

HOUSE BILL No. 6009

September 15, 1998, Introduced by Rep. Brackenridge and referred to the Committee on Health Policy.

A bill to amend 1978 PA 368, entitled "Public health code," by amending sections 2612, 20101, 20145, 20161, 20164, 20165, 20166, 21420, 21551, and 21563 (MCL 333.2612, 333.20101, 333.20145, 333.20161, 333.20164, 333.20165, 333.20166, 333.21420, 333.21551, and 333.21563), section 2612 as added by 1990 PA 138, sections 20101 and 20166 as amended by 1988 PA 332, section 20145 as amended by 1993 PA 88, section 20161 as amended by 1996 PA 267, section 20164 as amended by 1990 PA 179, section 20165 as amended by 1998 PA 108, section 21420 as amended by 1982 PA 245, section 21551 as amended by 1990 PA 331, and section 21563 as added by 1990 PA 252; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2612. (1) The department may establish with Michigan
2 state university and other parties determined appropriate by the

1 department a nonprofit corporation pursuant to the nonprofit
2 corporation act, ~~Act No. 162 of the Public Acts of 1982, being~~
3 ~~sections 450.2101 to 450.3192 of the Michigan Compiled Laws~~ 1982
4 PA 162, MCL 450.2101 TO 450.3192. The purpose of the corporation
5 shall be to establish and operate a center for rural health. In
6 fulfilling its purpose, the corporation shall do all of the
7 following:

8 (a) Develop a coordinated rural health program that
9 addresses critical questions and problems related to rural health
10 and provides mechanisms for influencing health care policy.

11 (b) Perform and coordinate research regarding rural health
12 issues.

13 (c) Periodically review state and federal laws and judicial
14 decisions pertaining to health care policy and analyze the impact
15 on the delivery of rural health care.

16 (d) Provide technical assistance and act as a resource for
17 the rural health community in this state.

18 (e) Suggest changes in medical education curriculum that
19 would be beneficial to rural health.

20 (f) Assist rural communities with all of the following:

21 (i) Applications for grants.

22 (ii) The recruitment and retention of health professionals.

23 (iii) Needs assessments and planning activities for rural
24 health facilities.

25 (g) Serve as an advocate for rural health concerns.

26 (h) Conduct periodic seminars on rural health issues.

1 (i) Establish and implement a visiting professor program.

2 (j) Conduct consumer oriented rural health education
3 programs.

4 ~~(k) Designate a certificate of need ombudsman to provide~~
5 ~~technical assistance and consultation to rural health care pro-~~
6 ~~viders and rural communities regarding certificate of need pro-~~
7 ~~posals and applications under part 222. The ombudsman shall also~~
8 ~~act as an advocate for rural health concerns in the development~~
9 ~~of certificate of need review standards under part 222.~~

10 (2) The incorporators of the corporation shall select a
11 board of directors consisting of a representative from each of
12 the following organizations:

13 (a) The Michigan state medical society or its successor.
14 The representative ~~appointed~~ SELECTED under this subdivision
15 shall be a physician practicing in a county with a population of
16 not more than 100,000.

17 (b) The Michigan osteopathic physicians' society or its
18 successor. The representative ~~appointed~~ SELECTED under this
19 subdivision shall be a physician practicing in a county with a
20 population of not more than 100,000.

21 (c) The Michigan nurses association or its successor. The
22 representative ~~appointed~~ SELECTED under this subdivision shall
23 be a nurse practicing in a county with a population of not more
24 than 100,000.

25 (d) The Michigan HEALTH AND hospital association or its
26 successor. The representative selected under this subdivision

1 shall be from a hospital in a county with a population of not
2 more than 100,000.

3 (e) The Michigan primary care association or its successor.
4 The representative ~~appointed~~ SELECTED under this subdivision
5 shall be a health professional practicing in a county with a pop-
6 ulation of not more than 100,000.

