

SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 5103

A bill to amend 1978 PA 368, entitled  
"Public health code,"  
by amending sections 16105, 16106, 16108, 16128, 16163, 16174,  
16186, 16261, 16323, 16608, and 20161 (MCL 333.16105, 333.16106,  
333.16108, 333.16128, 333.16163, 333.16174, 333.16186, 333.16261,  
333.16323, 333.16608, and 333.20161), section 16106 as amended by  
1997 PA 153, sections 16108 and 16186 as amended and  
section 16323 as added by 1993 PA 80, section 16174 as amended by  
1998 PA 227, section 16608 as amended by 1990 PA 216, and section  
20161 as amended by 2002 PA 303.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1       Sec. 16105. (1) "Health occupation" means a health related  
2   vocation, calling, occupation, or employment performed by  
3   ~~individuals~~ AN INDIVIDUAL whether or not THE INDIVIDUAL IS  
4   licensed or registered under this article.

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1       (2) "Health profession" means a vocation, calling,  
2 occupation, or employment performed by ~~individuals~~ AN  
3 INDIVIDUAL acting pursuant to a license or registration issued  
4 under this article.

5       (3) "Health profession specialty field" means an area of  
6 practice established under this article ~~which~~ THAT is within  
7 the scope of activities, functions, and duties of a licensed  
8 health profession and ~~which~~ THAT requires advanced education  
9 and training beyond that required for initial licensure.

10       (4) "HEALTH PROFESSION SPECIALTY FIELD LICENSE" MEANS AN  
11 AUTHORIZATION TO USE A TITLE ISSUED TO A LICENSEE WHO HAS MET  
12 QUALIFICATIONS ESTABLISHED BY THE MICHIGAN BOARD OF DENTISTRY FOR  
13 REGISTRATION IN A HEALTH PROFESSION SPECIALTY FIELD. AN INDIVID-  
14 UAL WHO HOLDS A DENTAL SPECIALTY CERTIFICATION ON THE EFFECTIVE  
15 DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION IS CONSID-  
16 ERED TO HOLD A HEALTH PROFESSION SPECIALTY FIELD LICENSE IN THAT  
17 SPECIALITY AND MAY OBTAIN RENEWAL OF THE HEALTH PROFESSION SPE-  
18 CIALTY FIELD LICENSE IN THAT SPECIALITY ON THE EXPIRATION DATE OF  
19 THE SPECIALTY CERTIFICATION. THE HEALTH PROFESSION SPECIALTY  
20 FIELD LICENSE IS NOT A LICENSE AS THAT TERM IS DEFINED IN  
21 SECTION 16106(2).

22       (5) ~~-(4)-~~ "Health profession subfield" means an area of  
23 practice established under this article which is within the scope  
24 of the activities, functions, and duties of a licensed health  
25 profession, and requires less comprehensive knowledge and skill  
26 than is required to practice the full scope of the health  
27 profession.

1       Sec. 16106. (1) "Incompetence" means a departure from, or  
2 failure to conform to, minimal standards of acceptable and pre-  
3 vailing practice for ~~the~~ A health profession, whether or not  
4 actual injury to an individual occurs.

5       (2) "License", except as otherwise provided in this subsec-  
6 tion, means an authorization issued under this article to prac-  
7 tice where practice would otherwise be unlawful. License  
8 includes an authorization to use a designated title which use  
9 would otherwise be prohibited under this article and may be used  
10 to refer to a health profession subfield license, limited  
11 license, or a temporary license. For purposes of the definition  
12 of "prescriber" contained in section 17708(2) only, license  
13 includes an authorization issued under the laws of another state,  
14 or the country of Canada ~~—~~ to practice in that state ~~—~~ or IN  
15 the country of Canada, where practice would otherwise be unlaw-  
16 ful, and is limited to a licensed doctor of medicine, a licensed  
17 doctor of osteopathic medicine and surgery, or another licensed  
18 health professional acting under the delegation and using,  
19 recording, or otherwise indicating the name of the delegating  
20 licensed doctor of medicine or licensed doctor of osteopathic  
21 medicine and surgery. LICENSE DOES NOT INCLUDE A HEALTH PROFES-  
22 SION SPECIALTY FIELD LICENSE.

23       (3) "Licensee", as used in a part that regulates a specific  
24 health profession, means ~~a person~~ AN INDIVIDUAL to whom a  
25 license is issued under that part, and as used in this part means  
26 each licensee regulated by this article.

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1       (4) "Limitation" means an action by which a board imposes  
2 restrictions or conditions, or both, on a license.

