

## **Senate Amendments to House Bill No. 569**

**TO THE CLERK OF THE HOUSE:**

**THIS IS TO INFORM YOU THAT THE SENATE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:**

### **AMENDMENT NO. 1**

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

50       **SECTION 1.** Section 41-7-191, Mississippi Code of 1972, is  
51 amended as follows:

52       41-7-191. (1) No person shall engage in any of the  
53 following activities without obtaining the required certificate of  
54 need:

55               (a) The construction, development or other  
56 establishment of a new health care facility, which establishment  
57 shall include the reopening of a health care facility that has  
58 ceased to operate for a period of sixty (60) months or more;

59               (b) The relocation of a health care facility or portion  
60 thereof, or major medical equipment, unless such relocation of a  
61 health care facility or portion thereof, or major medical  
62 equipment, which does not involve a capital expenditure by or on  
63 behalf of a health care facility, is within five thousand two  
64 hundred eighty (5,280) feet from the main entrance of the health  
65 care facility;

(c) Any change in the existing bed complement of any health care facility through the addition or conversion of any beds or the alteration, modernizing or refurbishing of any unit or department in which the beds may be located; however, if a health care facility has voluntarily delicensed some of its existing bed complement, it may later relicense some or all of its delicensed beds without the necessity of having to acquire a certificate of need. The State Department of Health shall maintain a record of the delicensing health care facility and its voluntarily delicensed beds and continue counting those beds as part of the state's total bed count for health care planning purposes. If a health care facility that has voluntarily delicensed some of its beds later desires to relicense some or all of its voluntarily delicensed beds, it shall notify the State Department of Health of its intent to increase the number of its licensed beds. The State Department of Health shall survey the health care facility within thirty (30) days of that notice and, if appropriate, issue the health care facility a new license reflecting the new contingent of beds. However, in no event may a health care facility that has voluntarily delicensed some of its beds be reissued a license to operate beds in excess of its bed count before the voluntary delicensure of some of its beds without seeking certificate of need approval;

(d) Offering of the following health services if those services have not been provided on a regular basis by the proposed

91 provider of such services within the period of twelve (12) months  
92 prior to the time such services would be offered:

93 (i) Open-heart surgery services;  
94 (ii) Cardiac catheterization services;  
95 (iii) Comprehensive inpatient rehabilitation  
96 services;

97 (iv) Licensed psychiatric services;  
98 (v) Licensed chemical dependency services;  
99 (vi) Radiation therapy services;  
100 (vii) Diagnostic imaging services of an invasive  
101 nature, i.e. invasive digital angiography;

102 (viii) Nursing home care as defined in  
103 subparagraphs (iv), (vi) and (viii) of Section 41-7-173(h);

104 (ix) Home health services;  
105 (x) Swing-bed services;  
106 (xi) Ambulatory surgical services;  
107 (xii) Magnetic resonance imaging services;  
108 (xiii) [Deleted]

109 (xiv) Long-term care hospital services;  
110 (xv) Positron emission tomography (PET) services;

111 (e) The relocation of one or more health services from  
112 one physical facility or site to another physical facility or  
113 site, unless such relocation, which does not involve a capital  
114 expenditure by or on behalf of a health care facility, (i) is to a  
115 physical facility or site within five thousand two hundred eighty  
116 (5,280) feet from the main entrance of the health care facility

where the health care service is located, or (ii) is the result of an order of a court of appropriate jurisdiction or a result of pending litigation in such court, or by order of the State Department of Health, or by order of any other agency or legal entity of the state, the federal government, or any political subdivision of either, whose order is also approved by the State Department of Health;

(f) The acquisition or otherwise control of any major medical equipment for the provision of medical services; however, (i) the acquisition of any major medical equipment used only for research purposes, and (ii) the acquisition of major medical equipment to replace medical equipment for which a facility is already providing medical services and for which the State Department of Health has been notified before the date of such acquisition shall be exempt from this paragraph; an acquisition for less than fair market value must be reviewed, if the acquisition at fair market value would be subject to review;

(g) Changes of ownership of existing health care facilities in which a notice of intent is not filed with the State Department of Health at least thirty (30) days prior to the date such change of ownership occurs, or a change in services or bed capacity as prescribed in paragraph (c) or (d) of this subsection as a result of the change of ownership; an acquisition for less than fair market value must be reviewed, if the acquisition at fair market value would be subject to review;

(h) The change of ownership of any health care facility defined in subparagraphs (iv), (vi) and (viii) of Section 41-7-173(h), in which a notice of intent as described in paragraph (g) has not been filed and if the Executive Director, Division of Medicaid, Office of the Governor, has not certified in writing that there will be no increase in allowable costs to Medicaid from revaluation of the assets or from increased interest and depreciation as a result of the proposed change of ownership;

(i) Any activity described in paragraphs (a) through (h) if undertaken by any person if that same activity would require certificate of need approval if undertaken by a health care facility;

(j) Any capital expenditure or deferred capital expenditure by or on behalf of a health care facility not covered by paragraphs (a) through (h);

(k) The contracting of a health care facility as defined in subparagraphs (i) through (viii) of Section 41-7-173(h) to establish a home office, subunit, or branch office in the space operated as a health care facility through a formal arrangement with an existing health care facility as defined in subparagraph (ix) of Section 41-7-173(h);

(l) The replacement or relocation of a health care facility designated as a critical access hospital shall be exempt from subsection (1) of this section so long as the critical access hospital complies with all applicable federal law and regulations regarding such replacement or relocation;

168 (m) Reopening a health care facility that has ceased to  
169 operate for a period of sixty (60) months or more, which reopening  
170 requires a certificate of need for the establishment of a new  
171 health care facility.

172 (2) The State Department of Health shall not grant approval  
173 for or issue a certificate of need to any person proposing the new  
174 construction of, addition to, or expansion of any health care  
175 facility defined in subparagraphs (iv) (skilled nursing facility)  
176 and (vi) (intermediate care facility) of Section 41-7-173(h) or  
177 the conversion of vacant hospital beds to provide skilled or  
178 intermediate nursing home care, except as hereinafter authorized:

179 (a) The department may issue a certificate of need to  
180 any person proposing the new construction of any health care  
181 facility defined in subparagraphs (iv) and (vi) of Section  
182 41-7-173(h) as part of a life care retirement facility, in any  
183 county bordering on the Gulf of Mexico in which is located a  
184 National Aeronautics and Space Administration facility, not to  
185 exceed forty (40) beds. From and after July 1, 1999, there shall  
186 be no prohibition or restrictions on participation in the Medicaid  
187 program (Section 43-13-101 et seq.) for the beds in the health  
188 care facility that were authorized under this paragraph (a).

189 (b) The department may issue certificates of need in  
190 Harrison County to provide skilled nursing home care for  
191 Alzheimer's disease patients and other patients, not to exceed one  
192 hundred fifty (150) beds. From and after July 1, 1999, there  
193 shall be no prohibition or restrictions on participation in the

194 Medicaid program (Section 43-13-101 et seq.) for the beds in the  
195 nursing facilities that were authorized under this paragraph (b).

196 (c) The department may issue a certificate of need for  
197 the addition to or expansion of any skilled nursing facility that  
198 is part of an existing continuing care retirement community  
199 located in Madison County, provided that the recipient of the  
200 certificate of need agrees in writing that the skilled nursing  
201 facility will not at any time participate in the Medicaid program  
202 (Section 43-13-101 et seq.) or admit or keep any patients in the  
203 skilled nursing facility who are participating in the Medicaid  
204 program. This written agreement by the recipient of the  
205 certificate of need shall be fully binding on any subsequent owner  
206 of the skilled nursing facility, if the ownership of the facility  
207 is transferred at any time after the issuance of the certificate  
208 of need. Agreement that the skilled nursing facility will not  
209 participate in the Medicaid program shall be a condition of the  
210 issuance of a certificate of need to any person under this  
211 paragraph (c), and if such skilled nursing facility at any time  
212 after the issuance of the certificate of need, regardless of the  
213 ownership of the facility, participates in the Medicaid program or  
214 admits or keeps any patients in the facility who are participating  
215 in the Medicaid program, the State Department of Health shall  
216 revoke the certificate of need, if it is still outstanding, and  
217 shall deny or revoke the license of the skilled nursing facility,  
218 at the time that the department determines, after a hearing  
219 complying with due process, that the facility has failed to comply

220 with any of the conditions upon which the certificate of need was  
221 issued, as provided in this paragraph and in the written agreement  
222 by the recipient of the certificate of need. The total number of  
223 beds that may be authorized under the authority of this paragraph  
224 (c) shall not exceed sixty (60) beds.

225 (d) The State Department of Health may issue a  
226 certificate of need to any hospital located in DeSoto County for  
227 the new construction of a skilled nursing facility, not to exceed  
228 one hundred twenty (120) beds, in DeSoto County. From and after  
229 July 1, 1999, there shall be no prohibition or restrictions on  
230 participation in the Medicaid program (Section 43-13-101 et seq.)  
231 for the beds in the nursing facility that were authorized under  
232 this paragraph (d).

233 (e) The State Department of Health may issue a  
234 certificate of need for the construction of a nursing facility or  
235 the conversion of beds to nursing facility beds at a personal care  
236 facility for the elderly in Lowndes County that is owned and  
237 operated by a Mississippi nonprofit corporation, not to exceed  
238 sixty (60) beds. From and after July 1, 1999, there shall be no  
239 prohibition or restrictions on participation in the Medicaid  
240 program (Section 43-13-101 et seq.) for the beds in the nursing  
241 facility that were authorized under this paragraph (e).

242 (f) The State Department of Health may issue a  
243 certificate of need for conversion of a county hospital facility  
244 in Itawamba County to a nursing facility, not to exceed sixty (60)  
245 beds, including any necessary construction, renovation or



expansion. From and after July 1, 1999, there shall be no prohibition or restrictions on participation in the Medicaid program (Section 43-13-101 et seq.) for the beds in the nursing facility that were authorized under this paragraph (f).

(g) The State Department of Health may issue a certificate of need for the construction or expansion of nursing facility beds or the conversion of other beds to nursing facility beds in either Hinds, Madison or Rankin County, not to exceed sixty (60) beds. From and after July 1, 1999, there shall be no prohibition or restrictions on participation in the Medicaid program (Section 43-13-101 et seq.) for the beds in the nursing facility that were authorized under this paragraph (g).

(h) The State Department of Health may issue a certificate of need for the construction or expansion of nursing facility beds or the conversion of other beds to nursing facility beds in either Hancock, Harrison or Jackson County, not to exceed sixty (60) beds. From and after July 1, 1999, there shall be no prohibition or restrictions on participation in the Medicaid program (Section 43-13-101 et seq.) for the beds in the facility that were authorized under this paragraph (h).

