



MISSISSIPPI STATE DEPARTMENT OF HEALTH

Small Community Hospital Pilot Program Frequently Asked Questions

House Bill 1622 as amended by Senate Bill 2474, 2026 Regular Session

Program Basics

Q: What is the Small Community Hospital Pilot Program?

A: The Pilot Program, established by House Bill 1622 as amended by Senate Bill 2474 (2026 Regular Session), allows eligible small community hospitals to receive an exemption from certain Mississippi Certificate of Need (CON) requirements for specific services, without having to obtain a separate CON for those services.

Q: Which hospitals are eligible?

A: A hospital qualifies as a “small community hospital” if it is located: (a) in a county that does not contain, and does not contain any portion of, a municipality whose population exceeds 15,000 according to the 2020 decennial census; or (b) within the Delta Public Health Region as designated by MSDH as of January 1, 2026. Hospitals licensed as federal Rural Emergency Hospitals do not qualify.

Q: Which Mississippi counties comprise the region designated by MSDH as the Delta Public Health Region as of January 1, 2026?

A: Bolivar, Coahoma, Holmes, Humphreys, Issaquena, Leflore, Quitman, Sharkey, Sunflower, Tallahatchie, Tunica, Washington and Yazoo.

Q: How many exemptions does each hospital receive?

A: A hospital qualifying under (a) above receives one (1) exemption. A hospital qualifying under (b) — located in the Delta Public Health Region — receives two (2) exemptions. A separate exemption process applies to ESRD (outpatient dialysis) facilities; see the *ESRD Exemption* section below for further details.

Q: How do I apply for an exemption?

A: Hospitals apply for a Pilot Program exemption by submitting a Pilot Program Application using the form MSDH has developed specifically for the Pilot Program. *This is a separate procedure from the Department’s standard Determination of Reviewability process.* The form and instructions are posted on MSDH’s website at msdh.ms.gov. See also the

Pilot Program Application Process section below for more on how this process works, including applicable fees and timelines.

Q: Is there a deadline to apply?

A: Yes. Regardless of exemption category, a small community hospital must apply for its exemption(s) on or before June 30, 2027. A hospital that has not applied by that date will no longer be eligible for an exemption under the Pilot Program. Hospitals are encouraged to apply as early as possible.

Q: What activities can an exemption cover?

A: An exemption covers an activity that would otherwise require a CON under Miss. Code Ann. § 41-7-171 et seq. The exemption is limited to a qualifying hospital's main building campus as of January 1, 2026, and to a five-mile radius around the main building campus. It does *not* extend or apply to the following: 1) clinics or other facilities owned or operated by a qualifying hospital that are not located on the qualifying hospital's main campus; 2) services under a general CON moratorium; or 3) projects that would place the hospital receiving the exemption within 35 miles of another licensed hospital or otherwise jeopardize a licensed hospital's federal critical access designation. See the *ESRD (Outpatient Dialysis) Exemption* section below for additional information pertaining to End Stage Renal Disease (ESRD) facility exemptions.

Q: Is the geriatric psychiatric unit exemption different?

A: Yes. Any Small Community Hospital may receive an exemption to operate a geriatric psychiatric unit, subject to the same main building campus and five-mile-radius limits described above. This exemption does not count against a qualifying hospital's general exemption allotment under subsection (4)(a) of HB 1622 as amended by SB 2474 and described above.

Q: Can an exemption be transferred to another entity?

A: No, an exemption issued is specific to, and solely for the benefit of, the hospital to which it was issued and may not be transferred to another entity unless the hospital itself is transferred.

ESRD (Outpatient Dialysis) Exemption

Q: How many ESRD exemptions are available, and where?

A: Up to eight (8) ESRD exemptions are available statewide. No more than two (2) exemptions may be awarded within each of the four (4) Public Health Regions designated by MSDH as of January 1, 2026.

Q: What happens if more than two qualifying hospitals in the same region apply?

A: If more than two Small Community Hospitals within the same Public Health Region apply for an ESRD exemption, MSDH will award the available exemption(s) in that region to the hospital(s) located in areas most remote from existing dialysis units.

Q: When will MSDH begin awarding ESRD exemptions?

A: MSDH will begin making ESRD exemption awards forty-five (45) calendar days from July 1, 2026, evaluating all complete applications filed for each Public Health Region as of that date together.

Q: How long will the ESRD application window stay open?

A: On a region-by-region basis, until that region's available ESRD exemptions (up to two) have been awarded, or until the June 30, 2027 statutory application deadline, whichever occurs first.

