

By: Representatives Creekmore IV, Karriem

To: Public Health and Human Services; State Affairs

HOUSE BILL NO. 1622
(As Sent to Governor)

1 AN ACT TO ESTABLISH THE SMALL COMMUNITY HOSPITAL PILOT
2 PROGRAM; TO DEFINE THE TERM "SMALL COMMUNITY HOSPITAL" AS USED IN
3 THIS SECTION; TO PROVIDE THAT SUCH A HOSPITAL SHALL RECEIVE AN
4 EXEMPTION FROM THE REQUIREMENT TO OBTAIN A CERTIFICATE OF NEED; TO
5 PROVIDE THAT SMALL COMMUNITY HOSPITALS WITHIN THE DELTA PUBLIC
6 HEALTH REGION AS DESIGNATED BY THE MISSISSIPPI STATE DEPARTMENT OF
7 HEALTH (DEPARTMENT) SHALL RECEIVE TWO SUCH EXEMPTIONS; TO PROVIDE
8 THAT SUCH EXEMPTION SHALL BE LIMITED TO THE MAIN BUILDING CAMPUS
9 OF THE SMALL COMMUNITY HOSPITAL AND A FIVE-MILE RADIUS AROUND THE
10 MAIN BUILDING CAMPUS; TO PROVIDE THAT AN EXEMPTION SHALL NOT
11 EXTEND TO CLINICS OR OTHER FACILITIES OWNED OR OPERATED BY THE
12 SMALL COMMUNITY HOSPITAL THAT ARE NOT LOCATED ON THE MAIN CAMPUS,
13 AND SHALL NOT APPLY TO A SERVICE FOR WHICH THERE IS A GENERAL
14 CERTIFICATE OF NEED MORATORIUM OR TO APPLICATIONS THAT WOULD PLACE
15 THE LICENSED HOSPITAL RECEIVING THE EXEMPTION WITHIN 35 MILES OF
16 ANOTHER LICENSED HOSPITAL; TO AUTHORIZE THE STATE HEALTH OFFICER
17 TO ISSUE A LICENSE TO OPERATE AN END-STAGE RENAL DISEASE (ESRD)
18 FACILITY FOR NOT MORE THAN EIGHT SMALL COMMUNITY HOSPITALS; TO
19 AUTHORIZE THE STATE HEALTH OFFICER TO ISSUE A LICENSE TO OPERATE A
20 GERIATRIC PSYCHIATRIC UNIT TO ANY SMALL COMMUNITY HOSPITAL; TO
21 PROVIDE THAT THE DECISION OF THE STATE HEALTH OFFICER TO ISSUE A
22 LICENSE UNDER THIS PROGRAM IS FINAL, AND NOT SUBJECT TO JUDICIAL
23 REVIEW; TO SET FORTH LEGISLATIVE FINDINGS AS TO THE CURRENT
24 MORATORIA REGARDING MULTIPLE CERTIFICATE OF NEED SERVICE TYPES; TO
25 DIRECT THE DEPARTMENT, IN CONJUNCTION WITH THE DIVISION OF
26 MEDICAID, TO REVIEW AND REPORT BY DECEMBER 1, 2026, AND ON
27 DECEMBER 1 OF EACH SECOND YEAR THEREAFTER, ON CAPACITY AND
28 UTILIZATION DATA, MEDICAID EXPENDITURE TRENDS, EVIDENCE OF EXCESS
29 CAPACITY OR UNMET NEED, FIVE-YEAR FISCAL PROJECTIONS UNDER
30 CONTINUATION AND REMOVAL SCENARIOS, AND STATE FISCAL EXPOSURE
31 RELATED TO HEALTH CARE; TO AMEND SECTION 41-7-191, MISSISSIPPI
32 CODE OF 1972, AS AMENDED BY HOUSE BILL NO. 3, 2026 REGULAR
33 SESSION, TO EXEMPT FROM THE REQUIREMENT OF A CERTIFICATE OF NEED
34 ANY ACTIVITY CONDUCTED OR UNDERTAKEN IN ISSAQUENA COUNTY OR



35 HUMPHREYS COUNTY THAT WOULD OTHERWISE REQUIRE A CERTIFICATE OF
36 NEED, EXCEPT THAT THE MORATORIA ON THE ISSUANCE OF CERTAIN
37 CERTIFICATES OF NEED SHALL APPLY TO ACTIVITIES IN THOSE COUNTIES;
38 TO AMEND SECTION 41-7-201, MISSISSIPPI CODE OF 1972, TO PROVIDE
39 THAT ANY PARTY AGGRIEVED BY THE FINAL ORDER OF THE STATE
40 DEPARTMENT OF HEALTH TO APPROVE AN APPLICATION FOR A CERTIFICATE
41 OF NEED THAT EXERCISES THE RIGHT OF APPEAL SHALL BE REQUIRED TO
42 REIMBURSE THE APPLICANT WHOSE APPLICATION WAS APPROVED FOR ALL
43 ATTORNEY, CONSULTANT AND OTHER FEES RELATED TO THE APPEAL IF SUCH
44 FINAL ORDER IS NOT VACATED OR SET ASIDE BY THE CHANCERY COURT OR
45 BY THE SUPREME COURT OF THE STATE OF MISSISSIPPI; AND FOR RELATED
46 PURPOSES.

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

48 **SECTION 1.** (1) The Small Community Hospital Pilot Program
49 is established.

50 (2) As used in this section, "hospital in a small community"
51 or "small community hospital" means a hospital, as that term is
52 defined in Section 41-7-173(h) (i), which is located:

53 (a) In a county that does not contain a municipality
54 whose population exceeds fifteen thousand (15,000) according to
55 the 2020 decennial census, and that also does not contain any
56 portion of a municipality whose population exceeds fifteen
57 thousand (15,000) according to the 2020 decennial census; or

58 (b) Within the region designated by the Mississippi
59 State Department of Health as the Delta Public Health Region as of
60 January 1, 2026.

61 A "small community hospital" shall not include licensed Rural
62 Emergency Hospitals as designated by the federal Centers for
63 Medicare and Medicaid Services.

64 (3) The State Health Officer shall issue a license to
65 operate a geriatric psychiatric unit to any hospital in a small



66 community. The license to operate a geriatric psychiatric unit
67 shall be limited to the main building campus of the small
68 community hospital, as of January 1, 2026, and to a five (5) mile
69 radius around the main building campus of the small community
70 hospital. A license to operate a geriatric psychiatric unit under
71 this subsection (3) shall not be counted toward the exemption
72 allotment under subsection (4) (a) of this section.

73 (4) (a) Subject to the restriction in paragraph (b) of this
74 subsection (4), each hospital in a small community under
75 subsection (2) (a) of this section shall receive one (1) exemption,
76 and each hospital in a small community under subsection (2) (b) of
77 this section shall receive two (2) exemptions, from the
78 requirement to obtain a certificate of need under Section 41-7-171
79 et seq. for an activity that would otherwise require a certificate
80 of need. An exemption issued under this subsection (4) shall be
81 limited to the main building campus of the small community
82 hospital, as of January 1, 2026, and to a five (5) mile radius
83 around the main building campus of the small community hospital.
84 Such exemption shall not extend to clinics or other facilities
85 owned or operated by the small community hospital that are not
86 located on the main campus of the small community hospital. Such
87 exemption shall not apply to:

88 (i) A service for which there is a general
89 certificate of need moratorium; or



90 (ii) Applications for a certificate of need that
91 would place the licensed hospital receiving the exemption within
92 thirty-five (35) miles of another licensed hospital or otherwise
93 jeopardize a licensed hospital's federal critical access hospital
94 designation.

95 (b) The State Health Officer may issue a license to
96 operate an end-stage renal disease (ESRD) facility for not more
97 than eight (8) hospitals in a small community. No more than two
98 (2) such ESRD facilities may be located within each of the four
99 (4) Public Health Regions designated by the Mississippi State
100 Department of Health as of January 1, 2026. If more than two (2)
101 small community hospitals within the same Public Health Region
102 apply for a license to operate an ESRD facility, the small
103 community hospitals in areas most remote from existing dialysis
104 units shall be issued licenses. A license obtained under this
105 paragraph (b) shall be counted toward the exemption allotment
106 under paragraph (a) of this subsection. If a small community
107 hospital applies for a license to operate an ESRD facility under
108 this paragraph (b) but is not granted a license, such hospital may
109 use its exemption under paragraph (a) of this subsection for
110 another service.

111 (5) An exemption or license issued under subsection (3) or
112 (4) of this section shall be specific to and solely for the
113 hospital to which it was issued and may not be transferred to
114 another entity unless the hospital itself is transferred. If a



115 small community hospital does not apply for an exemption or
116 license on or before June 30, 2027, then the small community
117 hospital's eligibility for an exemption or license shall expire.

118 (6) The decision of the State Health Officer to issue a
119 license under this section is final, and not subject to judicial
120 review. Any person or entity which wishes to challenge the
121 issuance of a license may file with the State Health Officer a
122 request for reconsideration within seven (7) calendar days of the
123 decision of the State Health Officer. If such a request is filed,
124 the State Health Officer or his or her designee shall conduct a
125 hearing no sooner than fourteen (14) days from the original
126 decision, and no later than twenty-one (21) days from the original
127 decision, at which hearing the interested parties may be heard.
128 The hearing shall be informal in nature, and there shall be no
129 right to engage in discovery. The purpose of the hearing is to
130 allow a party to offer an objection to the issuance of the
131 license, or to present, in a summary fashion, matters which may
132 have been overlooked. After the hearing, the State Health Officer
133 may decide not to issue the license, to further consider the
134 issuance of the license or to reaffirm his or her original
135 decision. Notwithstanding the foregoing, the State Hearing
136 Officer's decision to issue a license under this section is final,
137 and not subject to judicial review.

138 **SECTION 2.** (1) The Legislature finds and determines that:



139 (a) It is in the public interest to preserve the fiscal
140 integrity of the Medicaid program, to safeguard the State General
141 Fund, to prevent unnecessary duplication of services, and to
142 ensure that expansion of health care capacity occurs only upon a
143 demonstration of public necessity.