(i) The department may issue a certificate of need for the new construction of a skilled nursing facility in Leake County, provided that the recipient of the certificate of need agrees in writing that the skilled nursing facility will not at any time participate in the Medicaid program (Section 43-13-101 et seq.) or admit or keep any patients in the skilled nursing

facility who are participating in the Medicaid program. This written agreement by the recipient of the certificate of need shall be fully binding on any subsequent owner of the skilled nursing facility, if the ownership of the facility is transferred at any time after the issuance of the certificate of need. Agreement that the skilled nursing facility will not participate in the Medicaid program shall be a condition of the issuance of a certificate of need to any person under this paragraph (i), and if such skilled nursing facility at any time after the issuance of the certificate of need, regardless of the ownership of the facility, participates in the Medicaid program or admits or keeps any patients in the facility who are participating in the Medicaid program, the State Department of Health shall revoke the certificate of need, if it is still outstanding, and shall deny or revoke the license of the skilled nursing facility, at the time that the department determines, after a hearing complying with due process, that the facility has failed to comply with any of the conditions upon which the certificate of need was issued, as provided in this paragraph and in the written agreement by the recipient of the certificate of need. The provision of Section 41-7-193(1) regarding substantial compliance of the projection of need as reported in the current State Health Plan is waived for the purposes of this paragraph. The total number of nursing facility beds that may be authorized by any certificate of need issued under this paragraph (i) shall not exceed sixty (60) beds. If the skilled nursing facility authorized by the certificate of

need issued under this paragraph is not constructed and fully operational within eighteen (18) months after July 1, 1994, the State Department of Health, after a hearing complying with due process, shall revoke the certificate of need, if it is still outstanding, and shall not issue a license for the skilled nursing facility at any time after the expiration of the eighteen-month period.

(j) The department may issue certificates of need to allow any existing freestanding long-term care facility in Tishomingo County and Hancock County that on July 1, 1995, is licensed with fewer than sixty (60) beds. For the purposes of this paragraph (j), the provisions of Section 41-7-193(1) requiring substantial compliance with the projection of need as reported in the current State Health Plan are waived. From and after July 1, 1999, there shall be no prohibition or restrictions on participation in the Medicaid program (Section 43-13-101 et seq.) for the beds in the long-term care facilities that were authorized under this paragraph (j).

(k) The department may issue a certificate of need for the construction of a nursing facility at a continuing care retirement community in Lowndes County. The total number of beds that may be authorized under the authority of this paragraph (k) shall not exceed sixty (60) beds. From and after July 1, 2001, the prohibition on the facility participating in the Medicaid program (Section 43-13-101 et seq.) that was a condition of issuance of the certificate of need under this paragraph (k) shall

be revised as follows: The nursing facility may participate in the Medicaid program from and after July 1, 2001, if the owner of the facility on July 1, 2001, agrees in writing that no more than thirty (30) of the beds at the facility will be certified for participation in the Medicaid program, and that no claim will be submitted for Medicaid reimbursement for more than thirty (30) patients in the facility in any month or for any patient in the facility who is in a bed that is not Medicaid-certified. This written agreement by the owner of the facility shall be a condition of licensure of the facility, and the agreement shall be fully binding on any subsequent owner of the facility if the ownership of the facility is transferred at any time after July 1, 2001. After this written agreement is executed, the Division of Medicaid and the State Department of Health shall not certify more than thirty (30) of the beds in the facility for participation in the Medicaid program. If the facility violates the terms of the written agreement by admitting or keeping in the facility on a regular or continuing basis more than thirty (30) patients who are participating in the Medicaid program, the State Department of Health shall revoke the license of the facility, at the time that the department determines, after a hearing complying with due process, that the facility has violated the written agreement.

(1) Provided that funds are specifically appropriated therefor by the Legislature, the department may issue a certificate of need to a rehabilitation hospital in Hinds County for the construction of a sixty-bed long-term care nursing

350 facility dedicated to the care and treatment of persons with  
351 severe disabilities including persons with spinal cord and  
352 closed-head injuries and ventilator dependent patients. The  
353 provisions of Section 41-7-193(1) regarding substantial compliance  
354 with projection of need as reported in the current State Health  
355 Plan are waived for the purpose of this paragraph.

356 (m) The State Department of Health may issue a  
357 certificate of need to a county-owned hospital in the Second  
358 Judicial District of Panola County for the conversion of not more  
359 than seventy-two (72) hospital beds to nursing facility beds,  
360 provided that the recipient of the certificate of need agrees in  
361 writing that none of the beds at the nursing facility will be  
362 certified for participation in the Medicaid program (Section  
363 43-13-101 et seq.), and that no claim will be submitted for  
364 Medicaid reimbursement in the nursing facility in any day or for  
365 any patient in the nursing facility. This written agreement by  
366 the recipient of the certificate of need shall be a condition of  
367 the issuance of the certificate of need under this paragraph, and  
368 the agreement shall be fully binding on any subsequent owner of  
369 the nursing facility if the ownership of the nursing facility is  
370 transferred at any time after the issuance of the certificate of  
371 need. After this written agreement is executed, the Division of  
372 Medicaid and the State Department of Health shall not certify any  
373 of the beds in the nursing facility for participation in the  
374 Medicaid program. If the nursing facility violates the terms of  
375 the written agreement by admitting or keeping in the nursing

376 facility on a regular or continuing basis any patients who are  
377 participating in the Medicaid program, the State Department of  
378 Health shall revoke the license of the nursing facility, at the  
379 time that the department determines, after a hearing complying  
380 with due process, that the nursing facility has violated the  
381 condition upon which the certificate of need was issued, as  
382 provided in this paragraph and in the written agreement. If the  
383 certificate of need authorized under this paragraph is not issued  
384 within twelve (12) months after July 1, 2001, the department shall  
385 deny the application for the certificate of need and shall not  
386 issue the certificate of need at any time after the twelve-month  
387 period, unless the issuance is contested. If the certificate of  
388 need is issued and substantial construction of the nursing  
389 facility beds has not commenced within eighteen (18) months after  
390 July 1, 2001, the State Department of Health, after a hearing  
391 complying with due process, shall revoke the certificate of need  
392 if it is still outstanding, and the department shall not issue a  
393 license for the nursing facility at any time after the  
394 eighteen-month period. However, if the issuance of the  
395 certificate of need is contested, the department shall require  
396 substantial construction of the nursing facility beds within six  
397 (6) months after final adjudication on the issuance of the  
398 certificate of need.

399 (n) The department may issue a certificate of need for  
400 the new construction, addition or conversion of skilled nursing  
401 facility beds in Madison County, provided that the recipient of

the certificate of need agrees in writing that the skilled nursing facility will not at any time participate in the Medicaid program (Section 43-13-101 et seq.) or admit or keep any patients in the skilled nursing facility who are participating in the Medicaid program. This written agreement by the recipient of the certificate of need shall be fully binding on any subsequent owner of the skilled nursing facility, if the ownership of the facility is transferred at any time after the issuance of the certificate of need. Agreement that the skilled nursing facility will not participate in the Medicaid program shall be a condition of the issuance of a certificate of need to any person under this paragraph (n), and if such skilled nursing facility at any time after the issuance of the certificate of need, regardless of the ownership of the facility, participates in the Medicaid program or admits or keeps any patients in the facility who are participating in the Medicaid program, the State Department of Health shall revoke the certificate of need, if it is still outstanding, and shall deny or revoke the license of the skilled nursing facility, at the time that the department determines, after a hearing complying with due process, that the facility has failed to comply with any of the conditions upon which the certificate of need was issued, as provided in this paragraph and in the written agreement by the recipient of the certificate of need. The total number of nursing facility beds that may be authorized by any certificate of need issued under this paragraph (n) shall not exceed sixty (60) beds. If the certificate of need authorized under this paragraph

is not issued within twelve (12) months after July 1, 1998, the department shall deny the application for the certificate of need and shall not issue the certificate of need at any time after the twelve-month period, unless the issuance is contested. If the certificate of need is issued and substantial construction of the nursing facility beds has not commenced within eighteen (18) months after July 1, 1998, the State Department of Health, after a hearing complying with due process, shall revoke the certificate of need if it is still outstanding, and the department shall not issue a license for the nursing facility at any time after the eighteen-month period. However, if the issuance of the certificate of need is contested, the department shall require substantial construction of the nursing facility beds within six (6) months after final adjudication on the issuance of the certificate of need.

(o) The department may issue a certificate of need for the new construction, addition or conversion of skilled nursing facility beds in Leake County, provided that the recipient of the certificate of need agrees in writing that the skilled nursing facility will not at any time participate in the Medicaid program (Section 43-13-101 et seq.) or admit or keep any patients in the skilled nursing facility who are participating in the Medicaid program. This written agreement by the recipient of the certificate of need shall be fully binding on any subsequent owner of the skilled nursing facility, if the ownership of the facility is transferred at any time after the issuance of the certificate



of need. Agreement that the skilled nursing facility will not participate in the Medicaid program shall be a condition of the issuance of a certificate of need to any person under this paragraph (o), and if such skilled nursing facility at any time after the issuance of the certificate of need, regardless of the ownership of the facility, participates in the Medicaid program or admits or keeps any patients in the facility who are participating in the Medicaid program, the State Department of Health shall revoke the certificate of need, if it is still outstanding, and shall deny or revoke the license of the skilled nursing facility, at the time that the department determines, after a hearing complying with due process, that the facility has failed to comply with any of the conditions upon which the certificate of need was issued, as provided in this paragraph and in the written agreement by the recipient of the certificate of need. The total number of nursing facility beds that may be authorized by any certificate of need issued under this paragraph (o) shall not exceed sixty (60) beds. If the certificate of need authorized under this paragraph is not issued within twelve (12) months after July 1, 2001, the department shall deny the application for the certificate of need and shall not issue the certificate of need at any time after the twelve-month period, unless the issuance is contested. If the certificate of need is issued and substantial construction of the nursing facility beds has not commenced within eighteen (18) months after July 1, 2001, the State Department of Health, after a hearing complying with due process, shall revoke the certificate

of need if it is still outstanding, and the department shall not issue a license for the nursing facility at any time after the eighteen-month period. However, if the issuance of the certificate of need is contested, the department shall require substantial construction of the nursing facility beds within six (6) months after final adjudication on the issuance of the certificate of need.

(p) The department may issue a certificate of need for the construction of a municipally owned nursing facility within the Town of Belmont in Tishomingo County, not to exceed sixty (60) beds, provided that the recipient of the certificate of need agrees in writing that the skilled nursing facility will not at any time participate in the Medicaid program (Section 43-13-101 et seq.) or admit or keep any patients in the skilled nursing facility who are participating in the Medicaid program. This written agreement by the recipient of the certificate of need shall be fully binding on any subsequent owner of the skilled nursing facility, if the ownership of the facility is transferred at any time after the issuance of the certificate of need.