7 (f) The Michigan association for local public health or its
8 successor. The representative ~~appointed~~ SELECTED UNDER THIS
9 SUBDIVISION SHALL BE from a county health department for a county
10 with a population of not more than 100,000 or from a district
11 health department with at least 1 member county with a population
12 of not more than 100,000.

13 (g) The office of the governor.

14 (h) The department of ~~public~~ COMMUNITY health.

15 (i) The department of ~~commerce~~ CONSUMER AND INDUSTRY
16 SERVICES.

17 (j) The Michigan senate. The individual selected under this
18 subdivision shall be from a district located at least in part in
19 a county with a population of not more than 100,000.

20 (k) The Michigan house of representatives. The individual
21 selected under this subdivision shall be from a district located
22 at least in part in a county with a population of not more than
23 100,000.

24 (3) The board of directors of the corporation shall appoint
25 an internal management committee for the center for rural
26 health. The management committee shall consist of
27 representatives from each of the following:

1 (a) The college of human medicine of Michigan state
2 university.

3 (b) The college of osteopathic medicine of Michigan state
4 university.

5 (c) The college of nursing of Michigan state university.

6 (d) The college of veterinary medicine of Michigan state
7 university.

8 (e) The cooperative extension service of Michigan state
9 university.

10 (f) The department of ~~public~~ COMMUNITY health.

11 Sec. 20101. (1) The words and phrases defined in sections
12 20102 to 20109 apply to all parts in this article ~~except part~~
13 ~~222~~ and have the meanings ascribed to them in those sections.

14 (2) In addition, article 1 contains general definitions and
15 principles of construction applicable to all articles in this
16 code.

17 Sec. 20145. (1) Before contracting for and initiating a
18 construction project involving new construction, additions, mod-
19 ernizations, or conversions of a health facility or agency with a
20 capital expenditure of \$1,000,000.00 or more, a person shall
21 obtain a construction permit from the department. ~~The permit~~
22 ~~shall not be issued under this subsection unless the applicant~~
23 ~~holds a valid certificate of need if a certificate of need is~~
24 ~~required for the project pursuant to part 222.~~

25 (2) To protect the public health, safety, and welfare, the
26 department may promulgate rules to require construction permits
27 for projects other than those described in subsection (1) and the

1 submission of plans for other construction projects to expand or
2 change service areas and services provided.

3 ~~-(3) If a construction project requires a construction~~
4 ~~permit under subsection (1) or (2), but does not require a cer-~~
5 ~~tificate of need under part 222, the department shall require the~~
6 ~~applicant to submit information considered necessary by the~~
7 ~~department to assure that the capital expenditure for the project~~
8 ~~is not a covered capital expenditure as defined in section~~
9 ~~22203(9).-~~

10 (3) ~~-(4)-~~ If a construction project requires a construction
11 permit under subsection (1), ~~but does not require a certificate~~
12 ~~of need under part 222,~~ the department shall require the appli-
13 cant to submit information on a 1-page sheet, along with the
14 application for a construction permit, consisting of all of the
15 following:

16 (a) A short description of the reason for the project and
17 the funding source.

18 (b) A contact person for further information, including
19 address and phone number.

20 (c) The estimated resulting increase or decrease in annual
21 operating costs.

22 (d) The current governing board membership of the
23 applicant.

24 (e) The entity, if any, that owns the applicant.

25 (4) ~~-(5)-~~ The information filed under subsection ~~-(4)-~~ (3)
26 be made publicly available by the department. ~~by the same~~

~~1 methods used to make information about certificate of need
2 applications publicly available.~~

3 (5) ~~-(6)-~~ The review and approval of architectural plans and
4 narrative shall require that the proposed construction project is
5 designed and constructed in accord with applicable statutory and
6 other regulatory requirements.

7 (6) ~~-(7)-~~ The department shall promulgate rules to further
8 prescribe the scope of construction projects and other alter-
9 ations subject to review under this section.