144 (b) The Legislature has a legitimate interest in
145 ensuring the efficient and sustainable delivery of publicly
146 financed health care, and that regulatory mechanisms are used to
147 avoid excess capacity in service lines where public funds are a
148 primary source of payment.

149 (c) The current number of licensed beds in skilled
150 nursing facilities within multiple regions of the state is
151 sufficient to meet current needs, and that increasing capacity
152 would lead to unnecessary institutionalization.

153 (d) There is currently no comprehensive statewide
154 demonstration of systemic capacity shortages of licensed beds in
155 intermediate care facilities requiring expansion.

156 (e) Expansion of institutional capacity in intermediate
157 care facilities for individuals with intellectual disabilities,
158 absent objective evidence of unmet need, may reasonably increase
159 aggregate public expenditures.

160 (f) The state maintains a network of licensed home
161 health agencies that serve all geographic regions. While
162 increased provider entry may arguably enhance consumer choice,
163 expansion of provider supply in utilization-driven reimbursement



164 systems may reasonably be expected to increase service volume and
165 aggregate Medicaid expenditures. There is currently no
166 comprehensive statewide demonstration of systemic capacity
167 shortage of services by home health agencies or of unmet need to
168 suggest that additional home health licensure is required to
169 ensure access.

170 (2) Therefore, continuation of the moratorium on skilled
171 nursing facilities, intermediate care facilities, intermediate
172 care facilities for individuals with intellectual disabilities,
173 and home health agencies is rationally related to preventing
174 unnecessary expansion, avoiding excess institutional capacity and
175 duplication of institutional services, preventing utilization
176 growth that is not supported by documented need, cost containment,
177 ensuring appropriate allocation of limited Medicaid and other
178 health care resources, and protecting the fiscal sustainability of
179 the Medicaid program.

180 (3) (a) The Mississippi State Department of Health, in
181 conjunction with the Division of Medicaid, shall biennially review
182 the following topics:

- 183 (i) Capacity and utilization data;
184 (ii) Medicaid expenditure trends;
185 (iii) Evidence of excess capacity or unmet need;
186 (iv) Five-year fiscal projections under
187 continuation and removal scenarios; and



188 (v) Analysis of state fiscal exposure related to
189 health care.

190 (b) The department and the division shall make a final
191 joint report of their findings and recommendations, including any
192 recommended legislation, to the Legislature before December 1,
193 2026, and on December 1 of each second year thereafter.

194 **SECTION 3.** Section 41-7-191, Mississippi Code of 1972, as
195 amended by House Bill No. 3, 2026 Regular Session is amended as
196 follows:

197 41-7-191. (1) Except as otherwise provided in Section 1 of
198 this act or in subsection (24) of this section, no person shall
199 engage in any of the following activities without obtaining the
200 required certificate of need:

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

205 (b) The relocation of a health care facility or portion
206 thereof, or major medical equipment, unless such relocation of a
207 health care facility or portion thereof, or major medical
208 equipment, which does not involve a capital expenditure by or on
209 behalf of a health care facility, is within five thousand two
210 hundred eighty (5,280) feet from the main entrance of the health
211 care facility;



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

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



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

- 239 (i) Open-heart surgery services;
- 240 (ii) Cardiac catheterization services;
- 241 (iii) Comprehensive inpatient rehabilitation
242 services;
- 243 (iv) Licensed psychiatric services;
- 244 (v) Licensed chemical dependency services;
- 245 (vi) Radiation therapy services;
- 246 (vii) Diagnostic imaging services of an invasive
247 nature, i.e. invasive digital angiography;
- 248 (viii) Nursing home care as defined in
249 subparagraphs (iv), (vi) and (viii) of Section 41-7-173(h);
- 250 (ix) Home health services;
- 251 (x) Swing-bed services;
- 252 (xi) Ambulatory surgical services;
- 253 (xii) Magnetic resonance imaging services;
- 254 (xiii) [Deleted]
- 255 (xiv) Long-term care hospital services;
- 256 (xv) Positron emission tomography (PET) services;
- 257 (e) The relocation of one or more health services from
258 one physical facility or site to another physical facility or
259 site, unless such relocation, which does not involve a capital
260 expenditure by or on behalf of a health care facility, (i) is to a
261 physical facility or site within five thousand two hundred eighty



262 (5,280) feet from the main entrance of the health care facility
263 where the health care service is located, or (ii) is the result of
264 an order of a court of appropriate jurisdiction or a result of
265 pending litigation in such court, or by order of the State
266 Department of Health, or by order of any other agency or legal
267 entity of the state, the federal government, or any political
268 subdivision of either, whose order is also approved by the State
269 Department of Health;

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

280 (g) Changes of ownership of existing health care
281 facilities in which a notice of intent is not filed with the State
282 Department of Health at least thirty (30) days prior to the date
283 such change of ownership occurs, or a change in services or bed
284 capacity as prescribed in paragraph (c) or (d) of this subsection
285 as a result of the change of ownership; an acquisition for less



286 than fair market value must be reviewed, if the acquisition at
287 fair market value would be subject to review;

288 (h) The change of ownership of any health care facility
289 defined in subparagraphs (iv), (vi) and (viii) of Section
290 41-7-173(h), in which a notice of intent as described in paragraph
291 (g) has not been filed and if the Executive Director, Division of
292 Medicaid, Office of the Governor, has not certified in writing
293 that there will be no increase in allowable costs to Medicaid from
294 revaluation of the assets or from increased interest and
295 depreciation as a result of the proposed change of ownership;

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

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

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

309 (l) The replacement or relocation of a health care
310 facility designated as a critical access hospital shall be exempt



311 from subsection (1) of this section so long as the critical access
312 hospital complies with all applicable federal law and regulations
313 regarding such replacement or relocation;

314 (m) Reopening a health care facility that has ceased to
315 operate for a period of sixty (60) months or more, which reopening
316 requires a certificate of need for the establishment of a new
317 health care facility.

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

325 (a) The department may issue a certificate of need to
326 any person proposing the new construction of any health care
327 facility defined in subparagraphs (iv) and (vi) of Section
328 41-7-173(h) as part of a life care retirement facility, in any
329 county bordering on the Gulf of Mexico in which is located a
330 National Aeronautics and Space Administration facility, not to
331 exceed forty (40) beds. From and after July 1, 1999, there shall
332 be no prohibition or restrictions on participation in the Medicaid
333 program (Section 43-13-101 et seq.) for the beds in the health
334 care facility that were authorized under this paragraph (a).



335 (b) The department may issue certificates of need in
336 Harrison County to provide skilled nursing home care for
337 Alzheimer's disease patients and other patients, not to exceed one
338 hundred fifty (150) beds. From and after July 1, 1999, there
339 shall be no prohibition or restrictions on participation in the
340 Medicaid program (Section 43-13-101 et seq.) for the beds in the
341 nursing facilities that were authorized under this paragraph (b).

342 (c) The department may issue a certificate of need for
343 the addition to or expansion of any skilled nursing facility that
344 is part of an existing continuing care retirement community
345 located in Madison County, provided that the recipient of the
346 certificate of need agrees in writing that the skilled nursing
347 facility will not at any time participate in the Medicaid program
348 (Section 43-13-101 et seq.) or admit or keep any patients in the
349 skilled nursing facility who are participating in the Medicaid
350 program. This written agreement by the recipient of the
351 certificate of need shall be fully binding on any subsequent owner
352 of the skilled nursing facility, if the ownership of the facility
353 is transferred at any time after the issuance of the certificate
354 of need. Agreement that the skilled nursing facility will not
355 participate in the Medicaid program shall be a condition of the
356 issuance of a certificate of need to any person under this
357 paragraph (c), and if such skilled nursing facility at any time
358 after the issuance of the certificate of need, regardless of the
359 ownership of the facility, participates in the Medicaid program or



360 admits or keeps any patients in the facility who are participating
361 in the Medicaid program, the State Department of Health shall
362 revoke the certificate of need, if it is still outstanding, and
363 shall deny or revoke the license of the skilled nursing facility,
364 at the time that the department determines, after a hearing
365 complying with due process, that the facility has failed to comply
366 with any of the conditions upon which the certificate of need was
367 issued, as provided in this paragraph and in the written agreement
368 by the recipient of the certificate of need. The total number of
369 beds that may be authorized under the authority of this paragraph
370 (c) shall not exceed sixty (60) beds.

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

379 (e) The State Department of Health may issue a
380 certificate of need for the construction of a nursing facility or
381 the conversion of beds to nursing facility beds at a personal care
382 facility for the elderly in Lowndes County that is owned and
383 operated by a Mississippi nonprofit corporation, not to exceed
384 sixty (60) beds. From and after July 1, 1999, there shall be no



385 prohibition or restrictions on participation in the Medicaid
386 program (Section 43-13-101 et seq.) for the beds in the nursing
387 facility that were authorized under this paragraph (e).

388 (f) The State Department of Health may issue a
389 certificate of need for conversion of a county hospital facility
390 in Itawamba County to a nursing facility, not to exceed sixty (60)
391 beds, including any necessary construction, renovation or
392 expansion. From and after July 1, 1999, there shall be no
393 prohibition or restrictions on participation in the Medicaid
394 program (Section 43-13-101 et seq.) for the beds in the nursing
395 facility that were authorized under this paragraph (f).

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

404 (h) The State Department of Health may issue a
405 certificate of need for the construction or expansion of nursing
406 facility beds or the conversion of other beds to nursing facility
407 beds in either Hancock, Harrison or Jackson County, not to exceed
408 sixty (60) beds. From and after July 1, 1999, there shall be no
409 prohibition or restrictions on participation in the Medicaid



410 program (Section 43-13-101 et seq.) for the beds in the facility
411 that were authorized under this paragraph (h).