Q: Does an ESRD exemption count against a qualifying hospital's general allotment?

A: Yes; an ESRD exemption counts toward, and does not add to, a hospital's general exemption allotment under subsection (4)(a) of HB 1622 as amended by SB 2474 and described in the Program Basics section above.

Q: What if a qualifying hospital applies for an ESRD exemption but is not awarded one?

A: A qualifying hospital that applies for an ESRD exemption but is not awarded one may use its general exemption allotment for a different eligible service instead.

Federal Law and CMS Compliance

Q: Does a CON exemption mean my hospital can start billing Medicare or Medicaid for the exempted service?

A: Not by itself. The Pilot Program addresses *only* Mississippi CON law. It does not satisfy, replace, or otherwise affect any separate federal requirement that applies to operating the service. If your hospital intends to bill Medicare and/or Medicaid, you will also need to meet the applicable federal requirements for that service — for example, the CMS Conditions of Coverage for ESRD facilities — along with any other applicable federal or state licensure, certification, or enrollment requirements.

Q: Whose responsibility is federal compliance?

A: Federal compliance is the hospital's responsibility. To the extent a hospital receiving an exemption is otherwise required to comply with federal laws, rules, and regulations — including CMS requirements — that compliance remains solely the hospital's responsibility. MSDH's issuance of an exemption does not constitute, and should not be understood as, any form of federal approval or certification.

Pilot Program Application Process

Q: How does a hospital apply for a Pilot Program exemption?

A: MSDH processes Pilot Program exemption requests, including the ESRD exemption, as applications for exemption under the Pilot Program, using a form MSDH has developed specifically for that purpose. This is a separate administrative process from the Department's *Determination of Reviewability* ("DOR") procedure under Miss. Code Ann.

§ 41-7-205. Hospitals seeking a Pilot Program exemption, including an ESRD exemption, should submit the Pilot Program Exemption Application.

Q: Where do I get the Pilot Program Exemption Application form?

A: The Pilot Program Exemption Application is available on MSDH's website at www.msdh.ms.gov, along with instructions for completing and submitting it.

Q: Is there a processing fee for submitting a Pilot Program Exemption Application?

A: Yes. Pursuant to the Department's administrative procedures, Pilot Program Exemption Applications are subject to a \$1500 processing fee payable to MSDH. An application will not be processed until the required fee has been received.

Q: What information should accompany a hospital's application?

A: Applicants should provide documentation sufficient for the Department to verify statutory eligibility, including proof of Small Community Hospital status, documentation showing the location of the proposed service complies with the statutory requirements, and certifications that the proposed exemption is not for a service subject to a general CON moratorium and will not place the hospital within thirty-five (35) miles of another licensed hospital or otherwise jeopardize a licensed hospital's federal Critical Access Hospital designation.

Q: Is there a review period for Pilot Program Exemption Applications?

A: MSDH will review complete Pilot Program Exemption Applications as expeditiously as practicable. The Department's review period is up to forty-five (45) calendar days from receipt of a complete application. The Department may issue a determination earlier if the review is completed before expiration of the 45-day period. For ESRD Exemption Applications specifically, MSDH will begin issuing determinations and awards 45 calendar days from July 1, 2026, evaluating all complete applications submitted for each Public Health Region as of that date together.

Q: Will notice of a hospital's Pilot Program Exemption Application be published?

A: Yes. As part of the Department's administrative process, MSDH will publish notice of each Pilot Program Exemption Application on its website within five (5) business days after receipt.

Q: How does the application process work for the ESRD exemption specifically, given the regional caps and priority rule?

A: The ESRD exemption is limited to two (2) exemptions per Public Health Region, for a maximum of eight (8) statewide. If more than two eligible hospitals within the same Public Health Region apply, the Department will apply the statutory priority by awarding the available exemption(s) to the hospital(s) located in areas most remote from existing dialysis units. To ensure a fair and consistent initial review process, MSDH will consider together all complete ESRD exemption applications received on or before August 15, 2026 (forty-five (45) calendar days after July 1, 2026), before making the initial awards for each Public Health Region. After the initial award date, any remaining ESRD exemption applications

will be reviewed in accordance with the statute and the Department's administrative procedures.

Questions

For additional questions about the Pilot Program, the application process, or any of the topics above, contact:

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Mississippi State Department of Health
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This FAQ is provided for general informational purposes and does not modify or supersede House Bill 1622, Senate Bill 2474, the Mississippi Certificate of Need Review Manual, or other applicable law. In the event of any conflict, the statute and duly adopted regulations control.