10 (7) ~~-(8)-~~ The department may waive the applicability of this
11 section to a construction project or alteration if the waiver
12 will not affect the public health, safety, and welfare.

13 (8) ~~-(9)-~~ Upon request by the person initiating a construc-
14 tion project, the department may review and issue a construction
15 permit to a construction project that is not subject to
16 subsection (1) or (2) if the department determines that the
17 review will promote the public health, safety, and welfare.

18 (9) ~~-(10)-~~ The department shall assess a fee for each review
19 conducted under this section. The fee shall be .5% of the first
20 \$1,000,000.00 of capital expenditure and .85% of any amount over
21 \$1,000,000.00 of capital expenditure, up to a maximum of
22 \$30,000.00.

23 ~~-(11) As used in this section, "capital expenditure" means~~
24 ~~that term as defined in section 22203(2), except that it does not~~
25 ~~include the cost of equipment that is not fixed equipment.~~

26 Sec. 20161. (1) ~~Fees~~ EXCEPT AS OTHERWISE PROVIDED IN THIS
27 ARTICLE, FEES for health facility and agency licenses ~~and~~

1 ~~certificates of need~~ shall be assessed on an annual basis by the
 2 department. ~~as provided in this act.~~ Except as otherwise pro-
 3 vided in this article, fees shall be paid in accordance with the
 4 following fee schedule:

- 5 (a) Freestanding surgical out-
 6 patient facilities..... \$ 238.00 per facility.
- 7 (b) Hospitals..... \$ 8.28 per licensed bed.
- 8 (c) Nursing homes, county medi-
 9 cal care facilities, and hospital
 10 long-term care units..... \$ 2.20 per licensed bed.
- 11 (d) Homes for the aged..... \$ 6.27 per licensed bed.
- 12 (e) Health maintenance
 13 organizations..... \$1,000.00 for an initial
 14 license; 80 cents per sub-
 15 scriber for a 3-YEAR renewal
 16 license; ~~-(3-year)-~~ \$100.00
 17 for a certificate of authority
 18 for planning.
- 19 (f) Clinical laboratories..... \$ 475.00 per laboratory.
- 20 (g) Health care delivery and
 21 financing system under section
 22 21042..... \$1,000.00 for an initial
 23 license; effective January 1,
 24 1987, \$1,000.00 for 3-year
 25 renewal license for prepaid
 26 institutional programs,
 27 \$5,000.00 for 3-year renewal

1 license for organizations
 2 determined by the department to
 3 offer a single form of health
 4 care service, and 80 cents per
 5 subscriber for all other 3-year
 6 renewal licenses under
 7 section 21042.

8 (h) Hospice residences..... \$200.00 per license survey; and
 9 \$20.00 per licensed bed.

10 (2) If a hospital requests the department to conduct a cer-
 11 tification survey for purposes of title XVIII or title XIX of the
 12 social security act, the hospital shall pay a license fee sur-
 13 charge of \$23.00 per bed. AS USED IN THIS SUBSECTION, "TITLE
 14 XVIII" AND "TITLE XIX" MEAN THOSE TERMS AS DEFINED IN SECTION
 15 20155.

16 ~~(3) The base fee for a certificate of need is \$750.00 for~~
 17 ~~each application. For a project requiring a projected capital~~
 18 ~~expenditure of more than \$150,000.00 but less than \$1,500,000.00,~~
 19 ~~an additional fee of \$2,000.00 shall be added to the base fee.~~
 20 ~~For a project requiring a projected capital expenditure of~~
 21 ~~\$1,500,000.00 or more, an additional fee of \$3,500.00 shall be~~
 22 ~~added to the base fee.~~

23 (3) ~~(4)~~ With the exception of health maintenance organiza-
 24 tions, if licensure is for more than 1 year, the fees described
 25 in subsection (1) shall be multiplied by the number of years for
 26 which the license is issued, and the total amount of the fees
 27 shall be collected in the year in which the license is issued.