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

423 Agreement that the skilled nursing facility will not participate
424 in the Medicaid program shall be a condition of the issuance of a
425 certificate of need to any person under this paragraph (i), and if
426 such skilled nursing facility at any time after the issuance of
427 the certificate of need, regardless of the ownership of the
428 facility, participates in the Medicaid program or admits or keeps
429 any patients in the facility who are participating in the Medicaid
430 program, the State Department of Health shall revoke the
431 certificate of need, if it is still outstanding, and shall deny or
432 revoke the license of the skilled nursing facility, at the time
433 that the department determines, after a hearing complying with due
434 process, that the facility has failed to comply with any of the



435 conditions upon which the certificate of need was issued, as
436 provided in this paragraph and in the written agreement by the
437 recipient of the certificate of need. The provision of Section
438 41-7-193(1) regarding substantial compliance of the projection of
439 need as reported in the current State Health Plan is waived for
440 the purposes of this paragraph. The total number of nursing
441 facility beds that may be authorized by any certificate of need
442 issued under this paragraph (i) shall not exceed sixty (60) beds.
443 If the skilled nursing facility authorized by the certificate of
444 need issued under this paragraph is not constructed and fully
445 operational within eighteen (18) months after July 1, 1994, the
446 State Department of Health, after a hearing complying with due
447 process, shall revoke the certificate of need, if it is still
448 outstanding, and shall not issue a license for the skilled nursing
449 facility at any time after the expiration of the eighteen-month
450 period.

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



460 seq.) for the beds in the long-term care facilities that were
461 authorized under this paragraph (j).

462 (k) The department may issue a certificate of need for
463 the construction of a nursing facility at a continuing care
464 retirement community in Lowndes County. The total number of beds
465 that may be authorized under the authority of this paragraph (k)
466 shall not exceed sixty (60) beds. From and after July 1, 2001,
467 the prohibition on the facility participating in the Medicaid
468 program (Section 43-13-101 et seq.) that was a condition of
469 issuance of the certificate of need under this paragraph (k) shall
470 be revised as follows: The nursing facility may participate in
471 the Medicaid program from and after July 1, 2001, if the owner of
472 the facility on July 1, 2001, agrees in writing that no more than
473 thirty (30) of the beds at the facility will be certified for
474 participation in the Medicaid program, and that no claim will be
475 submitted for Medicaid reimbursement for more than thirty (30)
476 patients in the facility in any month or for any patient in the
477 facility who is in a bed that is not Medicaid-certified. This
478 written agreement by the owner of the facility shall be a
479 condition of licensure of the facility, and the agreement shall be
480 fully binding on any subsequent owner of the facility if the
481 ownership of the facility is transferred at any time after July 1,
482 2001. After this written agreement is executed, the Division of
483 Medicaid and the State Department of Health shall not certify more
484 than thirty (30) of the beds in the facility for participation in



485 the Medicaid program. If the facility violates the terms of the
486 written agreement by admitting or keeping in the facility on a
487 regular or continuing basis more than thirty (30) patients who are
488 participating in the Medicaid program, the State Department of
489 Health shall revoke the license of the facility, at the time that
490 the department determines, after a hearing complying with due
491 process, that the facility has violated the written agreement.

492 (l) Provided that funds are specifically appropriated
493 therefor by the Legislature, the department may issue a
494 certificate of need to a rehabilitation hospital in Hinds County
495 for the construction of a sixty-bed long-term care nursing
496 facility dedicated to the care and treatment of persons with
497 severe disabilities including persons with spinal cord and
498 closed-head injuries and ventilator dependent patients. The
499 provisions of Section 41-7-193(1) regarding substantial compliance
500 with projection of need as reported in the current State Health
501 Plan are waived for the purpose of this paragraph.

502 (m) The State Department of Health may issue a
503 certificate of need to a county-owned hospital in the Second
504 Judicial District of Panola County for the conversion of not more
505 than seventy-two (72) hospital beds to nursing facility beds,
506 provided that the recipient of the certificate of need agrees in
507 writing that none of the beds at the nursing facility will be
508 certified for participation in the Medicaid program (Section
509 43-13-101 et seq.), and that no claim will be submitted for



510 Medicaid reimbursement in the nursing facility in any day or for
511 any patient in the nursing facility. This written agreement by
512 the recipient of the certificate of need shall be a condition of
513 the issuance of the certificate of need under this paragraph, and
514 the agreement shall be fully binding on any subsequent owner of
515 the nursing facility if the ownership of the nursing facility is
516 transferred at any time after the issuance of the certificate of
517 need. After this written agreement is executed, the Division of
518 Medicaid and the State Department of Health shall not certify any
519 of the beds in the nursing facility for participation in the
520 Medicaid program. If the nursing facility violates the terms of
521 the written agreement by admitting or keeping in the nursing
522 facility on a regular or continuing basis any patients who are
523 participating in the Medicaid program, the State Department of
524 Health shall revoke the license of the nursing facility, at the
525 time that the department determines, after a hearing complying
526 with due process, that the nursing facility has violated the
527 condition upon which the certificate of need was issued, as
528 provided in this paragraph and in the written agreement. If the
529 certificate of need authorized under this paragraph is not issued
530 within twelve (12) months after July 1, 2001, the department shall
531 deny the application for the certificate of need and shall not
532 issue the certificate of need at any time after the twelve-month
533 period, unless the issuance is contested. If the certificate of
534 need is issued and substantial construction of the nursing



535 facility beds has not commenced within eighteen (18) months after
536 July 1, 2001, the State Department of Health, after a hearing
537 complying with due process, shall revoke the certificate of need
538 if it is still outstanding, and the department shall not issue a
539 license for the nursing facility at any time after the
540 eighteen-month period. However, if the issuance of the
541 certificate of need is contested, the department shall require
542 substantial construction of the nursing facility beds within six
543 (6) months after final adjudication on the issuance of the
544 certificate of need.

545 (n) The department may issue a certificate of need for
546 the new construction, addition or conversion of skilled nursing
547 facility beds in Madison County, provided that the recipient of
548 the certificate of need agrees in writing that the skilled nursing
549 facility will not at any time participate in the Medicaid program
550 (Section 43-13-101 et seq.) or admit or keep any patients in the
551 skilled nursing facility who are participating in the Medicaid
552 program. This written agreement by the recipient of the
553 certificate of need shall be fully binding on any subsequent owner
554 of the skilled nursing facility, if the ownership of the facility
555 is transferred at any time after the issuance of the certificate
556 of need. Agreement that the skilled nursing facility will not
557 participate in the Medicaid program shall be a condition of the
558 issuance of a certificate of need to any person under this
559 paragraph (n), and if such skilled nursing facility at any time



560 after the issuance of the certificate of need, regardless of the
561 ownership of the facility, participates in the Medicaid program or
562 admits or keeps any patients in the facility who are participating
563 in the Medicaid program, the State Department of Health shall
564 revoke the certificate of need, if it is still outstanding, and
565 shall deny or revoke the license of the skilled nursing facility,
566 at the time that the department determines, after a hearing
567 complying with due process, that the facility has failed to comply
568 with any of the conditions upon which the certificate of need was
569 issued, as provided in this paragraph and in the written agreement
570 by the recipient of the certificate of need. The total number of
571 nursing facility beds that may be authorized by any certificate of
572 need issued under this paragraph (n) shall not exceed sixty (60)
573 beds. If the certificate of need authorized under this paragraph
574 is not issued within twelve (12) months after July 1, 1998, the
575 department shall deny the application for the certificate of need
576 and shall not issue the certificate of need at any time after the
577 twelve-month period, unless the issuance is contested. If the
578 certificate of need is issued and substantial construction of the
579 nursing facility beds has not commenced within eighteen (18)
580 months after July 1, 1998, the State Department of Health, after a
581 hearing complying with due process, shall revoke the certificate
582 of need if it is still outstanding, and the department shall not
583 issue a license for the nursing facility at any time after the
584 eighteen-month period. However, if the issuance of the



585 certificate of need is contested, the department shall require
586 substantial construction of the nursing facility beds within six
587 (6) months after final adjudication on the issuance of the
588 certificate of need.

589 (o) The department may issue a certificate of need for
590 the new construction, addition or conversion of skilled nursing
591 facility beds in Leake County, provided that the recipient of the
592 certificate of need agrees in writing that the skilled nursing
593 facility will not at any time participate in the Medicaid program
594 (Section 43-13-101 et seq.) or admit or keep any patients in the
595 skilled nursing facility who are participating in the Medicaid
596 program. This written agreement by the recipient of the
597 certificate of need shall be fully binding on any subsequent owner
598 of the skilled nursing facility, if the ownership of the facility
599 is transferred at any time after the issuance of the certificate
600 of need. Agreement that the skilled nursing facility will not
601 participate in the Medicaid program shall be a condition of the
602 issuance of a certificate of need to any person under this
603 paragraph (o), and if such skilled nursing facility at any time
604 after the issuance of the certificate of need, regardless of the
605 ownership of the facility, participates in the Medicaid program or
606 admits or keeps any patients in the facility who are participating
607 in the Medicaid program, the State Department of Health shall
608 revoke the certificate of need, if it is still outstanding, and
609 shall deny or revoke the license of the skilled nursing facility,



610 at the time that the department determines, after a hearing
611 complying with due process, that the facility has failed to comply
612 with any of the conditions upon which the certificate of need was
613 issued, as provided in this paragraph and in the written agreement
614 by the recipient of the certificate of need. The total number of
615 nursing facility beds that may be authorized by any certificate of
616 need issued under this paragraph (o) shall not exceed sixty (60)
617 beds. If the certificate of need authorized under this paragraph
618 is not issued within twelve (12) months after July 1, 2001, the
619 department shall deny the application for the certificate of need
620 and shall not issue the certificate of need at any time after the
621 twelve-month period, unless the issuance is contested. If the
622 certificate of need is issued and substantial construction of the
623 nursing facility beds has not commenced within eighteen (18)
624 months after July 1, 2001, the State Department of Health, after a
625 hearing complying with due process, shall revoke the certificate
626 of need if it is still outstanding, and the department shall not
627 issue a license for the nursing facility at any time after the
628 eighteen-month period. However, if the issuance of the
629 certificate of need is contested, the department shall require
630 substantial construction of the nursing facility beds within six
631 (6) months after final adjudication on the issuance of the
632 certificate of need.

