

By: Representative Wells-Smith

To: Public Health and Welfare

HOUSE BILL NO. 1096

1 AN ACT TO AMEND SECTION 41-13-35, MISSISSIPPI CODE OF 1972,  
2 TO REQUIRE THE BOARD OF TRUSTEES OF A COMMUNITY HOSPITAL, UPON  
3 REQUEST OF THE BOARD OF SUPERVISORS, TO MAKE CERTAIN MONTHLY  
4 REPORTS CONCERNING THE FINANCES AND OTHER OFFICIAL BUSINESS OF THE  
5 COMMUNITY HOSPITAL TO THE BOARD OF SUPERVISORS; AND FOR RELATED  
6 PURPOSES.

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

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

10 41-13-35. (1) The board of trustees of any community  
11 hospital shall have full authority to appoint an administrator,  
12 who shall not be a member of the board of trustees, and to  
13 delegate reasonable authority to such administrator for the  
14 operation and maintenance of such hospital and all property and  
15 facilities otherwise appertaining thereto.

16 (2) The board of trustees shall have full authority to  
17 select from its members, officers and committees and, by  
18 resolution or through the board bylaws, to delegate to such  
19 officers and committees reasonable authority to carry out and  
20 enforce the powers and duties of the board of trustees during the  
21 interim periods between regular meetings of the board of trustees;  
22 provided, however, that any such action taken by an officer or  
23 committee shall be subject to review by the board, and actions may  
24 be withdrawn or nullified at the next subsequent meeting of the  
25 board of trustees if the action is in excess of delegated  
26 authority.

27 (3) The board of trustees shall be responsible for governing  
28 the community hospital under its control and shall make and  
29 enforce staff and hospital bylaws and/or rules and regulations



30 necessary for the administration, government, maintenance and/or  
31 expansion of such hospitals. The board of trustees shall keep  
32 minutes of its official business and shall comply with Section  
33 41-9-68.

34 (4) The decisions of the board of trustees of the community  
35 hospital shall be valid and binding unless expressly prohibited by  
36 applicable statutory or constitutional provisions.

37 (5) The power of the board of trustees shall specifically  
38 include, but not be limited to, the following authority:

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

41 (b) To establish such equitable wage and salary  
42 programs and other employment benefits as may be deemed expedient  
43 or proper, and in so doing, to expend reasonable funds for such  
44 employee salary and benefits. Allowable employee programs shall  
45 specifically include but not be limited to, medical benefit, life,  
46 accidental death and dismemberment, disability, retirement and  
47 other employee coverage plans. The hospital may offer and fund  
48 such programs directly or by contract with any third party and  
49 shall be authorized to take all actions necessary to implement,  
50 administer and operate such plans, including payroll deductions  
51 for such plans;

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

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

59 (e) To devise and implement employee incentive  
60 programs;

61 (f) To recruit and financially assist physicians and  
62 other health care practitioners in establishing, or relocating



63 practices within the service area of the community hospital  
64 including, without limitation, direct and indirect financial  
65 assistance, loan agreements, agreements guaranteeing minimum  
66 incomes for a stipulated period from opening of the practice and  
67 providing free office space or reduced rental rates for office  
68 space where such recruitment would directly benefit the community  
69 hospital and/or the health and welfare of the citizens of the  
70 service area;

71 (g) To contract by way of lease, lease-purchase or  
72 otherwise, with any agency, department or other office of  
73 government or any individual, partnership, corporation, owner,  
74 other board of trustees, or other health care facility, for the  
75 providing of property, equipment or services by or to the  
76 community hospital or other entity or regarding any facet of the  
77 construction, management, funding or operation of the community  
78 hospital or any division or department thereof, or any related  
79 activity, including, without limitation, shared management  
80 expertise or employee insurance and retirement programs, and to  
81 terminate said contracts when deemed in the best interests of the  
82 community hospital;

83 (h) To file suit on behalf of the community hospital to  
84 enforce any right or claims accruing to the hospital and to defend  
85 and/or settle claims against the community hospital and/or its  
86 board of trustees;

87 (i) To sell or otherwise dispose of any chattel  
88 property of the community hospital by any method deemed  
89 appropriate by the board where such disposition is consistent with  
90 the hospital purposes or where such property is deemed by the  
91 board to be surplus or otherwise unneeded;

92 (j) To let contracts for the construction, remodeling,  
93 expansion or acquisition, by lease or purchase, of hospital or  
94 health care facilities, including real property, within the  
95 service area for community hospital purposes where such may be



96 done with operational funds without encumbrancing the general  
97 funds of the county or municipality, provided that any contract  
98 for the purchase of real property must be ratified by the owner;

99           (k) To borrow money and enter other financing  
100 arrangements for community hospital and related purposes and to  
101 grant security interests in hospital equipment and to pledge a  
102 percentage of hospital revenues as security for such financings  
103 where needed; provided that the owner shall specify by resolution  
104 the maximum borrowing authority and maximum percent of revenue  
105 which may be pledged by the board of trustees during any given  
106 fiscal year;

107           (l) To expend hospital funds for public relations or  
108 advertising programs;

