

By: Representative Mims

To: Public Health and Human Services

HOUSE BILL NO. 267

1 AN ACT TO ESTABLISH THE MISSISSIPPI RURAL HOSPITAL TRANSITION  
 2 AND IMPROVEMENT GRANT PROGRAM UNDER THE DIRECTION AND  
 3 ADMINISTRATION OF THE STATE DEPARTMENT OF HEALTH FOR THE PURPOSE  
 4 OF MAKING GRANTS TO MISSISSIPPI RURAL HOSPITALS TO INCENTIVIZE THE  
 5 IMPLEMENTATION OF PLANS AND METHODOLOGIES THAT WILL INCREASE  
 6 ACCESS TO HEALTH CARE IN THE COMMUNITY AND RURAL HOSPITAL  
 7 SUSTAINABILITY; TO PRESCRIBE THE REQUIREMENTS FOR PARTICIPATION IN  
 8 THE PROGRAM AND PROVIDE RESTRICTIONS ON THE USE OF GRANT MONIES  
 9 RECEIVED BY RURAL HOSPITALS UNDER THE PROGRAM; TO PROVIDE FOR THE  
 10 ESTABLISHMENT OF AN ADVISORY COUNCIL TO REVIEW AND MAKE  
 11 RECOMMENDATIONS TO THE DEPARTMENT ON THE PROGRAM AND AWARDS OF  
 12 GRANTS; TO CREATE A SPECIAL FUND IN THE STATE TREASURY TO BE KNOWN  
 13 AS THE MISSISSIPPI RURAL HOSPITAL TRANSITION AND IMPROVEMENT GRANT  
 14 PROGRAM FUND, FROM WHICH GRANTS AND EXPENDITURES AUTHORIZED IN  
 15 CONNECTION WITH THE PROGRAM SHALL BE DISBURSED; AND FOR RELATED  
 16 PURPOSES.

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

18 **SECTION 1.** For purposes of this chapter:

19 (a) "Mississippi rural hospital" means any nonfederal  
 20 general acute care hospital that:

21 (i) Has fifty (50) or fewer short term acute beds  
 22 exclusive of geriatric psychiatric beds or any other type of beds  
 23 and is located in a Mississippi county that has a population of  
 24 less than sixty thousand (60,000) or is located in a municipality



25 that has a population of less than seven thousand five hundred  
26 (7,500); or

27 (ii) Is designated as a critical access hospital  
28 under 42 CFR 485, Subpart F.

29 (b) "Department" means the State Department of Health.

30 (c) "Grant" means a grant by the department to a rural  
31 hospital in accordance with this chapter.

32 (d) "Program" means the Mississippi Rural Hospital  
33 Transition and Improvement Grant Program established in this  
34 chapter.

35 **SECTION 2.** The Mississippi Rural Hospital Transition and  
36 Improvement Grant Program is established under the direction and  
37 administration of the State Department of Health for the purpose  
38 of making grants to rural hospitals in Mississippi to incentivize  
39 the implementation of plans and methodologies that will increase  
40 access to health care in the community and rural hospital  
41 sustainability.

42 **SECTION 3.** (1) Any Mississippi rural hospital desiring to  
43 participate in the program shall make application for a grant to  
44 the department in a form satisfactory to the department. The  
45 department shall receive grant proposals from Mississippi rural  
46 hospitals. All proposals shall be submitted in accordance with  
47 the provisions of grant procedures, criteria and standards  
48 developed and made public by the department. All approved grants



49 shall be awarded within thirty (30) days of approval by the  
50 department.