Agreement that the skilled nursing facility will not participate in the Medicaid program shall be a condition of the issuance of a certificate of need to any person under this paragraph (p), and if such skilled nursing facility at any time after the issuance of the certificate of need, regardless of the ownership of the facility, participates in the Medicaid program or admits or keeps any patients in the facility who are participating in the Medicaid

program, the State Department of Health shall revoke the certificate of need, if it is still outstanding, and shall deny or revoke the license of the skilled nursing facility, at the time that the department determines, after a hearing complying with due process, that the facility has failed to comply with any of the conditions upon which the certificate of need was issued, as provided in this paragraph and in the written agreement by the recipient of the certificate of need. The provision of Section 41-7-193(1) regarding substantial compliance of the projection of need as reported in the current State Health Plan is waived for the purposes of this paragraph. If the certificate of need authorized under this paragraph is not issued within twelve (12) months after July 1, 1998, the department shall deny the application for the certificate of need and shall not issue the certificate of need at any time after the twelve-month period, unless the issuance is contested. If the certificate of need is issued and substantial construction of the nursing facility beds has not commenced within eighteen (18) months after July 1, 1998, the State Department of Health, after a hearing complying with due process, shall revoke the certificate of need if it is still outstanding, and the department shall not issue a license for the nursing facility at any time after the eighteen-month period. However, if the issuance of the certificate of need is contested, the department shall require substantial construction of the nursing facility beds within six (6) months after final adjudication on the issuance of the certificate of need.

532           (q)   (i)   Beginning on July 1, 1999, the State  
533   Department of Health shall issue certificates of need during each  
534   of the next four (4) fiscal years for the construction or  
535   expansion of nursing facility beds or the conversion of other beds  
536   to nursing facility beds in each county in the state having a need  
537   for fifty (50) or more additional nursing facility beds, as shown  
538   in the fiscal year 1999 State Health Plan, in the manner provided  
539   in this paragraph (q). The total number of nursing facility beds  
540   that may be authorized by any certificate of need authorized under  
541   this paragraph (q) shall not exceed sixty (60) beds.

542           (ii)   Subject to the provisions of subparagraph  
543   (v), during each of the next four (4) fiscal years, the department  
544   shall issue six (6) certificates of need for new nursing facility  
545   beds, as follows: During fiscal years 2000, 2001 and 2002, one  
546   (1) certificate of need shall be issued for new nursing facility  
547   beds in the county in each of the four (4) Long-Term Care Planning  
548   Districts designated in the fiscal year 1999 State Health Plan  
549   that has the highest need in the district for those beds; and two  
550   (2) certificates of need shall be issued for new nursing facility  
551   beds in the two (2) counties from the state at large that have the  
552   highest need in the state for those beds, when considering the  
553   need on a statewide basis and without regard to the Long-Term Care  
554   Planning Districts in which the counties are located. During  
555   fiscal year 2003, one (1) certificate of need shall be issued for  
556   new nursing facility beds in any county having a need for fifty  
557   (50) or more additional nursing facility beds, as shown in the

fiscal year 1999 State Health Plan, that has not received a certificate of need under this paragraph (q) during the three (3) previous fiscal years. During fiscal year 2000, in addition to the six (6) certificates of need authorized in this subparagraph, the department also shall issue a certificate of need for new nursing facility beds in Amite County and a certificate of need for new nursing facility beds in Carroll County.

(iii) Subject to the provisions of subparagraph (v), the certificate of need issued under subparagraph (ii) for nursing facility beds in each Long-Term Care Planning District during each fiscal year shall first be available for nursing facility beds in the county in the district having the highest need for those beds, as shown in the fiscal year 1999 State Health Plan. If there are no applications for a certificate of need for nursing facility beds in the county having the highest need for those beds by the date specified by the department, then the certificate of need shall be available for nursing facility beds in other counties in the district in descending order of the need for those beds, from the county with the second highest need to the county with the lowest need, until an application is received for nursing facility beds in an eligible county in the district.

(iv) Subject to the provisions of subparagraph (v), the certificate of need issued under subparagraph (ii) for nursing facility beds in the two (2) counties from the state at large during each fiscal year shall first be available for nursing facility beds in the two (2) counties that have the highest need

in the state for those beds, as shown in the fiscal year 1999 State Health Plan, when considering the need on a statewide basis and without regard to the Long-Term Care Planning Districts in which the counties are located. If there are no applications for a certificate of need for nursing facility beds in either of the two (2) counties having the highest need for those beds on a statewide basis by the date specified by the department, then the certificate of need shall be available for nursing facility beds in other counties from the state at large in descending order of the need for those beds on a statewide basis, from the county with the second highest need to the county with the lowest need, until an application is received for nursing facility beds in an eligible county from the state at large.

(v) If a certificate of need is authorized to be issued under this paragraph (q) for nursing facility beds in a county on the basis of the need in the Long-Term Care Planning District during any fiscal year of the four-year period, a certificate of need shall not also be available under this paragraph (q) for additional nursing facility beds in that county on the basis of the need in the state at large, and that county shall be excluded in determining which counties have the highest need for nursing facility beds in the state at large for that fiscal year. After a certificate of need has been issued under this paragraph (q) for nursing facility beds in a county during any fiscal year of the four-year period, a certificate of need shall not be available again under this paragraph (q) for

610 additional nursing facility beds in that county during the  
611 four-year period, and that county shall be excluded in determining  
612 which counties have the highest need for nursing facility beds in  
613 succeeding fiscal years.

614                   (vi) If more than one (1) application is made for  
615 a certificate of need for nursing home facility beds available  
616 under this paragraph (q), in Yalobusha, Newton or Tallahatchie  
617 County, and one (1) of the applicants is a county-owned hospital  
618 located in the county where the nursing facility beds are  
619 available, the department shall give priority to the county-owned  
620 hospital in granting the certificate of need if the following  
621 conditions are met:

622                   1. The county-owned hospital fully meets all  
623 applicable criteria and standards required to obtain a certificate  
624 of need for the nursing facility beds; and

625                   2. The county-owned hospital's qualifications  
626 for the certificate of need, as shown in its application and as  
627 determined by the department, are at least equal to the  
628 qualifications of the other applicants for the certificate of  
629 need.

630                   (r) (i) Beginning on July 1, 1999, the State  
631 Department of Health shall issue certificates of need during each  
632 of the next two (2) fiscal years for the construction or expansion  
633 of nursing facility beds or the conversion of other beds to  
634 nursing facility beds in each of the four (4) Long-Term Care  
635 Planning Districts designated in the fiscal year 1999 State Health

Plan, to provide care exclusively to patients with Alzheimer's disease.

(ii) Not more than twenty (20) beds may be authorized by any certificate of need issued under this paragraph (r), and not more than a total of sixty (60) beds may be authorized in any Long-Term Care Planning District by all certificates of need issued under this paragraph (r). However, the total number of beds that may be authorized by all certificates of need issued under this paragraph (r) during any fiscal year shall not exceed one hundred twenty (120) beds, and the total number of beds that may be authorized in any Long-Term Care Planning District during any fiscal year shall not exceed forty (40) beds. Of the certificates of need that are issued for each Long-Term Care Planning District during the next two (2) fiscal years, at least one (1) shall be issued for beds in the northern part of the district, at least one (1) shall be issued for beds in the central part of the district, and at least one (1) shall be issued for beds in the southern part of the district.

(iii) The State Department of Health, in consultation with the Department of Mental Health and the Division of Medicaid, shall develop and prescribe the staffing levels, space requirements and other standards and requirements that must be met with regard to the nursing facility beds authorized under this paragraph (r) to provide care exclusively to patients with Alzheimer's disease.



661           (s) The State Department of Health may issue a  
662 certificate of need to a nonprofit skilled nursing facility using  
663 the Green House model of skilled nursing care and located in Yazoo  
664 City, Yazoo County, Mississippi, for the construction, expansion  
665 or conversion of not more than nineteen (19) nursing facility  
666 beds. For purposes of this paragraph (s), the provisions of  
667 Section 41-7-193(1) requiring substantial compliance with the  
668 projection of need as reported in the current State Health Plan  
669 and the provisions of Section 41-7-197 requiring a formal  
670 certificate of need hearing process are waived. There shall be no  
671 prohibition or restrictions on participation in the Medicaid  
672 program for the person receiving the certificate of need  
673 authorized under this paragraph (s).

674           (t) The State Department of Health shall issue  
675 certificates of need to the owner of a nursing facility in  
676 operation at the time of Hurricane Katrina in Hancock County that  
677 was not operational on December 31, 2005, because of damage  
678 sustained from Hurricane Katrina to authorize the following: (i)  
679 the construction of a new nursing facility in Harrison County;  
680 (ii) the relocation of forty-nine (49) nursing facility beds from  
681 the Hancock County facility to the new Harrison County facility;  
682 (iii) the establishment of not more than twenty (20) non-Medicaid  
683 nursing facility beds at the Hancock County facility; and (iv) the  
684 establishment of not more than twenty (20) non-Medicaid beds at  
685 the new Harrison County facility. The certificates of need that  
686 authorize the non-Medicaid nursing facility beds under

subparagraphs (iii) and (iv) of this paragraph (t) shall be subject to the following conditions: The owner of the Hancock County facility and the new Harrison County facility must agree in writing that no more than fifty (50) of the beds at the Hancock County facility and no more than forty-nine (49) of the beds at the Harrison County facility will be certified for participation in the Medicaid program, and that no claim will be submitted for Medicaid reimbursement for more than fifty (50) patients in the Hancock County facility in any month, or for more than forty-nine (49) patients in the Harrison County facility in any month, or for any patient in either facility who is in a bed that is not Medicaid-certified. This written agreement by the owner of the nursing facilities shall be a condition of the issuance of the certificates of need under this paragraph (t), and the agreement shall be fully binding on any later owner or owners of either facility if the ownership of either facility is transferred at any time after the certificates of need are issued. After this written agreement is executed, the Division of Medicaid and the State Department of Health shall not certify more than fifty (50) of the beds at the Hancock County facility or more than forty-nine (49) of the beds at the Harrison County facility for participation in the Medicaid program. If the Hancock County facility violates the terms of the written agreement by admitting or keeping in the facility on a regular or continuing basis more than fifty (50) patients who are participating in the Medicaid program, or if the Harrison County facility violates the terms of the written

713 agreement by admitting or keeping in the facility on a regular or  
714 continuing basis more than forty-nine (49) patients who are  
715 participating in the Medicaid program, the State Department of  
716 Health shall revoke the license of the facility that is in  
717 violation of the agreement, at the time that the department  
718 determines, after a hearing complying with due process, that the  
719 facility has violated the agreement.