3       (5) "Limited license" means a license to which restrictions  
4 or conditions, or both, as to scope of practice, place of prac-  
5 tice, supervision of practice, duration of licensed status, or  
6 type or condition of patient or client served are imposed by a  
7 board.

8       Sec. 16108. (1) "Reclassification" means an action by a  
9 disciplinary subcommittee by which restrictions or conditions, or  
10 both, applicable to a license are added or removed.

11       (2) "Registration" means an authorization only for the use  
12 of a designated title which use would otherwise be prohibited  
13 under this article. ~~It~~ REGISTRATION includes specialty certi-  
14 fication of a licensee AND A HEALTH PROFESSION SPECIALTY FIELD  
15 LICENSE.

16       (3) "Registrant" as used in ~~any~~ A part that regulates the  
17 use of a title means an individual to whom a registration, A SPE-  
18 CIALTY CERTIFICATION, or A HEALTH PROFESSION specialty  
19 ~~certification~~ FIELD LICENSE is issued under that part, and as  
20 used in this part means each registrant regulated by this  
21 article.

22       (4) "Reinstatement" means the granting of a license or cer-  
23 tificate of registration, with or without limitations or condi-  
24 tions, to ~~a person~~ AN INDIVIDUAL whose license or certificate  
25 of registration has been suspended or revoked.

(5) "Relicensure" means the granting of a license to ~~a~~  
~~person~~ AN INDIVIDUAL whose license has lapsed for failure to  
renew the license within 60 days after the expiration date.

(6) "Reregistration" means the granting of a certificate of  
registration to ~~a person~~ AN INDIVIDUAL whose certificate of  
registration has lapsed for failure to renew the certificate  
within 60 days after the expiration date.

Sec. 16128. (1) A health profession subfield task force  
shall be composed of a majority of members licensed in the sub-  
fields of the health profession ~~which~~ THAT are created by this  
article and shall include at least 1 licensed member from each of  
the subfields of the health profession ~~which~~ THAT is created by  
this article. A health profession subfield task force shall  
include at least 1 public member and 1 member of that profession  
who holds a license other than a subfield license in that health  
profession.

(2) A health profession specialty field task force shall be  
composed of a majority of members ~~certified~~ REGISTERED in the  
specialty fields of the health profession ~~which~~ THAT are cre-  
ated by this article. A health profession specialty field task  
force shall include at least 1 public member and 1 member of that  
health profession who is a member of the board.

Sec. 16163. A task force shall recommend to the board as  
to:

(a) Determination of standards of education, training, and  
experience required for practice in a health profession subfield  
or for ~~certification~~ REGISTRATION in a health profession

1 specialty field, and where appropriate, guidelines for approval  
2 of educational programs for the HEALTH PROFESSION subfield or  
3 HEALTH PROFESSION specialty field.

4 (b) Qualifications required of applicants for licensure in  
5 health profession subfields or for ~~certification~~ REGISTRATION  
6 in health profession specialty fields.

7 (c) Evaluation of qualifications for initial and continuing  
8 licensure of practitioners in health profession subfields or  
9 HEALTH PROFESSION specialty fields. The evaluation may cover  
10 assessment of educational credentials, work experience and  
11 related training, and administration of tests and examinations.

12 (d) Guidelines for utilization of, and standards of practice  
13 for, licensees in health profession subfields or REGISTRANTS IN  
14 HEALTH PROFESSION specialty fields.

15 Sec. 16174. (1) An individual who is licensed or registered  
16 under this article shall meet all of the following requirements:

17 (a) Be 18 or more years of age.

18 (b) Be of good moral character.

19 (c) Have a specific education or experience in the health  
20 profession or in a HEALTH PROFESSION subfield or HEALTH  
21 PROFESSION specialty field of ~~a~~ THE health profession, or  
22 training equivalent, or both, as prescribed by this article or  
23 rules of a board necessary to promote safe and competent practice  
24 and informed consumer choice.

25 (d) Have a working knowledge of the English language as  
26 determined in accordance with minimum standards established for  
27 that purpose by the department.

1 (e) Pay the appropriate fees as prescribed in this article.

2 (2) In addition to the requirements of subsection (1), an  
3 applicant for licensure, registration, ~~or~~ specialty  
4 certification, OR A HEALTH PROFESSION SPECIALTY SUBFIELD LICENSE  
5 under this article shall meet all of the following requirements:

6 (a) Establish that disciplinary proceedings before a similar  
7 licensure, registration, or specialty LICENSURE OR SPECIALTY cer-  
8 tification board of this or any other state, of the United States  
9 military, of the federal government, or of another country are  
10 not pending against the applicant.

