

[Ga. Code Ann. § 31-7-94.1.]

§ 31-7-94.1. Rural Hospital Organization Assistance Act; legislative findings; certification of rural hospitals for grant eligibility; rules and regulations: Hospital Authorities Law

(a) This Code section shall be known and may be cited as the "Rural Hospital Organization Assistance Act of 2017."

(b) The General Assembly finds that hospital authorities and rural hospital organizations are essential in order to promote public health goals of the state. The General Assembly further finds that many rural hospital organizations are in desperate financial straits. In order to preserve the availability of primary health care services provided by such hospitals to residents of rural counties, the General Assembly has determined that a program of state grants is necessary and recommends funds be made available to such hospitals. These grants will be conditioned upon those hospitals continuing to furnish essential health care services to residents in their areas of operation as well as engaging in the long-range planning and any restructuring which may be required for those hospitals to survive by devising cost-effective and efficient health care systems for meeting local health care needs.

(c) As used in this Code section, the term:

(1) "Hospital" means an institution which has a permit as a hospital issued under this chapter.

(2) "Rural county" means a county having a population of less than 50,000 according to the United States decennial census of 2010 or any future such census; provided, however, that for counties which contain a military base or installation, the military personnel and their dependents living in such county shall be excluded from the total population of such county for purposes of this definition.

(3) "Rural hospital organization" means an acute care hospital licensed by the department pursuant to Article 1 of this chapter that:

(A) Provides inpatient hospital services at a facility located in a rural county or is a critical access hospital;

(B) Participates in both Medicaid and medicare and accepts both Medicaid and medicare patients;

(C) Provides health care services to indigent patients;

(D) Has at least 10 percent of its annual net revenue categorized as indigent care, charity care, or bad debt;

(E) Annually files IRS Form 990, Return of Organization Exempt From Income Tax, with the department, or for any hospital not required to file IRS Form 990, the department will provide a form that collects the same information to be submitted to the department on an annual basis;

(F) Is operated by a county or municipal authority pursuant to this article or is designated as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code; and

(G) Is current with all audits and reports required by law.

(d) A rural hospital organization may apply for a grant available under subsection (e) of this Code section if it has been certified by the department as:

- (1) A rural hospital organization; and
- (2) Having submitted a grant application which includes:
 - (A) A problem statement indicating the problem the rural hospital organization proposes to solve with the grant funds;
 - (B) The goals of the proposed solution;
 - (C) The organizational structure, financial system, and facilities that are essential to the proposed solution;
 - (D) The projected longevity of the proposed solution after the grant funds are expended;
 - (E) Evidence of collaboration with other community health care providers in achieving the proposed solution;
 - (F) Evidence that funds for the proposed solution are not available from another source;
 - (G) Evidence that the grant funds would assist in returning the rural hospital organization to an economically stable condition or that any plan for closure or realignment of services involves development of innovative alternatives for the discontinued services;
 - (H) Evidence of a satisfactory record-keeping system to account for grant fund expenditures within the rural hospital organization and the rural county;
 - (I) A community health survival plan describing how the plan was developed, the goals of the plan, the links with existing health care providers under the plan, the implementation process including quantification of indicators of the hospital's financial well-being, measurable outcome targets, and the current condition of such hospital; and
 - (J) Such additional evidence as the department may require to demonstrate the feasibility of the proposed solution for which grant funds are sought.
- (e) The department is authorized to make grants to rural hospital organizations certified as meeting the requirements of subsection (d) of this Code section. Grants to rural hospitals owned or operated by hospital authorities or rural hospital organizations may be for any of the following purposes:
 - (1) Infrastructure development, including, without being limited to, health information technology, facility renovation, or equipment acquisition; provided, however, that the amount granted to any qualified hospital may not exceed the expenditure thresholds that would constitute a new institutional health service requiring a certificate of need under Chapter 6 of this title and the grant award may be conditioned upon obtaining local matching funds;
 - (2) Strategic planning, including, without being limited to, strategies for personnel retention or recruitment, development of an emergency medical network, or the development of a collaborative and integrated health care delivery system with other health care providers, and the grant award may be conditioned upon obtaining local matching funds for items such as telemedicine, billing systems, and medical records. For the purposes of this paragraph, the maximum grant to any grantee shall be \$500,000.00;
 - (3) Nontraditional health care delivery systems, excluding operational funds and purposes for which grants may be made under paragraph (1) or (2) of this subsection. For the purposes of this paragraph, the maximum grant to any grantee shall be \$2.5 million; or
 - (4) The provision of 24 hour emergency room services open to the general public.

- (f) In awarding grants under this Code section, the department may give priority to any otherwise eligible rural hospital organization which meets the definition of a necessary provider as specified in the state's "Rural Healthcare Plan" of May, 1998.
- (g) The maximum grant to any hospital authority or rural hospital organization shall be \$4 million per calendar year.
- (h) The department shall be authorized to certify rural hospital organizations as provided in subsection (d) of this Code section and shall adopt regulations to implement its powers and duties under this Code section.