

SUPREME COURT OF MISSISSIPPI

Attala County Board of Supervisors v. Mississippi State Department of Health

Attala County Board of Supervisors · No. No. 2002-CA-01957-SCT · Decided October 21, 2002

SUMMARY

The Supreme Court of Mississippi reviewed the Mississippi State Department of Health’s award of a certificate of need for construction of a 60-bed nursing home in Attala County. The Court held that the Department’s comparative scoring methodology and decision to award the certificate to Garry V. Hughes were not arbitrary or capricious and were supported by substantial evidence. The chancery court’s judgment affirming the Department’s decision was affirmed.

CASE DETAILS

COURT	Supreme Court of Mississippi
WRITING FOR THE COURT	Easley, Justice; Pittman, C.J.; Easley, J.; Dickinson, J.; Smith, P.J.; Waller, P.J.; Cobb, J.; Carlson, J.
JURISDICTION	Mississippi
DECIDED	October 21, 2002
DOCKET	No. 2002-CA-01957-SCT
DISPOSITION	affirmed
PROCEDURAL POSTURE	The Attala County Board of Supervisors appealed the Attala County Chancery Court's judgment affirming the Mississippi State Department of Health's award of a certificate of need to Garry V. Hughes d/b/a The Kennington for construction of a 60-bed skilled nursing facility.
STANDARD OF REVIEW	Judicial review of a State Health Officer certificate-of-need order is limited. The order may be set aside for legal error, lack of substantial evidence, being contrary to the manifest weight of the evidence, exceeding the agency's statutory authority or jurisdiction, or violating vested constitutional rights. Courts may not substitute their judgment for that of the agency or reweigh the evidence; the agency decision is entitled to a rebuttable presumption of validity.
PRECEDENTIAL VALUE	Published Mississippi Supreme Court opinion; precedential state appellate decision.

PARTIES

Attala County Board of Supervisors d/b/a Attala Care Center v.
Mississippi State Department of Health, Garry V. Hughes d/b/a The
Kennington

TOPICS

medicare medicaid health law administrative law agency adjudication judicial review of agency action

PRACTICE AREAS

health law administrative law administrative procedure appellate procedure municipal law

QUESTIONS PRESENTED

1. Whether the chancery court applied the proper limited standard of judicial review to the agency's certificate-of-need decision.
2. Whether the Mississippi State Department of Health's comparative scoring methodology for competing certificate-of-need applications was arbitrary and capricious or unsupported by substantial evidence.
3. Whether disclosure of the Board's capital-expenditure information on the agency's website tainted the selection process and required reversal.

HOLDINGS

1. Judicial review of the State Health Officer's certificate-of-need order is limited, and a court may not substitute its judgment for the agency's or reweigh the evidence.
2. The Mississippi State Department of Health's comparative scoring methodology and its application to Hughes's certificate-of-need application were not arbitrary or capricious and were supported by substantial evidence.
3. The agency's disclosure of the Board's capital-expenditure information did not require invalidation of the certificate-of-need selection process because the Board failed to show that the disclosure affected Hughes's application or the rankings.

KEY QUOTATIONS

"This Court, as well as, chancery and circuit courts, cannot "substitute its judgment for that of the agency or reweigh the facts of the case." (¶14)

"The methodology used in any given case should not be carved in granite; instead, some flexibility is required." (¶21)

"We find that the MSDH did not act arbitrarily or capriciously, or outside its authority, or violate any vested constitutional rights. The record also shows that the decision of the MSDH is supported by substantial evidence." (¶62)

FACTUAL BACKGROUND

The Mississippi State Department of Health received four applications to construct a 60-bed nursing home in Attala County. Using a ten-factor comparative scoring methodology, the agency ranked Hughes d/b/a The Kennington first and the Board's Attala Care Center last, then awarded Hughes the certificate of need. The Board challenged alleged deficiencies in Hughes's projected square footage, construction costs, staffing, Medicare utilization, certification, and transfer agreement, as well as the agency's disclosure of some competing bid information on its website. The agency hearing officer and State Health Officer found the methodology sound and the alleged deficiencies non-dispositive, and the chancery court affirmed.

PROCEDURAL HISTORY

The Mississippi State Department of Health reviewed four competing certificate-of-need applications and awarded the certificate to Hughes after applying a ten-factor comparative scoring methodology. The Board timely appealed to the Attala County Chancery Court, which affirmed the agency's decision and denied reconsideration. The Board then appealed to the Supreme Court of Mississippi, which affirmed.

DISPOSITION

affirmed

CASES CITED

- St. Dominic-Jackson Mem'l Hosp. v. Miss. State Dep't of Health, 728 So. 2d 81, 83 (Miss. 1998)
- Miss. State Dep't of Health v. Southwest Miss. Reg'l Med. Ctr., 580 So. 2d 1238, 1240 (Miss. 1991)
- His Way Homes, Inc. v. Miss. Gaming Comm'n, 733 So. 2d 764, 767 (Miss. 1999)
- Sprouse v. Miss. Employment Sec. Comm'n, 639 So. 2d 901, 902 (Miss. 1994)
- Miss. Comm'n on Env'tl. Quality v. Chickasaw County Bd. of Supervisors, 621 So. 2d 1211, 1216 (Miss. 1993)
- Cook v. Mardi Gras Casino Corp., 697 So. 2d 378, 380 (Miss. 1997)
- Miss. Dep't of Health v. Natchez Cmty. Hosp., 743 So. 2d 973, 977 (Miss. 1999)
- Cain v. Miss. State Dep't of Health, 666 So. 2d 506, 510 (Miss. 1995)
- Delta Med. Ctr. v. Greenwood Leflore Hosp., 609 So. 2d 1276, 1277 (Miss. 1992)
- HTI Health Servs. of Miss., Inc. v. Miss. State Dep't of Health, 603 So. 2d 848, 851, 853 (Miss. 1992)
- Burks v. Amite County Sch. Dist., 708 So. 2d 1366, 1370 (Miss. 1998)