720           (u) The State Department of Health shall issue a  
721 certificate of need to a nonprofit venture for the establishment,  
722 construction and operation of a skilled nursing facility of not  
723 more than sixty (60) beds to provide skilled nursing care for  
724 ventilator dependent or otherwise medically dependent pediatric  
725 patients who require medical and nursing care or rehabilitation  
726 services to be located in a county in which an academic medical  
727 center and a children's hospital are located, and for any  
728 construction and for the acquisition of equipment related to those  
729 beds. The facility shall be authorized to keep such ventilator  
730 dependent or otherwise medically dependent pediatric patients  
731 beyond age twenty-one (21) in accordance with regulations of the  
732 State Board of Health. For purposes of this paragraph (u), the  
733 provisions of Section 41-7-193(1) requiring substantial compliance  
734 with the projection of need as reported in the current State  
735 Health Plan are waived, and the provisions of Section 41-7-197  
736 requiring a formal certificate of need hearing process are waived.  
737 The beds authorized by this paragraph shall be counted as  
738 pediatric skilled nursing facility beds for health planning

purposes under Section 41-7-171 et seq. There shall be no prohibition of or restrictions on participation in the Medicaid program for the person receiving the certificate of need authorized by this paragraph.

(3) The State Department of Health may grant approval for and issue certificates of need to any person proposing the new construction of, addition to, conversion of beds of or expansion of any health care facility defined in subparagraph (x) (psychiatric residential treatment facility) of Section 41-7-173(h). The total number of beds which may be authorized by such certificates of need shall not exceed three hundred thirty-four (334) beds for the entire state.

(a) Of the total number of beds authorized under this subsection, the department shall issue a certificate of need to a privately owned psychiatric residential treatment facility in Simpson County for the conversion of sixteen (16) intermediate care facility for individuals with intellectual disabilities (ICF-IID) beds to psychiatric residential treatment facility beds, provided that facility agrees in writing that the facility shall give priority for the use of those sixteen (16) beds to Mississippi residents who are presently being treated in out-of-state facilities.

(b) Of the total number of beds authorized under this subsection, the department may issue a certificate or certificates of need for the construction or expansion of psychiatric residential treatment facility beds or the conversion of other

beds to psychiatric residential treatment facility beds in Warren County, not to exceed sixty (60) psychiatric residential treatment facility beds, provided that the facility agrees in writing that no more than thirty (30) of the beds at the psychiatric residential treatment facility will be certified for participation in the Medicaid program (Section 43-13-101 et seq.) for the use of any patients other than those who are participating only in the Medicaid program of another state, and that no claim will be submitted to the Division of Medicaid for Medicaid reimbursement for more than thirty (30) patients in the psychiatric residential treatment facility in any day or for any patient in the psychiatric residential treatment facility who is in a bed that is not Medicaid-certified. This written agreement by the recipient of the certificate of need shall be a condition of the issuance of the certificate of need under this paragraph, and the agreement shall be fully binding on any subsequent owner of the psychiatric residential treatment facility if the ownership of the facility is transferred at any time after the issuance of the certificate of need. After this written agreement is executed, the Division of Medicaid and the State Department of Health shall not certify more than thirty (30) of the beds in the psychiatric residential treatment facility for participation in the Medicaid program for the use of any patients other than those who are participating only in the Medicaid program of another state. If the psychiatric residential treatment facility violates the terms of the written agreement by admitting or keeping in the facility on a regular or

791 continuing basis more than thirty (30) patients who are  
792 participating in the Mississippi Medicaid program, the State  
793 Department of Health shall revoke the license of the facility, at  
794 the time that the department determines, after a hearing complying  
795 with due process, that the facility has violated the condition  
796 upon which the certificate of need was issued, as provided in this  
797 paragraph and in the written agreement.

798         The State Department of Health, on or before July 1, 2002,  
799 shall transfer the certificate of need authorized under the  
800 authority of this paragraph (b), or reissue the certificate of  
801 need if it has expired, to River Region Health System.

802         (c) Of the total number of beds authorized under this  
803 subsection, the department shall issue a certificate of need to a  
804 hospital currently operating Medicaid-certified acute psychiatric  
805 beds for adolescents in DeSoto County, for the establishment of a  
806 forty-bed psychiatric residential treatment facility in DeSoto  
807 County \* \* \*. There shall be no prohibition or restrictions on  
808 participation in the Medicaid program (Section 43-13-101 et seq.)  
809 for the person(s) receiving the certificate of need authorized  
810 under this paragraph (c) or for the beds converted pursuant to the  
811 authority of that certificate of need that would not apply to any  
812 other psychiatric residential treatment facility.

813         (d) Of the total number of beds authorized under this  
814 subsection, the department may issue a certificate or certificates  
815 of need for the construction or expansion of psychiatric  
816 residential treatment facility beds or the conversion of other

beds to psychiatric treatment facility beds, not to exceed thirty (30) psychiatric residential treatment facility beds, in either Alcorn, Tishomingo, Prentiss, Lee, Itawamba, Monroe, Chickasaw, Pontotoc, Calhoun, Lafayette, Union, Benton or Tippah County.

(e) Of the total number of beds authorized under this subsection (3) the department shall issue a certificate of need to a privately owned, nonprofit psychiatric residential treatment facility in Hinds County for an eight-bed expansion of the facility, provided that the facility agrees in writing that the facility shall give priority for the use of those eight (8) beds to Mississippi residents who are presently being treated in out-of-state facilities.

(f) The department shall issue a certificate of need to a one-hundred-thirty-four-bed specialty hospital located on twenty-nine and forty-four one-hundredths (29.44) commercial acres at 5900 Highway 39 North in Meridian (Lauderdale County), Mississippi, for the addition, construction or expansion of child/adolescent psychiatric residential treatment facility beds in Lauderdale County. As a condition of issuance of the certificate of need under this paragraph, the facility shall give priority in admissions to the child/adolescent psychiatric residential treatment facility beds authorized under this paragraph to patients who otherwise would require out-of-state placement. The Division of Medicaid, in conjunction with the Department of Human Services, shall furnish the facility a list of all out-of-state patients on a quarterly basis. Furthermore,

notice shall also be provided to the parent, custodial parent or guardian of each out-of-state patient notifying them of the priority status granted by this paragraph. For purposes of this paragraph, the provisions of Section 41-7-193(1) requiring substantial compliance with the projection of need as reported in the current State Health Plan are waived. The total number of child/adolescent psychiatric residential treatment facility beds that may be authorized under the authority of this paragraph shall be sixty (60) beds. There shall be no prohibition or restrictions on participation in the Medicaid program (Section 43-13-101 et seq.) for the person receiving the certificate of need authorized under this paragraph or for the beds converted pursuant to the authority of that certificate of need.

(4) (a) From and after March 25, 2021, the department may issue a certificate of need to any person for the new construction of any hospital, psychiatric hospital or chemical dependency hospital that will contain any child/adolescent psychiatric or child/adolescent chemical dependency beds, or for the conversion of any other health care facility to a hospital, psychiatric hospital or chemical dependency hospital that will contain any child/adolescent psychiatric or child/adolescent chemical dependency beds. There shall be no prohibition or restrictions on participation in the Medicaid program (Section 43-13-101 et seq.) for the person(s) receiving the certificate(s) of need authorized under this paragraph (a) or for the beds converted pursuant to the authority of that certificate of need. In issuing any new



certificate of need for any child/adolescent psychiatric or child/adolescent chemical dependency beds, either by new construction or conversion of beds of another category, the department shall give preference to beds which will be located in an area of the state which does not have such beds located in it, and to a location more than sixty-five (65) miles from existing beds. Upon receiving 2020 census data, the department may amend the State Health Plan regarding child/adolescent psychiatric and child/adolescent chemical dependency beds to reflect the need based on new census data.

(i) [Deleted]

(ii) The department may issue a certificate of need for the conversion of existing beds in a county hospital in Choctaw County from acute care beds to child/adolescent chemical dependency beds. For purposes of this subparagraph (ii), the provisions of Section 41-7-193(1) requiring substantial compliance with the projection of need as reported in the current State Health Plan are waived. The total number of beds that may be authorized under authority of this subparagraph shall not exceed twenty (20) beds. There shall be no prohibition or restrictions on participation in the Medicaid program (Section 43-13-101 et seq.) for the hospital receiving the certificate of need authorized under this subparagraph or for the beds converted pursuant to the authority of that certificate of need.

(iii) The department may issue a certificate or certificates of need for the construction or expansion of

895 child/adolescent psychiatric beds or the conversion of other beds  
896 to child/adolescent psychiatric beds in Warren County. For  
897 purposes of this subparagraph (iii), the provisions of Section  
898 41-7-193(1) requiring substantial compliance with the projection  
899 of need as reported in the current State Health Plan are waived.  
900 The total number of beds that may be authorized under the  
901 authority of this subparagraph shall not exceed twenty (20) beds.  
902 There shall be no prohibition or restrictions on participation in  
903 the Medicaid program (Section 43-13-101 et seq.) for the person  
904 receiving the certificate of need authorized under this  
905 subparagraph or for the beds converted pursuant to the authority  
906 of that certificate of need.

907       If by January 1, 2002, there has been no significant  
908 commencement of construction of the beds authorized under this  
909 subparagraph (iii), or no significant action taken to convert  
910 existing beds to the beds authorized under this subparagraph, then  
911 the certificate of need that was previously issued under this  
912 subparagraph shall expire. If the previously issued certificate  
913 of need expires, the department may accept applications for  
914 issuance of another certificate of need for the beds authorized  
915 under this subparagraph, and may issue a certificate of need to  
916 authorize the construction, expansion or conversion of the beds  
917 authorized under this subparagraph.

918               (iv) The department shall issue a certificate of  
919 need to the Region 7 Mental Health/Retardation Commission for the  
920 construction or expansion of child/adolescent psychiatric beds or

the conversion of other beds to child/adolescent psychiatric beds in any of the counties served by the commission. For purposes of this subparagraph (iv), the provisions of Section 41-7-193(1) requiring substantial compliance with the projection of need as reported in the current State Health Plan are waived. The total number of beds that may be authorized under the authority of this subparagraph shall not exceed twenty (20) beds. There shall be no prohibition or restrictions on participation in the Medicaid program (Section 43-13-101 et seq.) for the person receiving the certificate of need authorized under this subparagraph or for the beds converted pursuant to the authority of that certificate of need.

