

By: Representatives Hines, Bailey, Harness, Osborne, Paden, Johnson, Hulum, Anderson (110th), Banks, Bell (65th), Blackmon, Brown (70th), Clark, Clarke, Crudup, Denton, Faulkner, Gibbs, Holloway, McCray, Miles, Porter, Rosebud, Sanders, Straughter, Summers, Taylor, Thompson, Walker, Watson, Young, Mickens, Foster, Anthony

To: Public Health and Human Services; Appropriations

HOUSE BILL NO. 525

1 AN ACT TO ESTABLISH THE MISSISSIPPI HOSPITAL RECOVERY TRUST
 2 PROGRAM IN THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO PROVIDE
 3 GRANTS TO PUBLIC HOSPITALS AT HIGH FINANCIAL RISK TO HELP THOSE
 4 HOSPITALS BE MORE FINANCIALLY VIABLE SO THAT THEY CAN CONTINUE TO
 5 OPERATE AND BE AVAILABLE TO PROVIDE HEALTH CARE SERVICES TO THE
 6 COMMUNITIES IN WHICH THEY ARE LOCATED; TO CREATE A SPECIAL FUND TO
 7 BE KNOWN AS THE MISSISSIPPI HOSPITAL RECOVERY TRUST FUND, WHICH
 8 SHALL BE ADMINISTERED BY THE DEPARTMENT AND EXPENDED FOR THE SOLE
 9 PURPOSE OF PROVIDING GRANTS TO PUBLIC HOSPITALS UNDER THE
 10 PROVISIONS OF THIS ACT; TO PROVIDE THAT TO BE ELIGIBLE FOR A
 11 GRANT, A PUBLIC HOSPITAL MUST APPLY FOR THE GRANT AND INCLUDE SUCH
 12 DOCUMENTATION AS SPECIFIED BY THE DEPARTMENT SHOWING THAT THE
 13 HOSPITAL IS AT HIGH FINANCIAL RISK; TO PROVIDE THAT THE AMOUNT OF
 14 EACH GRANT SHALL BE DETERMINED BY THE DEPARTMENT, WITH PRIORITY
 15 FOR LARGER GRANTS BEING GIVEN TO PUBLIC HOSPITALS THAT ARE AT
 16 IMMEDIATE RISK OF CLOSING AND WHOSE SURVIVAL IS CRITICALLY
 17 ESSENTIAL TO THE COMMUNITY IN WHICH IT IS LOCATED; TO PROVIDE THAT
 18 WITHIN FIVE BUSINESS DAYS AFTER RECEIPT OF AN APPLICATION WITH THE
 19 REQUIRED DOCUMENTATION SHOWING THAT THE PUBLIC HOSPITAL IS AT HIGH
 20 FINANCIAL RISK, THE DEPARTMENT SHALL APPROVE THE APPLICATION AND
 21 DISTRIBUTE THE GRANT TO THE HOSPITAL; TO REQUIRE THE DEPARTMENT TO
 22 MAKE ANNUAL REPORTS TO THE JOINT LEGISLATIVE BUDGET COMMITTEE
 23 ABOUT EACH GRANT MADE UNDER THIS ACT; AND FOR RELATED PURPOSES.

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

25 **SECTION 1.** (1) As used in this section, the following terms
 26 shall have the meanings as defined in this subsection:

27 (a) "Department" means the Department of Finance and
 28 Administration.



29 (b) "High financial risk" means financial strain and
30 being on the verge of closure as a result of any combination of
31 the following conditions: poor profits, high amount of debt, high
32 percentage of uninsured patients, large amount of uncompensated
33 care, small amount of capital, low cash reserves, difficulty in
34 paying staff and loss of essential services.

35 (c) "Public hospital" means a licensed hospital that is
36 wholly or jointly owned by the State of Mississippi or a political
37 subdivision of the state.

38 (2) The Mississippi Hospital Recovery Trust Program is
39 created in the Department of Finance and Administration to provide
40 grants to public hospitals at high financial risk to help those
41 hospitals be more financially viable so that they can continue to
42 operate and be available to provide health care services to the
43 communities in which they are located.

44 (3) There is created in the State Treasury a special fund to
45 be known as the Mississippi Hospital Recovery Trust Fund, which
46 shall be administered by the department. The fund shall consist
47 of legislative appropriations, federal funds, contributions,
48 donations, gifts and monies from any other source that are made
49 available for deposit into the fund. Monies in the fund shall be
50 expended by the department upon appropriation of the Legislature
51 for the sole purpose of providing grants to public hospitals under
52 the provisions of this section. Monies remaining in the fund at
53 the end of a fiscal year shall not lapse into the State General



54 Fund, and any interest earned from the investment of monies in the
55 fund shall be deposited to the credit of the fund.

56 (4) The department shall provide the terms and conditions of
57 each grant, which shall be subject to the following provisions:

58 (a) To be eligible for a grant, a public hospital must
59 apply for the grant and include with the application such
60 documentation as specified by the department showing that the
61 hospital is at high financial risk;

62 (b) The amount of each grant shall be determined by the
63 department, with priority for larger grants being given to public
64 hospitals that are at immediate risk of closing and whose survival
65 is critically essential to the community in which it is located;
66 and

67 (c) Within five (5) business days after receipt of an
68 application with the required documentation showing that the
69 public hospital is at high financial risk, the department shall
70 approve the application and distribute the grant to the hospital.

71 (5) The department shall monitor the performance of each
72 public hospital that receives a grant under this section, and not
73 later than October 1, 2023, and each October 1 thereafter, the
74 department shall report to the Joint Legislative Budget Committee
75 about each grant made, including:

76 (a) The name and location of the public hospital;

77 (b) The amount of the grant; and

78 (c) How the hospital has used the grant.



79 **SECTION 2.** This act shall take effect and be in force from
80 and after its passage.