633 (p) The department may issue a certificate of need for
634 the construction of a municipally owned nursing facility within



635 the Town of Belmont in Tishomingo County, not to exceed sixty (60)
636 beds, provided that the recipient of the certificate of need
637 agrees in writing that the skilled nursing facility will not at
638 any time participate in the Medicaid program (Section 43-13-101 et
639 seq.) or admit or keep any patients in the skilled nursing
640 facility who are participating in the Medicaid program. This
641 written agreement by the recipient of the certificate of need
642 shall be fully binding on any subsequent owner of the skilled
643 nursing facility, if the ownership of the facility is transferred
644 at any time after the issuance of the certificate of need.
645 Agreement that the skilled nursing facility will not participate
646 in the Medicaid program shall be a condition of the issuance of a
647 certificate of need to any person under this paragraph (p), and if
648 such skilled nursing facility at any time after the issuance of
649 the certificate of need, regardless of the ownership of the
650 facility, participates in the Medicaid program or admits or keeps
651 any patients in the facility who are participating in the Medicaid
652 program, the State Department of Health shall revoke the
653 certificate of need, if it is still outstanding, and shall deny or
654 revoke the license of the skilled nursing facility, at the time
655 that the department determines, after a hearing complying with due
656 process, that the facility has failed to comply with any of the
657 conditions upon which the certificate of need was issued, as
658 provided in this paragraph and in the written agreement by the
659 recipient of the certificate of need. The provision of Section



660 41-7-193(1) regarding substantial compliance of the projection of
661 need as reported in the current State Health Plan is waived for
662 the purposes of this paragraph. If the certificate of need
663 authorized under this paragraph is not issued within twelve (12)
664 months after July 1, 1998, the department shall deny the
665 application for the certificate of need and shall not issue the
666 certificate of need at any time after the twelve-month period,
667 unless the issuance is contested. If the certificate of need is
668 issued and substantial construction of the nursing facility beds
669 has not commenced within eighteen (18) months after July 1, 1998,
670 the State Department of Health, after a hearing complying with due
671 process, shall revoke the certificate of need if it is still
672 outstanding, and the department shall not issue a license for the
673 nursing facility at any time after the eighteen-month period.
674 However, if the issuance of the certificate of need is contested,
675 the department shall require substantial construction of the
676 nursing facility beds within six (6) months after final
677 adjudication on the issuance of the certificate of need.

678 (q) (i) Beginning on July 1, 1999, the State
679 Department of Health shall issue certificates of need during each
680 of the next four (4) fiscal years for the construction or
681 expansion of nursing facility beds or the conversion of other beds
682 to nursing facility beds in each county in the state having a need
683 for fifty (50) or more additional nursing facility beds, as shown
684 in the fiscal year 1999 State Health Plan, in the manner provided



685 in this paragraph (q). The total number of nursing facility beds
686 that may be authorized by any certificate of need authorized under
687 this paragraph (q) shall not exceed sixty (60) beds.

688 (ii) Subject to the provisions of subparagraph
689 (v), during each of the next four (4) fiscal years, the department
690 shall issue six (6) certificates of need for new nursing facility
691 beds, as follows: During fiscal years 2000, 2001 and 2002, one
692 (1) certificate of need shall be issued for new nursing facility
693 beds in the county in each of the four (4) Long-Term Care Planning
694 Districts designated in the fiscal year 1999 State Health Plan
695 that has the highest need in the district for those beds; and two
696 (2) certificates of need shall be issued for new nursing facility
697 beds in the two (2) counties from the state at large that have the
698 highest need in the state for those beds, when considering the
699 need on a statewide basis and without regard to the Long-Term Care
700 Planning Districts in which the counties are located. During
701 fiscal year 2003, one (1) certificate of need shall be issued for
702 new nursing facility beds in any county having a need for fifty
703 (50) or more additional nursing facility beds, as shown in the
704 fiscal year 1999 State Health Plan, that has not received a
705 certificate of need under this paragraph (q) during the three (3)
706 previous fiscal years. During fiscal year 2000, in addition to
707 the six (6) certificates of need authorized in this subparagraph,
708 the department also shall issue a certificate of need for new



709 nursing facility beds in Amite County and a certificate of need
710 for new nursing facility beds in Carroll County.

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

725 (iv) Subject to the provisions of subparagraph
726 (v), the certificate of need issued under subparagraph (ii) for
727 nursing facility beds in the two (2) counties from the state at
728 large during each fiscal year shall first be available for nursing
729 facility beds in the two (2) counties that have the highest need
730 in the state for those beds, as shown in the fiscal year 1999
731 State Health Plan, when considering the need on a statewide basis
732 and without regard to the Long-Term Care Planning Districts in
733 which the counties are located. If there are no applications for



734 a certificate of need for nursing facility beds in either of the
735 two (2) counties having the highest need for those beds on a
736 statewide basis by the date specified by the department, then the
737 certificate of need shall be available for nursing facility beds
738 in other counties from the state at large in descending order of
739 the need for those beds on a statewide basis, from the county with
740 the second highest need to the county with the lowest need, until
741 an application is received for nursing facility beds in an
742 eligible county from the state at large.

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



758 which counties have the highest need for nursing facility beds in
759 succeeding fiscal years.

760 (vi) If more than one (1) application is made for
761 a certificate of need for nursing home facility beds available
762 under this paragraph (q), in Yalobusha, Newton or Tallahatchie
763 County, and one (1) of the applicants is a county-owned hospital
764 located in the county where the nursing facility beds are
765 available, the department shall give priority to the county-owned
766 hospital in granting the certificate of need if the following
767 conditions are met:

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

771 2. The county-owned hospital's qualifications
772 for the certificate of need, as shown in its application and as
773 determined by the department, are at least equal to the
774 qualifications of the other applicants for the certificate of
775 need.

776 (r) (i) Beginning on July 1, 1999, the State
777 Department of Health shall issue certificates of need during each
778 of the next two (2) fiscal years for the construction or expansion
779 of nursing facility beds or the conversion of other beds to
780 nursing facility beds in each of the four (4) Long-Term Care
781 Planning Districts designated in the fiscal year 1999 State Health



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

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

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



807 (s) The State Department of Health may issue a
808 certificate of need to a nonprofit skilled nursing facility using
809 the Green House model of skilled nursing care and located in Yazoo
810 City, Yazoo County, Mississippi, for the construction, expansion
811 or conversion of not more than nineteen (19) nursing facility
812 beds. For purposes of this paragraph (s), the provisions of
813 Section 41-7-193(1) requiring substantial compliance with the
814 projection of need as reported in the current State Health Plan
815 and the provisions of Section 41-7-197 requiring a formal
816 certificate of need hearing process are waived. There shall be no
817 prohibition or restrictions on participation in the Medicaid
818 program for the person receiving the certificate of need
819 authorized under this paragraph (s).

820 (t) The State Department of Health shall issue
821 certificates of need to the owner of a nursing facility in
822 operation at the time of Hurricane Katrina in Hancock County that
823 was not operational on December 31, 2005, because of damage
824 sustained from Hurricane Katrina to authorize the following: (i)
825 the construction of a new nursing facility in Harrison County;
826 (ii) the relocation of forty-nine (49) nursing facility beds from
827 the Hancock County facility to the new Harrison County facility;
828 (iii) the establishment of not more than twenty (20) non-Medicaid
829 nursing facility beds at the Hancock County facility; and (iv) the
830 establishment of not more than twenty (20) non-Medicaid beds at
831 the new Harrison County facility. The certificates of need that



832 authorize the non-Medicaid nursing facility beds under
833 subparagraphs (iii) and (iv) of this paragraph (t) shall be
834 subject to the following conditions: The owner of the Hancock
835 County facility and the new Harrison County facility must agree in
836 writing that no more than fifty (50) of the beds at the Hancock
837 County facility and no more than forty-nine (49) of the beds at
838 the Harrison County facility will be certified for participation
839 in the Medicaid program, and that no claim will be submitted for
840 Medicaid reimbursement for more than fifty (50) patients in the
841 Hancock County facility in any month, or for more than forty-nine
842 (49) patients in the Harrison County facility in any month, or for
843 any patient in either facility who is in a bed that is not
844 Medicaid-certified. This written agreement by the owner of the
845 nursing facilities shall be a condition of the issuance of the
846 certificates of need under this paragraph (t), and the agreement
847 shall be fully binding on any later owner or owners of either
848 facility if the ownership of either facility is transferred at any
849 time after the certificates of need are issued. After this
850 written agreement is executed, the Division of Medicaid and the
851 State Department of Health shall not certify more than fifty (50)
852 of the beds at the Hancock County facility or more than forty-nine
853 (49) of the beds at the Harrison County facility for participation
854 in the Medicaid program. If the Hancock County facility violates
855 the terms of the written agreement by admitting or keeping in the
856 facility on a regular or continuing basis more than fifty (50)



857 patients who are participating in the Medicaid program, or if the
858 Harrison County facility violates the terms of the written
859 agreement by admitting or keeping in the facility on a regular or
860 continuing basis more than forty-nine (49) patients who are
861 participating in the Medicaid program, the State Department of
862 Health shall revoke the license of the facility that is in
863 violation of the agreement, at the time that the department
864 determines, after a hearing complying with due process, that the
865 facility has violated the agreement.

866 (u) The State Department of Health shall issue a
867 certificate of need to a nonprofit venture for the establishment,
868 construction and operation of a skilled nursing facility of not
869 more than sixty (60) beds to provide skilled nursing care for
870 ventilator dependent or otherwise medically dependent pediatric
871 patients who require medical and nursing care or rehabilitation
872 services to be located in a county in which an academic medical
873 center and a children's hospital are located, and for any
874 construction and for the acquisition of equipment related to those
875 beds. The facility shall be authorized to keep such ventilator
876 dependent or otherwise medically dependent pediatric patients
877 beyond age twenty-one (21) in accordance with regulations of the
878 State Board of Health. For purposes of this paragraph (u), the
879 provisions of Section 41-7-193(1) requiring substantial compliance
880 with the projection of need as reported in the current State
881 Health Plan are waived, and the provisions of Section 41-7-197



882 requiring a formal certificate of need hearing process are waived.
883 The beds authorized by this paragraph shall be counted as
884 pediatric skilled nursing facility beds for health planning
885 purposes under Section 41-7-171 et seq. There shall be no
886 prohibition of or restrictions on participation in the Medicaid
887 program for the person receiving the certificate of need
888 authorized by this paragraph.

