

**Adopted  
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

**Senate Bill No. 2323**

**BY: Committee**

**Amend by striking all after the enacting clause and inserting  
in lieu thereof the following:**

32           **SECTION 1.** Section 41-13-35, Mississippi Code of 1972, is  
33 amended as follows:

34           41-13-35. (1) The board of trustees of any community  
35 hospital shall have full authority to appoint an administrator,  
36 who shall not be a member of the board of trustees, and to  
37 delegate reasonable authority to such administrator for the  
38 operation and maintenance of such hospital and all property and  
39 facilities otherwise appertaining thereto.

40           (2) The board of trustees shall have full authority to  
41 select from its members, officers and committees and, by



42 resolution or through the board bylaws, to delegate to such  
43 officers and committees reasonable authority to carry out and  
44 enforce the powers and duties of the board of trustees during the  
45 interim periods between regular meetings of the board of trustees;  
46 provided, however, that any such action taken by an officer or  
47 committee shall be subject to review by the board, and actions may  
48 be withdrawn or nullified at the next subsequent meeting of the  
49 board of trustees if the action is in excess of delegated  
50 authority.

51 (3) The board of trustees shall be responsible for governing  
52 the community hospital under its control and shall make and  
53 enforce staff and hospital bylaws and/or rules and regulations  
54 necessary for the administration, government, maintenance and/or  
55 expansion of such hospitals. The board of trustees shall keep  
56 minutes of its official business and shall comply with Section  
57 41-9-68.

58 (4) The decisions of \* \* \* the board of trustees of the  
59 community hospital shall be valid and binding unless expressly  
60 prohibited by applicable statutory or constitutional provisions.

61 (5) The \* \* \* powers and duties of the board of trustees  
62 shall specifically include, but not be limited to, the  
63 following \* \* \*:

64 (a) To deposit and invest funds of the community  
65 hospital in accordance with Section 27-105-365;



66           (b) To establish such equitable wage and salary  
67 programs and other employment benefits as may be deemed expedient  
68 or proper, and in so doing, to expend reasonable funds for such  
69 employee salary and benefits. Allowable employee programs shall  
70 specifically include, but not be limited to, medical benefit,  
71 life, accidental death and dismemberment, disability, retirement  
72 and other employee coverage plans. The hospital may offer and  
73 fund such programs directly or by contract with any third party  
74 and shall be authorized to take all actions necessary to  
75 implement, administer and operate such plans, including payroll  
76 deductions for such plans;

77           (c) To authorize employees to attend and to pay actual  
78 expenses incurred by employees while engaged in hospital business  
79 or in attending recognized educational or professional meetings;

80           (d) To enter into loan or scholarship agreements with  
81 employees or students to provide educational assistance where such  
82 student or employee agrees to work for a stipulated period of time  
83 for the hospital;

84           (e) To devise and implement employee incentive  
85 programs;

86           (f) To recruit and financially assist physicians and  
87 other health care practitioners in establishing, or relocating  
88 practices within the service area of the community hospital  
89 including, without limitation, direct and indirect financial  
90 assistance, loan agreements, agreements guaranteeing minimum



91 incomes for a stipulated period from opening of the practice and  
92 providing free office space or reduced rental rates for office  
93 space where such recruitment would directly benefit the community  
94 hospital and/or the health and welfare of the citizens of the  
95 service area;

96 (g) To contract by way of lease, lease-purchase or  
97 otherwise, with any agency, department or other office of  
98 government or any individual, partnership, corporation, owner,  
99 other board of trustees, or other health care facility, for the  
100 providing of property, equipment or services by or to the  
101 community hospital or other entity or regarding any facet of the  
102 construction, management, funding or operation of the community  
103 hospital or any division or department thereof, or any related  
104 activity, including, without limitation, shared management  
105 expertise or employee insurance and retirement programs, and to  
106 terminate \* \* \* those contracts when deemed in the best interests  
107 of the community hospital;

108 (h) To file suit on behalf of the community hospital to  
109 enforce any right or claims accruing to the hospital and to defend  
110 and/or settle claims against the community hospital and/or its  
111 board of trustees;

112 (i) To sell or otherwise dispose of any chattel  
113 property of the community hospital by any method deemed  
114 appropriate by the board where such disposition is consistent with



115 the hospital purposes or where such property is deemed by the  
116 board to be surplus or otherwise unneeded;

117 (j) To let contracts for the construction, remodeling,  
118 expansion or acquisition, by lease or purchase, of hospital or  
119 health care facilities, including real property, within the  
120 service area for community hospital purposes where such may be  
121 done with operational funds without encumbering the general  
122 funds of the county or municipality, provided that any contract  
123 for the purchase or lease of real property must \* \* \* have the  
124 prior approval of the owner;

125 (k) To borrow money and enter other financing  
126 arrangements for community hospital and related purposes and to  
127 grant security interests in hospital equipment and other hospital  
128 assets and to pledge a percentage of hospital revenues as security  
129 for such financings where needed; provided that the owner shall  
130 specify by resolution the maximum borrowing authority and maximum  
131 percent of revenue \* \* \* that may be pledged by the board of  
132 trustees during any given fiscal year;

133 (l) To expend hospital funds for public relations or  
134 advertising programs;

135 (m) To offer the following inpatient and outpatient  
136 services, after complying with applicable health planning,  
137 licensure statutes and regulations, whether or not heretofore  
138 offered by such hospital or other similar hospitals in this state  
139 and whether or not heretofore authorized to be offered, long-term



140 care, extended care, home care, after-hours clinic services,  
141 ambulatory surgical clinic services, preventative health care  
142 services including wellness services, health education,  
143 rehabilitation and diagnostic and treatment services; to promote,  
144 develop, operate and maintain a center providing care or  
145 residential facilities for the aged, convalescent or handicapped;  
146 and to promote, develop and institute any other services having an  
147 appropriate place in the operation of a hospital offering complete  
148 community health care;

149           (n) To promote, develop, acquire, operate and maintain  
150 on a nonprofit basis, or on a profit basis if the community  
151 hospital's share of profits is used solely for community hospital  
152 and related purposes in accordance with this chapter, either  
153 separately or jointly with one or more other hospitals or  
154 health-related organizations, facilities and equipment for  
155 providing goods, services and programs for hospitals, other health  
156 care providers, and other persons or entities in need of such  
157 goods, services and programs and, in doing so, to provide for  
158 contracts of employment or contracts for services and ownership of  
159 property on terms that will protect the public interest;

160           (o) To establish and operate medical offices, child  
161 care centers, wellness or fitness centers and other facilities and  
162 programs which the board determines are appropriate in the  
163 operation of a community hospital for the benefit of its  
164 employees, personnel and/or medical staff which shall be operated



165 as an integral part of the hospital and which may, in the  
166 direction of the board of trustees, be offered to the general  
167 public. If such programs are not established in existing  
168 facilities or constructed on real estate previously acquired by  
169 the owners, the board of trustees shall also have authority to  
170 acquire, by lease or purchase, such facilities and real property  
171 within the service area, whether or not adjacent to existing  
172 facilities, provided that any contract for the purchase of real  
173 property shall be ratified by the owner. The trustees shall lease  
174 any such medical offices to members of the medical staff at rates  
175 deemed appropriate and may, in its discretion, establish rates to  
176 be paid for the use of other facilities or programs by its  
177 employees or personnel or members of the public whom the trustees  
178 may determine may properly use such other facilities or programs;

