

By: Representative Hines

To: Insurance; Public Health
and Human Services

HOUSE BILL NO. 112

1 AN ACT TO REQUIRE NURSING HOMES TO PURCHASE AND MAINTAIN A
2 CERTAIN MINIMUM AMOUNT OF LIABILITY INSURANCE; TO AMEND SECTIONS
3 43-11-7 AND 43-11-9, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE
4 PRECEDING PROVISION; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** (1) Any owner or operator of any nursing home
7 shall purchase and maintain not less than Five Hundred Thousand
8 Dollars (\$500,000.00) in liability insurance for each nursing
9 home. The liability insurance shall cover each resident per
10 occurrence of negligence. For the purposes of this section,
11 "nursing home" means any nursing home, personal care home,
12 assisted living facility, retirement home, convalescence home or
13 facility, hospice care services, home health service, long term
14 care facility, or any facility which provides medical treatment
15 care, personal care, supervision, medicine, nutrition or other
16 custodial palliative and rehabilitative care to the elderly,
17 infirmed, disabled or incapacitated.



18 (2) The liability coverage amount described in this section
19 shall include coverage for indemnity of the insured only. The
20 cost of defending the insured shall not be covered.

21 (3) No person may establish, own or operate a nursing home
22 in the state unless and until the person provides proof of
23 liability insurance coverage as described under this section to
24 the State Department of Health.

25 (4) The owner or operator of any nursing home shall disclose
26 to the patient or other person with whom the owner or operator is
27 contracting at the signing of a contract or the initial agreement
28 to provide nursing home care whether the owner or operator carries
29 liability insurance. The disclosure shall be written, the
30 structure and composition of which shall be determined by the
31 State Department of Health, and shall be placed immediately before
32 the space reserved in the contract for the signature of the
33 patient or other person with whom the owner or operator is
34 contracting with to provide nursing home care. The disclosure
35 shall be boldfaced and conspicuous type which is larger than the
36 type of the remaining text of the contract. The owner or operator
37 of any nursing home shall also prominently display such disclosure
38 in a conspicuous location in each of his nursing home facilities.

39 (5) The State Department of Health shall suspend or revoke
40 the license or certificate of any nursing home whose owner or
41 operator violates the provisions of this section.



42 **SECTION 2.** Section 43-11-7, Mississippi Code of 1972, is
43 amended as follows:

44 43-11-7. Any person, as defined in Section 43-11-1, may
45 apply for a license as provided in this section. An application
46 for a license shall be made to the licensing agency upon forms
47 provided by it and shall contain such information as the licensing
48 agency reasonably requires, which may include affirmative evidence
49 of the ability to comply with such reasonable standards, rules and
50 regulations as are lawfully prescribed under this chapter. An
51 application for a license to operate a nursing home also shall
52 include affirmative evidence of the ability to comply with the
53 requirement of liability insurance coverage. Each application for
54 a license for an institution for the aged or infirm, except for
55 personal care homes, shall be accompanied by a license fee of
56 Twenty Dollars (\$20.00) for each bed in the institution, with a
57 minimum fee per institution of Two Hundred Dollars (\$200.00),
58 which shall be paid to the licensing agency. Each application for
59 a license for a personal care home shall be accompanied by a
60 license fee of Fifteen Dollars (\$15.00) for each bed in the
61 institution, with a minimum fee per institution of One Hundred
62 Dollars (\$100.00), which shall be paid to the licensing agency.

63 No governmental entity or agency shall be required to pay the
64 fee or fees set forth in this section.

65 **SECTION 3.** Section 43-11-9, Mississippi Code of 1972, is
66 amended as follows:



67 43-11-9. (1) Upon receipt of an application for license and
68 the license fee, the licensing agency shall issue a license if the
69 applicant and the institutional facilities meet the requirements
70 established under this chapter and the requirements of Section
71 41-7-173 et seq., where determined by the licensing agency to be
72 applicable. A license, unless suspended or revoked, shall be
73 renewable annually upon payment by (a) the licensee of an
74 institution for the aged or infirm, except for personal care
75 homes, of a renewal fee of Twenty Dollars (\$20.00) for each bed in
76 the institution, with a minimum fee per institution of Two Hundred
77 Dollars (\$200.00), or (b) the licensee of a personal care home of
78 a renewal fee of Fifteen Dollars (\$15.00) for each bed in the
79 institution, with a minimum fee per institution of One Hundred
80 Dollars (\$100.00), which shall be paid to the licensing agency,
81 and upon filing by the licensee and approval by the licensing
82 agency of an annual report upon such uniform dates and containing
83 such information in such form as the licensing agency prescribes
84 by regulation. For the renewal of a license to operate a nursing
85 home, the annual report must show compliance with the requirement
86 of liability insurance coverage. Each license shall be issued
87 only for the premises and person or persons or other legal entity
88 or entities named in the application and shall not be transferable
89 or assignable except with the written approval of the licensing
90 agency. Licenses shall be posted in a conspicuous place on the
91 licensed premises.



92 (2) A fee known as a "User Fee" shall be applicable and
93 shall be paid to the licensing agency as set out in subsection (1)
94 hereof. This user fee shall be assessed for the purpose of the
95 required reviewing and inspections of the proposal of any
96 institution in which there are additions, renovations,
97 modernizations, expansion, alterations, conversions, modifications
98 or replacement of the entire facility involved in such proposal.
99 This fee includes the reviewing of architectural plans in all
100 steps required. There shall be a minimum user fee of Fifty
101 Dollars (\$50.00) and a maximum user fee of Five Thousand Dollars
102 (\$5,000.00).

103 (3) No governmental entity or agency shall be required to
104 pay the fee or fees set forth in this section.

105 **SECTION 4.** This act shall take effect and be in force from
106 and after July 1, 2013.