11 (b) Establish that if sanctions have been imposed against  
12 the applicant by a similar licensure, registration, or specialty  
13 LICENSURE OR SPECIALTY certification board of this or any other  
14 state, of the United States military, of the federal government,  
15 or of another country based upon grounds that are substantially  
16 similar to those set forth in this article or article 7 or the  
17 rules promulgated under this article or article 7, as determined  
18 by the board or task force to which the applicant applies, the  
19 sanctions are not in force at the time of application.

20 (c) File with the board or task force a written, signed con-  
21 sent to the release of information regarding a disciplinary  
22 investigation involving the applicant conducted by a similar  
23 licensure, registration, or specialty LICENSURE OR SPECIALTY cer-  
24 tification board of this or any other state, of the United States  
25 military, of the federal government, or of another country.

26 (3) Before licensing, registering, ~~or~~ certifying, OR  
27 ISSUING A HEALTH PROFESSION SPECIALTY FIELD LICENSE TO an

1 applicant, the board or task force to which the applicant applies  
2 may do 1 of the following:

3 (a) Make an independent inquiry into the applicant's compli-  
4 ance with the requirements described in subsection (2). If a  
5 licensure or registration board or task force determines under  
6 subsection (2)(b) that sanctions have been imposed and are in  
7 force at the time of application, the board or task force shall  
8 not grant a license or registration or specialty certification OR  
9 HEALTH PROFESSION SPECIALTY FIELD LICENSE to the applicant.

10 (b) Require the applicant to secure from a national associa-  
11 tion or federation of state professional licensing boards certi-  
12 fication of compliance with the requirements described in subsec-  
13 tion (2).

14 (4) If, after issuing a license, registration, ~~or~~  
15 SPECIALTY certification, OR HEALTH PROFESSION SPECIALTY FIELD  
16 LICENSE, a board or task force or the department determines that  
17 sanctions have been imposed against the licensee or registrant by  
18 a similar licensure or registration or SPECIALTY LICENSURE OR  
19 SPECIALTY certification board as described in subsection (2)(b),  
20 the disciplinary subcommittee may impose appropriate sanctions  
21 upon the licensee or registrant. The licensee or registrant may  
22 request a show cause hearing before a hearing examiner to demon-  
23 strate why the sanctions should not be imposed.

24 (5) An applicant for licensure, registration, ~~or~~ specialty  
25 certification, OR A HEALTH PROFESSION SPECIALTY FIELD LICENSE who  
26 is or has been licensed, registered, or certified in a health



1 profession or specialty by another state or country shall  
2 disclose that fact on the application form.

3       Sec. 16186. (1) An individual who is licensed to practice a  
4 health profession in another state or, UNTIL JANUARY 1, 2004, IS  
5 LICENSED TO PRACTICE A HEALTH PROFESSION IN A PROVINCE OF CANADA,  
6 who is registered in another state, or who holds A HEALTH PROFES-  
7 SION SPECIALTY FIELD LICENSE OR specialty certification from  
8 another state and who applies for licensure, registration, ~~or~~  
9 specialty certification, OR A HEALTH PROFESSION SPECIALTY FIELD  
10 LICENSE in this state may be granted an appropriate license or  
11 registration OR SPECIALTY CERTIFICATION OR HEALTH PROFESSION SPE-  
12 CIALTY FIELD LICENSE upon satisfying the board or task force to  
13 which the applicant applies as to all of the following:

14       (a) The applicant substantially meets the requirements of  
15 this article and rules promulgated ~~by a board or task force~~  
16 UNDER THIS ARTICLE for licensure, registration, ~~or~~ specialty  
17 certification, OR A HEALTH PROFESSION SPECIALTY FIELD LICENSE.

18       (b) ~~The~~ SUBJECT TO SUBSECTION (3), THE applicant is  
19 licensed, registered, or SPECIALTY certified OR SPECIALTY  
20 LICENSED in another state OR, UNTIL JANUARY 1, 2004, IS LICENSED  
21 IN A PROVINCE IN CANADA, that maintains standards substantially  
22 equivalent to those of this state.

23       (c) SUBJECT TO SUBSECTION (3), UNTIL JANUARY 1, 2004, IF THE  
24 APPLICANT IS LICENSED TO PRACTICE A HEALTH PROFESSION IN A PROV-  
25 INCE IN CANADA, THE APPLICANT COMPLETED THE EDUCATIONAL REQUIRE-  
26 MENTS FOR LICENSURE IN CANADA OR IN THE UNITED STATES.