889 (3) The State Department of Health may grant approval for
890 and issue certificates of need to any person proposing the new
891 construction of, addition to, conversion of beds of or expansion
892 of any health care facility defined in subparagraph (x)
893 (psychiatric residential treatment facility) of Section
894 41-7-173(h). The total number of beds which may be authorized by
895 such certificates of need shall not exceed three hundred
896 thirty-four (334) beds for the entire state.

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



907 (b) Of the total number of beds authorized under this
908 subsection, the department may issue a certificate or certificates
909 of need for the construction or expansion of psychiatric
910 residential treatment facility beds or the conversion of other
911 beds to psychiatric residential treatment facility beds in Warren
912 County, not to exceed sixty (60) psychiatric residential treatment
913 facility beds, provided that the facility agrees in writing that
914 no more than thirty (30) of the beds at the psychiatric
915 residential treatment facility will be certified for participation
916 in the Medicaid program (Section 43-13-101 et seq.) for the use of
917 any patients other than those who are participating only in the
918 Medicaid program of another state, and that no claim will be
919 submitted to the Division of Medicaid for Medicaid reimbursement
920 for more than thirty (30) patients in the psychiatric residential
921 treatment facility in any day or for any patient in the
922 psychiatric residential treatment facility who is in a bed that is
923 not Medicaid-certified. This written agreement by the recipient
924 of the certificate of need shall be a condition of the issuance of
925 the certificate of need under this paragraph, and the agreement
926 shall be fully binding on any subsequent owner of the psychiatric
927 residential treatment facility if the ownership of the facility is
928 transferred at any time after the issuance of the certificate of
929 need. After this written agreement is executed, the Division of
930 Medicaid and the State Department of Health shall not certify more
931 than thirty (30) of the beds in the psychiatric residential



932 treatment facility for participation in the Medicaid program for
933 the use of any patients other than those who are participating
934 only in the Medicaid program of another state. If the psychiatric
935 residential treatment facility violates the terms of the written
936 agreement by admitting or keeping in the facility on a regular or
937 continuing basis more than thirty (30) patients who are
938 participating in the Mississippi Medicaid program, the State
939 Department of Health shall revoke the license of the facility, at
940 the time that the department determines, after a hearing complying
941 with due process, that the facility has violated the condition
942 upon which the certificate of need was issued, as provided in this
943 paragraph and in the written agreement.

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

948 (c) Of the total number of beds authorized under this
949 subsection, the department shall issue a certificate of need to a
950 hospital currently operating Medicaid-certified acute psychiatric
951 beds for adolescents in DeSoto County, for the establishment of a
952 forty-bed psychiatric residential treatment facility in DeSoto
953 County. There shall be no prohibition or restrictions on
954 participation in the Medicaid program (Section 43-13-101 et seq.)
955 for the person(s) receiving the certificate of need authorized
956 under this paragraph (c) or for the beds converted pursuant to the



957 authority of that certificate of need that would not apply to any
958 other psychiatric residential treatment facility.

959 (d) Of the total number of beds authorized under this
960 subsection, the department may issue a certificate or certificates
961 of need for the construction or expansion of psychiatric
962 residential treatment facility beds or the conversion of other
963 beds to psychiatric treatment facility beds, not to exceed thirty
964 (30) psychiatric residential treatment facility beds, in either
965 Alcorn, Tishomingo, Prentiss, Lee, Itawamba, Monroe, Chickasaw,
966 Pontotoc, Calhoun, Lafayette, Union, Benton or Tippah County.

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

975 (f) The department shall issue a certificate of need to
976 a one-hundred-thirty-four-bed specialty hospital located on
977 twenty-nine and forty-four one-hundredths (29.44) commercial acres
978 at 5900 Highway 39 North in Meridian (Lauderdale County),
979 Mississippi, for the addition, construction or expansion of
980 child/adolescent psychiatric residential treatment facility beds
981 in Lauderdale County. As a condition of issuance of the



982 certificate of need under this paragraph, the facility shall give
983 priority in admissions to the child/adolescent psychiatric
984 residential treatment facility beds authorized under this
985 paragraph to patients who otherwise would require out-of-state
986 placement. The Division of Medicaid, in conjunction with the
987 Department of Human Services, shall furnish the facility a list of
988 all out-of-state patients on a quarterly basis. Furthermore,
989 notice shall also be provided to the parent, custodial parent or
990 guardian of each out-of-state patient notifying them of the
991 priority status granted by this paragraph. For purposes of this
992 paragraph, the provisions of Section 41-7-193(1) requiring
993 substantial compliance with the projection of need as reported in
994 the current State Health Plan are waived. The total number of
995 child/adolescent psychiatric residential treatment facility beds
996 that may be authorized under the authority of this paragraph shall
997 be sixty (60) beds. There shall be no prohibition or restrictions
998 on participation in the Medicaid program (Section 43-13-101 et
999 seq.) for the person receiving the certificate of need authorized
1000 under this paragraph or for the beds converted pursuant to the
1001 authority of that certificate of need.

1002 (4) (a) From and after March 25, 2021, the department may
1003 issue a certificate of need to any person for the new construction
1004 of any hospital, psychiatric hospital or chemical dependency
1005 hospital that will contain any child/adolescent psychiatric or
1006 child/adolescent chemical dependency beds, or for the conversion



1007 of any other health care facility to a hospital, psychiatric
1008 hospital or chemical dependency hospital that will contain any
1009 child/adolescent psychiatric or child/adolescent chemical
1010 dependency beds. There shall be no prohibition or restrictions on
1011 participation in the Medicaid program (Section 43-13-101 et seq.)
1012 for the person(s) receiving the certificate(s) of need authorized
1013 under this paragraph (a) or for the beds converted pursuant to the
1014 authority of that certificate of need. In issuing any new
1015 certificate of need for any child/adolescent psychiatric or
1016 child/adolescent chemical dependency beds, either by new
1017 construction or conversion of beds of another category, the
1018 department shall give preference to beds which will be located in
1019 an area of the state which does not have such beds located in it,
1020 and to a location more than sixty-five (65) miles from existing
1021 beds. Upon receiving 2020 census data, the department may amend
1022 the State Health Plan regarding child/adolescent psychiatric and
1023 child/adolescent chemical dependency beds to reflect the need
1024 based on new census data.

1025 (i) [Deleted]

1026 (ii) The department may issue a certificate of
1027 need for the conversion of existing beds in a county hospital in
1028 Choctaw County from acute care beds to child/adolescent chemical
1029 dependency beds. For purposes of this subparagraph (ii), the
1030 provisions of Section 41-7-193(1) requiring substantial compliance
1031 with the projection of need as reported in the current State



1032 Health Plan are waived. The total number of beds that may be
1033 authorized under authority of this subparagraph shall not exceed
1034 twenty (20) beds. There shall be no prohibition or restrictions
1035 on participation in the Medicaid program (Section 43-13-101 et
1036 seq.) for the hospital receiving the certificate of need
1037 authorized under this subparagraph or for the beds converted
1038 pursuant to the authority of that certificate of need.

1039 (iii) The department may issue a certificate or
1040 certificates of need for the construction or expansion of
1041 child/adolescent psychiatric beds or the conversion of other beds
1042 to child/adolescent psychiatric beds in Warren County. For
1043 purposes of this subparagraph (iii), the provisions of Section
1044 41-7-193(1) requiring substantial compliance with the projection
1045 of need as reported in the current State Health Plan are waived.
1046 The total number of beds that may be authorized under the
1047 authority of this subparagraph shall not exceed twenty (20) beds.
1048 There shall be no prohibition or restrictions on participation in
1049 the Medicaid program (Section 43-13-101 et seq.) for the person
1050 receiving the certificate of need authorized under this
1051 subparagraph or for the beds converted pursuant to the authority
1052 of that certificate of need.

1053 If by January 1, 2002, there has been no significant
1054 commencement of construction of the beds authorized under this
1055 subparagraph (iii), or no significant action taken to convert
1056 existing beds to the beds authorized under this subparagraph, then



1057 the certificate of need that was previously issued under this
1058 subparagraph shall expire. If the previously issued certificate
1059 of need expires, the department may accept applications for
1060 issuance of another certificate of need for the beds authorized
1061 under this subparagraph, and may issue a certificate of need to
1062 authorize the construction, expansion or conversion of the beds
1063 authorized under this subparagraph.

1064 (iv) The department shall issue a certificate of
1065 need to the Region 7 Mental Health/Retardation Commission for the
1066 construction or expansion of child/adolescent psychiatric beds or
1067 the conversion of other beds to child/adolescent psychiatric beds
1068 in any of the counties served by the commission. For purposes of
1069 this subparagraph (iv), the provisions of Section 41-7-193(1)
1070 requiring substantial compliance with the projection of need as
1071 reported in the current State Health Plan are waived. The total
1072 number of beds that may be authorized under the authority of this
1073 subparagraph shall not exceed twenty (20) beds. There shall be no
1074 prohibition or restrictions on participation in the Medicaid
1075 program (Section 43-13-101 et seq.) for the person receiving the
1076 certificate of need authorized under this subparagraph or for the
1077 beds converted pursuant to the authority of that certificate of
1078 need.

