

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1323

A bill to amend 1978 PA 368, entitled
"Public health code,"
by amending sections 2803, 2834, 2835, 2848, 2888, and 20161
(MCL 333.2803, 333.2834, 333.2835, 333.2848, 333.2888, and
333.20161), section 2835 as amended by 1999 PA 207 and section
20161 as amended by 2002 PA 303.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2803. (1) "Dead body" means a human body OR FETUS, or
2 ~~parts thereof~~ A PART OF A DEAD HUMAN BODY OR FETUS, in a condi-
3 tion from which it may reasonably be concluded that death has
4 occurred.

5 (2) "Fetal death" means the death of a fetus which has com-
6 pleted at least 20 weeks of gestation or weighs at least
7 400 grams. The definition shall conform in all other respects as

SB1323, As Passed House, September 17, 2002

Senate Bill No. 1323

2

1 closely as possible to the definition recommended by the federal
2 agency responsible for vital statistics.

3 (3) "File" means to present a certificate, report, or other
4 record to the local registrar provided for in this part for reg-
5 istration by the state registrar.

6 (4) "Final disposition" means the burial, cremation, or
7 other disposition of a dead human body or fetus.

8 Sec. 2834. (1) A fetal death occurring in this state, AS
9 DEFINED BY SECTION 2803, shall be reported to the state registrar
10 within 5 days after delivery. The state registrar shall pre-
11 scribe the form and manner for reporting fetal deaths.

12 (2) The reporting form shall not contain the name of the
13 biological parents, common identifiers such as social security or
14 drivers license numbers or other information identifiers that
15 would make it possible to identify in any manner or in any cir-
16 cumstances the biological parents of the fetus. A state agency
17 shall not compare data in an information system file with data in
18 another computer system which would result in identifying in any
19 way a woman or father involved in a fetal death. Statistical
20 information which may reveal the identity of the biological par-
21 ents involved in a fetal death shall not be maintained. THIS
22 SUBSECTION DOES NOT APPLY AFTER JUNE 1, 2003.

23 (3) ~~-(2)-~~ If a dead fetus is delivered in an institution,
24 the individual in charge of the institution or his or her autho-
25 rized representative shall prepare and file the report.

SB1323, As Passed House, September 17, 2002

Senate Bill No. 1323

3

1 (4) ~~—(3)—~~ If a dead fetus is delivered outside an
2 institution, the physician in attendance shall prepare and file
3 the report.

4 (5) ~~—(4)—~~ If a fetal death occurs without medical attendance
5 at or after the delivery or if inquiry is required by the medical
6 examiner, the attendant, mother, or other person having knowledge
7 of the fetal death shall notify the medical examiner who shall
8 investigate the cause and prepare and file the report.

9 (6) ~~—(5)—~~ The reports required under this section AND FILED
10 BEFORE JUNE 1, 2003 are CONFIDENTIAL statistical reports to be
11 used only for medical and health purposes and shall not be incor-
12 porated into the permanent official records of the system of
13 vital statistics. A schedule for the disposition of these
14 reports shall be provided for by the department. ~~—(6)—~~ The
15 department or any employee of the department shall not disclose
16 to any person outside the department ~~—,~~ the reports or the con-
17 tents of the reports required by this section AND FILED BEFORE
18 JUNE 1, 2003 in any manner or fashion so as to permit the person
19 or entity to whom the report is disclosed to identify in any way
20 the biological parents.

21 (7) THE REPORTS REQUIRED UNDER THIS SECTION AND FILED ON OR
22 AFTER JUNE 1, 2003 ARE PERMANENT VITAL RECORDS DOCUMENTS AND
23 SHALL BE INCORPORATED INTO THE SYSTEM OF VITAL STATISTICS AS
24 DESCRIBED IN SECTION 2805. ACCESS TO A FETAL DEATH REPORT OR
25 INFORMATION CONTAINED ON A FETAL DEATH REPORT SHALL BE THE SAME
26 AS TO A LIVE BIRTH RECORD IN ACCORDANCE WITH SECTIONS 2882, 2883,
27 AND 2888.

