

By: Representatives Mims, Sykes, Bounds,
Patterson, Mangold

To: Public Health and Human
Services; Appropriations

HOUSE BILL NO. 318

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

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

18 **SECTION 1.** This chapter shall be known and may be cited as
 19 the "Save the Rural Hospital Act."

20 **SECTION 2.** For purposes of this chapter:

21 (a) "Mississippi rural hospital" means any nonfederal
 22 general acute care hospital that:

23 (i) Has fifty (50) or fewer short term acute beds
 24 exclusive of geriatric psychiatric beds or any other type of beds
 25 and is located in a Mississippi county that has a population of



26 less than sixty thousand (60,000) or is located in a municipality
27 that has a population of less than seven thousand five hundred
28 (7,500); or

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

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

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

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

37 **SECTION 3.** The Mississippi Rural Hospital Transition and
38 Improvement Grant Program is established under the direction and
39 administration of the State Department of Health for the purpose
40 of making grants to rural hospitals in Mississippi to incentivize
41 the implementation of plans and methodologies that will increase
42 access to health care in the community and rural hospital
43 sustainability.

44 **SECTION 4.** (1) Any Mississippi rural hospital desiring to
45 participate in the program shall make application for a grant to
46 the department in a form satisfactory to the department. The
47 department shall receive grant proposals from Mississippi rural
48 hospitals. All proposals shall be submitted in accordance with
49 the provisions of grant procedures, criteria and standards
50 developed and made public by the department. All approved grants



51 shall be awarded within thirty (30) days of approval by the
52 department.

53 (2) The department shall use the funds provided by this
54 chapter to make grants until July 1, 2020, to Mississippi rural
55 hospitals upon proposals made under subsection (1) of this
56 section. Grants that are awarded to Mississippi rural hospitals
57 shall only be used by those hospitals to implement plans and
58 methodologies that will increase access to health care in the
59 community and rural hospital sustainability. Grant monies may be
60 used by the rural hospital:

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

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

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

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



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

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

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

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

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

90 (a) The total amount of grants issued under this
91 chapter shall be Four Million Dollars (\$4,000,000.00) per state
92 fiscal year.

93 (b) No Mississippi rural hospital shall receive
94 assistance under this program in excess of Two Hundred Thousand
95 Dollars (\$200,000.00) per hospital per state fiscal year.

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



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

109 (7) The composition of the advisory council shall be the
110 following:

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

112 (b) One (1) representative of the Mississippi Hospital
113 Association;

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

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

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

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



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

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

131 **SECTION 5.** There is created a special fund in the State
132 Treasury to be known as the Mississippi Rural Hospital Transition
133 and Improvement Grant Program Fund, from which grants and
134 expenditures authorized in connection with the program shall be
135 disbursed. All monies received by legislative appropriation to
136 carry out the purposes of this chapter shall be deposited into the
137 special fund.

138 **SECTION 6.** This act shall be codified as a new chapter in
139 Title 41, Mississippi Code of 1972.

140 **SECTION 7.** This act shall take effect and be in force from
141 and after July 1, 2017.