1079 (v) The department may issue a certificate of need
1080 to any county hospital located in Leflore County for the
1081 construction or expansion of adult psychiatric beds or the



1082 conversion of other beds to adult psychiatric beds, not to exceed
1083 twenty (20) beds, provided that the recipient of the certificate
1084 of need agrees in writing that the adult psychiatric beds will not
1085 at any time be certified for participation in the Medicaid program
1086 and that the hospital will not admit or keep any patients who are
1087 participating in the Medicaid program in any of such adult
1088 psychiatric beds. This written agreement by the recipient of the
1089 certificate of need shall be fully binding on any subsequent owner
1090 of the hospital if the ownership of the hospital is transferred at
1091 any time after the issuance of the certificate of need. Agreement
1092 that the adult psychiatric beds will not be certified for
1093 participation in the Medicaid program shall be a condition of the
1094 issuance of a certificate of need to any person under this
1095 subparagraph (v), and if such hospital at any time after the
1096 issuance of the certificate of need, regardless of the ownership
1097 of the hospital, has any of such adult psychiatric beds certified
1098 for participation in the Medicaid program or admits or keeps any
1099 Medicaid patients in such adult psychiatric beds, the State
1100 Department of Health shall revoke the certificate of need, if it
1101 is still outstanding, and shall deny or revoke the license of the
1102 hospital at the time that the department determines, after a
1103 hearing complying with due process, that the hospital has failed
1104 to comply with any of the conditions upon which the certificate of
1105 need was issued, as provided in this subparagraph and in the
1106 written agreement by the recipient of the certificate of need.



1107 (vi) The department may issue a certificate or
1108 certificates of need for the expansion of child psychiatric beds
1109 or the conversion of other beds to child psychiatric beds at the
1110 University of Mississippi Medical Center. For purposes of this
1111 subparagraph (vi), the provisions of Section 41-7-193(1) requiring
1112 substantial compliance with the projection of need as reported in
1113 the current State Health Plan are waived. The total number of
1114 beds that may be authorized under the authority of this
1115 subparagraph shall not exceed fifteen (15) beds. There shall be
1116 no prohibition or restrictions on participation in the Medicaid
1117 program (Section 43-13-101 et seq.) for the hospital receiving the
1118 certificate of need authorized under this subparagraph or for the
1119 beds converted pursuant to the authority of that certificate of
1120 need.

1121 (b) From and after July 1, 1990, no hospital,
1122 psychiatric hospital or chemical dependency hospital shall be
1123 authorized to add any child/adolescent psychiatric or
1124 child/adolescent chemical dependency beds or convert any beds of
1125 another category to child/adolescent psychiatric or
1126 child/adolescent chemical dependency beds without a certificate of
1127 need under the authority of subsection (1)(c) and subsection
1128 (4)(a) of this section.

1129 (5) The department may issue a certificate of need to a
1130 county hospital in Winston County for the conversion of fifteen
1131 (15) acute care beds to geriatric psychiatric care beds.



1132 (6) The State Department of Health shall issue a certificate
1133 of need to a Mississippi corporation qualified to manage a
1134 long-term care hospital as defined in Section 41-7-173(h)(xii) in
1135 Harrison County, not to exceed eighty (80) beds, including any
1136 necessary renovation or construction required for licensure and
1137 certification, provided that the recipient of the certificate of
1138 need agrees in writing that the long-term care hospital will not
1139 at any time participate in the Medicaid program (Section 43-13-101
1140 et seq.) except as a crossover provider. This written agreement
1141 by the recipient of the certificate of need shall be fully binding
1142 on any subsequent owner of the long-term care hospital, if the
1143 ownership of the facility is transferred at any time after the
1144 issuance of the certificate of need. Agreement that the long-term
1145 care hospital will not participate in the Medicaid program except
1146 as a crossover provider shall be a condition of the issuance of a
1147 certificate of need to any person under this subsection (6), and
1148 if such long-term care hospital at any time after the issuance of
1149 the certificate of need, regardless of the ownership of the
1150 facility, participates in the Medicaid program except as a
1151 crossover provider, the State Department of Health shall revoke
1152 the certificate of need, if it is still outstanding, and shall
1153 deny or revoke the license of the long-term care hospital, at the
1154 time that the department determines, after a hearing complying
1155 with due process, that the facility has failed to comply with any
1156 of the conditions upon which the certificate of need was issued,



1157 as provided in this subsection and in the written agreement by the
1158 recipient of the certificate of need. For purposes of this
1159 subsection, the provisions of Section 41-7-193(1) requiring
1160 substantial compliance with the projection of need as reported in
1161 the current State Health Plan are waived. This subsection (6)
1162 shall be retroactive to July 1, 2023.

1163 (7) The State Department of Health may issue a certificate
1164 of need to any hospital in the state to utilize a portion of its
1165 beds for the "swing-bed" concept. Any such hospital must be in
1166 conformance with the federal regulations regarding such swing-bed
1167 concept at the time it submits its application for a certificate
1168 of need to the State Department of Health, except that such
1169 hospital may have more licensed beds or a higher average daily
1170 census (ADC) than the maximum number specified in federal
1171 regulations for participation in the swing-bed program. Any
1172 hospital meeting all federal requirements for participation in the
1173 swing-bed program which receives such certificate of need shall
1174 render services provided under the swing-bed concept to any
1175 patient eligible for Medicare (Title XVIII of the Social Security
1176 Act) who is certified by a physician to be in need of such
1177 services, and no such hospital shall permit any patient who is
1178 eligible for both Medicaid and Medicare or eligible only for
1179 Medicaid to stay in the swing beds of the hospital for more than
1180 thirty (30) days per admission unless the hospital receives prior
1181 approval for such patient from the Division of Medicaid, Office of



1182 the Governor. Any hospital having more licensed beds or a higher
1183 average daily census (ADC) than the maximum number specified in
1184 federal regulations for participation in the swing-bed program
1185 which receives such certificate of need shall develop a procedure
1186 to ensure that before a patient is allowed to stay in the swing
1187 beds of the hospital, there are no vacant nursing home beds
1188 available for that patient located within a fifty-mile radius of
1189 the hospital. When any such hospital has a patient staying in the
1190 swing beds of the hospital and the hospital receives notice from a
1191 nursing home located within such radius that there is a vacant bed
1192 available for that patient, the hospital shall transfer the
1193 patient to the nursing home within a reasonable time after receipt
1194 of the notice. Any hospital which is subject to the requirements
1195 of the two (2) preceding sentences of this subsection may be
1196 suspended from participation in the swing-bed program for a
1197 reasonable period of time by the State Department of Health if the
1198 department, after a hearing complying with due process, determines
1199 that the hospital has failed to comply with any of those
1200 requirements.

1201 (8) The Department of Health shall not grant approval for or
1202 issue a certificate of need to any person proposing the new
1203 construction of, addition to or expansion of a health care
1204 facility as defined in subparagraph (viii) of Section 41-7-173(h),
1205 except as hereinafter provided: The department may issue a
1206 certificate of need to a nonprofit corporation located in Madison



1207 County, Mississippi, for the construction, expansion or conversion
1208 of not more than twenty (20) beds in a community living program
1209 for developmentally disabled adults in a facility as defined in
1210 subparagraph (viii) of Section 41-7-173(h). Effective July 1,
1211 2026, the department * * * shall issue a certificate of need to
1212 the same nonprofit corporation located in Madison County,
1213 Mississippi, for the construction, expansion or conversion
1214 of * * * an additional twenty (20) beds in a community living
1215 program for developmentally disabled adults in a facility as
1216 defined in subparagraph (viii) of Section 41-7-173(h). For
1217 purposes of this subsection (8), the provisions of Section
1218 41-7-193(1) requiring substantial compliance with the projection
1219 of need as reported in the current State Health Plan and the
1220 provisions of Section 41-7-197 requiring a formal certificate of
1221 need hearing process are waived. There shall be no prohibition or
1222 restrictions on participation in the Medicaid program for the
1223 person receiving the certificate of need authorized under this
1224 subsection (8).

1225 (9) The Department of Health shall not grant approval for or
1226 issue a certificate of need to any person proposing the
1227 establishment of, or expansion of the currently approved territory
1228 of, or the contracting to establish a home office, subunit or
1229 branch office within the space operated as a health care facility
1230 as defined in Section 41-7-173(h) (i) through (viii) by a health



1231 care facility as defined in subparagraph (ix) of Section
1232 41-7-173(h).

1233 (10) Health care facilities owned and/or operated by the
1234 state or its agencies are exempt from the restraints in this
1235 section against issuance of a certificate of need if such addition
1236 or expansion consists of repairing or renovation necessary to
1237 comply with the state licensure law. This exception shall not
1238 apply to the new construction of any building by such state
1239 facility. This exception shall not apply to any health care
1240 facilities owned and/or operated by counties, municipalities,
1241 districts, unincorporated areas, other defined persons, or any
1242 combination thereof.

1243 (11) The new construction, renovation or expansion of or
1244 addition to any health care facility defined in subparagraph (ii)
1245 (psychiatric hospital), subparagraph (iv) (skilled nursing
1246 facility), subparagraph (vi) (intermediate care facility),
1247 subparagraph (viii) (intermediate care facility for individuals
1248 with intellectual disabilities) and subparagraph (x) (psychiatric
1249 residential treatment facility) of Section 41-7-173(h) which is
1250 owned by the State of Mississippi and under the direction and
1251 control of the State Department of Mental Health, and the addition
1252 of new beds or the conversion of beds from one category to another
1253 in any such defined health care facility which is owned by the
1254 State of Mississippi and under the direction and control of the
1255 State Department of Mental Health, shall not require the issuance



1256 of a certificate of need under Section 41-7-171 et seq.,
1257 notwithstanding any provision in Section 41-7-171 et seq. to the
1258 contrary.

1259 (12) The new construction, renovation or expansion of or
1260 addition to any veterans homes or domiciliaries for eligible
1261 veterans of the State of Mississippi as authorized under Section
1262 35-1-19 shall not require the issuance of a certificate of need,
1263 notwithstanding any provision in Section 41-7-171 et seq. to the
1264 contrary.