179 (p) Provide, at its discretion, ambulance service  
180 and/or to contract with any third party, public or private, for  
181 the providing of such service;

182 (q) Establish a fair and equitable system for the  
183 billing of patients for care or users of services received through  
184 the community hospital, which in the exercise of the board of  
185 trustees' prudent fiscal discretion, may allow for rates to be  
186 classified according to the potential usage by an identified group  
187 or groups of patients of the community hospital's services and may  
188 allow for standard discounts where the discount is designed to  
189 reduce the operating costs or increase the revenues of the



190 community hospital. Such billing system may also allow for the  
191 payment of charges by means of a credit card or similar device and  
192 allow for payment of administrative fees as may be regularly  
193 imposed by a banking institution or other credit service  
194 organization for the use of such cards;

195 (r) To establish as an organizational part of the  
196 hospital or to aid in establishing as a separate entity from the  
197 hospital, hospital auxiliaries designed to aid the hospital, its  
198 patients, and/or families and visitors of patients, and when the  
199 auxiliary is established as a separate entity from the hospital,  
200 the board of trustees may cooperate with the auxiliary in its  
201 operations as the board of trustees deems appropriate; \* \* \*

202 (s) To make any agreements or contracts with the  
203 federal government or any agency thereof, the State of Mississippi  
204 or any agency thereof, and any county, city, town, supervisors  
205 district or election district within this state, jointly or  
206 separately, for the maintenance of charity facilities \* \* \*;

207 (t) To acquire hospitals, health care facilities and  
208 other health care-related operations and assets, through direct  
209 purchase, merger, consolidation, lease or other means;

210 (u) To enter into joint ventures, joint-operating  
211 agreements or similar arrangements with other public or private  
212 health care-related organizations, or with for-profit or nonprofit  
213 corporations, for-profit or nonprofit limited liability companies  
214 or other similar organizations, either directly or through a





215 nonprofit corporation formed or owned by the community hospital,  
216 for the joint operation of all or part of the community hospital,  
217 or the joint operation of any health care facilities or health  
218 care services, and in doing so, to convey the community hospital's  
219 assets, service lines or facilities to the joint venture or to any  
220 other organization or entity for fair market value, and to provide  
221 for contracts of employment or contracts for services and  
222 ownership of property that will protect the public interest;

223 (v) To form, establish, fund and operate nonprofit  
224 corporations, nonprofit limited liability companies,  
225 state-sponsored entities or other similar organizations, either  
226 directly or through a nonprofit corporation formed by the  
227 community hospital, which are jointly owned with other public or  
228 private hospitals, for-profit or nonprofit corporations, or other  
229 health care-related organizations, for the purpose of conducting  
230 activities within or outside of the community hospital's service  
231 area for the benefit of the community hospital, including, but not  
232 limited to, joint hospital acquisitions, group purchasing,  
233 clinically integrated networks, payor contracting, and joint  
234 requests for federal and state grants and funding;

235 (w) To make capital contributions, loans, debt or  
236 equity financing to or for any joint venture or similar  
237 arrangement in which the community hospital, or any nonprofit  
238 corporation formed, leased or owned by the community hospital, has



239 or acquires an ownership interest, and to guarantee loans and any  
240 other obligations for such purposes;

241 (x) To establish arrangements for the community  
242 hospital to participate in financial integration and/or clinical  
243 integration or clinically integrated networks with a joint  
244 venture, with other public or private or nonprofit health-related  
245 organizations, or through a joint-operating agreement;

246 (y) To have an ownership interest in, make capital  
247 contributions to, and assume financial risk under, accountable  
248 care organizations or similar organizations;

249 (z) To enter into any contract for a term of any  
250 length, regardless of whether the length or term of the contract  
251 exceeds the term of the board of trustees of the community  
252 hospital;

253 (aa) To elect some, any or all of the members of the  
254 board of directors of any nonprofit corporation of which the  
255 community hospital is a member;

256 (bb) To create, establish, acquire, operate or support  
257 subsidiaries and affiliates, either for-profit or nonprofit or  
258 other similar entity, to assist the community hospital in  
259 fulfilling its purposes;

260 (cc) To create, establish or support nonaffiliated  
261 for-profit or nonprofit corporations or other similar lawful  
262 business organizations that operate and have as their purposes the  
263 furtherance of the community hospital's purposes;



264            (dd) Without limiting the generality of any provisions  
265 of this section, to accomplish and facilitate the creation,  
266 establishment, acquisition, operation or support of any such  
267 subsidiary, affiliate, nonaffiliated corporation or other lawful  
268 business organization, by means of loans of funds, acquisition or  
269 transfer of assets, leases of real or personal property, gifts and  
270 grants of funds or guarantees of indebtedness of such  
271 subsidiaries, affiliates and nonaffiliated corporations;

272            (ee) To exercise all powers granted under this section  
273 in such a manner as the community hospital, through its board of  
274 trustees, may determine to be consistent with the purposes of this  
275 chapter, including the state action immunity provided by this  
276 section from state and federal antitrust laws to the fullest  
277 extent possible, notwithstanding that as a consequence of such  
278 exercise of such powers it engages in activities that may be  
279 deemed "anticompetitive" or which displace competition within the  
280 meaning or contemplation of the antitrust laws of this state or of  
281 the United States;

282            (ff) The board of trustees shall not sell, purchase,  
283 convey, lease, or enter into agreements that have the effect of  
284 selling, purchasing, conveying, or leasing any real property or  
285 enter into management agreements, merger agreements, joint  
286 ventures, joint-operating agreements or similar arrangements that  
287 transfer control of any real property or the operations of a



288 community hospital described in this subsection without the prior  
289 approval of the owners of the real property.

290 (6) No board of trustees of any community hospital may  
291 accept any grant of money or other thing of value from any  
292 not-for-profit or for-profit organization established for the  
293 purpose of supporting health care in the area served by the  
294 facility unless two-thirds (2/3) of the trustees vote to accept  
295 the grant.

296 (7) No board of trustees, individual trustee or any other  
297 person who is an agent or servant of the trustees of any community  
298 hospital shall have any personal financial interest in any  
299 not-for-profit or for-profit organization which, regardless of its  
300 stated purpose of incorporation, provides assistance in the form  
301 of grants of money or property to community hospitals or provides  
302 services to community hospitals in the form of performance of  
303 functions normally associated with the operations of a hospital.

304 (8) The Legislature finds and declares as follows:

305 (a) The needs of the residents of Mississippi can best  
306 be served by community hospitals having the legal, financial and  
307 operational flexibility to take full advantage of opportunities  
308 and challenges presented by the evolving health care environment  
309 and to take whatever actions are necessary to enable the community  
310 hospitals' continuation as health care systems that provide the  
311 finest possible quality of care consistent with reasonable costs.



312           (b) In this environment, the community hospitals must  
313 have the ability to respond to changing conditions by having the  
314 power to develop efficient and cost-effective methods and  
315 structures to provide for health care needs, while maintaining a  
316 public mission and character. In addition, community hospitals in  
317 Mississippi are political subdivisions of the state. Accordingly,  
318 the Legislature finds that there is a compelling interest in  
319 establishing a structure and process for a community hospital to  
320 adapt to this dynamic environment, to operate efficiently, to  
321 offer competitive health care services, to respond more  
322 effectively to new developments and regulatory changes in the  
323 health care area, and to continue to serve and promote the health,  
324 wellness and welfare of the citizens of Mississippi. The  
325 acquisition, operation and financing of hospitals and other health  
326 care facilities by the community hospitals are declared to be for  
327 a public and governmental purpose and a matter of public  
328 necessity.

