

By: Representative Franks

To: Public Health and Human  
Services

## HOUSE BILL NO. 1182

1 AN ACT TO CODIFY NEW SECTION 43-11-10, MISSISSIPPI CODE OF  
2 1972, TO PROVIDE THAT ANY TRANSFER OF A LICENSE TO OPERATE A  
3 NURSING FACILITY TO ANOTHER PERSON OR ENTITY MUST BE REVIEWED AND  
4 APPROVED BY THE LICENSING AGENCY BEFORE THE LICENSE MAY BE  
5 TRANSFERRED; TO PROVIDE THAT IF AN APPLICANT FOR A LICENSE TO  
6 OPERATE A NURSING FACILITY, OR AN ENTITY TO WHICH THE LICENSE IS  
7 SOUGHT TO BE TRANSFERRED, IS A CORPORATION OR OTHER ENTITY THAT  
8 HAS NO ASSETS OTHER THAN THE OWNERSHIP OF ANOTHER CORPORATION OR  
9 ENTITY, AND THE APPLICANT OR TRANSFEREE WILL NOT BE MANAGING  
10 ENTITY OF THE NURSING FACILITY, THE LICENSING AGENCY MUST REVIEW  
11 AND APPROVE THE MANAGING ENTITY BEFORE THE LICENSE MAY BE ISSUED;  
12 TO AUTHORIZE THE LICENSING AGENCY TO SANCTION A MANAGING ENTITY  
13 FOR VIOLATIONS OF THE LICENSURE LAW OR ANY RULE OR REGULATION OF  
14 THE LICENSING AGENCY; AND FOR RELATED PURPOSES.

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

16 **SECTION 1.** The following shall be codified as Section  
17 43-11-10, Mississippi Code of 1972:

18 43-11-10. (1) Any transfer of a license to operate a  
19 nursing facility to another person or entity must be reviewed and  
20 approved by the licensing agency before the license may be  
21 transferred. The licensing agency shall require any person or  
22 entity to which the license is sought to be transferred to meet  
23 the same requirements that an applicant for an initial license  
24 would have to meet.

25 (2) If an applicant for a license to operate a nursing  
26 facility, or an entity to which the license is sought to be  
27 transferred, is a corporation or other entity that has no assets  
28 other than the ownership of another corporation or entity, and the  
29 applicant or transferee will not be the entity that handles the  
30 daily operations of the nursing facility (the "managing entity"):

31 (a) The applicant or transferee must have adequate  
32 liability insurance as determined by the licensing agency;

33 (b) The licensing agency must review and approve the  
34 managing entity before the license may be issued;

35 (c) The managing entity must meet the same requirements  
36 and will be subject to the same standards that an applicant for an  
37 initial license would have to meet; and

38 (d) The managing entity must provide to the licensing  
39 agency the names, addresses and social security numbers of the  
40 principal officers of the entity before the managing entity may  
41 begin operation of the nursing facility.

42 (3) The licensing agency shall be authorized to sanction a  
43 managing entity for violations of this chapter or any rule or  
44 regulation of the licensing agency, in the same manner and to the  
45 same extent as it may sanction a licensee.

46 (4) If an applicant for a license to operate a nursing  
47 facility, or an entity to which the license is sought to be  
48 transferred, does not own the property on which a nursing facility  
49 is located but is a leaseholder only, the lease must be approved  
50 in advance by the licensing agency. In order to be approved, the  
51 lease must contain a provision for termination of the lease upon  
52 six (6) months' notice to the lessor, and must contain a provision  
53 that if the nursing facility residents cannot be adequately placed  
54 in a new facility within a period of six (6) months after notice  
55 of termination is given, the licensing agency may extend the lease  
56 one (1) time for another period of up to six (6) months until  
57 adequate provisions can be made for the residents.

58 **SECTION 2.** This act shall take effect and be in force from  
59 and after July 1, 2006.