1265 (13) The repair or the rebuilding of an existing, operating
1266 health care facility that sustained significant damage from a
1267 natural disaster that occurred after April 15, 2014, in an area
1268 that is proclaimed a disaster area or subject to a state of
1269 emergency by the Governor or by the President of the United States
1270 shall be exempt from all of the requirements of the Mississippi
1271 Certificate of Need Law (Section 41-7-171 et seq.) and any and all
1272 rules and regulations promulgated under that law, subject to the
1273 following conditions:

1274 (a) The repair or the rebuilding of any such damaged
1275 health care facility must be within one (1) mile of the
1276 pre-disaster location of the campus of the damaged health care
1277 facility, except that any temporary post-disaster health care
1278 facility operating location may be within five (5) miles of the
1279 pre-disaster location of the damaged health care facility;



1280 (b) The repair or the rebuilding of the damaged health
1281 care facility (i) does not increase or change the complement of
1282 its bed capacity that it had before the Governor's or the
1283 President's proclamation, (ii) does not increase or change its
1284 levels and types of health care services that it provided before
1285 the Governor's or the President's proclamation, and (iii) does not
1286 rebuild in a different county; however, this paragraph does not
1287 restrict or prevent a health care facility from decreasing its bed
1288 capacity that it had before the Governor's or the President's
1289 proclamation, or from decreasing the levels of or decreasing or
1290 eliminating the types of health care services that it provided
1291 before the Governor's or the President's proclamation, when the
1292 damaged health care facility is repaired or rebuilt;

1293 (c) The exemption from Certificate of Need Law provided
1294 under this subsection (13) is valid for only five (5) years from
1295 the date of the Governor's or the President's proclamation. If
1296 actual construction has not begun within that five-year period,
1297 the exemption provided under this subsection is inapplicable; and

1298 (d) The Division of Health Facilities Licensure and
1299 Certification of the State Department of Health shall provide the
1300 same oversight for the repair or the rebuilding of the damaged
1301 health care facility that it provides to all health care facility
1302 construction projects in the state.

1303 For the purposes of this subsection (13), "significant
1304 damage" to a health care facility means damage to the health care



1305 facility requiring an expenditure of at least One Million Dollars
1306 (\$1,000,000.00).

1307 (14) The State Department of Health shall issue a
1308 certificate of need to any hospital which is currently licensed
1309 for two hundred fifty (250) or more acute care beds and is located
1310 in any general hospital service area not having a comprehensive
1311 cancer center, for the establishment and equipping of such a
1312 center which provides facilities and services for outpatient
1313 radiation oncology therapy, outpatient medical oncology therapy,
1314 and appropriate support services including the provision of
1315 radiation therapy services. The provisions of Section 41-7-193(1)
1316 regarding substantial compliance with the projection of need as
1317 reported in the current State Health Plan are waived for the
1318 purpose of this subsection.

1319 (15) The State Department of Health may authorize the
1320 transfer of hospital beds, not to exceed sixty (60) beds, from the
1321 North Panola Community Hospital to the South Panola Community
1322 Hospital. The authorization for the transfer of those beds shall
1323 be exempt from the certificate of need review process.

1324 (16) The State Department of Health shall issue any
1325 certificates of need necessary for Mississippi State University
1326 and a public or private health care provider to jointly acquire
1327 and operate a linear accelerator and a magnetic resonance imaging
1328 unit. Those certificates of need shall cover all capital
1329 expenditures related to the project between Mississippi State



1330 University and the health care provider, including, but not
1331 limited to, the acquisition of the linear accelerator, the
1332 magnetic resonance imaging unit and other radiological modalities;
1333 the offering of linear accelerator and magnetic resonance imaging
1334 services; and the cost of construction of facilities in which to
1335 locate these services. The linear accelerator and the magnetic
1336 resonance imaging unit shall be (a) located in the City of
1337 Starkville, Oktibbeha County, Mississippi; (b) operated jointly by
1338 Mississippi State University and the public or private health care
1339 provider selected by Mississippi State University through a
1340 request for proposals (RFP) process in which Mississippi State
1341 University selects, and the Board of Trustees of State
1342 Institutions of Higher Learning approves, the health care provider
1343 that makes the best overall proposal; (c) available to Mississippi
1344 State University for research purposes two-thirds (2/3) of the
1345 time that the linear accelerator and magnetic resonance imaging
1346 unit are operational; and (d) available to the public or private
1347 health care provider selected by Mississippi State University and
1348 approved by the Board of Trustees of State Institutions of Higher
1349 Learning one-third (1/3) of the time for clinical, diagnostic and
1350 treatment purposes. For purposes of this subsection, the
1351 provisions of Section 41-7-193(1) requiring substantial compliance
1352 with the projection of need as reported in the current State
1353 Health Plan are waived.



1354 (17) The State Department of Health shall issue a
1355 certificate of need for the construction of an acute care hospital
1356 in Kemper County, not to exceed twenty-five (25) beds, which shall
1357 be named the "John C. Stennis Memorial Hospital." In issuing the
1358 certificate of need under this subsection, the department shall
1359 give priority to a hospital located in Lauderdale County that has
1360 two hundred fifteen (215) beds. For purposes of this subsection,
1361 the provisions of Section 41-7-193(1) requiring substantial
1362 compliance with the projection of need as reported in the current
1363 State Health Plan and the provisions of Section 41-7-197 requiring
1364 a formal certificate of need hearing process are waived. There
1365 shall be no prohibition or restrictions on participation in the
1366 Medicaid program (Section 43-13-101 et seq.) for the person or
1367 entity receiving the certificate of need authorized under this
1368 subsection or for the beds constructed under the authority of that
1369 certificate of need.

1370 (18) The planning, design, construction, renovation,
1371 addition, furnishing and equipping of a clinical research unit at
1372 any health care facility defined in Section 41-7-173(h) that is
1373 under the direction and control of the University of Mississippi
1374 Medical Center and located in Jackson, Mississippi, and the
1375 addition of new beds or the conversion of beds from one (1)
1376 category to another in any such clinical research unit, shall not
1377 require the issuance of a certificate of need under Section



1378 41-7-171 et seq., notwithstanding any provision in Section
1379 41-7-171 et seq. to the contrary.

1380 (19) [Repealed]

1381 (20) Nothing in this section or in any other provision of
1382 Section 41-7-171 et seq. shall prevent any nursing facility from
1383 designating an appropriate number of existing beds in the facility
1384 as beds for providing care exclusively to patients with
1385 Alzheimer's disease.

1386 (21) Nothing in this section or any other provision of
1387 Section 41-7-171 et seq. shall prevent any health care facility
1388 from the new construction, renovation, conversion or expansion of
1389 new beds in the facility designated as intensive care units,
1390 negative pressure rooms, or isolation rooms pursuant to the
1391 provisions of Sections 41-14-1 through 41-14-11, or Section
1392 41-14-31. For purposes of this subsection, the provisions of
1393 Section 41-7-193(1) requiring substantial compliance with the
1394 projection of need as reported in the current State Health Plan
1395 and the provisions of Section 41-7-197 requiring a formal
1396 certificate of need hearing process are waived.

1397 (22) Except as provided in this subsection (22), the
1398 University of Mississippi Medical Center shall comply with all of
1399 the provisions of Section 41-7-171 et seq.

1400 The University of Mississippi Medical Center need not obtain
1401 a certificate of need for any hospital beds, services, health care
1402 facilities, or medical equipment that have been approved and



1403 continuously operated under a certificate of need exemption for a
1404 teaching hospital, or that are approved or applied for before
1405 February 4, 2026, as long as they do not undergo a physical
1406 relocation.

1407 From and after February 4, 2026, the University of
1408 Mississippi Medical Center has an academic exemption from the
1409 certificate of need requirements of Section 41-7-171 et seq. only
1410 within the following area in the City of Jackson, Mississippi:
1411 starting at the intersection of Livingston Road and Woodrow Wilson
1412 Avenue, proceeding east along the south curb line of Woodrow
1413 Wilson Avenue until it intersects the west curb line of U.S.
1414 Interstate 55, proceeding north along the west curb line of U.S.
1415 Interstate 55 until it intersects the north curb line of Lakeland
1416 Drive, proceeding west along the north curb line of Lakeland Drive
1417 and extending such curb line west until it intersects Livingston
1418 Road, and proceeding south along the west curb line of Livingston
1419 Road to the point of origin.

1420 In order to qualify for an academic exemption, under this
1421 subsection, the State Health Officer must determine that the
1422 proposed equipment or facility fulfills a substantial and
1423 meaningful academic function.

1424 (23) (a) The State Department of Health shall conduct a
1425 study to review and make recommendations regarding Section
1426 41-7-171 et seq., to be specifically focused on the following
1427 topics:



1428 (i) The feasibility of exempting small hospitals
1429 from the requirement for a certificate of need for the placement
1430 of dialysis units to reduce the number of transfers for patients
1431 requiring dialysis;

1432 (ii) The feasibility of exempting small hospitals
1433 from the requirement for a certificate of need to operate
1434 geriatric psychiatric units; and

1435 (iii) The feasibility of a new requirement that
1436 acute adult psychiatric units treat a certain percentage of
1437 uninsured patients or pay a periodic fee in lieu thereof.

1438 (b) The department shall make a final report of its
1439 findings and recommendations, including any recommended
1440 legislation and funding needs, to the Legislature before December
1441 1, 2026.

1442 (24) A certificate of need shall not be required to conduct
1443 or undertake any activity in Issaquena County or Humphreys County
1444 that would otherwise require the issuance of a certificate of need
1445 under Section 41-7-171 et seq., except that the provisions of
1446 subsections (2), (3), (8) and (9) of this section shall apply to
1447 activities in those counties. Such exemption shall not apply:

1448 (a) To any entity to establish a licensed hospital
1449 within thirty-five (35) miles of another licensed hospital; or

1450 (b) If such exemption would otherwise jeopardize a
1451 licensed hospital's federal critical access hospital designation.



1452 SECTION 4. Section 41-7-201, Mississippi Code of 1972, is
1453 amended as follows:

1454 41-7-201. (1) The provisions of this subsection (1) shall
1455 apply to any party appealing any final order of the State
1456 Department of Health pertaining to a certificate of need for a
1457 home health agency, as defined in Section 41-7-173(h) (ix):

1458 (a) In addition to other remedies now available at law
1459 or in equity, any party aggrieved by any such final order of the
1460 State Department of Health shall have the right of appeal to the
1461 Chancery Court of the First Judicial District of Hinds County,
1462 Mississippi, which appeal must be filed within thirty (30) days
1463 after the date of the final order. Provided, however, that any
1464 appeal of an order disapproving an application for such a
1465 certificate of need may be made to the chancery court of the
1466 county where the proposed construction, expansion or alteration
1467 was to be located or the new service or purpose of the capital
1468 expenditure was to be located. Such appeal must be filed in
1469 accordance with the thirty (30) days for filing as heretofore
1470 provided. Any appeal shall state briefly the nature of the
1471 proceedings before the State Department of Health and shall
1472 specify the order complained of. Any appeal shall state briefly
1473 the nature of the proceedings before the State Department of
1474 Health and shall specify the order complained of. Any person
1475 whose rights may be materially affected by the action of the State
1476 Department of Health may appear and become a party or the court



1477 may, upon motion, order that any such person, organization or
1478 entity be joined as a necessary party.