SB1323, As Passed House, September 17, 2002

Senate Bill No. 1323

4

1 (8) WITH INFORMATION PROVIDED TO THE DEPARTMENT UNDER
2 SUBSECTION (7), THE DEPARTMENT SHALL CREATE A CERTIFICATE OF
3 STILLBIRTH WHICH SHALL CONFORM AS NEARLY AS POSSIBLE TO RECOG-
4 NIZED NATIONAL STANDARDIZED FORMS AND SHALL INCLUDE, BUT NOT BE
5 LIMITED TO, THE FOLLOWING INFORMATION:

6 (A) THE NAME OF THE FETUS, IF IT WAS GIVEN A NAME BY THE
7 PARENT OR PARENTS.

8 (B) THE NUMBER OF WEEKS OF GESTATION COMPLETED.

9 (C) THE DATE OF DELIVERY AND WEIGHT AT THE TIME OF
10 DELIVERY.

11 (D) THE NAME OF THE PARENT OR PARENTS.

12 (E) THE NAME OF THE HEALTH FACILITY IN WHICH THE FETUS WAS
13 DELIVERED OR THE NAME OF THE HEALTH PROFESSIONAL IN ATTENDANCE IF
14 THE DELIVERY WAS OUTSIDE A HEALTH FACILITY.

15 Sec. 2835. (1) As used in this section and section 2837:

16 (a) "Abortion" means that term as defined in section 17015.

17 (b) "Physical complication" means a physical condition
18 occurring during or after an abortion that, under generally
19 accepted standards of medical practice, requires medical
20 attention. Physical complication includes, but is not limited
21 to, infection, hemorrhage, cervical laceration, or perforation of
22 the uterus.

23 (2) A physician who performs an abortion shall report the
24 performance of that procedure to the department on forms pre-
25 scribed and provided by the department. A physician shall trans-
26 mit a report required under this subsection to the director
27 within 7 days after the performance of the abortion.

SB1323, As Passed House, September 17, 2002

Sub. SB 1323 (H-3) as amended September 17, 2002

5

1 (3) Each report of an abortion required under subsection (2)
2 shall contain only the following information and no other
3 information:

4 (a) The age of the woman at the time of the abortion.

5 (b) The marital status of the woman at the time of the
6 abortion.

 [(C) THE RACE OF THE WOMAN.]

7 [(D) ~~(c)~~] The city or township, county, and state in which the
8 woman resided at the time of the abortion.

9 [(E) ~~(d)~~] The location and type of facility in which the abortion
10 was performed.

11 [(F) ~~(e)~~] The source of referral to the physician performing the
12 abortion.

13 [(G) ~~(f)~~] The number of previous pregnancies carried to term.

14 [(H) ~~(g)~~] The number of previous pregnancies ending in spontaneous
15 abortion.

16 [(I) ~~(h)~~] The number of previous pregnancies terminated by
17 abortion.

18 [(J) ~~(i)~~] The method used before the abortion to confirm the preg-
19 nancy, the period of gestation in weeks of the present pregnancy,
20 and the first day of the last menstrual period.

21 [(K) ~~(j)~~] The method used to perform the abortion.

22 [(L) ~~(k)~~] The weight of the embryo or fetus, if determinable.

23 [(M) ~~(l)~~] Whether the fetus showed evidence of life when sepa-
24 rated, expelled, or removed from the woman.

25 [(N) ~~(m)~~] The date of performance of the abortion.

26 [(O) ~~(n)~~] The method and source of payment for the abortion.

SB1323, As Passed House, September 17, 2002

Sub. SB 1323 (H-3) as amended September 17, 2002

6

1 [(P) ~~(P)~~] A physical complication or death resulting from the
2 abortion and observed by the physician or reported to the
3 physician or his or her agent before the report required under
4 subsection (2) is transmitted to the director.

5 [(Q) ~~(P)~~] The physician's signature and his or her state license
6 number.

7 (4) The report required under subsection (2) shall not con-
8 tain the name of the woman, common identifiers such as her social
9 security number or motor vehicle operator's license number or
10 other information or identifiers that would make it possible to
11 identify in any manner or under any circumstances an individual
12 who has obtained or seeks to obtain an abortion. A state agency
13 shall not compare data in an electronic or other information
14 system file with data in another electronic or other information
15 system that would result in identifying in any manner or under
16 any circumstances an individual obtaining or seeking to obtain an
17 abortion. Statistical information that may reveal the identity
18 of a woman obtaining or seeking to obtain an abortion shall not
19 be maintained.