1 (D) UNTIL JANUARY 1, 2004, IF THE APPLICANT IS LICENSED TO  
2 PRACTICE A HEALTH PROFESSION IN A PROVINCE IN CANADA, THAT THE  
3 APPLICANT WILL PERFORM THE PROFESSIONAL SERVICES FOR WHICH HE OR  
4 SHE BILLS IN THIS STATE, AND THAT ANY RESULTING REQUEST FOR THIRD  
5 PARTY REIMBURSEMENT WILL ORIGINATE FROM THE APPLICANT'S PLACE OF  
6 EMPLOYMENT IN THIS STATE.

7 (2) Before licensing, registering, ~~or~~ SPECIALTY  
8 certifying, OR GRANTING A HEALTH PROFESSION SPECIALTY FIELD  
9 LICENSE TO the applicant, the board or task force to which the  
10 applicant applies may require the applicant to appear personally  
11 before it for an interview to evaluate the applicant's relevant  
12 qualifications.

13 (3) FOR PURPOSES OF THE AMENDATORY ACT THAT ADDED THIS SUB-  
14 SECTION, AN APPLICANT WHO IS LICENSED IN A PROVINCE IN CANADA WHO  
15 MEETS THE REQUIREMENTS OF SUBSECTION (1)(C) AND TAKES AND PASSES  
16 A NATIONAL EXAMINATION IN THIS COUNTRY THAT IS APPROVED BY THE  
17 APPROPRIATE MICHIGAN LICENSING BOARD, OR WHO TAKES AND PASSES A  
18 CANADIAN NATIONAL EXAMINATION APPROVED BY THE APPROPRIATE  
19 MICHIGAN LICENSING BOARD, IS CONSIDERED TO HAVE MET THE REQUIRE-  
20 MENTS OF SUBSECTION (1)(B). THIS SUBSECTION DOES NOT APPLY IF  
21 THE DEPARTMENT, IN CONSULTATION WITH THE APPROPRIATE LICENSING  
22 BOARD, PROMULGATES A RULE DISALLOWING THE USE OF THIS SUBSECTION  
23 FOR AN APPLICANT LICENSED IN A PROVINCE IN CANADA.

24 Sec. 16261. (1) ~~A person~~ AN INDIVIDUAL who is not  
25 licensed or registered under this article shall not use an insig-  
26 nia, title, or letter, or a word, letter, or phrase singly or in  
27 combination, with or without qualifying words, letters, or

1 phrases, under a circumstance to induce the belief that the  
 2 ~~person~~ INDIVIDUAL is licensed or registered in this state, is  
 3 lawfully entitled in this state to engage in the practice of a  
 4 profession regulated by this article, or is otherwise in compli-  
 5 ance with this article.

6 (2) An individual shall not announce or hold himself or her-  
 7 self out to the public as limiting his or her practice to, as  
 8 being specially qualified in, or as giving particular attention  
 9 to a health profession specialty field for which a board issues a  
 10 specialty certification OR A HEALTH PROFESSION SPECIALTY FIELD  
 11 LICENSE, without first having obtained ~~a~~ THE specialty certifi-  
 12 cation OR HEALTH PROFESSION SPECIALTY field license.

13 Sec. 16323. Fees for ~~a person~~ AN INDIVIDUAL licensed or  
 14 seeking licensure to practice as a dentist, dental assistant, or  
 15 dental hygienist under part 166 are as follows:

16 (a) Application processing fees:

17 (i) Dentist.....\$ 20.00  
 18 (ii) Dental assistant..... 10.00  
 19 (iii) Dental hygienist..... 15.00  
 20 (iv) ~~Dental~~ HEALTH PROFESSION specialty FIELD LICENSE  
 21 FOR A DENTIST..... 20.00

22 (b) Examination fees:

23 (i) Dental assistant's examination, complete..... 70.00  
 24 (ii) Dental assistant's examination, per part..... 35.00  
 25 (iii) ~~Dental~~ DENTIST'S HEALTH PROFESSION specialty  
 26 FIELD LICENSE examination, complete..... 300.00