1479 (b) Upon the filing of such an appeal, the clerk of the
1480 chancery court shall serve notice thereof upon the State
1481 Department of Health, whereupon the State Department of Health
1482 shall, within thirty (30) days or within such additional time as
1483 the court may by order for cause allow from the service of such
1484 notice, certify to the chancery court the record in the case,
1485 which records shall include a transcript of all testimony,
1486 together with all exhibits or copies thereof, all pleadings,
1487 proceedings, orders, findings and opinions entered in the case;
1488 provided, however, that the parties and the State Department of
1489 Health may stipulate that a specified portion only of the record
1490 shall be certified to the court as the record on appeal.

1491 (c) The court may dispose of the appeal in termtime or
1492 vacation and may sustain or dismiss the appeal, modify or vacate
1493 the order complained of, in whole or in part, as the case may be;
1494 but in case the order is wholly or partly vacated, the court may
1495 also, in its discretion, remand the matter to the State Department
1496 of Health for such further proceedings, not inconsistent with the
1497 court's order, as, in the opinion of the court, justice may
1498 require. The order shall not be vacated or set aside, either in
1499 whole or in part, except for errors of law, unless the court finds
1500 that the order of the State Department of Health is not supported
1501 by substantial evidence, is contrary to the manifest weight of the



1502 evidence, is in excess of the statutory authority or jurisdiction
1503 of the State Department of Health, or violates any vested
1504 constitutional rights of any party involved in the appeal.
1505 Provided, however, an order of the chancery court reversing the
1506 denial of a certificate of need by the State Department of Health
1507 shall not entitle the applicant to effectuate the certificate of
1508 need until either:

1509 (i) Such order of the chancery court has become
1510 final and has not been appealed to the Supreme Court; or

1511 (ii) The Supreme Court has entered a final order
1512 affirming the chancery court.

1513 (d) Appeals in accordance with law may be had to the
1514 Supreme Court of the State of Mississippi from any final judgment
1515 of the chancery court.

1516 (2) The provisions of this subsection (2) shall apply to any
1517 party appealing any final order of the State Department of Health
1518 pertaining to a certificate of need for any health care facility
1519 as defined in Section 41-7-173(h), with the exception of any home
1520 health agency as defined in Section 41-7-173(h)(ix):

1521 (a) There shall be a "stay of proceedings" of any final
1522 order issued by the State Department of Health pertaining to the
1523 issuance of a certificate of need for the establishment,
1524 construction, expansion or replacement of a health care facility
1525 for a period of thirty (30) days from the date of the order, if an
1526 existing provider located in the same service area where the



1527 health care facility is or will be located has requested a hearing
1528 during the course of review in opposition to the issuance of the
1529 certificate of need. The stay of proceedings shall expire at the
1530 termination of thirty (30) days; however, no construction,
1531 renovation or other capital expenditure that is the subject of the
1532 order shall be undertaken, no license to operate any facility that
1533 is the subject of the order shall be issued by the licensing
1534 agency, and no certification to participate in the Title XVII or
1535 Title XIX programs of the Social Security Act shall be granted,
1536 until all statutory appeals have been exhausted or the time for
1537 such appeals has expired. Notwithstanding the foregoing, the
1538 filing of an appeal from a final order of the State Department of
1539 Health or the chancery court for the issuance of a certificate of
1540 need shall not prevent the purchase of medical equipment or
1541 development or offering of institutional health services granted
1542 in a certificate of need issued by the State Department of Health.

1543 (b) In addition to other remedies now available at law
1544 or in equity, any party aggrieved by such final order of the State
1545 Department of Health shall have the right of appeal to the
1546 Chancery Court of the First Judicial District of Hinds County,
1547 Mississippi, which appeal must be filed within twenty (20) days
1548 after the date of the final order. Provided, however, that any
1549 appeal of an order disapproving an application for such a
1550 certificate of need may be made to the chancery court of the
1551 county where the proposed construction, expansion or alteration



1552 was to be located or the new service or purpose of the capital
1553 expenditure was to be located. Such appeal must be filed in
1554 accordance with the twenty (20) days for filing as heretofore
1555 provided. Any appeal shall state briefly the nature of the
1556 proceedings before the State Department of Health and shall
1557 specify the order complained of.

1558 (c) Upon the filing of such an appeal, the clerk of the
1559 chancery court shall serve notice thereof upon the State
1560 Department of Health, whereupon the State Department of Health
1561 shall, within thirty (30) days of the date of the filing of the
1562 appeal, certify to the chancery court the record in the case,
1563 which records shall include a transcript of all testimony,
1564 together with all exhibits or copies thereof, all proceedings,
1565 orders, findings and opinions entered in the case; provided,
1566 however, that the parties and the State Department of Health may
1567 stipulate that a specified portion only of the record shall be
1568 certified to the court as the record on appeal. The chancery
1569 court shall give preference to any such appeal from a final order
1570 by the State Department of Health in a certificate of need
1571 proceeding, and shall render a final order regarding such appeal
1572 no later than one hundred twenty (120) days from the date of the
1573 final order by the State Department of Health. If the chancery
1574 court has not rendered a final order within this
1575 one-hundred-twenty-day period, then the final order of the State
1576 Department of Health shall be deemed to have been affirmed by the



1577 chancery court, and any party to the appeal shall have the right
1578 to appeal from the chancery court to the Supreme Court on the
1579 record certified by the State Department of Health as otherwise
1580 provided in paragraph (g) of this subsection. In the event the
1581 chancery court has not rendered a final order within the
1582 one-hundred-twenty-day period and an appeal is made to the Supreme
1583 Court as provided herein, the Supreme Court shall remand the case
1584 to the chancery court to make an award of costs, fees, reasonable
1585 expenses and attorney's fees incurred in favor of appellee payable
1586 by the appellant(s) should the Supreme Court affirm the order of
1587 the State Department of Health.

1588 (d) Any appeal of a final order by the State Department
1589 of Health in a certificate of need proceeding shall require the
1590 giving of a bond by the appellant(s) sufficient to secure the
1591 appellee against the loss of costs, fees, expenses and attorney's
1592 fees incurred in defense of the appeal, approved by the chancery
1593 court within five (5) days of the date of filing the appeal.

1594 (e) No new or additional evidence shall be introduced
1595 in the chancery court but the case shall be determined upon the
1596 record certified to the court.

1597 (f) The court may dispose of the appeal in termtime or
1598 vacation and may sustain or dismiss the appeal, modify or vacate
1599 the order complained of in whole or in part and may make an award
1600 of costs, fees, expenses and attorney's fees, as the case may be;
1601 but in case the order is wholly or partly vacated, the court may



1602 also, in its discretion, remand the matter to the State Department
1603 of Health for such further proceedings, not inconsistent with the
1604 court's order, as, in the opinion of the court, justice may
1605 require. The court, as part of the final order, shall make an
1606 award of costs, fees, reasonable expenses and attorney's fees
1607 incurred in favor of appellee payable by the appellant(s) should
1608 the court affirm the order of the State Department of Health. The
1609 order shall not be vacated or set aside, either in whole or in
1610 part, except for errors of law, unless the court finds that the
1611 order of the State Department of Health is not supported by
1612 substantial evidence, is contrary to the manifest weight of the
1613 evidence, is in excess of the statutory authority or jurisdiction
1614 of the State Department of Health, or violates any vested
1615 constitutional rights of any party involved in the appeal.
1616 Provided, however, an order of the chancery court reversing the
1617 denial of a certificate of need by the State Department of Health
1618 shall not entitle the applicant to effectuate the certificate of
1619 need until either:

1620 (i) Such order of the chancery court has become
1621 final and has not been appealed to the Supreme Court; or

1622 (ii) The Supreme Court has entered a final order
1623 affirming the chancery court.

1624 (g) Appeals in accordance with law may be had to the
1625 Supreme Court of the State of Mississippi from any final judgment
1626 of the chancery court. The Supreme Court must give preference and



1627 conduct an expedited judicial review of an appeal of a final order
1628 of the chancery court relating to a certificate of need proceeding
1629 and must render a final order regarding the appeal no later than
1630 one hundred twenty (120) days from the date the final order by the
1631 chancery court is certified to the Supreme Court. The Supreme
1632 Court shall consider such appeals in an expeditious manner without
1633 regard to position on the court docket.

1634 (h) Within thirty (30) days from the date of a final
1635 order by the Supreme Court or a final order of the chancery court
1636 not appealed to the Supreme Court that modifies or wholly or
1637 partly vacates the final order of the State Department of Health
1638 granting a certificate of need, the State Department of Health
1639 shall issue another order in conformity with the final order of
1640 the Supreme Court, or the final order of the chancery court not
1641 appealed to the Supreme Court.

1642 (3) The provisions of this subsection (3) shall apply to any
1643 party appealing any final order of the State Department of Health
1644 pertaining to a certificate of need for any health care facility
1645 as defined in Section 41-7-173(h). Beginning July 1, 2026, any
1646 party aggrieved by the final order of the State Department of
1647 Health to approve an application for a certificate of need that
1648 exercises the right of appeal to the Chancery Court of the First
1649 Judicial District of Hinds County, Mississippi, under subsection
1650 (1) or (2) of this section, including any additional appeal to the
1651 Supreme Court of the State of Mississippi, shall be required to



1652 reimburse the applicant whose application was approved for all
1653 reasonable attorney, consultant and other fees related to the
1654 appeal if such final order is not vacated or set aside by the
1655 chancery court or by the Supreme Court of the State of
1656 Mississippi.

1657 SECTION 5. This act shall take effect and be in force from
1658 and after its passage.

