To: Public Health and Human Services

MISSISSIPPI LEGISLATURE
REGULAR SESSION 2007
By: Representative Franks

HOUSE BILL NO. 720

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

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

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

43-11-10. (1) The licensing agency must review and approve any transfer of a license to operate a nursing facility to another person or entity before the license may be transferred. The licensing agency shall require any person or entity to which the license is sought to be transferred to meet the same requirements that an applicant for an initial license would have to meet.

(2) If an applicant for a license to operate a nursing facility, or an entity to which the license is sought to be transferred, is a corporation or other entity that has no assets other than the ownership of another corporation or entity, and the applicant or transferee will not be the entity that handles the daily operations of the nursing facility (the "managing entity"): (a) The applicant or transferee must have adequate liability insurance as determined by the licensing agency; (b) The licensing agency must review and approve the managing entity before the license may be issued;
(c) The managing entity must meet the same requirements and will be subject to the same standards that an applicant for an initial license would have to meet; and

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

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

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

SECTION 2. This act shall take effect and be in force from and after July 1, 2007.