51 (2) The department shall use the funds provided by this  
52 chapter to make grants until July 1, 2019, to Mississippi rural  
53 hospitals upon proposals made under subsection (1) of this  
54 section. Grants that are awarded to Mississippi rural hospitals  
55 shall only be used by those hospitals to implement plans and  
56 methodologies that will increase access to health care in the  
57 community and rural hospital sustainability. Grant monies may be  
58 used by the rural hospital:

59 (a) To modify the type and extent of services provided  
60 by the rural hospital, in order to reflect the needs of the rural  
61 hospital and community;

62 (b) To develop hospital-based physician practices that  
63 integrate hospital and existing medical practice facilities that  
64 agree to transfer their practices, equipment, staffing, and  
65 administration to the hospital;

66 (c) To establish a provider cooperative, a telemedicine  
67 system, an electronic health records system, or a rural health  
68 care system or to cover expenses associated with being designated  
69 as a critical access hospital for the Medicare Rural Hospital  
70 Flexibility Program; and/or

71 (d) To increase accessibility to health services in the  
72 community that it serves and/or to address efficiency and  
73 viability of the hospital.



74           (3) Grants received by Mississippi rural hospitals under  
75 this chapter shall not be used:

76                   (a) To supplant federal funds traditionally received by  
77 those hospitals, but shall be used to supplement them; or

78                   (b) To finance or satisfy any existing debt.

79           (4) The department shall develop regulations, procedures and  
80 application forms to govern how grants will be awarded, shall  
81 develop a plan to ensure that grants are awarded to most deserving  
82 Mississippi rural hospitals, and shall develop an audit process to  
83 assure that grant monies are used in the manner awarded.

84           (5) The department shall administer the fund created by  
85 Section 4 of this act for the purpose of providing service grants  
86 to Mississippi rural hospitals in accordance with this chapter and  
87 the following terms and conditions:

88                   (a) The total amount of grants issued under this  
89 chapter shall be Ten Million Dollars (\$10,000,000.00) per state  
90 fiscal year.

91                   (b) No Mississippi rural hospital shall receive  
92 assistance under this program in excess of Five Hundred Thousand  
93 Dollars (\$500,000.00) per hospital per state fiscal year.

94                   (c) Each Mississippi rural hospital receiving a grant  
95 shall provide a yearly report to the department that details the  
96 expenditure of grant funds and certify that the grant funds were  
97 used in the manner awarded.



98           (6) The department shall establish an advisory council to  
99 review and make recommendations to the department on the  
100 Mississippi Rural Hospital Transition and Improvement Grant  
101 Program and awards of grants. Those recommendations by the  
102 advisory council shall not be binding upon the department, but  
103 when a recommendation by the advisory council is not followed by  
104 the department, the department shall keep a record of the reasons  
105 for not accepting the advisory council's recommendation, and  
106 provide for an appeals process.

107           (7) The composition of the advisory council shall be the  
108 following:

109                   (a) Two (2) employees of the department;

110                   (b) One (1) representative of the Mississippi Hospital  
111 Association;

112                   (c) Two (2) representatives from two (2) separate rural  
113 hospitals that are critical access hospitals;

114                   (d) Two (2) representatives from two (2) separate rural  
115 hospitals that are not critical access hospitals; and

116                   (e) Two (2) licensed physicians from two (2) separate  
117 areas designated as a rural county or rural area by the  
118 department.

119           (8) The department may use a portion of any grant monies  
120 received under this chapter to administer the program and to pay  
121 reasonable expenses incurred by the advisory council; however, in



122 no case shall more than Sixty Thousand Dollars (\$60,000.00)  
123 annually be used for program expenses.

124 (9) No assistance shall be provided to a Mississippi rural  
125 hospital under this chapter unless the Mississippi rural hospital  
126 certifies to the department that it will not discriminate against  
127 any employee or against any applicant for employment because of  
128 race, religion, color, national origin, sex or age.

129 **SECTION 4.** There is created a special fund in the State  
130 Treasury to be known as the Mississippi Rural Hospital Transition  
131 and Improvement Grant Program Fund, from which grants and  
132 expenditures authorized in connection with the program shall be  
133 disbursed. All monies received by legislative appropriation to  
134 carry out the purposes of this chapter shall be deposited into the  
135 special fund.

136 **SECTION 5.** This act shall be codified as a new chapter in  
137 Title 41, Mississippi Code of 1972.

138 **SECTION 6.** This act shall take effect and be in force from  
139 and after July 1, 2016, provided that the Legislature has provided  
140 funding for the program to be established under this act.