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1     (iv) ~~Dental~~ DENTIST'S HEALTH PROFESSION specialty  
2             FIELD LICENSE examination, per part..... 100.00  
3     (c) License fees, per year:  
4         (i) Dentist..... 90.00  
5         (ii) Dental assistant..... 10.00  
6         (iii) Dental hygienist..... 20.00  
7     (iv) ~~Dental~~ DENTIST'S HEALTH PROFESSION specialty  
8             FIELD LICENSE..... 15.00  
9     (d) Temporary license fees:  
10        (i) Dentist..... 20.00  
11        (ii) Dental assistant..... 5.00  
12        (iii) Dental hygienist..... 10.00  
13     (e) Limited license fee, per year:  
14        (i) Dentist..... 25.00  
15        (ii) Dental assistant..... 5.00  
16        (iii) Dental Hygienist..... 10.00  
17     (f) Examination review fees:  
18        (i) Dental preclinical or DENTIST'S HEALTH PROFESSION  
19             specialty FIELD LICENSE..... 50.00  
20        (ii) Dental assistant..... 20.00  
21     Sec. 16608. (1) The board may issue a health profession  
22     specialty ~~certification~~ FIELD LICENSE to a licensed dentist who  
23     has advanced training beyond that required for initial licensure  
24     and who has demonstrated competency through examination or other  
25     evaluative processes in 1 or more of the following HEALTH  
26     PROFESSION specialty fields: prosthodontics, endodontics, oral  
27     and maxillofacial surgery, orthodontics, pediatric dentistry,

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1 periodontics, or oral pathology. A LICENSED DENTIST WHO HOLDS A  
2 HEALTH PROFESSION SPECIALTY CERTIFICATION IN 1 OR MORE OF THE  
3 HEALTH PROFESSION SPECIALTY FIELDS LISTED IN THIS SUBSECTION ON  
4 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED  
5 SUBSECTIONS (3) AND (4) IS CONSIDERED TO HOLD A HEALTH PROFESSION  
6 SPECIALTY FIELD LICENSE IN EACH OF THOSE HEALTH PROFESSION SPE-  
7 CIALTY FIELDS AND MAY OBTAIN RENEWAL OF EACH HEALTH PROFESSION  
8 SPECIALTY FIELD LICENSE ON THE EXPIRATION DATE OF THE SPECIALTY  
9 CERTIFICATION.

10 (2) A health profession specialty ~~certification~~ FIELD  
11 LICENSE issued pursuant to subsection (1) shall be renewed con-  
12 currently with the license to practice dentistry.

13 (3) THIS SECTION DOES NOT PROHIBIT A LICENSED DENTIST WHO  
14 HAS NOT BEEN ISSUED A HEALTH PROFESSION SPECIALTY FIELD LICENSE  
15 UNDER SUBSECTION (1) FROM PERFORMING SERVICES IN 1 OR MORE OF THE  
16 HEALTH PROFESSION SPECIALTY FIELDS LISTED IN SUBSECTION (1).

17 (4) FOR PURPOSES OF THE ADMINISTRATION OF THE GENERAL RULES  
18 OF THE BOARD OF DENTISTRY IN THE MICHIGAN ADMINISTRATIVE CODE, A  
19 REFERENCE TO SPECIALTY CERTIFICATION IS A REFERENCE TO A HEALTH  
20 PROFESSION SPECIALTY FIELD LICENSE.

21 Sec. 20161. (1) The department shall assess fees for health  
22 facility and agency licenses and certificates of need on an  
23 annual basis as provided in this article. Except as otherwise  
24 provided in this article, fees shall be paid in accordance with  
25 the following fee schedule:

26 (a) Freestanding surgical  
27 outpatient facilities..... \$ 238.00 per facility.

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1 (b) Hospitals..... \$ 8.28 per licensed bed.  
2 (c) Nursing homes, county  
3 medical care facilities, and hos-  
4 pital long-term care units..... \$ 2.20 per licensed bed.  
5 (d) Homes for the aged..... \$ 6.27 per licensed bed.  
6 (e) Clinical laboratories... \$ 475.00 per laboratory.  
7 (f) Hospice residences..... \$ 200.00 per license survey;  
8 and \$20.00 per licensed bed.  
9 (g) Subject to  
10 subsection (13), quality assur-  
11 ance assessment fee for nongov-  
12 ernmentally owned nursing  
13 homes and hospital long-term care  
14 units..... an amount resulting in not  
15 more than a 7% increase in  
16 aggregate medicaid nursing home  
17 and hospital long-term care  
18 unit payment rates, net of  
19 assessments, above the rates  
20 that were in effect on April 1,  
21 2002.  
22 (H) SUBJECT TO  
23 SUBSECTION (14), QUALITY ASSUR-  
24 ANCE ASSESSMENT FEE FOR  
25 HOSPITALS..... 0.76% OF NONMEDICARE PATIENT  
26 CARE REVENUE IN THE IMMEDIATELY  
27 PRECEDING YEAR.

1       (2) If a hospital requests the department to conduct a  
2     certification survey for purposes of title XVIII or title XIX of  
3     the social security act, the hospital shall pay a license fee  
4     surcharge of \$23.00 per bed. As used in this subsection, "title  
5     XVIII" and "title XIX" mean those terms as defined in section  
6     20155.

