

SUBSTITUTE FOR
HOUSE BILL NO. 6252

A bill to amend 1978 PA 368, entitled
"Public health code,"
by amending section 20142 (MCL 333.20142).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 20142. (1) A health facility or agency shall apply for
2 licensure or certification on a form authorized and provided by the
3 department. The application shall include attachments, additional
4 data, and information required by **THIS SECTION AND BY** the
5 department. **THE DEPARTMENT MAY REQUIRE APPLICANTS AND LICENSEES TO**
6 **ELECTRONICALLY FILE THE FORMS REQUIRED UNDER THIS SECTION.**

7 (2) An applicant shall certify the accuracy of information
8 supplied in the application and supplemental statements.

9 (3) An applicant or a licensee under part 213 or 217 shall

1 disclose the names, addresses, principal occupations, and official
2 positions of all persons ~~who have~~ **WITH** an ownership **OR CONTROL**
3 interest in the health facility or agency. **AN APPLICANT OR INITIAL**
4 **LICENSEE UNDER PART 217 SHALL ALSO DISCLOSE A DESCRIPTION OF THE**
5 **RELATIONSHIP, IF ANY, BETWEEN A PERSON WITH AN OWNERSHIP OR CONTROL**
6 **INTEREST AND EVERY OTHER PERSON WITH AN OWNERSHIP OR CONTROL**
7 **INTEREST IN THE NURSING HOME.** If the health facility or agency is
8 located on or in leased real estate, the applicant or licensee
9 shall disclose the name of the lessor and any direct or indirect
10 interest the applicant or licensee has in the lease other than as
11 lessee. ~~A~~ **SUBJECT TO THIS SECTION AND SECTION 21711, A PROPOSED**
12 **SALE OF OR** change in **AN ownership OR CONTROL INTEREST** shall be
13 reported **IN WRITING** to the director not less than ~~15~~ **60** days before
14 the change occurs, ~~except that a person purchasing stock of a~~
15 ~~company registered pursuant to the securities exchange act of 1934,~~
16 ~~15 U.S.C. 78a to 78kk, is exempt from disclosing ownership in the~~
17 ~~facility~~ **OR SALE BEING PROPOSED IS SCHEDULED TO OCCUR.** A person
18 required to file a beneficial ownership report pursuant to section
19 16(a) of the securities exchange act of 1934, 15 U.S.C. ~~USC~~ **78p,**
20 shall file with the department information relating to securities
21 ownership required by the department rule or order. ~~An applicant or~~
22 ~~licensee proposing a sale of a nursing home to another person shall~~
23 ~~provide the department with written, advance notice of the proposed~~
24 ~~sale.~~ **A LICENSE ISSUED TO AN APPLICANT OR INITIAL LICENSEE UNDER**
25 **PART 217 IS NOT TRANSFERABLE TO ANY OTHER PERSON WHO SEEKS TO**
26 **OBTAIN OR PURCHASE AN OWNERSHIP OR CONTROL INTEREST IN THAT NURSING**
27 **HOME AND IS SUBJECT TO REVOCATION UPON VERIFICATION OF THE TRANSFER**

1 OF ANY OWNERSHIP OR CONTROL INTEREST TO ANY OTHER PERSON. THE
2 PERSONS PROPOSING TO OBTAIN OR PURCHASE AN OWNERSHIP OR CONTROL
3 INTEREST IN A NURSING HOME SHALL APPLY FOR LICENSURE ON A FORM AND
4 IN THE MANNER PRESCRIBED BY THE DEPARTMENT. The applicant or
5 licensee and the other parties to the sale OF OR CHANGE IN AN
6 OWNERSHIP OR CONTROL INTEREST shall arrange to meet with specified
7 department representatives and shall obtain before the sale OR
8 CHANGE a determination of the items of noncompliance with
9 applicable law and rules ~~which~~ THAT shall be corrected. The
10 department shall notify the respective parties of the items of
11 noncompliance ~~prior to the change of ownership~~ and shall indicate
12 that the items of noncompliance must be corrected as a condition of
13 issuance of a license to the new ~~owner~~ PERSONS WITH AN OWNERSHIP OR
14 CONTROL INTEREST. IN ADDITION TO ANY OTHER REQUIREMENT OF THIS
15 ARTICLE, THE DEPARTMENT SHALL NOT ISSUE A LICENSE TO THE NEW
16 PERSONS WITH AN OWNERSHIP OR CONTROL INTEREST UNTIL ALL OF THE
17 ITEMS OF NONCOMPLIANCE HAVE BEEN CORRECTED OR THE DEPARTMENT HAS AN
18 APPROVED PLAN OF CORRECTION. The department may accept reports
19 filed with the securities and exchange commission relating to the
20 filings. A person who violates this subsection is guilty of a
21 misdemeanor, punishable by a fine of not more than \$1,000.00 for
22 each violation.

23 (4) An applicant or licensee under part 217 shall disclose the
24 names and business addresses of suppliers who furnish goods or
25 services to an individual nursing home or a group of nursing homes
26 under common ownership, the aggregate charges for which exceed
27 \$5,000.00 in a 12-month period which includes a month in a nursing

1 home's current fiscal year. An applicant or licensee shall disclose
2 the names, addresses, principal occupations, and official positions
3 of all persons ~~who have~~ **WITH** an ownership **OR CONTROL** interest in a
4 business ~~which~~ **THAT** furnishes goods or services to an individual
5 nursing home or to a group of nursing homes under common ownership
6 **OR CONTROL**, if both of the following apply:

7 (a) The person, or the person's spouse, parent, sibling, or
8 child has an ownership **OR CONTROL** interest in the nursing home
9 purchasing the goods or services.