109           (m) To offer the following inpatient and outpatient  
110 services, after complying with applicable health planning,  
111 licensure statutes and regulations, whether or not heretofore  
112 offered by such hospital or other similar hospitals in this state  
113 and whether or not heretofore authorized to be offered, long-term  
114 care, extended care, home care, after-hours clinic services,  
115 ambulatory surgical clinic services, preventative health care  
116 services including wellness services, health education,  
117 rehabilitation and diagnostic and treatment services; to promote,  
118 develop, operate and maintain a center providing care or  
119 residential facilities for the aged, convalescent or handicapped;  
120 and to promote, develop and institute any other services having an  
121 appropriate place in the operation of a hospital offering complete  
122 community health care;

123           (n) To promote, develop, acquire, operate and maintain  
124 on a nonprofit basis, or on a profit basis if the community  
125 hospital's share of profits is used solely for community hospital  
126 and related purposes in accordance with this chapter, either  
127 separately or jointly with one or more other hospitals or  
128 health-related organizations, facilities and equipment for



129 providing goods, services and programs for hospitals, other health  
130 care providers, and other persons or entities in need of such  
131 goods, services and programs and, in doing so, to provide for  
132 contracts of employment or contracts for services and ownership of  
133 property on terms that will protect the public interest;

134 (o) To establish and operate medical offices, child  
135 care centers, wellness or fitness centers and other facilities and  
136 programs which the board determines are appropriate in the  
137 operation of a community hospital for the benefit of its  
138 employees, personnel and/or medical staff which shall be operated  
139 as an integral part of the hospital and which may, in the  
140 direction of the board of trustees, be offered to the general  
141 public. If such programs are not established in existing  
142 facilities or constructed on real estate previously acquired by  
143 the owners, the board of trustees shall also have authority to  
144 acquire, by lease or purchase, such facilities and real property  
145 within the service area, whether or not adjacent to existing  
146 facilities, provided that any contract for the purchase of real  
147 property shall be ratified by the owner. The trustees shall lease  
148 any such medical offices to members of the medical staff at rates  
149 deemed appropriate and may, in its discretion, establish rates to  
150 be paid for the use of other facilities or programs by its  
151 employees or personnel or members of the public whom the trustees  
152 may determine may properly use such other facilities or programs;

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

156 (q) Establish a fair and equitable system for the  
157 billing of patients for care or users of services received through  
158 the community hospital, which in the exercise of the board of  
159 trustees' prudent fiscal discretion, may allow for rates to be  
160 classified according to the potential usage by an identified group  
161 or groups of patients of the community hospital's services and may



162 allow for standard discounts where the discount is designed to  
163 reduce the operating costs or increase the revenues of the  
164 community hospital. Such billing system may also allow for the  
165 payment of charges by means of a credit card or similar device and  
166 allow for payment of administrative fees as may be regularly  
167 imposed by a banking institution or other credit service  
168 organization for the use of such cards;

169 (r) To establish as an organizational part of the  
170 hospital or to aid in establishing as a separate entity from the  
171 hospital, hospital auxiliaries designed to aid the hospital, its  
172 patients, and/or families and visitors of patients, and when the  
173 auxiliary is established as a separate entity from the hospital,  
174 the board of trustees may cooperate with the auxiliary in its  
175 operations as the board of trustees deems appropriate; and

176 (s) To make any agreements or contracts with the  
177 federal government or any agency thereof, the State of Mississippi  
178 or any agency thereof, and any county, city, town, supervisors  
179 district or election district within this state, jointly or  
180 separately, for the maintenance of charity facilities.

181 (6) No board of trustees of any community hospital may  
182 accept any grant of money or other thing of value from any  
183 not-for-profit or for-profit organization established for the  
184 purpose of supporting health care in the area served by the  
185 facility unless two-thirds (2/3) of the trustees vote to accept  
186 the grant.

187 (7) No board of trustees, individual trustee or any other  
188 person who is an agent or servant of the trustees of any community  
189 hospital shall have any personal financial interest in any  
190 not-for-profit or for-profit organization which, regardless of its  
191 stated purpose of incorporation, provides assistance in the form  
192 of grants of money or property to community hospitals or provides  
193 services to community hospitals in the form of performance of  
194 functions normally associated with the operations of a hospital.



195       (8) The board of trustees of any community hospital, upon  
196 request of the board of supervisors, shall make a monthly report  
197 to the board of supervisors, which report shall include, but not  
198 be limited to, the following:

199           (a) The receipts of the hospital for the preceding  
200 month;

201           (b) The expenditures of the hospital for the preceding  
202 month;

203           (c) The contracts, if any, executed by the board of  
204 trustees on behalf of the hospital during the preceding month;

205           (d) The investments, if any, made by the board of  
206 trustees of hospital funds during the preceding month;

207           (e) Any suits filed by the board of trustees on behalf  
208 of the hospital during the preceding month;

209           (f) Any monies borrowed by the board of trustees on  
210 behalf of the hospital during the preceding month; and

211           (g) Any financial arrangements made by the board of  
212 trustees on behalf of the hospital during the preceding month.

213       The report required under this subsection shall be submitted  
214 to the board of supervisors within fifteen (15) days after the end  
215 of each month and the report may be written or oral in accordance  
216 with the request by the board of supervisors.

217       **SECTION 2.** This act shall take effect and be in force from  
218 and after July 1, 2002.