1 (4) ~~-(5)-~~ Fees described in this section are payable to the
2 department at the time an application for a license ~~,~~ OR permit
3 ~~, or certificate~~ is submitted. If an application for a license
4 ~~,~~ OR permit ~~, or certificate~~ is denied or if a license ~~,~~ OR
5 permit ~~, or certificate~~ is revoked before its expiration date,
6 the fees paid to the department shall not be refunded.

7 (5) ~~-(6)-~~ The fee for a provisional license or temporary
8 permit shall be the same as for a license. A license may be
9 issued at the expiration date of a temporary permit without an
10 additional fee for the balance of the period for which the fee
11 was paid if the requirements for licensure are met.

12 (6) ~~-(7)-~~ The department may charge a fee to recover the
13 cost of purchase or production and distribution of proficiency
14 evaluation samples that are supplied to clinical laboratories
15 pursuant to section 20521(3).

16 (7) ~~-(8)-~~ In addition to the fees imposed under subsection
17 (1), a fee of \$25.00 shall be submitted to the department for
18 each reissuance during the licensure period of a clinical labora-
19 tory license.

20 (8) ~~-(9)-~~ Except for the licensure of clinical laboratories,
21 not more than half the annual cost of licensure activities as
22 determined by the department shall be provided by license fees.

23 (9) ~~-(10)-~~ The application fee for a waiver under
24 section 21564 ~~shall be~~ IS \$200.00 plus \$40.00 per hour for the
25 professional services and travel expenses directly related to
26 processing the application. The travel expenses shall be
27 calculated in accordance with the ~~state~~ standardized travel

1 regulations of the department of management and budget in effect
2 at the time of the travel.

3 (10) ~~(11)~~ An applicant for licensure or renewal of licen-
4 sure under part 209 shall pay the applicable fees set forth in
5 part 209.

6 (11) ~~(12)~~ The fees collected under this section shall be
7 deposited in the state treasury, to the credit of the general
8 fund.

9 Sec. 20164. (1) A HEALTH FACILITY OR AGENCY license, certi-
10 fication, provisional license, or limited license is valid for
11 not more than 1 year after the date of issuance, except as pro-
12 vided in section 20511 or part 209 or 210. A HEALTH FACILITY OR
13 AGENCY license for a facility ~~licensed~~ REGULATED under part 215
14 ~~shall be~~ IS valid for 2 years, except that provisional and
15 limited licenses may be valid for 1 year.

16 (2) A HEALTH FACILITY OR AGENCY license, certification, or
17 certificate of need is not transferable and shall state the per-
18 sons, buildings, and properties to which it applies.

19 ~~Applications for licensure or certification because of transfer~~
20 ~~of ownership or essential ownership interest shall not be acted~~
21 ~~upon until satisfactory evidence is provided of compliance with~~
22 ~~part 222.~~

23 (3) If ownership is not voluntarily transferred, the depart-
24 ment shall be notified immediately and the new owner shall apply
25 for a license and certification not later than 30 days after the
26 transfer.

1 Sec. 20165. (1) Except as otherwise provided in this
2 section, after notice of intent to an applicant or licensee to
3 deny, limit, suspend, or revoke the applicant's or licensee's
4 license or certification and an opportunity for a hearing, the
5 department may deny, limit, suspend, or revoke the license or
6 certification or impose an administrative fine on a licensee if 1
7 or more of the following exist:

8 (a) Fraud or deceit in obtaining or attempting to obtain a
9 license or certification or in the operation of the licensed
10 health facility or agency.

11 (b) A violation of this article or a rule promulgated under
12 this article.

13 (c) False or misleading advertising.

14 (d) Negligence or failure to exercise due care, including
15 negligent supervision of employees and subordinates.

16 (e) Permitting a license or certificate to be used by an
17 unauthorized health facility or agency.