7       (3) The base fee for a certificate of need is \$750.00 for  
8     each application. For a project requiring a projected capital  
9     expenditure of more than \$150,000.00 but less than \$1,500,000.00,  
10    an additional fee of \$2,000.00 shall be added to the base fee.  
11    For a project requiring a projected capital expenditure of  
12    \$1,500,000.00 or more, an additional fee of \$3,500.00 shall be  
13    added to the base fee.

14       (4) If licensure is for more than 1 year, the fees described  
15    in subsection (1) are multiplied by the number of years for which  
16    the license is issued, and the total amount of the fees shall be  
17    collected in the year in which the license is issued.

18       (5) Fees described in this section are payable to the  
19    department at the time an application for a license, permit, or  
20    certificate is submitted. If an application for a license,  
21    permit, or certificate is denied or if a license, permit, or cer-  
22    tificate is revoked before its expiration date, the department  
23    shall not refund fees paid to the department.

24       (6) The fee for a provisional license or temporary permit is  
25    the same as for a license. A license may be issued at the expi-  
26    ration date of a temporary permit without an additional fee for

1 the balance of the period for which the fee was paid if the  
2 requirements for licensure are met.

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

7 (8) In addition to the fees imposed under subsection (1), a  
8 clinical laboratory shall submit a fee of \$25.00 to the depart-  
9 ment for each reissuance during the licensure period of the clin-  
10 ical laboratory's license.

11 (9) Except for the licensure of clinical laboratories, not  
12 more than half the annual cost of licensure activities as deter-  
13 mined by the department shall be provided by license fees.

14 (10) The application fee for a waiver under section 21564 is  
15 \$200.00 plus \$40.00 per hour for the professional services and  
16 travel expenses directly related to processing the application.  
17 The travel expenses shall be calculated in accordance with the  
18 state standardized travel regulations of the department of man-  
19 agement and budget in effect at the time of the travel.

20 (11) An applicant for licensure or renewal of licensure  
21 under part 209 shall pay the applicable fees set forth in  
22 part 209.

23 (12) The fees collected under this section shall be depos-  
24 ited in the state treasury, to the credit of the general fund.

25 (13) The quality assurance assessment fee collected under  
26 subsection (1)(g) and all federal matching funds attributed to



1 that fee shall be used only for the following purposes and under  
2 the following specific circumstances:

3 (a) The quality assurance assessment fee and all federal  
4 matching funds attributed to that fee shall be used to maintain  
5 the increased per diem medicaid reimbursement rate increases as  
6 provided for in subdivision (e). Only licensed nursing homes and  
7 hospital long-term care units that are assessed the quality  
8 assurance assessment fee and participate in the medicaid program  
9 are eligible for increased per diem medicaid reimbursement rates  
10 under this subdivision.

11 (b) The quality assurance assessment fee shall be imple-  
12 mented on the effective date of the amendatory act that added  
13 this subsection.

14 (c) The quality assurance assessment fee is based on the  
15 number of licensed nursing home beds and the number of licensed  
16 hospital long-term care unit beds in existence on July 1 of each  
17 year, shall be assessed upon implementation pursuant to  
18 subdivision (b) and subsequently on October 1 of each following  
19 year, and is payable on a quarterly basis, the first payment due  
20 90 days after the date the fee is assessed.

21 (d) Beginning October 1, 2007, the department shall no  
22 longer assess or collect the quality assurance assessment fee or  
23 apply for federal matching funds.

24 (e) Upon implementation pursuant to subdivision (b), the  
25 department of community health shall increase the per diem nurs-  
26 ing home medicaid reimbursement rates for the balance of that  
27 year. For each subsequent year in which the quality assurance

1 assessment fee is assessed and collected, the department of  
2 community health shall maintain the medicaid nursing home reim-  
3 bursement payment increase financed by the quality assurance  
4 assessment fee.

5 (f) The department of community health shall implement this  
6 section in a manner that complies with federal requirements nec-  
7 essary to assure that the quality assurance assessment fee quali-  
8 fies for federal matching funds.

9 (g) If a nursing home or a hospital long-term care unit  
10 fails to pay the assessment required by subsection (1)(g), the  
11 department of community health may assess the nursing home or  
12 hospital long-term care unit a penalty of 5% of the assessment  
13 for each month that the assessment and penalty are not paid up to  
14 a maximum of 50% of the assessment. The department of community  
15 health may also refer for collection to the department of trea-  
16 sury past due amounts consistent with section 13 of 1941 PA 122,  
17 MCL 205.13.