329           (c) The geographic areas served by community hospitals  
330 include rural populations and other groups that experience  
331 significant health disparities. Health disparities are  
332 differences in health status when compared to the population  
333 overall, often characterized by indicators such as higher  
334 incidence of disease and/or disability, increased mortality rates,  
335 and lower life expectancies. Rural risk factors for health  
336 disparities include geographic isolation, lower socioeconomic



337 status, higher rates of health risk behaviors and limited access  
338 to health care specialists and subspecialists. As a result of  
339 these health disparities, the residents of areas served by  
340 community hospitals have high rates of mortality and morbidity,  
341 heart disease, cancer, diabetes and other illnesses. The areas  
342 also include a high percentage of uninsured individuals and  
343 Medicaid patients, which are medically underserved groups.  
344 Community hospitals have demonstrated their ability to provide  
345 high quality health care and to improve health conditions and  
346 outcomes as well as access to care. This act will significantly  
347 strengthen the ability of community hospitals to serve the health  
348 care needs of the residents of their service areas.

349 (d) The community hospitals' investment of significant  
350 public assets and their efforts to provide high quality health  
351 care services to medically underserved populations are jeopardized  
352 by potential limits on the ability of community hospitals to  
353 collaborate and consolidate with other public, private, for-profit  
354 and nonprofit health care facilities and providers. The  
355 Legislature expressly finds that the benefits of collaboration and  
356 consolidation by the community hospitals outweigh any adverse  
357 impact on competition. The benefits of the community hospitals'  
358 efforts to collaborate and consolidate include, but are not  
359 limited to, preserving and expanding needed health care services  
360 in its service area; consolidating unneeded or duplicative health  
361 care services; enhancing the quality of, and expanding access to,



362 health care delivered to medically underserved and rural  
363 populations; and lowering costs and improving the efficiency of  
364 the health care services it delivers. Based on the findings  
365 contained in this section, the Legislature affirmatively expresses  
366 a policy to allow community hospitals to consolidate with other  
367 public, private, for-profit or nonprofit hospitals, health care  
368 facilities and providers and to engage in collaborative activities  
369 consistent with their health care purposes, notwithstanding that  
370 those consolidations and collaborations may have the effect of  
371 displacing competition in the provision of hospital or other  
372 health care-related services. In engaging in such consolidations  
373 and collaborations with other public, private, for-profit or  
374 nonprofit hospitals, health care facilities and providers, the  
375 community hospital shall be considered to be acting pursuant to  
376 clearly articulated state policy as established in this section  
377 and shall not be subject to federal or state antitrust laws while  
378 so acting. With respect to the consolidations, collaborative  
379 activities and other activities contemplated in this section, the  
380 community hospital and the public, private, for-profit or  
381 nonprofit entities with which it consolidates, collaborates, or  
382 enters into any of the transactions set forth in this act, shall  
383 be immune from liability under the federal and state antitrust  
384 laws and those activities are provided with state action immunity  
385 from federal and state antitrust laws to the fullest extent  
386 possible.



387           **SECTION 2.** Section 41-13-29, Mississippi Code of 1972, is  
388 amended as follows:

389           41-13-29. (1) (a) The owners are authorized to appoint  
390 trustees for the purpose of operating and governing community  
391 hospitals. The owner of a community hospital may remove a trustee  
392 after appointment for good cause shown, upon a unanimous vote of  
393 all members of the governing board of the owner that appointed the  
394 trustee, or upon a majority vote of the governing board of the  
395 owner that appointed the trustee after a recommendation from the  
396 board of trustees of the hospital that the trustee be removed. To  
397 be eligible for appointment, an appointee must be an adult legal  
398 resident of the county which has an ownership interest in the  
399 community hospital or the county in which the municipality or  
400 other political subdivision holding the ownership interest in the  
401 community hospital is located. The authority to appoint trustees  
402 shall not apply to leased facilities, unless specifically reserved  
403 by the owner in the applicable lease agreement.

404           (b) The board of trustees shall consist of not more  
405 than seven (7) members nor less than five (5) members, except  
406 where specifically authorized by statute, and shall be appointed  
407 by the respective owners on a pro rata basis comparable to the  
408 ownership interests in the community hospital. Where the  
409 community hospital is owned solely by a county, or any supervisors  
410 districts, judicial districts or election district of a county, or





411 by a municipality, the trustees shall be residents of the owning  
412 entity.

413 (c) Trustees for municipally owned community hospitals  
414 shall be appointed by the governing authority of the municipality.  
415 Trustees for a community hospital owned by a county shall be  
416 appointed by the board of supervisors with each supervisor having  
417 the right to nominate one (1) trustee from his district or from  
418 the county at large. Appointments exceeding five (5) in number  
419 shall be from the county at large. Trustees for a community  
420 hospital owned solely by supervisors districts, judicial districts  
421 or election district of a county, shall be appointed by the board  
422 of supervisors of the county from nominees submitted by the  
423 supervisor or supervisors representing the owner district or  
424 districts.

425 (2) (a) Initially the board of trustees shall be appointed  
426 as follows: one (1) for a term of one (1) year, one (1) for a  
427 term of two (2) years, one (1) for a term of three (3) years, one  
428 (1) for a term of four (4) years, and one (1) for a term of five  
429 (5) years. Appointments exceeding five (5) in number shall be for  
430 terms of four (4) and five (5) years, respectively. Thereafter,  
431 all terms shall be for five (5) years. No community hospital  
432 trustee holding office on July 1, 1982, shall be affected by this  
433 provision, but the terms shall be filled at the expiration thereof  
434 according to the provisions of this section; provided, however,  
435 that any other specific appointment procedures presently



436 authorized shall likewise not be affected by the terms hereof.  
437 Any vacancy on the board of trustees shall be filled within ninety  
438 (90) days by appointment by the applicable owner for the remainder  
439 of the unexpired term.

440 (b) From and after January 1, 2016, to be eligible for  
441 appointment, an appointee must have no felony convictions, possess  
442 at least a high school diploma or the equivalent, owe no  
443 outstanding debt to the community hospital, and not be a plaintiff  
444 in any pending lawsuit against the community hospital. The  
445 appointee may not own an interest in, or be an officer or employee  
446 of, a company or business that provides goods or services in  
447 direct competition with the community hospital, nor may the  
448 appointee's spouse own an interest in, or be an officer of, such  
449 company or business.

450 (3) (a) Any community hospital erected, owned, maintained  
451 and operated by any county located in the geographical center of  
452 the State of Mississippi and in which State Highways No. 12 and  
453 No. 35 intersect, shall be operated by a board of trustees of five  
454 (5) members who have the qualifications set forth in this section  
455 to be appointed by the board of supervisors from the county at  
456 large, one (1) for a term of one (1) year, one (1) for a term of  
457 two (2) years, one (1) for a term of three (3) years, one (1) for  
458 a term of four (4) years, and one (1) for a term of five (5)  
459 years. Thereafter all trustees shall be appointed from the county  
460 at large for a period of five (5) years.