18 (f) Evidence of abuse regarding a patient's health, welfare,
19 or safety or the denial of a patient's rights.

20 (g) Failure to comply with section 10102a(7).

21 ~~(h) Failure to comply with part 222 or a term, condition,~~
22 ~~or stipulation of a certificate of need issued under part 222, or~~
23 ~~both.~~

24 (H) ~~(i)~~ A violation of section 20197(1).

25 (2) The department may deny an application for a license or
26 certification based on a finding of a condition or practice that

1 would constitute a violation of this article if the applicant
2 were a licensee.

3 (3) Denial, suspension, or revocation of an individual emer-
4 gency medical services personnel license under part 209 is gov-
5 erned by section 20958.

6 (4) If the department determines under subsection (1) that a
7 health facility or agency has violated section 20197(1), the
8 department shall impose an administrative fine of \$5,000,000.00
9 on the health facility or agency.

10 Sec. 20166. (1) Notice of intent to deny, limit, suspend,
11 or revoke a license or certification shall be given by certified
12 mail or personal service, shall set forth the particular reasons
13 for the proposed action, and shall fix a date, not less ~~that~~
14 THAN 30 days after the date of service, on which the applicant or
15 licensee shall be given the opportunity for a hearing before the
16 director or the director's authorized representative. The hear-
17 ing shall be conducted in accordance with the administrative pro-
18 cedures act of 1969 and rules promulgated by the department. A
19 full and complete record shall be kept of the proceeding and
20 shall be transcribed when requested by an interested party, who
21 shall pay the cost of preparing the transcript.

22 (2) On the basis of a hearing or on the default of the
23 applicant or licensee, the department may issue, deny, limit,
24 suspend, or revoke a license or certification. A copy of the
25 determination shall be sent by certified mail or served person-
26 ally upon the applicant or licensee. The determination becomes
27 final 30 days after it is mailed or served, unless the applicant

1 or licensee within the 30 days appeals the decision to the
2 circuit court in the county of jurisdiction or to the Ingham
3 county circuit court.

4 (3) The department may establish procedures, hold hearings,
5 administer oaths, issue subpoenas, or order testimony to be taken
6 at a hearing or by deposition in a proceeding pending at any
7 stage of the proceeding. A person may be compelled to appear and
8 testify and to produce books, papers, or documents in a
9 proceeding.

10 (4) In case of disobedience of a subpoena, a party to a
11 hearing may invoke the aid of the circuit court ~~of~~ FOR the
12 jurisdiction in which the hearing is held to require the
13 attendance and testimony of witnesses. The circuit court may
14 issue an order requiring an individual to appear and give
15 testimony. Failure to obey the order of the circuit court may be
16 punished by the court as a contempt.

17 ~~-(5) The department shall not deny, limit, suspend, or~~
18 ~~revoke a license on the basis of an applicant's or licensee's~~
19 ~~failure to show a need for a health facility or agency unless the~~
20 ~~health facility or agency has not obtained a certificate of need~~
21 ~~required by part 222.~~

22 Sec. 21420. Notwithstanding any other provision of this
23 act, ~~all hospices shall be~~ A HOSPICE IS exempt from license
24 fees ~~and certificate of need fees~~ for 3 years after the first
25 hospice is licensed under this article.

26 Sec. 21551. (1) A hospital licensed under this article and
27 located in a nonurbanized area may apply to the department to

1 temporarily delicense not more than 50% of its licensed beds for
2 not more than 5 years.