18 (h) The medicaid nursing home quality assurance assessment  
19 fund is established in the state treasury. The department of  
20 community health shall deposit the revenue raised through the  
21 quality assurance assessment fee with the state treasurer for  
22 deposit in the medicaid nursing home quality assurance assessment  
23 fund.

24 (i) Neither the department of consumer and industry services  
25 nor the department of community health shall implement this sub-  
26 section in a manner that conflicts with 42 U.S.C. 1396b(w).

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1 (j) The quality assurance assessment fee collected under  
2 subsection (1)(g) shall be prorated on a quarterly basis for any  
3 licensed beds added to or subtracted from a nursing home or hos-  
4 pital long-term care unit since the immediately preceding  
5 July 1. Any adjustments in payments are due on the next quar-  
6 terly installment due date.

7 (k) In each fiscal year governed by this subsection, medi-  
8 caid reimbursement rates shall not be reduced below the medicaid  
9 reimbursement rates in effect on April 1, 2002 as a direct result  
10 of the quality assurance assessment fee collected under  
11 subsection (1)(g).

12 (l) The amounts listed in this subdivision are appropriated  
13 for the department of community health, subject to the conditions  
14 set forth in this subsection, for the fiscal year ending  
15 September 30, 2003:

16 MEDICAL SERVICES

17 Long-term care services..... \$ 1,469,003,900

18 Gross appropriation..... \$ 1,469,003,900

19 Appropriated from:

20 Federal revenues:

21 Total federal revenues..... 814,122,200

22 Special revenue funds:

23 Medicaid quality assurance assessment..... 44,829,000

24 Total local revenues..... 8,445,100

25 State general fund/general purpose..... \$ 601,607,600

26 (14) THE QUALITY ASSURANCE ASSESSMENT FEE COLLECTED UNDER  
27 SUBSECTION (1)(H) AND ALL FEDERAL MATCHING FUNDS ATTRIBUTED TO

1 THAT FEE SHALL BE USED ONLY FOR THE FOLLOWING PURPOSES AND UNDER  
2 THE FOLLOWING SPECIFIC CIRCUMSTANCES:

3 (A) PART OF THE QUALITY ASSURANCE ASSESSMENT FEE SHALL BE  
4 USED TO MAINTAIN THE INCREASED MEDICAID REIMBURSEMENT RATE  
5 INCREASES AS PROVIDED FOR IN SUBDIVISION (D). A PORTION OF THE  
6 FUNDS COLLECTED FROM THE QUALITY ASSURANCE ASSESSMENT FEE MAY BE  
7 USED TO OFFSET ANY REDUCTION TO EXISTING INTERGOVERNMENTAL TRANS-  
8 FER PROGRAMS WITH PUBLIC HOSPITALS THAT MAY RESULT FROM IMPLEMEN-  
9 TATION OF THE ENHANCED MEDICAID PAYMENTS FINANCED BY THE QUALITY  
10 ASSURANCE ASSESSMENT FEE. ANY PORTION OF THE FUNDS COLLECTED  
11 FROM THE QUALITY ASSURANCE ASSESSMENT FEE REDUCED BECAUSE OF  
12 EXISTING INTERGOVERNMENTAL TRANSFER PROGRAMS SHALL BE USED TO  
13 FINANCE MEDICAID HOSPITAL APPROPRIATIONS.

14 (B) THE QUALITY ASSURANCE ASSESSMENT FEE SHALL BE IMPLE-  
15 MENTED ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED  
16 THIS SUBSECTION.

17 (C) THE QUALITY ASSURANCE ASSESSMENT FEE SHALL BE ASSESSED  
18 ON ALL NET PATIENT REVENUE, BEFORE DEDUCTION OF EXPENSES, LESS MEDICARE  
19 NET REVENUE, AS REPORTED ON THE MOST RECENTLY AVAILABLE MEDICARE COST  
20 REPORT AND IS PAYABLE ON A QUARTERLY BASIS, THE FIRST PAYMENT DUE  
90 DAYS AFTER THE DATE THE FEE IS ASSESSED.

21 (D) UPON IMPLEMENTATION PURSUANT TO SUBDIVISION (B), THE  
22 DEPARTMENT OF COMMUNITY HEALTH SHALL INCREASE THE HOSPITAL MEDI-  
23 CAID REIMBURSEMENT RATES FOR THE BALANCE OF THAT YEAR. FOR EACH  
24 SUBSEQUENT YEAR IN WHICH THE QUALITY ASSURANCE ASSESSMENT FEE IS  
25 ASSESSED AND COLLECTED, THE DEPARTMENT OF COMMUNITY HEALTH SHALL  
26 MAINTAIN THE HOSPITAL MEDICAID REIMBURSEMENT RATE INCREASE FINANCED  
27 BY THE QUALITY ASSURANCE ASSESSMENT FEES.