20 (5) The department shall destroy each individual report
21 required by this section and each copy of the report after
22 retaining the report for 5 years after the date the report is
23 received.

24 (6) The department shall make available annually in aggre-
25 gate a statistical report summarizing the information submitted
26 in each individual report required by this section. The

SB1323, As Passed House, September 17, 2002

Senate Bill No. 1323

7

1 department shall specifically summarize aggregate data regarding
2 all of the following in the annual statistical report:

3 (a) The period of gestation in 4-week intervals from 5 weeks
4 through 28 weeks.

5 (b) Abortions performed on women aged 17 and under.

6 (c) Physical complications reported under subsection (3)(o)
7 and section 2837.

8 (7) The reports required under this section are statistical
9 reports to be used only for medical and health purposes and shall
10 not be incorporated into the permanent official records of the
11 system of vital statistics.

12 (8) The department or an employee of the department shall
13 not disclose to a person or entity outside the department the
14 reports or the contents of the reports required by this section
15 in a manner or fashion so as to permit the person or entity to
16 whom the report is disclosed to identify in any way the person
17 who is the subject of the report.

18 (9) A person who discloses confidential identifying informa-
19 tion in violation of this section, section ~~2834~~ 2834(6), or
20 section 2837 is guilty of a felony — punishable by imprisonment
21 for not more than 3 years, or a fine of not more than \$5,000.00,
22 or both.

23 Sec. 2848. (1) Except as provided in sections 2844 and
24 2845, a funeral director or person acting as a funeral director,
25 who first assumes custody of a dead body, not later than 72 hours
26 after death or the finding of a dead body and before final
27 disposition of the body, shall obtain authorization for the final

SB1323, As Passed House, September 17, 2002

Senate Bill No. 1323

8

1 disposition. The authorization FOR FINAL DISPOSITION OF A DEAD
2 BODY shall be issued on a form prescribed by the state registrar
3 and signed by the local registrar or the state registrar.

4 (2) Before final disposition of a dead fetus, irrespective
5 of the duration of pregnancy, the funeral director or person
6 assuming responsibility for the final disposition of the fetus
7 shall obtain from the parents, or parent in case of an unmarried
8 mother, an authorization for final disposition on a form pre-
9 scribed and furnished or approved by the state registrar. The
10 authorization may allow final disposition to be by a funeral
11 director, the individual in charge of the institution where the
12 fetus was delivered, or an institution or agency authorized to
13 accept donated bodies or fetuses under this code. After final
14 disposition, the funeral director, the individual in charge of
15 the institution, or other person making the final disposition
16 shall retain the permit for not less than 7 years.

17 (3) If final disposition is by cremation, the medical
18 examiner of the county in which death occurred shall sign the
19 authorization FOR FINAL DISPOSITION.

20 (4) A body may be moved from the place of death to be pre-
21 pared for final disposition with the consent of the physician or
22 COUNTY medical examiner who certifies the cause of death.

23 (5) A permit for disposition issued under the law of another
24 state ~~which~~ THAT accompanies a dead body or dead fetus brought
25 into this state is authorization for final disposition of the
26 DEAD body or DEAD fetus in this state.

SB1323, As Passed House, September 17, 2002

Senate Bill No. 1323

9

1 Sec. 2888. (1) To protect the integrity of vital records,
2 to insure their proper use, and to insure the efficient and
3 proper administration of the system of vital statistics, a person
4 or governmental entity shall not permit inspection of, disclose
5 information contained in vital records, or copy or issue a copy
6 of all or part of a record except as authorized by this part, by
7 rule, or by order of a court of competent jurisdiction. VITAL
8 RECORDS AND INFORMATION OR ANY PART OF THE INFORMATION CONTAINED
9 IN A VITAL RECORD IS NOT SUBJECT TO THE PROVISIONS OF THE FREEDOM
10 OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246. Procedures
11 shall provide for adequate standards of security and confiden-
12 tiality of vital records.