461 (b) Any community hospital erected, owned, maintained  
462 and operated by any county situated in the Yazoo-Mississippi Delta  
463 Levee District and bordering on the Mississippi River and having a  
464 population of not less than forty-five thousand (45,000) and  
465 having an assessed valuation of not less than Thirty Million  
466 Dollars (\$30,000,000.00) for the year 1954, shall be operated by a  
467 board of trustees which may consist of not more than eleven (11)  
468 members who have the qualifications set forth in this section.

469 (c) Any hospital erected, owned, maintained and  
470 operated by any county having two (2) judicial districts, which is  
471 traversed by U.S. Interstate Highway 59, which intersects Highway  
472 84 therein, shall be operated by a board of trustees which shall  
473 consist of seven (7) members who have the qualifications set forth  
474 in this section. The first seven (7) members appointed under  
475 authority of this paragraph shall be appointed by the board of  
476 supervisors for terms as follows:

477 Each supervisor of Supervisors Districts One and Two shall  
478 nominate and the board of supervisors shall appoint one (1) person  
479 from each \* \* \* such beat for a one-year term. Each supervisor of  
480 Supervisors Districts Three and Four shall nominate and the board  
481 of supervisors shall appoint one (1) person from each beat for a  
482 two-year term. The supervisor of Supervisors District Five shall  
483 nominate and the board of supervisors shall appoint one (1) person  
484 from the beat for a three-year term. The medical staff at the  
485 hospital shall submit a list of four (4) nominees and the



486 supervisors shall appoint two (2) trustees from the list of  
487 nominees, one (1) for a three-year term and one (1) for a one-year  
488 term. Thereafter, as the terms of the board of trustee members  
489 authorized by this paragraph expire, all but the trustee  
490 originally appointed from the medical staff nominees for a  
491 one-year term shall be appointed by the board of supervisors for  
492 terms of three (3) years. The term of the trustee originally  
493 appointed from the medical staff nominees by the board of  
494 supervisors for a term of one (1) year shall remain a term of one  
495 (1) year and shall thereafter be appointed for a term of one (1)  
496 year. The two (2) members appointed from medical staff nominees  
497 shall be appointed from a list of two (2) nominees for each  
498 position to be submitted by the medical staff of the hospital for  
499 each vacancy to be filled. It is the intent of the Legislature  
500 that the board of trustees which existed prior to July 1, 1985,  
501 was abolished by amendment to this section under Section 5,  
502 Chapter 511, Laws of 1985, and the amendment authorized the  
503 appointment of a new board of trustees on or after July 1, 1985,  
504 in the manner provided in this paragraph. Any member of the board  
505 of trustees which existed before July 1, 1985, who has the  
506 qualifications set forth in this section shall be eligible for  
507 reappointment subject to the provisions of this paragraph.

508 (d) Any community hospital erected, owned, maintained  
509 and operated by any county bordering on the Mississippi River  
510 having two (2) judicial districts, wherein U.S. Highway 61 and



511 Mississippi Highway 8 intersect, lying wholly within a levee  
512 district, shall be operated by a board of trustees which may  
513 consist of not more than nine (9) members who have the  
514 qualifications set forth in this section.

515           (e) Any community hospital system owned, maintained and  
516 operated by any county bordering on the Gulf of Mexico and the  
517 State of Alabama shall be operated by a board of trustees  
518 constituted as follows: seven (7) members shall be selected as  
519 provided in subsection (1) of this section and two (2) advisors  
520 who shall be the chiefs of staff at those hospitals which are a  
521 part of the hospital system; the members must have the  
522 qualifications set forth in this section. The term of the chiefs  
523 of staff on the board of trustees shall coincide with their  
524 service as chiefs of staff at their respective hospitals.

525           (4) Any community hospital owned, maintained and operated by  
526 any county wherein Mississippi Highways 16 and 19 intersect,  
527 having a land area of five hundred sixty-eight (568) square miles,  
528 and having a population in excess of twenty-three thousand seven  
529 hundred (23,700) according to the 1980 federal decennial census,  
530 shall be operated by a board of trustees of five (5) members who  
531 have the qualifications set forth in this section, one (1) of whom  
532 shall be elected by the qualified electors of each supervisors  
533 district of the county in the manner provided herein. Each member  
534 so elected shall be a resident and qualified elector of the  
535 district from which he is elected. The first elected members of



536 the board of trustees shall be elected at the regular general  
537 election held on November 4, 1986. At the election, the members  
538 of the board from Supervisors Districts One and Two shall be  
539 elected for a term of six (6) years; members of the board from  
540 Supervisors Districts Three and Four shall be elected for a term  
541 of two (2) years; and the member of the board from Supervisors  
542 District Five shall be elected for a term of four (4) years. Each  
543 subsequent member of the board shall be elected for a term of six  
544 (6) years at the same time as the general election in which the  
545 member of the county board of education representing the same  
546 supervisors district is elected. All members of the board shall  
547 take office on the first Monday of January following the date of  
548 their election. The terms of all seven (7) appointed members of  
549 the board of trustees holding office on the effective date of this  
550 act (Laws 1986, Chapter 462) shall expire on the date that the  
551 first elected members of the board take office. The board of  
552 trustees provided for herein shall not lease or sell the community  
553 hospital property under its jurisdiction unless the board of  
554 supervisors of the county calls for an election on the proposition  
555 and a majority voting in the election shall approve the lease or  
556 sale.

557 The members of the board of trustees provided for in this  
558 subsection shall be compensated a per diem and reimbursed for  
559 their expenses and mileage in the same amount and subject to the  
560 same restrictions provided for members of the county board of



561 education in Section 37-5-21 and may, at the discretion of the  
562 board, choose to participate in any hospital medical benefit plan  
563 which may be in effect for hospital employees. Any member of the  
564 board of trustees choosing to participate in the plan shall pay  
565 the full cost of his participation in the plan so that no  
566 expenditure of hospital funds is required.

567 The name of any qualified elector who is a candidate for the  
568 community hospital board of trustees shall be placed on the ballot  
569 used in the general elections by the county election  
570 commissioners, if the candidate files with the county election  
571 commissioners, not more than ninety (90) days and not less than  
572 thirty (30) days before the date of the general election, a  
573 petition of nomination signed by not less than fifty (50)  
574 qualified electors of the county residing within each supervisors  
575 district. The candidate in each supervisors district who receives  
576 the highest number of votes cast in the district shall be declared  
577 elected.

578 (5) A board of trustees provided for herein may, in its  
579 discretion, where funds are available, compensate each trustee per  
580 diem in at least the amount established by Section 25-3-69 up to  
581 the maximum amount of not more than \* \* \* Two Hundred Fifty  
582 Dollars (\$250.00) for each meeting of the board of trustees or  
583 meeting of a committee established by the board of trustees where  
584 the trustee was in attendance, and in addition thereto provide  
585 meals at the meetings and compensate each member attending travel



586 expenses at the rate authorized by Section 25-3-41 for actual  
587 mileage traveled to and from the place of meeting.

588 (6) The owner which appointed a trustee may likewise remove  
589 him from office by majority vote for failure to attend at least  
590 fifty percent (50%) of the regularly scheduled meetings of the  
591 board during the twelve-month period preceding the vote, or for  
592 violation of any statute relating to the responsibilities of his  
593 office, based upon the recommendation of a majority of the  
594 remaining trustees.

