

By: Senator(s) Simmons (12th)

To: Public Health and
Welfare; Appropriations

SENATE BILL NO. 2242

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

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

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



30 (a) "Department" means the Department of Finance and
31 Administration.

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

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

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

47 (3) There is created in the State Treasury a special fund to
48 be known as the Mississippi Hospital Recovery Trust Fund, which
49 shall be administered by the department. The fund shall consist
50 of legislative appropriations, federal funds, contributions,
51 donations, gifts and monies from any other source that are made
52 available for deposit into the fund. Monies in the fund shall be
53 expended by the department upon appropriation of the Legislature
54 for the sole purpose of providing grants to public hospitals under



55 the provisions of this section. Monies remaining in the fund at
56 the end of a fiscal year shall not lapse into the State General
57 Fund, and any interest earned from the investment of monies in the
58 fund shall be deposited to the credit of the fund. The Department
59 of Finance and Administration shall allocate One Hundred Fifty
60 Million Dollars (\$150,000,000.00) to the Mississippi Hospital
61 Recovery Trust Fund.

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

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

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

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

77 (5) The department shall monitor the performance of each
78 public hospital that receives a grant under this section, and not
79 later than October 1, 2024, and each October 1 thereafter, the



80 department shall report to the Joint Legislative Budget Committee
81 about each grant made, including:

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

83 (b) The amount of the grant; and

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

85 **SECTION 2.** This act shall take effect and be in force from
86 and after July 1, 2024.