13 (2) The department may establish procedures for the disclo-
14 sure of information contained in vital records for research
15 purposes.

16 (3) An appeal from a decision of a custodian of permanent
17 local records refusing to disclose information, or to permit
18 inspection of or copying of records under the authority of this
19 section and procedures adopted under section 2896, shall be made
20 to the state registrar, whose decision is binding on the local
21 custodian of permanent local records.

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

SB1323, As Passed House, September 17, 2002

Senate Bill No. 1323 10

1 (a) Freestanding surgical
2 outpatient facilities..... \$ 238.00 per facility.
3 (b) Hospitals..... \$ 8.28 per licensed bed.
4 (c) Nursing homes, county
5 medical care facilities, and hos-
6 pital long-term care units..... \$ 2.20 per licensed bed.
7 (d) Homes for the aged..... \$ 6.27 per licensed bed.
8 (e) Clinical laboratories... \$ 475.00 per laboratory.
9 (f) Hospice residences..... \$ 200.00 per license survey;
10 and \$20.00 per licensed bed.
11 (g) Subject to
12 subsection (13), quality assur-
13 ance assessment fee for nongov-
14 ernmentally owned nursing
15 homes and hospital long-term care
16 units..... an amount resulting in not
17 more than a 7% increase in
18 aggregate medicaid nursing home
19 and hospital long-term care
20 unit payment rates, net of
21 assessments, above the rates
22 that were in effect on April 1,
23 2002.
24 (H) SUBJECT TO
25 SUBSECTION (14), QUALITY ASSUR-
26 ANCE ASSESSMENT FEE FOR
27 HOSPITALS..... AT A RATE THAT GENERATES

SB1323, As Passed House, September 17, 2002

Senate Bill No. 1323

11

1 FUNDS NOT MORE THAN THE MAXIMUM
2 ALLOWABLE UNDER THE FEDERAL
3 MATCHING REQUIREMENTS, AFTER
4 CONSIDERATION FOR THE AMOUNTS
5 IN SUBSECTION (14)(A) AND (K).

6 (2) If a hospital requests the department to conduct a cer-
7 tification survey for purposes of title XVIII or title XIX of the
8 social security act, the hospital shall pay a license fee sur-
9 charge of \$23.00 per bed. As used in this subsection, "title
10 XVIII" and "title XIX" mean those terms as defined in section
11 20155.

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

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

23 (5) Fees described in this section are payable to the
24 department at the time an application for a license, permit, or
25 certificate is submitted. If an application for a license,
26 permit, or certificate is denied or if a license, permit, or

SB1323, As Passed House, September 17, 2002

Senate Bill No. 1323

12

1 certificate is revoked before its expiration date, the department
2 shall not refund fees paid to the department.

3 (6) The fee for a provisional license or temporary permit is
4 the same as for a license. A license may be issued at the expi-
5 ration date of a temporary permit without an additional fee for
6 the balance of the period for which the fee was paid if the
7 requirements for licensure are met.

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

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

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

19 (10) The application fee for a waiver under section 21564 is
20 \$200.00 plus \$40.00 per hour for the professional services and
21 travel expenses directly related to processing the application.
22 The travel expenses shall be calculated in accordance with the
23 state standardized travel regulations of the department of man-
24 agement and budget in effect at the time of the travel.

25 (11) An applicant for licensure or renewal of licensure
26 under part 209 shall pay the applicable fees set forth in
27 part 209.

SB1323, As Passed House, September 17, 2002

Senate Bill No. 1323

13

1 (12) The fees collected under this section shall be
2 deposited in the state treasury, to the credit of the general
3 fund.

4 (13) The quality assurance assessment fee collected under
5 subsection (1)(g) and all federal matching funds attributed to
6 that fee shall be used only for the following purposes and under
7 the following specific circumstances:

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

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

19 (c) The quality assurance assessment fee is based on the
20 number of licensed nursing home beds and the number of licensed
21 hospital long-term care unit beds in existence on July 1 of each
22 year, shall be assessed upon implementation pursuant to
23 subdivision (b) and subsequently on October 1 of each following
24 year, and is payable on a quarterly basis, the first payment due
25 90 days after the date the fee is assessed.