595 (7) For community hospitals located in a county having a  
596 population of less than one hundred thousand (100,000) according  
597 to the most recent federal decennial census, the members of the  
598 board of trustees, administrator and any other officials of the  
599 community hospital as may be deemed necessary or proper by the  
600 board of trustees shall be under bond in an amount not less than  
601 Ten Thousand Dollars (\$10,000.00) nor more than One Hundred  
602 Thousand Dollars (\$100,000.00) with some surety company authorized  
603 to do business in the State of Mississippi to faithfully perform  
604 the duties of his office. For community hospitals located in a  
605 county having a population of one hundred thousand (100,000) or  
606 more according to the most recent federal decennial census, the  
607 bond shall be in an amount not less than Fifty Thousand Dollars  
608 (\$50,000.00) nor more than Five Hundred Thousand Dollars  
609 (\$500,000.00). Premiums for the bonds shall be paid from funds of  
610 the community hospital.





611 (8) The members of the board of trustees of a community  
612 hospital may, at the discretion of the board, choose to  
613 participate in any hospital medical benefit plan or health  
614 insurance plan, whether self-funded or otherwise, which may be in  
615 effect for hospital employees. Any member of the board of  
616 trustees choosing to participate in such plan shall pay the same  
617 amount for his or her participation in the plan as hospital  
618 employees are required to pay for their participation in such  
619 plan.

620 **SECTION 3.** Section 37-115-50, Mississippi Code of 1972, is  
621 amended as follows:

622 37-115-50. For purposes of Sections 37-115-50 \* \* \* through  
623 37-115-50.3, the following terms shall have the following  
624 meanings:

625 (a) "Academic medical center" means the teaching,  
626 research, and clinical facilities and services provided,  
627 established, or operated by a public university under Chapter 115,  
628 Title 37, Mississippi Code of 1972.

629 (b) "Health sciences school" means any school of  
630 medicine, dentistry, nursing, pharmacy and any other health  
631 care-related educational program operated or provided by an  
632 academic medical center in this state.

633 (c) "Health care collaborative" means any consolidation  
634 or collaboration involving the academic medical center and any



635 other public, private, for-profit or nonprofit health care  
636 facilities and providers.

637 **SECTION 4.** The following shall be codified as Section  
638 37-115-50.2, Mississippi Code of 1972:

639 37-115-50.2. (1) The Legislature finds and declares all of  
640 the following:

641 (a) The academic medical center and health care  
642 collaboratives organized under Section 37-115-50.1, together with  
643 the Board of Trustees of State Institutions of Higher Learning  
644 under which the academic medical center operates, are each (acting  
645 individually and collectively) performing essential public  
646 functions on behalf of the state, and other governmental entities  
647 in the state.

648 (b) The needs of the residents of Mississippi can best  
649 be served by the academic medical center and health care  
650 collaboratives having the legal, financial and operational  
651 flexibility to take full advantage of opportunities and challenges  
652 presented by the evolving health care environment and to take  
653 whatever actions are necessary to enable the academic medical  
654 center and health care collaboratives' continuation as a health  
655 system that provides the finest possible quality of care  
656 consistent with reasonable costs and that serves the health care  
657 needs of uninsured, underinsured residents in addition to its  
658 scientific and educational missions.



659           (c) In this environment, the academic medical center  
660 and its health care collaboratives must have the ability to  
661 respond to changing conditions by having the power to develop  
662 efficient and cost-effective methods and structures to provide for  
663 health care needs, while maintaining a public mission and  
664 character. In addition, the academic medical center is an  
665 institution of the state. Accordingly, the Legislature finds that  
666 there is a compelling interest in establishing a structure and  
667 process for the academic medical center to adapt to this dynamic  
668 environment, to operate efficiently, to offer competitive health  
669 care services, to respond more effectively to new developments and  
670 regulatory changes in the health care area, and to continue to  
671 serve and promote the health, wellness and welfare of the citizens  
672 of Mississippi. The acquisition, operation and financing of  
673 hospitals and other health care facilities by the academic medical  
674 are declared to be for a public and governmental purpose and a  
675 matter of public necessity.

676           (d) The geographic areas served by the academic medical  
677 center and its health care collaboratives include rural  
678 populations and other groups that experience significant health  
679 disparities. Health disparities are differences in health status  
680 when compared to the population overall, often characterized by  
681 indicators such as higher incidence of disease and/or disability,  
682 increased mortality rates, and lower life expectancies. Rural  
683 risk factors for health disparities include geographic isolation,



684 lower socioeconomic status, higher rates of health risk behaviors,  
685 and limited access to health care specialists and subspecialists.  
686 As a result of these health disparities, the residents of areas  
687 served by the academic medical center and its health care  
688 collaboratives have high rates of mortality and morbidity, heart  
689 disease, cancer, and other illnesses. The areas also include a  
690 high percentage of uninsured individuals and Medicaid patients,  
691 which are medically underserved groups. The academic medical  
692 center and its health care collaboratives have demonstrated their  
693 ability to provide high quality health care and to improve health  
694 conditions and outcomes as well as access to care. This section  
695 and Section 37-115-50.3 will significantly strengthen the ability  
696 of the academic medical center and its health care collaboratives  
697 to serve the health care needs of the residents of their service  
698 areas.

699 (e) The investment of significant public assets by the  
700 academic medical center, the academic medical center's investment  
701 in health care collaboratives and their collective efforts to  
702 provide high quality health care services to medically underserved  
703 populations are jeopardized by potential limits on the ability of  
704 the academic medical center and its health care collaboratives to  
705 collaborate and consolidate with other public, private and  
706 nonprofit health care facilities and providers. The Legislature  
707 expressly finds that the benefits of collaboration and  
708 consolidation by the academic medical center and its health care



709 collaboratives outweigh any adverse impact on competition. The  
710 benefits of the academic medical center and its health care  
711 collaboratives efforts to collaborate and consolidate include, but  
712 are not limited to, preserving and expanding needed health care  
713 services in its service areas; consolidating unneeded or  
714 duplicative health care services; enhancing the quality of, and  
715 expanding access to, health care delivered to medically  
716 underserved and rural populations; and lowering costs and  
717 improving the efficiency of the health care services it delivers.  
718 Based on the findings contained in this section, the Legislature  
719 affirmatively expresses a policy to allow the academic medical  
720 center and health care collaboratives to consolidate with  
721 hospitals, health care facilities and other health care providers  
722 and to engage in collaborative activities consistent with their  
723 health care purposes, notwithstanding that those consolidations  
724 and collaborations may have the effect of displacing competition  
725 in the provision of hospital or other health care related  
726 services. In engaging in such consolidations and collaborations  
727 with other hospitals, health care facilities and providers, the  
728 academic medical center and its health care collaboratives (acting  
729 individually or collectively) shall be considered to be acting  
730 pursuant to clearly articulated state policy as established in  
731 this section and shall not be subject to federal or state  
732 antitrust laws while so acting. With respect to the  
733 consolidations, collaborative activities and other activities



734 contemplated in this section and Section 37-115-50.3, the academic  
735 medical center and its health care collaboratives (acting  
736 individually or collectively) and the public, private or nonprofit  
737 entities with which it (or they) consolidate(s), collaborate(s),  
738 or enter(s) into any of the transactions set forth in this section  
739 and Section 37-115-50.3, shall be immune from liability under the  
740 federal and state antitrust laws and those activities are provided  
741 with state action immunity from federal and state antitrust laws  
742 to the fullest extent possible.