(v) The department may issue a certificate of need to any county hospital located in Leflore County for the construction or expansion of adult psychiatric beds or the conversion of other beds to adult psychiatric beds, not to exceed twenty (20) beds, provided that the recipient of the certificate of need agrees in writing that the adult psychiatric beds will not at any time be certified for participation in the Medicaid program and that the hospital will not admit or keep any patients who are participating in the Medicaid program in any of such adult psychiatric beds. This written agreement by the recipient of the certificate of need shall be fully binding on any subsequent owner of the hospital if the ownership of the hospital is transferred at any time after the issuance of the certificate of need. Agreement that the adult psychiatric beds will not be certified for

947 participation in the Medicaid program shall be a condition of the  
948 issuance of a certificate of need to any person under this  
949 subparagraph (v), and if such hospital at any time after the  
950 issuance of the certificate of need, regardless of the ownership  
951 of the hospital, has any of such adult psychiatric beds certified  
952 for participation in the Medicaid program or admits or keeps any  
953 Medicaid patients in such adult psychiatric beds, the State  
954 Department of Health shall revoke the certificate of need, if it  
955 is still outstanding, and shall deny or revoke the license of the  
956 hospital at the time that the department determines, after a  
957 hearing complying with due process, that the hospital has failed  
958 to comply with any of the conditions upon which the certificate of  
959 need was issued, as provided in this subparagraph and in the  
960 written agreement by the recipient of the certificate of need.

961           (vi) The department may issue a certificate or  
962 certificates of need for the expansion of child psychiatric beds  
963 or the conversion of other beds to child psychiatric beds at the  
964 University of Mississippi Medical Center. For purposes of this  
965 subparagraph (vi), the provisions of Section 41-7-193(1) requiring  
966 substantial compliance with the projection of need as reported in  
967 the current State Health Plan are waived. The total number of  
968 beds that may be authorized under the authority of this  
969 subparagraph shall not exceed fifteen (15) beds. There shall be  
970 no prohibition or restrictions on participation in the Medicaid  
971 program (Section 43-13-101 et seq.) for the hospital receiving the  
972 certificate of need authorized under this subparagraph or for the

beds converted pursuant to the authority of that certificate of need.

(b) From and after July 1, 1990, no hospital, psychiatric hospital or chemical dependency hospital shall be authorized to add any child/adolescent psychiatric or child/adolescent chemical dependency beds or convert any beds of another category to child/adolescent psychiatric or child/adolescent chemical dependency beds without a certificate of need under the authority of subsection (1)(c) and subsection (4)(a) of this section.

(5) The department may issue a certificate of need to a county hospital in Winston County for the conversion of fifteen (15) acute care beds to geriatric psychiatric care beds.

(6) The State Department of Health shall issue a certificate of need to a Mississippi corporation qualified to manage a long-term care hospital as defined in Section 41-7-173(h)(xii) in Harrison County, not to exceed eighty (80) beds, including any necessary renovation or construction required for licensure and certification, provided that the recipient of the certificate of need agrees in writing that the long-term care hospital will not at any time participate in the Medicaid program (Section 43-13-101 et seq.) \* \* \* except as a crossover provider. This written agreement by the recipient of the certificate of need shall be fully binding on any subsequent owner of the long-term care hospital, if the ownership of the facility is transferred at any time after the issuance of the certificate of need. Agreement

999 that the long-term care hospital will not participate in the  
1000 Medicaid program except as a crossover provider shall be a  
1001 condition of the issuance of a certificate of need to any person  
1002 under this subsection (6), and if such long-term care hospital at  
1003 any time after the issuance of the certificate of need, regardless  
1004 of the ownership of the facility, participates in the Medicaid  
1005 program \* \* \* except as a crossover provider, the State Department  
1006 of Health shall revoke the certificate of need, if it is still  
1007 outstanding, and shall deny or revoke the license of the long-term  
1008 care hospital, at the time that the department determines, after a  
1009 hearing complying with due process, that the facility has failed  
1010 to comply with any of the conditions upon which the certificate of  
1011 need was issued, as provided in this subsection and in the written  
1012 agreement by the recipient of the certificate of need. For  
1013 purposes of this subsection, the provisions of Section 41-7-193(1)  
1014 requiring substantial compliance with the projection of need as  
1015 reported in the current State Health Plan are waived. This  
1016 subsection (6) shall be retroactive to July 1, 2023.

1017 (7) The State Department of Health may issue a certificate  
1018 of need to any hospital in the state to utilize a portion of its  
1019 beds for the "swing-bed" concept. Any such hospital must be in  
1020 conformance with the federal regulations regarding such swing-bed  
1021 concept at the time it submits its application for a certificate  
1022 of need to the State Department of Health, except that such  
1023 hospital may have more licensed beds or a higher average daily  
1024 census (ADC) than the maximum number specified in federal

1025 regulations for participation in the swing-bed program. Any  
1026 hospital meeting all federal requirements for participation in the  
1027 swing-bed program which receives such certificate of need shall  
1028 render services provided under the swing-bed concept to any  
1029 patient eligible for Medicare (Title XVIII of the Social Security  
1030 Act) who is certified by a physician to be in need of such  
1031 services, and no such hospital shall permit any patient who is  
1032 eligible for both Medicaid and Medicare or eligible only for  
1033 Medicaid to stay in the swing beds of the hospital for more than  
1034 thirty (30) days per admission unless the hospital receives prior  
1035 approval for such patient from the Division of Medicaid, Office of  
1036 the Governor. Any hospital having more licensed beds or a higher  
1037 average daily census (ADC) than the maximum number specified in  
1038 federal regulations for participation in the swing-bed program  
1039 which receives such certificate of need shall develop a procedure  
1040 to ensure that before a patient is allowed to stay in the swing  
1041 beds of the hospital, there are no vacant nursing home beds  
1042 available for that patient located within a fifty-mile radius of  
1043 the hospital. When any such hospital has a patient staying in the  
1044 swing beds of the hospital and the hospital receives notice from a  
1045 nursing home located within such radius that there is a vacant bed  
1046 available for that patient, the hospital shall transfer the  
1047 patient to the nursing home within a reasonable time after receipt  
1048 of the notice. Any hospital which is subject to the requirements  
1049 of the two (2) preceding sentences of this subsection may be  
1050 suspended from participation in the swing-bed program for a

1051 reasonable period of time by the State Department of Health if the  
1052 department, after a hearing complying with due process, determines  
1053 that the hospital has failed to comply with any of those  
1054 requirements.

1055       (8) The Department of Health shall not grant approval for or  
1056 issue a certificate of need to any person proposing the new  
1057 construction of, addition to or expansion of a health care  
1058 facility as defined in subparagraph (viii) of Section 41-7-173(h),  
1059 except as hereinafter provided: Effective July 1, 2025, the  
1060 department \* \* \* shall issue a certificate of need to a nonprofit  
1061 corporation located in Madison County, Mississippi, for the  
1062 construction, expansion or conversion of \* \* \* forty (40) beds in  
1063 a community living program for developmentally disabled adults in  
1064 a facility as defined in subparagraph (viii) of Section  
1065 41-7-173(h). For purposes of this subsection (8), the provisions  
1066 of Section 41-7-193(1) requiring substantial compliance with the  
1067 projection of need as reported in the current State Health Plan  
1068 and the provisions of Section 41-7-197 requiring a formal  
1069 certificate of need hearing process are waived. There shall be no  
1070 prohibition or restrictions on participation in the Medicaid  
1071 program for the person receiving the certificate of need  
1072 authorized under this subsection (8).

1073       (9) The Department of Health shall not grant approval for or  
1074 issue a certificate of need to any person proposing the  
1075 establishment of, or expansion of the currently approved territory  
1076 of, or the contracting to establish a home office, subunit or



1077 branch office within the space operated as a health care facility  
1078 as defined in Section 41-7-173(h)(i) through (viii) by a health  
1079 care facility as defined in subparagraph (ix) of Section  
1080 41-7-173(h).

1081 (10) Health care facilities owned and/or operated by the  
1082 state or its agencies are exempt from the restraints in this  
1083 section against issuance of a certificate of need if such addition  
1084 or expansion consists of repairing or renovation necessary to  
1085 comply with the state licensure law. This exception shall not  
1086 apply to the new construction of any building by such state  
1087 facility. This exception shall not apply to any health care  
1088 facilities owned and/or operated by counties, municipalities,  
1089 districts, unincorporated areas, other defined persons, or any  
1090 combination thereof.

1091 (11) The new construction, renovation or expansion of or  
1092 addition to any health care facility defined in subparagraph (ii)  
1093 (psychiatric hospital), subparagraph (iv) (skilled nursing  
1094 facility), subparagraph (vi) (intermediate care facility),  
1095 subparagraph (viii) (intermediate care facility for individuals  
1096 with intellectual disabilities) and subparagraph (x) (psychiatric  
1097 residential treatment facility) of Section 41-7-173(h) which is  
1098 owned by the State of Mississippi and under the direction and  
1099 control of the State Department of Mental Health, and the addition  
1100 of new beds or the conversion of beds from one category to another  
1101 in any such defined health care facility which is owned by the  
1102 State of Mississippi and under the direction and control of the

1103 State Department of Mental Health, shall not require the issuance  
1104 of a certificate of need under Section 41-7-171 et seq.,  
1105 notwithstanding any provision in Section 41-7-171 et seq. to the  
1106 contrary.

1107 (12) The new construction, renovation or expansion of or  
1108 addition to any veterans homes or domiciliaries for eligible  
1109 veterans of the State of Mississippi as authorized under Section  
1110 35-1-19 shall not require the issuance of a certificate of need,  
1111 notwithstanding any provision in Section 41-7-171 et seq. to the  
1112 contrary.

1113 (13) The repair or the rebuilding of an existing, operating  
1114 health care facility that sustained significant damage from a  
1115 natural disaster that occurred after April 15, 2014, in an area  
1116 that is proclaimed a disaster area or subject to a state of  
1117 emergency by the Governor or by the President of the United States  
1118 shall be exempt from all of the requirements of the Mississippi  
1119 Certificate of Need Law (Section 41-7-171 et seq.) and any and all  
1120 rules and regulations promulgated under that law, subject to the  
1121 following conditions:

1122 (a) The repair or the rebuilding of any such damaged  
1123 health care facility must be within one (1) mile of the  
1124 pre-disaster location of the campus of the damaged health care  
1125 facility, except that any temporary post-disaster health care  
1126 facility operating location may be within five (5) miles of the  
1127 pre-disaster location of the damaged health care facility;

1128           (b) The repair or the rebuilding of the damaged health  
1129 care facility (i) does not increase or change the complement of  
1130 its bed capacity that it had before the Governor's or the  
1131 President's proclamation, (ii) does not increase or change its  
1132 levels and types of health care services that it provided before  
1133 the Governor's or the President's proclamation, and (iii) does not  
1134 rebuild in a different county; however, this paragraph does not  
1135 restrict or prevent a health care facility from decreasing its bed  
1136 capacity that it had before the Governor's or the President's  
1137 proclamation, or from decreasing the levels of or decreasing or  
1138 eliminating the types of health care services that it provided  
1139 before the Governor's or the President's proclamation, when the  
1140 damaged health care facility is repaired or rebuilt;

1141           (c) The exemption from Certificate of Need Law provided  
1142 under this subsection (13) is valid for only five (5) years from  
1143 the date of the Governor's or the President's proclamation. If  
1144 actual construction has not begun within that five-year period,  
1145 the exemption provided under this subsection is inapplicable; and

1146           (d) The Division of Health Facilities Licensure and  
1147 Certification of the State Department of Health shall provide the  
1148 same oversight for the repair or the rebuilding of the damaged  
1149 health care facility that it provides to all health care facility  
1150 construction projects in the state.