SB1323, As Passed House, September 17, 2002

Senate Bill No. 1323

14

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

4 (e) Upon implementation pursuant to subdivision (b), the
5 department of community health shall increase the per diem nurs-
6 ing home medicaid reimbursement rates for the balance of that
7 year. For each subsequent year in which the quality assurance
8 assessment fee is assessed and collected, the department of com-
9 munity health shall maintain the medicaid nursing home reimburse-
10 ment payment increase financed by the quality assurance assess-
11 ment fee.

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

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

25 (h) The medicaid nursing home quality assurance assessment
26 fund is established in the state treasury. The department of
27 community health shall deposit the revenue raised through the

SB1323, As Passed House, September 17, 2002

Senate Bill No. 1323

15

1 quality assurance assessment fee with the state treasurer for
2 deposit in the medicaid nursing home quality assurance assessment
3 fund.

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

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

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

18 (l) The amounts listed in this subdivision are appropriated
19 for the department of community health, subject to the conditions
20 set forth in this subsection, for the fiscal year ending
21 September 30, 2003:

22 MEDICAL SERVICES

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

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

25 Appropriated from:

26 Federal revenues:

SB1323, As Passed House, September 17, 2002

Senate Bill No. 1323

16

1	Total federal revenues.....	814,122,200
2	Special revenue funds:	
3	Medicaid quality assurance assessment.....	44,829,000
4	Total local revenues.....	8,445,100
5	State general fund/general purpose..... \$	601,607,600

6 (14) THE QUALITY ASSURANCE DEDICATION IS AN EARMARKED
7 ASSESSMENT FEE COLLECTED UNDER SUBSECTION (1)(H). THAT FEE AND
8 ALL FEDERAL MATCHING FUNDS ATTRIBUTED TO THAT FEE SHALL BE USED
9 ONLY FOR THE FOLLOWING PURPOSES AND UNDER THE FOLLOWING SPECIFIC
10 CIRCUMSTANCES:

11 (A) PART OF THE QUALITY ASSURANCE ASSESSMENT FEE SHALL BE
12 USED TO MAINTAIN THE INCREASED MEDICAID REIMBURSEMENT RATE
13 INCREASES AS PROVIDED FOR IN SUBDIVISION (D). A PORTION OF THE
14 FUNDS COLLECTED FROM THE QUALITY ASSURANCE ASSESSMENT FEE MAY BE
15 USED TO OFFSET ANY REDUCTION TO EXISTING INTERGOVERNMENTAL TRANS-
16 FER PROGRAMS WITH PUBLIC HOSPITALS THAT MAY RESULT FROM IMPLEMEN-
17 TATION OF THE ENHANCED MEDICAID PAYMENTS FINANCED BY THE QUALITY
18 ASSURANCE ASSESSMENT FEE. ANY PORTION OF THE FUNDS COLLECTED
19 FROM THE QUALITY ASSURANCE ASSESSMENT FEE REDUCED BECAUSE OF
20 EXISTING INTERGOVERNMENTAL TRANSFER PROGRAMS SHALL BE USED TO
21 FINANCE MEDICAID HOSPITAL APPROPRIATIONS.

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

25 (C) THE QUALITY ASSURANCE ASSESSMENT FEE SHALL BE ASSESSED
26 ON ALL NET PATIENT REVENUE, BEFORE DEDUCTION OF EXPENSES, LESS
27 MEDICARE NET REVENUE, AS REPORTED IN THE MOST RECENTLY AVAILABLE

SB1323, As Passed House, September 17, 2002

Senate Bill No. 1323

17

1 MEDICARE COST REPORT AND IS PAYABLE ON A QUARTERLY BASIS, THE
2 FIRST PAYMENT DUE 90 DAYS AFTER THE DATE THE FEE IS ASSESSED. AS
3 USED IN THIS SUBDIVISION, "MEDICARE NET REVENUE" INCLUDES MEDI-
4 CARE PAYMENTS AND AMOUNTS COLLECTED FOR COINSURANCE AND
5 DEDUCTIBLES.