743 (f) In furtherance of the findings and authorizations  
744 contained in paragraph (e) of this section, if a court of  
745 competent jurisdiction were to find that any of the activities of  
746 the academic medical center and its health care collaboratives  
747 (acting individually or collectively) authorized under this  
748 section or Section 37-115-50.3 would be immune from the  
749 application of state and federal antitrust laws under the state  
750 action antitrust immunity doctrine pursuant to applicable  
751 jurisprudence only if such activities were subject to what has  
752 come to be known in relevant antitrust jurisprudence as "active  
753 supervision" by the state, the Legislatures finds that the  
754 academic medical center and its health care collaboratives are  
755 subject to direct and indirect supervision of the Board of  
756 Trustees of State Institutions of Higher Learning, which  
757 supervision has been, is currently, and is required to continue to  
758 be actively exercised by such constitutional body of state



759 government such that, even if such judicial requirement were  
760 applied to the academic medical center and its health care  
761 collaboratives with respect to application of the state action  
762 antitrust immunity doctrine, the academic medical center and each  
763 of its health care collaboratives (acting individually or  
764 collectively), when exercising its powers under this section and  
765 Section 37-115-50.3, shall enjoy immunity from the application of  
766 state and federal antitrust laws.

767         **SECTION 5.** The following shall be codified as Section  
768 37-115-50.3, Mississippi Code of 1972:

769         37-115-50.3 (1) In addition to all powers granted in  
770 Section 37-115-50.1, subject to any required approval of the Board  
771 of Trustees of State Institutions of Higher Learning, the academic  
772 medical center and its health care collaboratives (acting  
773 individually or collectively) shall be empowered under this  
774 section:

775                 (a) To acquire hospitals, health care facilities and  
776 other health care-related operations and assets, through direct  
777 purchase, merger, consolidation, lease or other means;

778                 (b) To form, establish, fund and operate nonprofit  
779 corporations, nonprofit limited liability companies,  
780 state-sponsored entities or other similar organizations, either  
781 directly or through a nonprofit corporation formed by the academic  
782 medical center and its health care collaboratives (acting  
783 individually or collectively), which are jointly owned with other



784 public or private hospitals, for-profit or nonprofit corporations,  
785 or other health care-related organizations, for the purpose of  
786 conducting activities within or outside of the service area the  
787 academic medical center or its health care collaboratives for the  
788 benefit of the academic medical center and its health care  
789 collaboratives including, but not limited to, joint hospital  
790 acquisitions, group purchasing, clinically integrated networks,  
791 payor contracting, and joint requests for federal and state grants  
792 and funding;

793           (c) To make capital contributions, loans, debt or  
794 equity financing to or for any joint venture or similar  
795 arrangement in which the academic medical center and its health  
796 care collaboratives (acting individually or collectively), or any  
797 nonprofit corporation formed or owned by the academic medical  
798 center or one of its health care collaboratives, has or acquires  
799 an ownership interest, and to guarantee loans and any other  
800 obligations for such purposes;

801           (d) To have an ownership interest in, make capital  
802 contributions to, and assume financial risk under, accountable  
803 care organizations or similar organizations;

804           (e) To enter into any contract for a term of any  
805 length, regardless of whether the length or term of the contract  
806 exceeds the term of the board of trustees of a health care  
807 collaborative;





808 (f) To create, establish, acquire, operate or support  
809 subsidiaries and affiliates, either for-profit or nonprofit, to  
810 assist the academic medical center and its health care  
811 collaboratives (acting individually or collectively) in fulfilling  
812 its purposes;

813 (g) To create, establish or support nonaffiliated  
814 for-profit or nonprofit corporations or other lawful business  
815 organizations that operate and have as their purposes the  
816 furtherance of the purposes of the academic medical center and its  
817 health care collaboratives (acting individually or collectively);

818 (h) Without limiting the generality of any provisions  
819 of this section, to accomplish and facilitate the creation,  
820 establishment, acquisition, operation or support of any such  
821 subsidiary, affiliate, nonaffiliated corporation or other lawful  
822 business organization, by means of loans of funds, acquisition or  
823 transfer of assets, leases of real or personal property, gifts and  
824 grants of funds or guarantees of indebtedness of such  
825 subsidiaries, affiliates and nonaffiliated corporations; and

826 (i) Subject to the approval of the Board of Trustees of  
827 State Institutions of Higher Learning (where applicable), to  
828 exercise all powers granted under this section in such a manner as  
829 the academic medical center and its health care collaboratives  
830 (acting individually or collectively) may determine to be  
831 consistent with the purposes of Sections 37-115-50 through  
832 37-115-50.3, including the state action immunity provided by



833 Section 37-115-50.2 from state and federal antitrust laws to the  
834 fullest extent possible, notwithstanding that as a consequence of  
835 such exercise of such powers it engages in activities that may be  
836 deemed "anticompetitive" or which displace competition within the  
837 meaning or contemplation of the antitrust laws of this state or of  
838 the United States.

839 **SECTION 6.** It is the intent of the Legislature that this act  
840 be liberally construed so as to give effect to the intent,  
841 purposes and findings described in this act.

842 **SECTION 7.** Section 75-21-13, Mississippi Code of 1972, is  
843 amended as follows:

844 75-21-13. (1) No corporation shall acquire directly or  
845 indirectly, the whole or any part of the capital stock of any  
846 competing corporation doing business in this state, nor directly  
847 or indirectly acquire the franchise, plant or equipment of any  
848 other competing corporation doing business in this state if such  
849 other corporation be engaged in the same kind of business and be a  
850 competitor therein, where the effect of such acquisition of stock,  
851 franchise, plant or equipment may be to substantially lessen  
852 competition or to restrain trade or competition in the state, or  
853 any community thereof, or tend to create a monopoly of any line of  
854 commerce and will be inimical to public welfare. This section  
855 shall not apply to corporations purchasing such stock in payment  
856 of an indebtedness, and not using the same by voting, or  
857 otherwise, to bring about or attempting to bring about, the



858 substantial lessening of competition. Provided, however, that  
859 fire and marine insurance corporations may own stock in other  
860 insurance companies and may be licensed to do business in this  
861 state, or authorized to continue business in this state, but the  
862 state insurance commissioner may refuse permission to any company  
863 to be licensed in the first instance or he may subsequently revoke  
864 the license of any company if it appears after notice and hearing  
865 that to permit one (1) insurance corporation owning stock in a  
866 competing corporation to continue to do business in this state  
867 would be injurious to, or contrary to the public interest.

868 (2) The provisions of this chapter shall not apply to:

869 (a) Any action taken by a board of trustees of a  
870 community hospital if acting in accordance with Section  
871 41-13-35(5)(t) through (ff), including, but not limited to,  
872 entering into agreements, collaboratives, mergers and other  
873 similar arrangements with other public or private health  
874 care-related organizations, or with for-profit or nonprofit  
875 corporations, or other similar organizations;

876 (b) Any action taken by the academic medical center and  
877 its health care collaboratives if acting in accordance with  
878 Sections 37-115-50 through 37-115-50.3, including, but not limited  
879 to, entering into agreements, collaboratives, mergers and other  
880 similar arrangements with other public or private health  
881 care-related organizations, or with for-profit or nonprofit  
882 corporations, or other similar organizations; or



883           (c) Any action taken by a private hospital as defined  
884 in Section 41-9-305 if acting in accordance with Section 41-9-301  
885 through 41-9-311.

