



**House  
Legislative  
Analysis  
Section**

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**VETERANS AND NURSING HOMES**

**RECEIVED**

**MAY 23 1989**

Mich. State Law Library

**House Bill 4375**

**Sponsor: Rep. James A. Kosteva**

**Committee: Military & Veterans Affairs**

**Complete to 4-6-89**

**A SUMMARY OF HOUSE BILL 4375 AS INTRODUCED 3-7-89**

Under the Public Health Code, nursing homes may receive as trust funds money or other property belonging to patients, subject to certain bonding requirements. The bill would amend the code to allow nursing homes to act as fiduciaries or as representative payees under applicable federal law to administer the funds of certain nursing home residents.

More specifically, the bill would allow nursing home administrators (or their designees) to act as:

(1) fiduciaries for residents who were veterans or veterans' dependents, who received Veterans' Administration (VA) benefits, and who had been found by the VA to be incompetent to handle their own funds, and

(2) representative payees for residents who received social security benefits and who had been found by the federal Social Security Administration to need such services.

In addition to meeting the requirements of the Public Health Code and of any applicable federal laws regarding administering the funds of nursing home residents, someone acting as a fiduciary or as a representative payee would be required to maintain, and make available for inspection at any time, appropriate records satisfactory to the Department of Public Health.

Nursing homes would be prohibited from requiring fiduciary authority or representative payee authority as a condition of admission or continued stay in the facility, or taking advantage of (or benefiting from) having such authority by providing unnecessary services or charging facility fees which improperly use or exhaust the resident's personal funds.

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House Bill 4375 (4-6-89)