3 (2) ~~A~~ IF A hospital that is granted a temporary delicen-
4 sure of beds under subsection (1) ~~may apply~~ APPLIES to the
5 department for an extension of THE temporary delicensure, ~~for~~
6 ~~those beds~~ THE DEPARTMENT SHALL GRANT AN EXTENSION for up to an
7 additional 5 years to the extent that the hospital actually met
8 the requirements of subsection (6) during the initial period of
9 delicensure. ~~granted under subsection (1).~~ ~~The department shall~~
10 ~~grant an extension under this subsection unless the department~~
11 ~~determines under part 222 that there is a demonstrated need for~~
12 ~~the delicensed beds in the subarea in which the hospital is~~
13 ~~located. If the department does not grant an extension under~~
14 ~~this subsection, the hospital shall request relicensure of the~~
15 ~~beds pursuant to subsection (7) or allow the beds to become per-~~
16 ~~manently delicensed pursuant to subsection (8).~~

17 (3) Except as otherwise provided in this section, ~~for a~~
18 ~~period of 90 days after January 1, 1991~~ UNTIL APRIL 1, 1991, if
19 a hospital is located in a distressed area and has an annual
20 indigent volume consisting of not less than 25% indigent
21 patients, the hospital may apply to the department to temporarily
22 delicense not more than 50% of its licensed beds for a period of
23 not more than 2 years. Upon receipt of a complete application
24 under this subsection, the department shall temporarily delicense
25 the beds indicated in the application. The department shall not
26 grant an extension of temporary delicensure under this
27 subsection.

1 (4) An application under subsection (1) or (3) shall be on a
2 form provided by the department. The form shall contain all of
3 the following information:

4 (a) The number and location of the specific beds to be
5 delicensed.

6 (b) The period of time during which the beds will be
7 delicensed.

8 (c) The alternative use proposed for the space occupied by
9 the beds to be delicensed.

10 (5) A hospital that files an application under
11 subsection (1) or (3) may file an amended application with the
12 department on a form provided by the department. The hospital
13 shall state on the form the purpose of the amendment. If the
14 hospital meets the requirements of this section, the department
15 shall so amend the hospital's original application.

16 (6) An alternative use of space made available by the deli-
17 censure of beds under this section shall not result in a viola-
18 tion of this article or the rules promulgated under this
19 article. Along with the application, an applicant for delicen-
20 sure under subsection (1) or (3) shall submit to the department
21 plans that indicate to the satisfaction of the department that
22 the space occupied by the beds proposed for temporary delicensure
23 will be used for 1 or more of the following:

24 (a) An alternative use that over the proposed period of tem-
25 porary delicensure would defray the depreciation and interest
26 costs that otherwise would be allocated to the space along with
27 the operating expenses related to the alternative use.

1 (b) To correct a licensing deficiency previously identified
2 by the department.

3 (c) Nonhospital purposes including, but not limited to, com-
4 munity service projects, if the depreciation and interest costs
5 for all capital expenditures that would otherwise be allocated to
6 the space, as well as any operating costs related to the proposed
7 alternative use, would not be considered as hospital costs for
8 purposes of reimbursement.

9 (7) The department shall relicense beds that are temporarily
10 delicensed under this section if all of the following require-
11 ments are met:

12 (a) The hospital files with the department a written request
13 for relicensure not less than 90 days before the earlier of the
14 following:

15 (i) The expiration of the period for which delicensure was
16 granted.

17 (ii) The date upon which the hospital is requesting
18 relicensure.

19 (iii) The last hospital license renewal date in the delicen-
20 sure period.

21 (b) The space to be occupied by the relicensed beds is in
22 compliance with this article and the rules promulgated under this
23 article, including all licensure standards in effect at the time
24 of relicensure, or the hospital has a plan of corrections that
25 has been approved by the department.

26 (8) If a hospital does not meet all of the requirements of
27 subsection (7) or if a hospital decides to allow beds to become

1 permanently delicensed as described in subsection (2), then all
2 of the temporarily delicensed beds shall be automatically and
3 permanently delicensed effective on the last day of the period
4 for which the department granted temporary delicensure.