886           **SECTION 8.** Section 41-9-301, Mississippi Code of 1972, is  
887 amended as follows:

888           41-9-301. Sections 41-9-301 through 41-9-311 shall be known  
889 and may be cited as the "Rural and Private Hospitals Health  
890 Availability Act."

891           **SECTION 9.** Section 41-9-303, Mississippi Code of 1972, is  
892 amended as follows:

893           41-9-303. The Legislature finds and declares the following:

894           (a) In rural areas, access to health care is limited  
895 and the quality of health care is adversely affected by inadequate  
896 reimbursement and collection rates and difficulty in recruiting  
897 and retaining skilled health professionals.

898           (b) There is limited, if any, overlap in the geographic  
899 service areas of Mississippi rural hospitals.

900           (c) Rural hospitals' financial stability is threatened  
901 by patient migration to general acute care and specialty hospitals  
902 in urban areas.

903           (d) The availability of quality health care in rural  
904 areas is essential to the economic and social viability of rural  
905 communities.

906           (e) Cooperative agreements among rural hospitals would  
907 improve the availability and quality of health care for



908 Mississippians in rural areas and enhance the likelihood that  
909 rural hospitals can remain open.

910 (f) Cooperative agreements among private hospitals can  
911 improve the availability and quality of health care for  
912 Mississippians and enhance the overall likelihood that hospitals  
913 in the state remain operational and continue to serve their  
914 communities.

915 **SECTION 10.** Section 41-9-305, Mississippi Code of 1972, is  
916 amended as follows:

917 41-9-305. For the purposes of Sections 41-9-301 through  
918 41-9-311, the following terms shall have the following meanings:

919 (a) "Act" means the Rural and Private Hospitals Health  
920 Availability Act.

921 (b) "Affected person," with respect to any application  
922 for a certificate of public advantage, means:

923 (i) The applicant(s);

924 (ii) Any person residing within the geographic  
925 service area of an applicant;

926 (iii) Health care purchasers who reimburse health  
927 care facilities located in the geographic service area of an  
928 applicant;

929 (iv) Any other person furnishing goods or services  
930 to, or in competition with, an applicant; or

931 (v) Any other person who has notified the  
932 department in writing of his interest in applications for



933 certificates of public advantage and has a direct economic  
934 interest in the decision.

935 Notwithstanding the foregoing, persons from other states who  
936 would otherwise be considered "affected persons" are not included,  
937 unless that other state provides for similar involvement of  
938 persons from Mississippi in a similar process in that state.

939 (c) "Board" means the State Board of Health established  
940 under Section \* \* \* 41-3-1.1.

941 (d) "Certificate of public advantage" means the formal  
942 written approval, including any conditions or modifications of a  
943 cooperative agreement by the department.

944 (e) "Cooperative agreement" means a contract, business  
945 or financial arrangement, or any other activities or practices  
946 among two (2) or more rural hospitals, or involving any private  
947 hospital in a rural or nonrural area, for the sharing, allocation,  
948 or referral of patients; the sharing or allocation of personnel,  
949 instructional programs, support services and facilities, medical,  
950 diagnostic or laboratory facilities, procedures, equipment or  
951 other health care services; the acquisition or merger of assets  
952 among or by two (2) or more rural hospitals, or involving any  
953 private hospital in a rural or nonrural area, including agreements  
954 to negotiate jointly with respect to price or other competitive  
955 terms with suppliers. The term "cooperative agreement" includes  
956 any amendments thereto with respect to which a certificate of  
957 public advantage has been issued or applied for or with respect to



958 which a certificate of public advantage is not required, unless  
959 the context clearly requires otherwise.

960 (f) "Department" means the State Department of Health  
961 created under Section 41-3-15.

962 (g) "Hospital" has the meaning set forth in Section  
963 41-9-3.

964 (h) "Private hospital" means any for-profit or  
965 nonprofit hospital or hospital system controlled by private  
966 parties or in which private parties hold a majority interest.

967 (i) "Rural area" means an area with a population  
968 density of less than one hundred (100) individuals per square  
969 mile; a municipality or county with a population of less than  
970 seven thousand five hundred (7,500) individuals; or an area  
971 defined by the most recent United States Census as rural.

972 ( \* \* \*j) "Rural hospital" means a private or community  
973 hospital having at least one (1) but no more than seventy-five  
974 (75) licensed acute-care beds that is located in a rural area.

975 ( \* \* \*k) "State" means the State of Mississippi.

976 ( \* \* \*l) "State Health Officer" means the State Health  
977 Officer elected by the State Board of Health under Section \* \* \*  
978 41-3-5.1.

979 The use of a singular term in this section includes the  
980 plural of that term, and the use of a plural term in this section  
981 includes the singular of that term, unless the context clearly  
982 requires another connotation.



983           **SECTION 11.** Section 41-9-307, Mississippi Code of 1972, is  
984 amended as follows:

985           41-9-307. (1) A rural hospital and any corporation,  
986 partnership, joint venture or any other entity, all of whose  
987 principals are rural hospitals, may negotiate and enter into  
988 cooperative agreements with other such persons in the state,  
989 subject to receipt of a certificate of public advantage governing  
990 the agreement as provided in this act.

991           (2) Any private hospital, whether in a rural or nonrural  
992 area, and any other corporation, partnership, joint venture or any  
993 other entity may negotiate and enter into cooperative agreements  
994 with other such persons in the state, subject to receipt of a  
995 certificate of public advantage governing the agreement as  
996 provided in this act.

997           (3) Parties to a cooperative agreement may apply to the  
998 department for a certificate of public advantage governing that  
999 cooperative agreement. The application must include an executed  
1000 written copy of the cooperative agreement and describe the nature  
1001 and scope of the cooperation in the agreement and any  
1002 consideration passing to any party under the agreement. Within  
1003 thirty (30) days of receipt of the application, the department may  
1004 request additional information as may be necessary to complete the  
1005 application. The applicant has thirty (30) days from the date of  
1006 the request to submit the additional information. If the  
1007 applicant fails to submit the requested information within the





1008 thirty-day period, or any extension of time granted by the  
1009 department, the application is deemed withdrawn. The department  
1010 may require an application fee from the submitting parties  
1011 sufficient to cover the cost of processing the application.

1012 ( \* \* \*4) The department shall review the application in  
1013 accordance with the standards set forth in subsection ( \* \* \*5) of  
1014 this section. The department shall give notice of the application  
1015 to members of the public who reside in the service areas of the  
1016 applicant hospitals, which may be provided through newspapers of  
1017 general circulation or public information channels. If requested  
1018 by an affected person within thirty (30) days of the giving of the  
1019 public notice, the department may hold a public hearing in  
1020 accordance with the rules adopted by the board. The department  
1021 shall grant or deny the application within sixty (60) days after  
1022 receipt of a completed application or from the date of the public  
1023 hearing, if one is held, and that decision, along with any  
1024 conditions of approval, must be in writing and must set forth the  
1025 basis for the decision. The department may establish conditions  
1026 for approval that are reasonably necessary to ensure that the  
1027 cooperative agreement and the activities engaged under it are  
1028 consistent with the intent of this act and to ensure that the  
1029 activity is appropriately supervised and regulated by the state.  
1030 The department shall furnish a copy of the decision to the  
1031 applicants and any affected persons who have asked in writing to  
1032 be notified.



