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SFA**BILL ANALYSIS**

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House Bill 4345 (Substitute H-1 as reported without amendment)
Sponsor: Representative Jennifer Faunce
House Committee: Senior Health, Security and Retirement
Senate Committee: Health Policy

CONTENT

The bill would amend the Public Health Code to restrict the ability of a nursing home to transfer or discharge a patient involuntarily, if the nursing home withdrew from participation in the State plan for Medicaid funding. The bill also would require a nursing home to notify a patient at least 30 days, rather than 21 days, before an involuntary transfer or discharge; and would require the Department of Consumer and Industry Services to assure that counseling services were available.

The Code prohibits a nursing home from involuntarily transferring or discharging a patient except for medical reasons, the patient's welfare, the welfare of other patients or nursing home employees, or nonpayment for the patient's stay (except as prohibited by the Social Security Act).

Under the bill, if a nursing home voluntarily withdrew from participation in the State plan for Medicaid funding, but continued to provide services, the nursing home could not, except as currently allowed, involuntarily transfer or discharge a patient who resided in the home on the day before the effective date of its withdrawal, whether or not the patient was eligible for Medicaid benefits. This prohibition would continue unless the patient fell within one or more of the current grounds for involuntary transfer or discharge.

If an individual became a patient of a nursing home after the date it withdrew from participation in the State plan for Medicaid funding, the nursing home would have to give the patient oral and written notice of both of the following:

- That the nursing home was not participating in the State plan for Medicaid funding.
- That the home could involuntarily transfer or discharge the patient for nonpayment even if he or she were eligible for Medicaid benefits.

The nursing home would have to give this notice on or before the date the individual signed a contract with the home.

MCL 333.21773

Legislative Analyst: G. Towne

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 10-8-01

Fiscal Analyst: M. Tyszkiewicz