

By: Representative Franks

To: Public Health and Human Services

HOUSE BILL NO. 720

1 AN ACT TO CODIFY NEW SECTION 43-11-10, MISSISSIPPI CODE OF
 2 1972, TO PROVIDE THAT THE LICENSING AGENCY MUST REVIEW AND APPROVE
 3 ANY TRANSFER OF A LICENSE TO OPERATE A NURSING FACILITY TO ANOTHER
 4 PERSON OR ENTITY BEFORE THE LICENSE MAY BE TRANSFERRED; TO PROVIDE
 5 THAT IF AN APPLICANT FOR A LICENSE TO OPERATE A NURSING FACILITY,
 6 OR AN ENTITY TO WHICH THE LICENSE IS SOUGHT TO BE TRANSFERRED, IS
 7 A CORPORATION OR OTHER ENTITY THAT HAS NO ASSETS OTHER THAN THE
 8 OWNERSHIP OF ANOTHER CORPORATION OR ENTITY, AND THE APPLICANT OR
 9 TRANSFEREE WILL NOT BE MANAGING ENTITY OF THE NURSING FACILITY,
 10 THE LICENSING AGENCY MUST REVIEW AND APPROVE THE MANAGING ENTITY
 11 BEFORE THE LICENSE MAY BE ISSUED; TO AUTHORIZE THE LICENSING
 12 AGENCY TO SANCTION A MANAGING ENTITY FOR VIOLATIONS OF THE
 13 LICENSURE LAW OR ANY RULE OR REGULATION OF THE LICENSING AGENCY;
 14 AND FOR RELATED PURPOSES.

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

16 **SECTION 1.** The following shall be codified as Section
 17 43-11-10, Mississippi Code of 1972:

18 43-11-10. (1) The licensing agency must review and approve
 19 any transfer of a license to operate a nursing facility to another
 20 person or entity before the license may be transferred. The
 21 licensing agency shall require any person or entity to which the
 22 license is sought to be transferred to meet the same requirements
 23 that an applicant for an initial license would have to meet.

24 (2) If an applicant for a license to operate a nursing
 25 facility, or an entity to which the license is sought to be
 26 transferred, is a corporation or other entity that has no assets
 27 other than the ownership of another corporation or entity, and the
 28 applicant or transferee will not be the entity that handles the
 29 daily operations of the nursing facility (the "managing entity"):

30 (a) The applicant or transferee must have adequate
 31 liability insurance as determined by the licensing agency;

32 (b) The licensing agency must review and approve the
 33 managing entity before the license may be issued;

34 (c) The managing entity must meet the same requirements
35 and will be subject to the same standards that an applicant for an
36 initial license would have to meet; and

37 (d) The managing entity must provide to the licensing
38 agency the names, addresses and social security numbers of the
39 principal officers of the entity before the managing entity may
40 begin operation of the nursing facility.

41 (3) The licensing agency shall be authorized to sanction a
42 managing entity for violations of this chapter or any rule or
43 regulation of the licensing agency, in the same manner and to the
44 same extent as it may sanction a licensee.

45 (4) If an applicant for a license to operate a nursing
46 facility, or an entity to which the license is sought to be
47 transferred, does not own the property on which a nursing facility
48 is located but is a leaseholder only, the licensing agency must
49 approve the lease in advance. In order to be approved, the lease
50 must contain a provision for termination of the lease upon six (6)
51 months' notice to the lessor, and must contain a provision that if
52 the nursing facility residents cannot be adequately placed in a
53 new facility within a period of six (6) months after notice of
54 termination is given, the licensing agency may extend the lease
55 one (1) time for another period of up to six (6) months until
56 adequate provisions can be made for the residents.

57 **SECTION 2.** This act shall take effect and be in force from
58 and after July 1, 2007.