1033 ( \* \* \*5) The department shall issue a certificate of public  
1034 advantage for a cooperative agreement if it determines that:

1035 (a) Each of the parties to the cooperative agreement  
1036 is a rural hospital or is a corporation, partnership, joint  
1037 venture or other entity all of whose principals are rural  
1038 hospitals, or a private hospital is a party to the cooperative  
1039 agreement;

1040 (b) The geographic service area of the rural hospitals  
1041 or private hospitals who are parties to the agreement do not  
1042 overlap significantly; and

1043 (c) The cooperative agreement is likely to result in  
1044 one or more of the following benefits:

1045 (i) Enhancement of the quality of hospital and  
1046 hospital-related care provided to Mississippi citizens;

1047 (ii) Preservation of hospital facilities and  
1048 health care in rural and nonrural areas;

1049 (iii) Gains in the cost-efficiency of services  
1050 provided by the hospitals involved;

1051 (iv) Encouragement of cost-sharing among the  
1052 hospitals involved;

1053 (v) Improvements in the utilization of hospital  
1054 resources and equipment; or

1055 (vi) Avoidance or reduction of duplication of  
1056 hospital resources or expenses, including administrative expenses.



1057 ( \* \* \*6) The department shall actively monitor and regulate  
1058 agreements approved under this act, and may do so through  
1059 conditions of approval of a certificate of public advantage, and  
1060 may request information whenever necessary to ensure that the  
1061 agreements remain in compliance with the conditions of approval.  
1062 The department may charge an annual fee to cover the cost of  
1063 monitoring and regulating these agreements. During the time the  
1064 certificate is in effect, a report on the activities under the  
1065 cooperative agreement must be filed with the department every two  
1066 (2) years. The department shall review the report in order to  
1067 determine that the cooperative agreement continues to comply with  
1068 the terms of the certificate of public advantage.

1069 ( \* \* \*7) The department shall revoke a certificate of  
1070 public advantage by giving written notice to each party to a  
1071 cooperative agreement with respect to which the certificate is  
1072 being revoked, if it finds that:

1073 (a) The cooperative agreement or activities undertaken  
1074 by it are not in substantial compliance with the terms of the  
1075 application or the conditions of approval;

1076 (b) The likely benefits resulting from the cooperative  
1077 agreement no longer exist; or

1078 (c) The department's approval was obtained as a result  
1079 of intentional material misrepresentation to the department or as  
1080 the result of coercion, threats or intimidation toward any party  
1081 to the cooperative agreement.



1082           ( \* \* \*8) The department shall maintain on file all  
1083 cooperative agreements for which certificates of public advantage  
1084 remain in effect. A party to a cooperative agreement who  
1085 terminates or withdraws from the agreement shall notify the  
1086 department within fifteen (15) days of the termination or  
1087 withdrawal. If all parties terminate their participation in the  
1088 cooperative agreement, the department shall revoke the certificate  
1089 of public advantage for the agreement.

1090           ( \* \* \*9) The parties to a cooperative agreement with  
1091 respect to which a certificate of advantage is in effect must  
1092 notify the department of any proposed amendment to the cooperative  
1093 agreement, including an amendment to add an additional party but  
1094 excluding an amendment to remove or to reflect the withdrawal of a  
1095 party, before the amendment takes effect. The parties must apply  
1096 to the department for a certificate of public advantage governing  
1097 the amendment and the department shall consider and rule on the  
1098 application in accordance with the procedures applicable to  
1099 cooperative agreements generally.

1100           ( \* \* \*10) The department may promulgate rules and  
1101 regulations in accordance with the Administrative Procedures Law  
1102 as in effect from time to time to implement the provisions of this  
1103 act, including any fees and application costs associated with the  
1104 monitoring and oversight of cooperative agreements approved under  
1105 this act.



1106 ( \* \* \*11) A dispute among the parties to a cooperative  
1107 agreement concerning its meaning or terms is governed by the  
1108 principles of contract law or any other applicable law.

1109 **SECTION 12.** This act shall take effect and be in force from  
1110 and after its passage.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 41-13-35, MISSISSIPPI CODE OF 1972,  
2 TO CLARIFY AND EXPAND THE POWERS AND DUTIES OF THE BOARDS OF  
3 TRUSTEES OF COMMUNITY HOSPITALS AND TO PROVIDE THAT ANY  
4 CONSOLIDATION OR COLLABORATION INVOLVING A COMMUNITY HOSPITAL AND  
5 OTHER PUBLIC, PRIVATE OR NONPROFIT HOSPITALS, HEALTH CARE  
6 FACILITIES OR PROVIDERS SHALL BE IMMUNE FROM LIABILITY UNDER THE  
7 FEDERAL AND STATE ANTITRUST OR COMPETITION LAWS TO THE FULLEST  
8 EXTENT ALLOWED BY LAW; TO AMEND SECTION 41-13-29, MISSISSIPPI CODE  
9 OF 1972, TO INCREASE THE MAXIMUM PER DIEM PAYABLE TO TRUSTEES; TO  
10 AMEND SECTION 37-115-50, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT  
11 THE ACADEMIC MEDICAL CENTER AND ITS HEALTH CARE COLLABORATIVES  
12 ACTING INDIVIDUALLY OR JOINTLY SHALL BE IMMUNIZED FROM LIABILITY  
13 UNDER THE FEDERAL AND STATE ANTITRUST OR COMPETITION LAWS TO THE  
14 FULLEST EXTENT ALLOWED BY LAW; TO CREATE NEW SECTION 37-115-50.2,  
15 MISSISSIPPI CODE OF 1972, TO PROVIDE CERTAIN LEGISLATIVE FINDINGS  
16 AND DECLARATIONS RELATED TO THE ACT; TO CREATE NEW SECTION  
17 37-115-50.3, MISSISSIPPI CODE OF 1972, TO PROVIDE CERTAIN POWERS  
18 TO THE ACADEMIC MEDICAL CENTER AND ITS HEALTH CARE COLLABORATIVES  
19 SUBJECT TO ANY REQUIRED APPROVAL OF THE BOARD OF TRUSTEES OF STATE  
20 INSTITUTIONS OF HIGHER LEARNING; TO AMEND SECTION 75-21-13,  
21 MISSISSIPPI CODE OF 1972, TO CONFORM TO THE PROVISIONS OF THE ACT;  
22 TO AMEND SECTIONS 41-9-301, 41-9-303, 41-9-305 AND 41-9-307,  
23 MISSISSIPPI CODE OF 1972, TO INCLUDE PRIVATE HOSPITALS IN THE  
24 RURAL HEALTH AVAILABILITY ACT AND RENAME THE ACT AS THE "RURAL AND  
25 PRIVATE HOSPITALS HEALTH AVAILABILITY ACT;" TO PROVIDE THAT  
26 PRIVATE HOSPITALS, WHETHER IN A RURAL OR NONRURAL AREA, AND ANY  
27 OTHER ENTITY MAY NEGOTIATE AND ENTER INTO COOPERATIVE AGREEMENTS,  
28 SUBJECT TO RECEIPT OF A CERTIFICATE OF PUBLIC ADVANTAGE GOVERNING  
29 THE AGREEMENT THAT IS APPROVED BY THE STATE DEPARTMENT OF HEALTH;  
30 AND FOR RELATED PURPOSES.