1151           For the purposes of this subsection (13), "significant  
1152 damage" to a health care facility means damage to the health care

1153 facility requiring an expenditure of at least One Million Dollars  
1154 (\$1,000,000.00) .

1155       (14) The State Department of Health shall issue a  
1156 certificate of need to any hospital which is currently licensed  
1157 for two hundred fifty (250) or more acute care beds and is located  
1158 in any general hospital service area not having a comprehensive  
1159 cancer center, for the establishment and equipping of such a  
1160 center which provides facilities and services for outpatient  
1161 radiation oncology therapy, outpatient medical oncology therapy,  
1162 and appropriate support services including the provision of  
1163 radiation therapy services. The provisions of Section 41-7-193(1)  
1164 regarding substantial compliance with the projection of need as  
1165 reported in the current State Health Plan are waived for the  
1166 purpose of this subsection.

1167       (15) The State Department of Health may authorize the  
1168 transfer of hospital beds, not to exceed sixty (60) beds, from the  
1169 North Panola Community Hospital to the South Panola Community  
1170 Hospital. The authorization for the transfer of those beds shall  
1171 be exempt from the certificate of need review process.

1172       (16) The State Department of Health shall issue any  
1173 certificates of need necessary for Mississippi State University  
1174 and a public or private health care provider to jointly acquire  
1175 and operate a linear accelerator and a magnetic resonance imaging  
1176 unit. Those certificates of need shall cover all capital  
1177 expenditures related to the project between Mississippi State  
1178 University and the health care provider, including, but not

1179 limited to, the acquisition of the linear accelerator, the  
1180 magnetic resonance imaging unit and other radiological modalities;  
1181 the offering of linear accelerator and magnetic resonance imaging  
1182 services; and the cost of construction of facilities in which to  
1183 locate these services. The linear accelerator and the magnetic  
1184 resonance imaging unit shall be (a) located in the City of  
1185 Starkville, Oktibbeha County, Mississippi; (b) operated jointly by  
1186 Mississippi State University and the public or private health care  
1187 provider selected by Mississippi State University through a  
1188 request for proposals (RFP) process in which Mississippi State  
1189 University selects, and the Board of Trustees of State  
1190 Institutions of Higher Learning approves, the health care provider  
1191 that makes the best overall proposal; (c) available to Mississippi  
1192 State University for research purposes two-thirds (2/3) of the  
1193 time that the linear accelerator and magnetic resonance imaging  
1194 unit are operational; and (d) available to the public or private  
1195 health care provider selected by Mississippi State University and  
1196 approved by the Board of Trustees of State Institutions of Higher  
1197 Learning one-third (1/3) of the time for clinical, diagnostic and  
1198 treatment purposes. For purposes of this subsection, the  
1199 provisions of Section 41-7-193(1) requiring substantial compliance  
1200 with the projection of need as reported in the current State  
1201 Health Plan are waived.

1202 (17) The State Department of Health shall issue a  
1203 certificate of need for the construction of an acute care hospital  
1204 in Kemper County, not to exceed twenty-five (25) beds, which shall

1205 be named the "John C. Stennis Memorial Hospital." In issuing the  
1206 certificate of need under this subsection, the department shall  
1207 give priority to a hospital located in Lauderdale County that has  
1208 two hundred fifteen (215) beds. For purposes of this subsection,  
1209 the provisions of Section 41-7-193(1) requiring substantial  
1210 compliance with the projection of need as reported in the current  
1211 State Health Plan and the provisions of Section 41-7-197 requiring  
1212 a formal certificate of need hearing process are waived. There  
1213 shall be no prohibition or restrictions on participation in the  
1214 Medicaid program (Section 43-13-101 et seq.) for the person or  
1215 entity receiving the certificate of need authorized under this  
1216 subsection or for the beds constructed under the authority of that  
1217 certificate of need.

1218 (18) The planning, design, construction, renovation,  
1219 addition, furnishing and equipping of a clinical research unit at  
1220 any health care facility defined in Section 41-7-173(h) that is  
1221 under the direction and control of the University of Mississippi  
1222 Medical Center and located in Jackson, Mississippi, and the  
1223 addition of new beds or the conversion of beds from one (1)  
1224 category to another in any such clinical research unit, shall not  
1225 require the issuance of a certificate of need under Section  
1226 41-7-171 et seq., notwithstanding any provision in Section  
1227 41-7-171 et seq. to the contrary.

1228 (19) [Repealed]

1229 (20) Nothing in this section or in any other provision of  
1230 Section 41-7-171 et seq. shall prevent any nursing facility from

designating an appropriate number of existing beds in the facility as beds for providing care exclusively to patients with Alzheimer's disease.

(21) Nothing in this section or any other provision of Section 41-7-171 et seq. shall prevent any health care facility from the new construction, renovation, conversion or expansion of new beds in the facility designated as intensive care units, negative pressure rooms, or isolation rooms pursuant to the provisions of Sections 41-14-1 through 41-14-11, or Section 41-14-31. For purposes of this subsection, the provisions of Section 41-7-193(1) requiring substantial compliance with the projection of need as reported in the current State Health Plan and the provisions of Section 41-7-197 requiring a formal certificate of need hearing process are waived.

(22) Except as provided in this subsection (22), the University of Mississippi Medical Center shall comply with all provisions of this section.

The University of Mississippi Medical Center need not obtain a certificate of need for any hospital beds, services, health care facilities, or medical equipment which have been approved and continuously operated under a certificate of need exemption for a teaching hospital, or which are approved before July 1, 2025, so long as they do not undergo a physical relocation.

Thereafter, the University of Mississippi Medical Center has an academic exemption from the certificate of need requirements only within the following area in Jackson, Mississippi: starting

1257 at the intersection of Livingston Road and Woodrow Wilson Avenue,  
1258 proceeding east along the south curb line of Woodrow Wilson Avenue  
1259 until it intersects the west curb line of U.S. Interstate 55,  
1260 proceeding north along the west curb line of U.S. Interstate 55  
1261 until it intersects the north curb line of Lakeland Drive,  
1262 proceeding west along the north curb line of Lakeland Drive and  
1263 extending such curb line west until it intersects Livingston Road,  
1264 and proceeding south along the west curb line of Livingston Road  
1265 to the point of origin.

1266 In order to qualify for an academic exemption, the state  
1267 health officer must determine that the proposed equipment or  
1268 facility fulfills a substantial and meaningful academic function.

1269 (23) The State Department of Health shall issue a  
1270 certificate of need to any psychiatric hospital located in  
1271 Jackson, Mississippi, that was providing adult psychiatric  
1272 services as of January 1, 2025, under certificate of need  
1273 authority that was transferred to it within the past five (5)  
1274 years under a change of ownership. The new certificate of need  
1275 shall authorize the continuation of these services, provided that  
1276 the hospital relinquishes its existing authority to operate under  
1277 the certificate of need authority transferred to the hospital as  
1278 of the effective date of the new certificate of need.

1279 (24) (a) The State Department of Health shall conduct a  
1280 study to review and make recommendations regarding Section  
1281 41-7-171 et seq., to be specifically focused on the following  
1282 topics:



1283                   (i) The feasibility of exempting small hospitals  
1284 from the requirement for a certificate of need for the placement  
1285 of dialysis units to reduce the number of transfers for patients  
1286 requiring dialysis;

1287                   (ii) The feasibility of exempting small hospitals  
1288 from the requirement for a certificate of need to operate  
1289 geriatric psychiatric units; and

1290                   (iii) The feasibility of a new requirement that  
1291 acute adult psychiatric units treat a certain percentage of  
1292 uninsured patients or pay a periodic fee in lieu thereof.

1293                   (b) The department shall make a final report of its  
1294 findings and recommendations, including any recommended  
1295 legislation and funding needs, to the Legislature before December  
1296 1, 2025.

1297           **SECTION 2.** Section 41-7-173, Mississippi Code of 1972, is  
1298 amended as follows:

1299           41-7-173. For the purposes of Section 41-7-171 et seq., the  
1300 following words shall have the meanings ascribed herein, unless  
1301 the context otherwise requires:

1302           (a) "Affected person" means (i) the applicant; (ii) a  
1303 person residing within the geographic area to be served by the  
1304 applicant's proposal; (iii) a person who regularly uses health  
1305 care facilities or HMOs located in the geographic area of the  
1306 proposal which provide similar service to that which is proposed;  
1307 (iv) health care facilities and HMOs which have, prior to receipt  
1308 of the application under review, formally indicated an intention

1309 to provide service similar to that of the proposal being  
1310 considered at a future date; (v) third-party payers who reimburse  
1311 health care facilities located in the geographical area of the  
1312 proposal; or (vi) any agency that establishes rates for health  
1313 care services or HMOs located in the geographic area of the  
1314 proposal.

1315 (b) "Certificate of need" means a written order of the  
1316 State Department of Health setting forth the affirmative finding  
1317 that a proposal in prescribed application form, sufficiently  
1318 satisfies the plans, standards and criteria prescribed for such  
1319 service or other project by Section 41-7-171 et seq., and by rules  
1320 and regulations promulgated thereunder by the State Department of  
1321 Health.

1322 (c) (i) "Capital expenditure," when pertaining to  
1323 defined major medical equipment, shall mean an expenditure which,  
1324 under generally accepted accounting principles consistently  
1325 applied, is not properly chargeable as an expense of operation and  
1326 maintenance and which exceeds \* \* \* Three Million Dollars  
1327 (\$3,000,000.00).

1328 (ii) "Capital expenditure," when pertaining to  
1329 other than major medical equipment, shall mean any expenditure  
1330 which under generally accepted accounting principles consistently  
1331 applied is not properly chargeable as an expense of operation and  
1332 maintenance and which exceeds, for clinical health services, as  
1333 defined in paragraph (k) below, \* \* \* Ten Million Dollars  
1334 (\$10,000,000.00), \* \* \* or which exceeds, for nonclinical health

1335 services, as defined in paragraph (k) below, \* \* \* Twenty Million  
1336 Dollars (\$20,000,000.00).

1337 (iii) A "capital expenditure" shall include the  
1338 acquisition, whether by lease, sufferance, gift, devise, legacy,  
1339 settlement of a trust or other means, of any facility or part  
1340 thereof, or equipment for a facility, the expenditure for which  
1341 would have been considered a capital expenditure if acquired by  
1342 purchase. Transactions which are separated in time but are  
1343 planned to be undertaken within twelve (12) months of each other  
1344 and are components of an overall plan for meeting patient care  
1345 objectives shall, for purposes of this definition, be viewed in  
1346 their entirety without regard to their timing.

