

House Bill 5085  
Sponsor: Rep. Perry Bullard  
Committee: Public Health

Complete to 9-11-91

**A SUMMARY OF HOUSE BILL 5085 AS INTRODUCED 8-22-91**

The bill would amend the Public Health Code to prohibit certain nursing home practices which discriminate against people who are, or who will be, eligible for Medicare or Medicaid reimbursement. It would prohibit nursing homes from requiring applicants for admission to waive their rights to Medicare or Medicaid benefits, to provide assurances that they are not eligible for these programs, or to provide assurances that they will not apply for benefits under these programs.

"Preadmission" contracts. The bill also would prohibit nursing homes from requiring as a condition of a patient's admission or continued stay in the nursing home that the patient (or someone on behalf of the patient):

- \* remain a private pay patient (or pay the private pay rate) for a specified period of time before applying for Medicaid; or
- \* make a gift or donation to the nursing home.

Existing contracts with such requirements would be unenforceable upon the effective date of the bill, and within 30 days of the effective date of the bill nursing homes would have to notify each private pay patient with whom the nursing home had such a contract that the contract no longer was a bar to the patient applying for Medicaid.

Medicaid patients. Nursing homes that participated in Medicaid would be prohibited from transferring, discharging, or relocating within the nursing home patients who applied for, became eligible for, or received Medicaid benefits.

Guardianships. Nursing home employees would be able to request the appointment of a guardian for an applicant or patient only if they reasonably believed that the applicant or patient met the legal requirements for the appointment of a guardian.

Penalties. A violation of the prohibition on waiving rights to benefits would be a misdemeanor punishable by a jail term of up to one year and a fine of at least \$1,000 but not more than \$10,000. Someone who violated any of the prohibitions in the bill would be liable to an applicant or patient in a lawsuit for treble the amount of actual damages or \$1,000, whichever was greater, together with cost and reasonable attorney fees.

MCL 333.21702 et al.