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TEMPORARY MANAGEMENT FOR HEALTH FACILITIES

House Bill 5689

Sponsor: Rep. Randy Richardville

**Committee: Senior Health, Security and
Retirement**

Complete to 4-28-00

A SUMMARY OF HOUSE BILL 5689 AS INTRODUCED 4-27-00

Under the Public Health Code, the Department of Consumer and Industry Services may order a health facility or agency (an ambulance operation, clinical laboratory, county medical care facility, freestanding surgical outpatient facility, health maintenance organization, home for the aged, hospital, nursing home, hospice, or hospice residence) to take certain actions if it finds that the facility is not operating in accord with its license. It may order the facility to discontinue admissions, transfer selected patients out of the facility, reduce the facility's licensed capacity, or order it to comply with specific requirements for licensure or certification.

Further, with regard specifically to nursing homes, if the department finds that a licensee (a nursing home) is not in compliance with the code, its administrative rules, or an applicable federal law or regulation governing nursing home certification, and that the noncompliance impairs the ability of the licensee to deliver an acceptable level of care and services, the department is authorized under current law to suspend the admission or readmission of patients to the nursing home, reduce the licensed capacity of the home, selectively transfer patients whose care needs are not being met by the nursing home, initiate action to place the home in receivership, or issue a correction notice that describes the violation and specifies the corrective action to be taken within a specified period of time.

House Bill 5689 would amend these provisions to add two additional options for the department in those circumstances:

- it could require appointment, at the facility's or agency's expense, of a department-approved temporary administrative advisor or clinical advisor, or both, with authority and duties specified by the department, to assist the facility's or agency's management and staff to achieve sustained compliance with required operating standards; or

- it could require appointment, at the facility's or agency's expense, of a department-approved temporary manager with authority and duties specified by the department, to oversee efforts to achieve sustained compliance with required operating standards or to oversee the orderly closure of the facility or agency.

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The bill would further specify that, for the regulatory actions that apply specifically to nursing homes, the department could take the specified actions in the case of a nursing home closure for any reason (in addition to when it found noncompliance that impairs the licensee's ability to deliver acceptable care).

MCL 333.20162 and 333.21799b

Analyst: D. Martens

#This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.