1347 (iv) In those instances where a health care  
1348 facility or other provider of health services proposes to provide  
1349 a service in which the capital expenditure for major medical  
1350 equipment or other than major medical equipment or a combination  
1351 of the two (2) may have been split between separate parties, the  
1352 total capital expenditure required to provide the proposed service  
1353 shall be considered in determining the necessity of certificate of  
1354 need review and in determining the appropriate certificate of need  
1355 review fee to be paid. The capital expenditure associated with  
1356 facilities and equipment to provide services in Mississippi shall  
1357 be considered regardless of where the capital expenditure was  
1358 made, in state or out of state, and regardless of the domicile of  
1359 the party making the capital expenditure, in state or out of  
1360 state.

1361           (d) "Change of ownership" includes, but is not limited  
1362 to, inter vivos gifts, purchases, transfers, lease arrangements,  
1363 cash and/or stock transactions or other comparable arrangements  
1364 whenever any person or entity acquires or controls a majority  
1365 interest of an existing health care facility, and/or the change of  
1366 ownership of major medical equipment, a health service, or an  
1367 institutional health service. Changes of ownership from  
1368 partnerships, single proprietorships or corporations to another  
1369 form of ownership are specifically included. However, "change of  
1370 ownership" shall not include any inherited interest acquired as a  
1371 result of a testamentary instrument or under the laws of descent  
1372 and distribution of the State of Mississippi.

1373           (e) "Commencement of construction" means that all of  
1374 the following have been completed with respect to a proposal or  
1375 project proposing construction, renovating, remodeling or  
1376 alteration:

1377                   (i) A legally binding written contract has been  
1378 consummated by the proponent and a lawfully licensed contractor to  
1379 construct and/or complete the intent of the proposal within a  
1380 specified period of time in accordance with final architectural  
1381 plans which have been approved by the licensing authority of the  
1382 State Department of Health;

1383                   (ii) Any and all permits and/or approvals deemed  
1384 lawfully necessary by all authorities with responsibility for such  
1385 have been secured; and

1386                   (iii) Actual bona fide undertaking of the subject  
1387 proposal has commenced, and a progress payment of at least one  
1388 percent (1%) of the total cost price of the contract has been paid  
1389 to the contractor by the proponent, and the requirements of this  
1390 paragraph (e) have been certified to in writing by the State  
1391 Department of Health.

1392           Force account expenditures, such as deposits, securities,  
1393 bonds, et cetera, may, in the discretion of the State Department  
1394 of Health, be excluded from any or all of the provisions of  
1395 defined commencement of construction.

1396           (f) "Consumer" means an individual who is not a  
1397 provider of health care as defined in paragraph (q) of this  
1398 section.

1399           (g) "Develop," when used in connection with health  
1400 services, means to undertake those activities which, on their  
1401 completion, will result in the offering of a new institutional  
1402 health service or the incurring of a financial obligation as  
1403 defined under applicable state law in relation to the offering of  
1404 such services.

1405           (h) "Health care facility" includes hospitals,  
1406 psychiatric hospitals, chemical dependency hospitals, skilled  
1407 nursing facilities, end-stage renal disease (ESRD) facilities,  
1408 including freestanding hemodialysis units, intermediate care  
1409 facilities, ambulatory surgical facilities, intermediate care  
1410 facilities for individuals with intellectual disabilities, home  
1411 health agencies, psychiatric residential treatment facilities,

1412 pediatric skilled nursing facilities, long-term care hospitals,  
1413 comprehensive medical rehabilitation facilities, including  
1414 facilities owned or operated by the state or a political  
1415 subdivision or instrumentality of the state, but does not include  
1416 Christian Science sanatoriums operated or listed and certified by  
1417 the First Church of Christ, Scientist, Boston, Massachusetts.  
1418 This definition shall not apply to facilities for the private  
1419 practice, either independently or by incorporated medical groups,  
1420 of physicians, dentists or health care professionals except where  
1421 such facilities are an integral part of an institutional health  
1422 service. The various health care facilities listed in this  
1423 paragraph shall be defined as follows:

1424                   (i) "Hospital" means an institution which is  
1425 primarily engaged in providing to inpatients, by or under the  
1426 supervision of physicians, diagnostic services and therapeutic  
1427 services for medical diagnosis, treatment and care of injured,  
1428 disabled or sick persons, or rehabilitation services for the  
1429 rehabilitation of injured, disabled or sick persons. Such term  
1430 does not include psychiatric hospitals.

1431                   (ii) "Psychiatric hospital" means an institution  
1432 which is primarily engaged in providing to inpatients, by or under  
1433 the supervision of a physician, psychiatric services for the  
1434 diagnosis and treatment of persons with mental illness.

1435                   (iii) "Chemical dependency hospital" means an  
1436 institution which is primarily engaged in providing to inpatients,  
1437 by or under the supervision of a physician, medical and related

1438 services for the diagnosis and treatment of chemical dependency  
1439 such as alcohol and drug abuse.

1440 (iv) "Skilled nursing facility" means an  
1441 institution or a distinct part of an institution which is  
1442 primarily engaged in providing to inpatients skilled nursing care  
1443 and related services for patients who require medical or nursing  
1444 care or rehabilitation services for the rehabilitation of injured,  
1445 disabled or sick persons.

1446 (v) "End-stage renal disease (ESRD) facilities"  
1447 means kidney disease treatment centers, which includes  
1448 freestanding hemodialysis units and limited care facilities. The  
1449 term "limited care facility" generally refers to an  
1450 off-hospital-premises facility, regardless of whether it is  
1451 provider or nonprovider operated, which is engaged primarily in  
1452 furnishing maintenance hemodialysis services to stabilized  
1453 patients.

1454 (vi) "Intermediate care facility" means an  
1455 institution which provides, on a regular basis, health-related  
1456 care and services to individuals who do not require the degree of  
1457 care and treatment which a hospital or skilled nursing facility is  
1458 designed to provide, but who, because of their mental or physical  
1459 condition, require health-related care and services (above the  
1460 level of room and board).

1461 (vii) "Ambulatory surgical facility" means a  
1462 facility primarily organized or established for the purpose of  
1463 performing surgery for outpatients and is a separate identifiable

1464 legal entity from any other health care facility. Such term does  
1465 not include the offices of private physicians or dentists, whether  
1466 for individual or group practice, and does not include any  
1467 abortion facility as defined in Section 41-75-1(f).

1468 (viii) "Intermediate care facility for individuals  
1469 with intellectual disabilities" means an intermediate care  
1470 facility that provides health or rehabilitative services in a  
1471 planned program of activities to persons with an intellectual  
1472 disability, also including, but not limited to, cerebral palsy and  
1473 other conditions covered by the Federal Developmentally Disabled  
1474 Assistance and Bill of Rights Act, Public Law 94-103.

1475 (ix) "Home health agency" means a public or  
1476 privately owned agency or organization, or a subdivision of such  
1477 an agency or organization, properly authorized to conduct business  
1478 in Mississippi, which is primarily engaged in providing to  
1479 individuals at the written direction of a licensed physician, in  
1480 the individual's place of residence, skilled nursing services  
1481 provided by or under the supervision of a registered nurse  
1482 licensed to practice in Mississippi, and one or more of the  
1483 following services or items:

- 1484 1. Physical, occupational or speech therapy;
- 1485 2. Medical social services;
- 1486 3. Part-time or intermittent services of a  
1487 home health aide;
- 1488 4. Other services as approved by the  
1489 licensing agency for home health agencies;



1490                   5. Medical supplies, other than drugs and  
1491 biologicals, and the use of medical appliances; or

1492                   6. Medical services provided by an intern or  
1493 resident-in-training at a hospital under a teaching program of  
1494 such hospital.

1495           Further, all skilled nursing services and those services  
1496 listed in items 1 through 4 of this subparagraph (ix) must be  
1497 provided directly by the licensed home health agency. For  
1498 purposes of this subparagraph, "directly" means either through an  
1499 agency employee or by an arrangement with another individual not  
1500 defined as a health care facility.

1501           This subparagraph (ix) shall not apply to health care  
1502 facilities which had contracts for the above services with a home  
1503 health agency on January 1, 1990.

1504                   (x) "Psychiatric residential treatment facility"  
1505 means any nonhospital establishment with permanent licensed  
1506 facilities which provides a twenty-four-hour program of care by  
1507 qualified therapists, including, but not limited to, duly licensed  
1508 mental health professionals, psychiatrists, psychologists,  
1509 psychotherapists and licensed certified social workers, for  
1510 emotionally disturbed children and adolescents referred to such  
1511 facility by a court, local school district or by the Department of  
1512 Human Services, who are not in an acute phase of illness requiring  
1513 the services of a psychiatric hospital, and are in need of such  
1514 restorative treatment services. For purposes of this  
1515 subparagraph, the term "emotionally disturbed" means a condition

1516 exhibiting one or more of the following characteristics over a  
1517 long period of time and to a marked degree, which adversely  
1518 affects educational performance:

1519                   1. An inability to learn which cannot be  
1520 explained by intellectual, sensory or health factors;

1521                   2. An inability to build or maintain  
1522 satisfactory relationships with peers and teachers;

1523                   3. Inappropriate types of behavior or  
1524 feelings under normal circumstances;

1525                   4. A general pervasive mood of unhappiness or  
1526 depression; or

1527                   5. A tendency to develop physical symptoms or  
1528 fears associated with personal or school problems. An  
1529 establishment furnishing primarily domiciliary care is not within  
1530 this definition.

1531                   (xi) "Pediatric skilled nursing facility" means an  
1532 institution or a distinct part of an institution that is primarily  
1533 engaged in providing to inpatients skilled nursing care and  
1534 related services for persons under twenty-one (21) years of age  
1535 who require medical or nursing care or rehabilitation services for  
1536 the rehabilitation of injured, disabled or sick persons.

1537                   (xii) "Long-term care hospital" means a  
1538 freestanding, Medicare-certified hospital that has an average  
1539 length of inpatient stay greater than twenty-five (25) days, which  
1540 is primarily engaged in providing chronic or long-term medical  
1541 care to patients who do not require more than three (3) hours of

1542 rehabilitation or comprehensive rehabilitation per day, and has a  
1543 transfer agreement with an acute care medical center and a  
1544 comprehensive medical rehabilitation facility. Long-term care  
1545 hospitals shall not use rehabilitation, comprehensive medical  
1546 rehabilitation, medical rehabilitation, sub-acute rehabilitation,  
1547 nursing home, skilled nursing facility or sub-acute care facility  
1548 in association with its name.