6 (D) UPON IMPLEMENTATION PURSUANT TO SUBDIVISION (B), THE
7 DEPARTMENT OF COMMUNITY HEALTH SHALL INCREASE THE HOSPITAL MEDI-
8 CAID REIMBURSEMENT RATES FOR THE BALANCE OF THAT YEAR. FOR EACH
9 SUBSEQUENT YEAR IN WHICH THE QUALITY ASSURANCE ASSESSMENT FEE IS
10 ASSESSED AND COLLECTED, THE DEPARTMENT OF COMMUNITY HEALTH SHALL
11 MAINTAIN THE HOSPITAL MEDICAID REIMBURSEMENT RATE INCREASE
12 FINANCED BY THE QUALITY ASSURANCE ASSESSMENT FEES.

13 (E) THE DEPARTMENT OF COMMUNITY HEALTH SHALL IMPLEMENT THIS
14 SECTION IN A MANNER THAT COMPLIES WITH FEDERAL REQUIREMENTS NEC-
15 ESSARY TO ASSURE THAT THE QUALITY ASSURANCE ASSESSMENT FEE QUALI-
16 FIES FOR FEDERAL MATCHING FUNDS.

17 (F) IF A HOSPITAL FAILS TO PAY THE ASSESSMENT REQUIRED BY
18 SUBSECTION (1)(H), THE DEPARTMENT OF COMMUNITY HEALTH MAY ASSESS
19 THE HOSPITAL A PENALTY OF 5% OF THE ASSESSMENT FOR EACH MONTH
20 THAT THE ASSESSMENT AND PENALTY ARE NOT PAID UP TO A MAXIMUM OF
21 50% OF THE ASSESSMENT. THE DEPARTMENT OF COMMUNITY HEALTH MAY
22 ALSO REFER FOR COLLECTION TO THE DEPARTMENT OF TREASURY PAST DUE
23 AMOUNTS CONSISTENT WITH SECTION 13 OF 1941 PA 122, MCL 205.13.

24 (G) THE HOSPITAL QUALITY ASSURANCE ASSESSMENT FUND IS ESTAB-
25 LISHED IN THE STATE TREASURY. THE DEPARTMENT OF COMMUNITY HEALTH
26 SHALL DEPOSIT THE REVENUE RAISED THROUGH THE QUALITY ASSURANCE

SB1323, As Passed House, September 17, 2002

Senate Bill No. 1323

18

1 ASSESSMENT FEE WITH THE STATE TREASURER FOR DEPOSIT IN THE
2 HOSPITAL QUALITY ASSURANCE ASSESSMENT FUND.

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

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

15 MEDICAL SERVICES

16 HOSPITAL SERVICES AND THERAPY..... \$ 149,200,000
17 GROSS APPROPRIATION..... \$ 149,200,000

18 APPROPRIATED FROM:

19 FEDERAL REVENUES:

20 TOTAL FEDERAL REVENUES..... 82,686,800

21 SPECIAL REVENUE FUNDS:

22 MEDICAID QUALITY ASSURANCE ASSESSMENT..... 66,513,500

23 TOTAL LOCAL REVENUES..... 0

24 STATE GENERAL FUND/GENERAL PURPOSE..... \$ 0

25 (J) THE QUALITY ASSURANCE ASSESSMENT FEE COLLECTED UNDER
26 SUBSECTION (1)(H) SHALL NO LONGER BE ASSESSED OR COLLECTED AFTER
27 SEPTEMBER 30, 2004, OR IN THE EVENT THAT THE QUALITY ASSURANCE

SB1323, As Passed House, September 17, 2002

Senate Bill No. 1323

19

1 ASSESSMENT FEE IS NOT ELIGIBLE FOR FEDERAL MATCHING FUNDS. ANY
2 PORTION OF THE QUALITY ASSURANCE ASSESSMENT COLLECTED FROM A HOS-
3 PITAL THAT IS NOT ELIGIBLE FOR FEDERAL MATCHING FUNDS SHALL BE
4 RETURNED TO THE HOSPITAL.

5 (K) IN FISCAL YEAR 2002-2003, \$18,900,000.00 OF THE QUALITY
6 ASSURANCE ASSESSMENT FEE SHALL BE DEPOSITED INTO THE GENERAL
7 FUND.

8 (15) ~~-(14)-~~ As used in this section, "medicaid" means that
9 term as defined in section 22207.