

**SUBSTITUTE FOR
SENATE BILL NO. 887**

A bill to amend 1978 PA 368, entitled
"Public health code,"
by amending sections 20106 and 20171 (MCL 333.20106 and 333.20171),
section 20106 as amended by 2000 PA 253 and section 20171 as
amended by 1990 PA 252.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 20106. (1) "Health facility or agency", except as
2 provided in section 20115, means:

3 (a) An ambulance operation, aircraft transport operation,
4 nontransport prehospital life support operation, or medical first
5 response service.

6 (b) A clinical laboratory.

7 (c) A county medical care facility.

8 (d) A freestanding surgical outpatient facility.

1 (e) A health maintenance organization.

2 (f) A home for the aged.

3 (g) A hospital.

4 (h) A nursing home.

5 (i) A hospice.

6 (j) A hospice residence.

7 (k) A facility or agency listed in subdivisions (a) to (h)
8 located in a university, college, or other educational institution.

9 (2) "Health maintenance organization" means that term as
10 defined in section 3501 of the insurance code of 1956, 1956 PA 218,
11 MCL 500.3501.

12 (3) "Home for the aged" means a supervised personal care
13 facility, other than a hotel, adult foster care facility, hospital,
14 nursing home, or county medical care facility that provides room,
15 board, and supervised personal care to 21 or more unrelated,
16 nontransient, individuals 60 years of age or older. Home for the
17 aged includes a supervised personal care facility for 20 or fewer
18 individuals 60 years of age or older if the facility is operated in
19 conjunction with and as a distinct part of a licensed nursing home.

20 **HOME FOR THE AGED DOES NOT INCLUDE AN AREA EXCLUDED FROM THIS**
21 **DEFINITION BY SECTION 17(8) OF THE CONTINUING CARE COMMUNITY**
22 **DISCLOSURE ACT, MCL 554.917.**

23 (4) "Hospice" means a health care program that provides a
24 coordinated set of services rendered at home or in outpatient or
25 institutional settings for individuals suffering from a disease or
26 condition with a terminal prognosis.

27 (5) "Hospital" means a facility offering inpatient, overnight

1 care, and services for observation, diagnosis, and active treatment
2 of an individual with a medical, surgical, obstetric, chronic, or
3 rehabilitative condition requiring the daily direction or
4 supervision of a physician. Hospital does not include a mental
5 health hospital licensed or operated by the department of community
6 health or a hospital operated by the department of corrections.

7 (6) "Hospital long-term care unit" means a nursing care
8 facility, owned and operated by and as part of a hospital,
9 providing organized nursing care and medical treatment to 7 or more
10 unrelated individuals suffering or recovering from illness, injury,
11 or infirmity.

12 Sec. 20171. (1) The department, after obtaining approval of
13 the advisory commission, shall promulgate and enforce rules to
14 implement this article, including rules necessary to enable a
15 health facility or agency to qualify for and receive federal funds
16 available for patient care or for projects involving new
17 construction, additions, modernizations, or conversions.

18 (2) The rules applicable to health facilities or agencies
19 shall be uniform insofar as is reasonable.

20 (3) The rules shall establish standards relating to:

21 (a) Ownership.

22 (b) Reasonable disclosure of ownership interests in
23 proprietary corporations and of financial interests of trustees of
24 voluntary, nonprofit corporations and owners of proprietary
25 corporations and partnerships.

26 (c) Organization and function of the health facility or
27 agency, owner, operator, and governing body.

1 (d) Administration.

2 (e) Professional and nonprofessional staff, services, and
3 equipment appropriate to implement section 20141(3).

4 (f) Policies and procedures.

5 (g) Fiscal and medical audit.

6 (h) Utilization and quality control review.

7 (i) Physical plant including planning, construction,
8 functional design, sanitation, maintenance, housekeeping, and fire
9 safety.

10 (j) Arrangements for the continuing evaluation of the quality
11 of health care provided.

12 (k) Other pertinent organizational, operational, and
13 procedural requirements for each type of health facility or agency.

14 (4) The rules promulgated under section 21563 for the
15 designation of rural community hospitals may also specify all of
16 the following:

17 (a) Maximum bed size.

18 (b) The level of services to be provided in each category as
19 described in section 21562(2).

20 (c) Requirements for transfer agreements with other hospitals
21 to ~~assure~~**ENSURE** efficient and appropriate patient care.

22 **(5) RULES PROMULGATED UNDER THIS ARTICLE ARE SUBJECT TO**
23 **SECTION 17 OF THE CONTINUING CARE COMMUNITY DISCLOSURE ACT, MCL**
24 **554.917.**

25 Enacting section 1. This amendatory act does not take effect
26 unless all of the following bills of the 97th Legislature are
27 enacted into law:

1 (a) Senate Bill No. 886.

2 (b) Senate Bill No. 888.