the  
991 establishment of, or expansion of the currently approved territory  
992 of, or the contracting to establish a home office, subunit or  
993 branch office within the space operated as a health care facility  
994 as defined in Section 41-7-173(h)(i) through (viii) by a health  
995 care facility as defined in subparagraph (ix) of Section  
996 41-7-173(h).

997 (10) Health care facilities owned and/or operated by the  
998 state or its agencies are exempt from the restraints in this  
999 section against issuance of a certificate of need if such addition  
1000 or expansion consists of repairing or renovation necessary to  
1001 comply with the state licensure law. This exception shall not  
1002 apply to the new construction of any building by such state  
1003 facility. This exception shall not apply to any health care  
1004 facilities owned and/or operated by counties, municipalities,  
1005 districts, unincorporated areas, other defined persons, or any  
1006 combination thereof.

1007 (11) The new construction, renovation or expansion of or  
1008 addition to any health care facility defined in subparagraph (ii)  
1009 (psychiatric hospital), subparagraph (iv) (skilled nursing  
1010 facility), subparagraph (vi) (intermediate care facility),  
1011 subparagraph (viii) (intermediate care facility for the mentally  
1012 retarded) and subparagraph (x) (psychiatric residential treatment  
1013 facility) of Section 41-7-173(h) which is owned by the State of  
1014 Mississippi and under the direction and control of the State  
1015 Department of Mental Health, and the addition of new beds or the  
1016 conversion of beds from one category to another in any such  
1017 defined health care facility which is owned by the State of

1018 Mississippi and under the direction and control of the State  
1019 Department of Mental Health, shall not require the issuance of a  
1020 certificate of need under Section 41-7-171 et seq.,  
1021 notwithstanding any provision in Section 41-7-171 et seq. to the  
1022 contrary.

1023 (12) The new construction, renovation or expansion of or  
1024 addition to any veterans homes or domiciliaries for eligible  
1025 veterans of the State of Mississippi as authorized under Section  
1026 35-1-19 shall not require the issuance of a certificate of need,  
1027 notwithstanding any provision in Section 41-7-171 et seq. to the  
1028 contrary.

1029 (13) The new construction of a nursing facility or nursing  
1030 facility beds or the conversion of other beds to nursing facility  
1031 beds shall not require the issuance of a certificate of need,  
1032 notwithstanding any provision in Section 41-7-171 et seq. to the  
1033 contrary, if the conditions of this subsection are met.

1034 (a) Before any construction or conversion may be  
1035 undertaken without a certificate of need, the owner of the nursing  
1036 facility, in the case of an existing facility, or the applicant to  
1037 construct a nursing facility, in the case of new construction,  
1038 first must file a written notice of intent and sign a written  
1039 agreement with the State Department of Health that the entire  
1040 nursing facility will not at any time participate in or have any  
1041 beds certified for participation in the Medicaid program (Section  
1042 43-13-101 et seq.), will not admit or keep any patients in the  
1043 nursing facility who are participating in the Medicaid program,  
1044 and will not submit any claim for Medicaid reimbursement for any  
1045 patient in the facility. This written agreement by the owner or  
1046 applicant shall be a condition of exercising the authority under  
1047 this subsection without a certificate of need, and the agreement  
1048 shall be fully binding on any subsequent owner of the nursing  
1049 facility if the ownership of the facility is transferred at any  
1050 time after the agreement is signed. After the written agreement



1051 is signed, the Division of Medicaid and the State Department of  
1052 Health shall not certify any beds in the nursing facility for  
1053 participation in the Medicaid program. If the nursing facility  
1054 violates the terms of the written agreement by participating in  
1055 the Medicaid program, having any beds certified for participation  
1056 in the Medicaid program, admitting or keeping any patient in the  
1057 facility who is participating in the Medicaid program, or  
1058 submitting any claim for Medicaid reimbursement for any patient in  
1059 the facility, the State Department of Health shall revoke the  
1060 license of the nursing facility at the time that the department  
1061 determines, after a hearing complying with due process, that the  
1062 facility has violated the terms of the written agreement.

1063 (b) For the purposes of this subsection, participation  
1064 in the Medicaid program by a nursing facility includes Medicaid  
1065 reimbursement of coinsurance and deductibles for recipients who  
1066 are qualified Medicare beneficiaries and/or those who are dually  
1067 eligible. Any nursing facility exercising the authority under  
1068 this subsection may not bill or submit a claim to the Division of  
1069 Medicaid for services to qualified Medicare beneficiaries and/or  
1070 those who are dually eligible.

1071 (c) The new construction of a nursing facility or  
1072 nursing facility beds or the conversion of other beds to nursing  
1073 facility beds described in this section must be either a part of a  
1074 completely new continuing care retirement community, as described  
1075 in the latest edition of the Mississippi State Health Plan, or an  
1076 addition to existing personal care and independent living  
1077 components, and so that the completed project will be a continuing  
1078 care retirement community, containing (i) independent living  
1079 accommodations, (ii) personal care beds, and (iii) the nursing  
1080 home facility beds. The three (3) components must be located on a  
1081 single site and be operated as one (1) inseparable facility. The  
1082 nursing facility component must contain a minimum of thirty (30)  
1083 beds. Any nursing facility beds authorized by this section will

1084 not be counted against the bed need set forth in the State Health  
1085 Plan, as identified in Section 41-7-171 et seq.

1086         This subsection (13) shall stand repealed from and after July  
1087 1, 2005.

1088         (14) The State Department of Health shall issue a  
1089 certificate of need to any hospital which is currently licensed  
1090 for two hundred fifty (250) or more acute care beds and is located  
1091 in any general hospital service area not having a comprehensive  
1092 cancer center, for the establishment and equipping of such a  
1093 center which provides facilities and services for outpatient  
1094 radiation oncology therapy, outpatient medical oncology therapy,  
1095 and appropriate support services including the provision of  
1096 radiation therapy services. The provision of Section 41-7-193(1)  
1097 regarding substantial compliance with the projection of need as  
1098 reported in the current State Health Plan is waived for the  
1099 purpose of this subsection.

1100         (15) The State Department of Health may authorize the  
1101 transfer of hospital beds, not to exceed sixty (60) beds, from the  
1102 North Panola Community Hospital to the South Panola Community  
1103 Hospital. The authorization for the transfer of those beds shall  
1104 be exempt from the certificate of need review process.

1105         (16) Nothing in this section or in any other provision of  
1106 Section 41-7-171 et seq. shall prevent any nursing facility from  
1107 designating an appropriate number of existing beds in the facility  
1108 as beds for providing care exclusively to patients with  
1109 Alzheimer's disease.

1110         **SECTION 2.** This act shall take effect and be in force from  
1111 and after its passage.