5 ~~(9) The department shall continue to count beds temporarily~~
6 ~~delicensed under this section in the department's bed inventory~~
7 ~~for purposes of determining hospital bed need under part 222 in~~
8 ~~the subarea in which the beds are located. The department shall~~
9 ~~indicate in the bed inventory which beds are licensed and which~~
10 ~~beds are temporary delicensed under this section. The department~~
11 ~~shall not include a hospital's temporarily delicensed beds in the~~
12 ~~hospital's licensed bed count.~~

13 ~~(10) A hospital that is granted temporary delicensure of~~
14 ~~beds under this section shall not transfer the beds to another~~
15 ~~site or hospital without first obtaining a certificate of need.~~

16 (9) ~~(11)~~ A hospital that has beds that are subject to a
17 hospital bed reduction plan or to a department action to enforce
18 this article shall not use beds temporarily delicensed under this
19 section to comply with the bed reduction plan.

20 (10) ~~(12)~~ As used in this section:

21 (a) "Distressed area" means a city that meets all of the
22 following criteria:

23 (i) Had a negative population change from ~~1970~~ 1980 to the
24 date of the ~~1980~~ 1990 federal decennial census.

25 (ii) From 1972 to 1989, had an increase in its state equal-
26 ized valuation that is less than the statewide average.

1 (iii) Has a poverty level that is greater than the statewide
2 average, according to the ~~1980~~ 1990 federal decennial census.

3 (iv) Was eligible for an urban development action grant from
4 the United States department of housing and urban development in
5 1984 and was listed in 49 F.R. No. 28 (February 9, 1984) or
6 49 F.R. No. 30 (February 13, 1984).

7 (v) Had an unemployment rate that was higher than the state-
8 wide average for 3 of the 5 years from 1981 to 1985.

9 (b) "Indigent volume" means the ratio of a hospital's indi-
10 gent charges to its total charges expressed as a percentage as
11 determined by the department of ~~social services~~ COMMUNITY
12 HEALTH after November 12, 1990, pursuant to chapter 8 of the
13 ~~department of social services~~ guidelines ADOPTED BY THE FORMER
14 DEPARTMENT OF SOCIAL SERVICES, NOW THE FAMILY INDEPENDENCE
15 AGENCY, AND entitled "medical assistance program manual".

16 (c) "Nonurbanized area" means an area that is not an urban-
17 ized area.

18 (d) "Urbanized area" means that term as defined by the
19 office of federal statistical policy and standards of the United
20 States department of commerce in the appendix entitled "general
21 procedures and definitions", 45 F.R. p. 962 (January 3, 1980),
22 which document is incorporated by reference.

23 Sec. 21563. (1) The department, in consultation with the ad
24 hoc advisory committee appointed under section 21562, shall
25 promulgate rules for designation of a rural community hospital,
26 maximum number of beds, and the services provided by a rural
27 community hospital. The director shall submit proposed rules,

1 based on the recommendations of the committee, for public hearing
2 not later than 6 months after receiving the report under
3 section 21562(5).

4 (2) The designation as a rural community hospital shall be
5 shown on a hospital's license and shall be for the same term as
6 the hospital license. Except as otherwise expressly provided in
7 this part or in rules promulgated under this section, a rural
8 community hospital shall be licensed and regulated in the same
9 manner as a hospital otherwise licensed under this article. ~~The~~
10 ~~provisions of part 222 applicable to hospitals also apply to a~~
11 ~~rural community hospital and to a hospital designated by the~~
12 ~~department under federal law as an essential access community~~
13 ~~hospital or a rural primary care hospital.~~ This part and the
14 rules promulgated under this part do not preclude the establish-
15 ment of differential reimbursement for rural community hospitals,
16 essential access community hospitals, and rural primary care
17 hospitals.

18 Enacting section 1. Section 20143 and part 222 of the
19 public health code, 1978 PA 368, MCL 333.20143 and 333.22201 to
20 333.22260, are repealed.

21 Enacting section 2. This amendatory act takes effect
22 December 31, 1998.