1549                   (xiii) "Comprehensive medical rehabilitation  
1550 facility" means a hospital or hospital unit that is licensed  
1551 and/or certified as a comprehensive medical rehabilitation  
1552 facility which provides specialized programs that are accredited  
1553 by the Commission on Accreditation of Rehabilitation Facilities  
1554 and supervised by a physician board certified or board eligible in  
1555 physiatry or other doctor of medicine or osteopathy with at least  
1556 two (2) years of training in the medical direction of a  
1557 comprehensive rehabilitation program that:

1558                   1. Includes evaluation and treatment of  
1559 individuals with physical disabilities;

1560                   2. Emphasizes education and training of  
1561 individuals with disabilities;

1562                   3. Incorporates at least the following core  
1563 disciplines:

1564                           a. Physical Therapy;

1565                           b. Occupational Therapy;

1566                           c. Speech and Language Therapy;

1567                           d. Rehabilitation Nursing; and

1568 4. Incorporates at least three (3) of the  
1569 following disciplines:

- 1570 a. Psychology;
- 1571 b. Audiology;
- 1572 c. Respiratory Therapy;
- 1573 d. Therapeutic Recreation;
- 1574 e. Orthotics;
- 1575 f. Prosthetics;
- 1576 g. Special Education;
- 1577 h. Vocational Rehabilitation;
- 1578 i. Psychotherapy;
- 1579 j. Social Work;
- 1580 k. Rehabilitation Engineering.

1581 These specialized programs include, but are not limited to:  
1582 spinal cord injury programs, head injury programs and infant and  
1583 early childhood development programs.

1584 (i) "Health maintenance organization" or "HMO" means a  
1585 public or private organization organized under the laws of this  
1586 state or the federal government which:

1587 (i) Provides or otherwise makes available to  
1588 enrolled participants health care services, including  
1589 substantially the following basic health care services: usual  
1590 physician services, hospitalization, laboratory, x-ray, emergency  
1591 and preventive services, and out-of-area coverage;

1592 (ii) Is compensated (except for copayments) for  
1593 the provision of the basic health care services listed in

subparagraph (i) of this paragraph to enrolled participants on a predetermined basis; and

(iii) Provides physician services primarily:

1. Directly through physicians who are either employees or partners of such organization; or

2. Through arrangements with individual physicians or one or more groups of physicians (organized on a group practice or individual practice basis).

(j) "Health service area" means a geographic area of the state designated in the State Health Plan as the area to be used in planning for specified health facilities and services and to be used when considering certificate of need applications to provide health facilities and services.

(k) "Health services" means clinically related (i.e., diagnostic, treatment or rehabilitative) services and includes alcohol, drug abuse, mental health and home health care services. "Clinical health services" shall only include those activities which contemplate any change in the existing bed complement of any health care facility through the addition or conversion of any beds, under Section 41-7-191(1)(c) or propose to offer any health services if those services have not been provided on a regular basis by the proposed provider of such services within the period of twelve (12) months prior to the time such services would be offered, under Section 41-7-191(1)(d). "Nonclinical health services" shall be all other services which do not involve any

1619 change in the existing bed complement or offering health services  
1620 as described above.

1621 (l) "Institutional health services" shall mean health  
1622 services provided in or through health care facilities and shall  
1623 include the entities in or through which such services are  
1624 provided.

1625 (m) "Major medical equipment" means medical equipment  
1626 designed for providing medical or any health-related service which  
1627 costs in excess of One Million Five Hundred Thousand Dollars  
1628 (\$1,500,000.00). However, this definition shall not be applicable  
1629 to clinical laboratories if they are determined by the State  
1630 Department of Health to be independent of any physician's office,  
1631 hospital or other health care facility or otherwise not so defined  
1632 by federal or state law, or rules and regulations promulgated  
1633 thereunder.

1634 (n) "State Department of Health" or "department" shall  
1635 mean the state agency created under Section 41-3-15, which shall  
1636 be considered to be the State Health Planning and Development  
1637 Agency, as defined in paragraph (u) of this section.

1638 (o) "Offer," when used in connection with health  
1639 services, means that it has been determined by the State  
1640 Department of Health that the health care facility is capable of  
1641 providing specified health services.

1642 (p) "Person" means an individual, a trust or estate,  
1643 partnership, corporation (including associations, joint-stock

companies and insurance companies), the state or a political subdivision or instrumentality of the state.

(q) "Provider" shall mean any person who is a provider or representative of a provider of health care services requiring a certificate of need under Section 41-7-171 et seq., or who has any financial or indirect interest in any provider of services.

(r) "Radiation therapy services" means the treatment of cancer and other diseases using ionizing radiation of either high energy photons (x-rays or gamma rays) or charged particles (electrons, protons or heavy nuclei). However, for purposes of a certificate of need, radiation therapy services shall not include low energy, superficial, external beam x-ray treatment of superficial skin lesions.

(s) "Secretary" means the Secretary of Health and Human Services, and any officer or employee of the Department of Health and Human Services to whom the authority involved has been delegated.

(t) "State Health Plan" means the sole and official statewide health plan for Mississippi which identifies priority state health needs and establishes standards and criteria for health-related activities which require certificate of need review in compliance with Section 41-7-191.

(u) "State Health Planning and Development Agency" means the agency of state government designated to perform health planning and resource development programs for the State of Mississippi.

1670           **SECTION 3.** This act shall take effect and be in force from  
1671 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 41-7-191, MISSISSIPPI CODE OF 1972,  
2 TO REVISE CERTAIN PROVISIONS RELATING TO A HOSPITAL THAT HAS A  
3 CERTIFICATE OF NEED FOR A FORTY-BED PSYCHIATRIC RESIDENTIAL  
4 TREATMENT FACILITY IN DESOTO COUNTY; TO PROVIDE THAT THERE SHALL  
5 BE NO PROHIBITION OR RESTRICTIONS ON PARTICIPATION IN THE MEDICAID  
6 PROGRAM FOR SUCH FACILITY THAT WOULD NOT OTHERWISE APPLY TO ANY  
7 OTHER SUCH FACILITY; TO REQUIRE THE ISSUANCE OF A CERTIFICATE OF  
8 NEED FOR ADDITIONAL BEDS IN A COMMUNITY LIVING PROGRAM FOR  
9 DEVELOPMENTALLY DISABLED ADULTS LOCATED IN MADISON COUNTY; TO  
10 REVISE THE CONDITIONS FOR A CERTIFICATE OF NEED ISSUED FOR A  
11 LONG-TERM CARE HOSPITAL IN HARRISON COUNTY TO ALLOW THE HOSPITAL  
12 TO PARTICIPATE IN THE MEDICAID PROGRAM AS A CROSSOVER PROVIDER; TO  
13 PROVIDE THAT THE UNIVERSITY OF MISSISSIPPI MEDICAL CENTER NEED NOT  
14 OBTAIN A CERTIFICATE OF NEED FOR ANY HOSPITAL BEDS, SERVICES,  
15 HEALTH CARE FACILITIES, OR MEDICAL EQUIPMENT WHICH HAVE BEEN  
16 APPROVED AND CONTINUOUSLY OPERATED UNDER A CERTIFICATE OF NEED  
17 EXEMPTION FOR A TEACHING HOSPITAL, OR WHICH ARE APPROVED BEFORE  
18 JULY 1, 2025, SO LONG AS THEY DO NOT UNDERGO A PHYSICAL  
19 RELOCATION; TO PROVIDE THAT AFTER JULY 1, 2025, THE UNIVERSITY OF  
20 MISSISSIPPI MEDICAL CENTER SHALL HAVE AN ACADEMIC EXEMPTION FROM  
21 THE CERTIFICATE OF NEED REQUIREMENTS ONLY WITHIN A CERTAIN AREA OF  
22 JACKSON, MISSISSIPPI; TO CLARIFY THAT IN ORDER FOR THE UNIVERSITY  
23 OF MISSISSIPPI MEDICAL CENTER TO QUALIFY FOR SUCH AN ACADEMIC  
24 EXEMPTION, THE STATE HEALTH OFFICER MUST DETERMINE THAT THE  
25 PROPOSED EQUIPMENT OR FACILITY FULFILLS A SUBSTANTIAL AND  
26 MEANINGFUL ACADEMIC FUNCTION; TO DIRECT THE STATE DEPARTMENT OF  
27 HEALTH TO ISSUE A CERTIFICATE OF NEED TO ANY PSYCHIATRIC HOSPITAL  
28 LOCATED IN JACKSON, MISSISSIPPI, THAT WAS PROVIDING ADULT  
29 PSYCHIATRIC SERVICES AS OF JANUARY 1, 2025, UNDER CERTIFICATE OF  
30 NEED AUTHORITY THAT WAS TRANSFERRED TO IT WITHIN THE PAST FIVE  
31 YEARS UNDER A CHANGE OF OWNERSHIP, AND TO PROVIDE THAT THE NEW  
32 CERTIFICATE OF NEED SHALL AUTHORIZE THE CONTINUATION OF SUCH ADULT  
33 PSYCHIATRIC SERVICES, PROVIDED THAT THE HOSPITAL RELINQUISHES ITS  
34 EXISTING AUTHORITY TO OPERATE UNDER THE CERTIFICATE OF NEED  
35 AUTHORITY TRANSFERRED TO THE HOSPITAL AS OF THE EFFECTIVE DATE OF  
36 THE NEW CERTIFICATE OF NEED; TO DIRECT THE STATE DEPARTMENT OF  
37 HEALTH TO CONDUCT A STUDY AND REPORT BY DECEMBER 1, 2025, ON THE  
38 FEASIBILITY OF EXEMPTING SMALL HOSPITALS FROM THE REQUIREMENT FOR  
39 A CERTIFICATE OF NEED FOR THE PLACEMENT OF DIALYSIS UNITS TO  
40 REDUCE THE NUMBER OF TRANSFERS FOR PATIENTS REQUIRING DIALYSIS,  
41 THE FEASIBILITY OF EXEMPTING SMALL HOSPITALS FROM THE REQUIREMENT  
42 FOR A CERTIFICATE OF NEED TO OPERATE GERIATRIC PSYCHIATRIC UNITS,



43 AND THE FEASIBILITY OF A NEW REQUIREMENT THAT ACUTE ADULT  
44 PSYCHIATRIC UNITS TREAT A CERTAIN PERCENTAGE OF UNINSURED PATIENTS  
45 OR PAY A PERIODIC FEE IN LIEU THEREOF; TO AMEND SECTION 41-7-173,  
46 MISSISSIPPI CODE OF 1972, TO INCREASE THE MINIMUM DOLLAR AMOUNTS  
47 OF CAPITAL EXPENDITURES AND MAJOR MEDICAL EQUIPMENT THAT REQUIRE  
48 THE ISSUANCE OF A CERTIFICATE OF NEED; AND FOR RELATED PURPOSES.

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Amanda White  
Secretary of the Senate