(E) THE DEPARTMENT OF COMMUNITY HEALTH SHALL IMPLEMENT THIS SECTION IN A MANNER THAT COMPLIES WITH FEDERAL REQUIREMENTS NECESSARY TO ASSURE THAT THE QUALITY ASSURANCE ASSESSMENT FEE QUALIFIES FOR FEDERAL MATCHING FUNDS.

(F) IF A HOSPITAL FAILS TO PAY THE ASSESSMENT REQUIRED BY SUBSECTION (1)(H), THE DEPARTMENT OF COMMUNITY HEALTH MAY ASSESS THE HOSPITAL A PENALTY OF 5% OF THE ASSESSMENT FOR EACH MONTH THAT THE ASSESSMENT AND PENALTY ARE NOT PAID UP TO A MAXIMUM OF 50% OF THE ASSESSMENT. THE DEPARTMENT OF COMMUNITY HEALTH MAY ALSO REFER FOR COLLECTION TO THE DEPARTMENT OF TREASURY PAST DUE AMOUNTS CONSISTENT WITH SECTION 13 OF 1941 PA 122, MCL 205.13.

(G) THE HOSPITAL QUALITY ASSURANCE ASSESSMENT FUND IS ESTABLISHED IN THE STATE TREASURY. THE DEPARTMENT OF COMMUNITY HEALTH SHALL DEPOSIT THE REVENUE RAISED THROUGH THE QUALITY ASSURANCE ASSESSMENT FEE WITH THE STATE TREASURER FOR DEPOSIT IN THE HOSPITAL QUALITY ASSURANCE ASSESSMENT FUND.

(H) IN EACH FISCAL YEAR GOVERNED BY THIS SUBSECTION, THE QUALITY ASSURANCE ASSESSMENT FEE SHALL ONLY BE COLLECTED AND EXPENDED IF MEDICAID HOSPITAL INPATIENT DRG AND OUTPATIENT REIMBURSEMENT RATES, DISPROPORTIONATE SHARE HOSPITAL AND GRADUATE MEDICAL EDUCATION PAYMENTS ARE NOT BELOW THE LEVEL OF RATES AND PAYMENTS IN EFFECT ON APRIL 1, 2002 AS A DIRECT RESULT OF THE QUALITY ASSURANCE ASSESSMENT FEE COLLECTED UNDER SUBSECTION (1) (H), EXCEPT AS PROVIDED IN SUBSECTION (J).

(I) THE AMOUNTS LISTED IN THIS SUBDIVISION ARE APPROPRIATED FOR THE DEPARTMENT OF COMMUNITY HEALTH, SUBJECT TO THE CONDITIONS SET FORTH IN THIS SUBSECTION, FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2003:

**MEDICAL SERVICES**

**HB 5103S1, As Passed Senate, June 5, 2002**

House Bill No. 5103 as amended June 5, 2002

22

1	HOSPITAL SERVICES AND THERAPY.....	\$	<u>779,289,100</u>
2	GROSS APPROPRIATION.....	\$	779,289,100
3	APPROPRIATED FROM:		
4	FEDERAL REVENUES:		
5	TOTAL FEDERAL REVENUES.....		431,812,800
6	SPECIAL REVENUE FUNDS:		
7	MEDICAID QUALITY ASSURANCE ASSESSMENT.....		66,513,500
8	TOTAL LOCAL REVENUES.....		0
9	STATE GENERAL FUND/GENERAL PURPOSE.....	\$	280,962,800
	(J) THE QUALITY ASSURANCE ASSESSMENT FEE COLLECTED UNDER SUBSECTION (1)(H) SHALL NO LONGER BE ASSESSED OR COLLECTED AFTER SEPTEMBER 30, 2004. OR IN THE EVENT THAT THE QUALITY ASSURANCE ASSESSMENT FEE IS FOUND TO BE IN VIOLATION OF FEDERAL LAW OR REGULATION.		
	(K) IN FISCAL YEAR 2002-2003, \$18,900,000.00 OF THE QUALITY ASSURANCE ASSESSMENT FEE SHALL BE DEPOSITED INTO THE GENERAL FUND.		
10	(15) <del>-(14)-</del> As used in this section, "medicaid" means that		
11	term as defined in section 22207.		