10 (b) The aggregate charges for the goods or services purchased
11 exceeds \$5,000.00 in a 12-month period which includes a month in
12 the nursing home's current fiscal year.

13 (5) **SUBSECTIONS (6) AND (7) ONLY APPLY IF AT THE TIME OF**
14 **APPLICATION THE APPLICANT IS A PARTY TO A TRANSACTION OR ANY**
15 **RELATED TRANSACTIONS THAT INVOLVE 4 OR MORE NURSING HOMES IN TOTAL,**
16 **IN ANY STATE. AN APPLICANT MAY OMIT INFORMATION REQUIRED UNDER**
17 **SUBSECTION (6) OR (7) IF THE APPLICANT CERTIFIES THAT THE**
18 **INFORMATION IS NOT AVAILABLE. THE DEPARTMENT SHALL NOT USE THE**
19 **OMISSION OF INFORMATION REQUIRED UNDER SUBSECTION (6) OR (7) AS**
20 **GROUNDS FOR REFUSAL TO ISSUE A LICENSE TO THE APPLICANT IF THE**
21 **APPLICANT TRUTHFULLY CERTIFIES THAT THE INFORMATION IS NOT**
22 **AVAILABLE.**

23 (6) **SUBJECT TO SUBSECTION (5), THE DEPARTMENT SHALL NOT ISSUE**
24 **AN INITIAL LICENSE TO AN APPLICANT UNDER PART 217 UNLESS THE**
25 **DEPARTMENT RECEIVES ALL OF THE FOLLOWING INFORMATION FROM THE**
26 **APPLICANT AND THE DEPARTMENT DETERMINES THAT THE APPLICANT IS ABLE**
27 **TO OPERATE THE NURSING HOME IN COMPLIANCE WITH THIS ACT AND ANY**

1 OTHER STATE OR FEDERAL LAW THAT APPLIES TO THE OPERATION OF THAT
2 NURSING HOME:

3 (A) THE NUMBER AND TYPE OF PATIENTS WHO WILL RECEIVE CARE OR
4 SERVICES AT THE NURSING HOME.

5 (B) THE NUMBER AND TYPE OF STAFF EMPLOYED BY THE NURSING HOME
6 AND ANY INFORMATION REQUIRED BY THE DEPARTMENT RELATING TO THE
7 EXPERIENCE AND TRAINING OF EMPLOYEES, MANAGEMENT AGREEMENTS FOR THE
8 OPERATION OF THE NURSING HOME, AND THE MORAL CHARACTER OF THE
9 APPLICANT.

10 (C) FOR UP TO THE PAST 3 YEARS, ALL OF THE FOLLOWING:

11 (i) INSPECTION REPORTS AND COMPLAINT INVESTIGATION REPORTS FOR
12 THE NURSING HOME.

13 (ii) INSPECTION REPORTS AND COMPLAINT INVESTIGATION REPORTS FOR
14 ALL OTHER HEALTH FACILITIES OR AGENCIES FOR WHICH A PERSON WITH AN
15 OWNERSHIP OR CONTROL INTEREST IN THE NURSING HOME IS ALSO A PERSON
16 WITH AN OWNERSHIP OR CONTROL INTEREST.

17 (iii) DATA REGARDING AVERAGE STAFF TIME SPENT PER RESIDENT PER
18 DAY, INCLUDING, BUT NOT LIMITED TO, INFORMATION REGARDING AGENCY
19 AND CONTRACT STAFF. THIS DATA SHALL BE EXPRESSED AS THE AVERAGE
20 NURSING HOURS PER RESIDENT PER DAY, BROKEN DOWN BY EMPLOYEE
21 CLASSIFICATION AND EMPLOYMENT TYPE, AND SHALL BE DETERMINED BASED
22 ON PAYROLL DATA. IF THE DATA DESCRIBED IN THIS SUBPARAGRAPH ARE NOT
23 AVAILABLE, THE STAFFING DATA REPORTED TO THE UNITED STATES
24 DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR ITS "NURSING HOME
25 COMPARE" WEBSITE MAY BE SUBSTITUTED, IF APPROVED BY THE DEPARTMENT.

26 (iv) DATA DESCRIBED IN SUBPARAGRAPH (iii) FOR ALL OTHER HEALTH
27 FACILITIES OR AGENCIES FOR WHICH A PERSON WITH AN OWNERSHIP OR

1 CONTROL INTEREST IN THE NURSING HOME IS ALSO A PERSON WITH AN
2 OWNERSHIP OR CONTROL INTEREST.

3 (D) DATA FOR THE PAST 3 YEARS AND PROJECTED ANNUAL AVERAGE
4 DATA FOR THE NEXT 3 YEARS REGARDING PAYER MIX IN TERMS OF MEDICARE,
5 MEDICAID, PRIVATE PAY, OR ANY OTHER PAYMENT METHOD.

6 (E) DATA REGARDING STAFF TURNOVER DURING THE PAST 3 YEARS AND
7 ANY PROJECTIONS RELATED TO RATES OF STAFF TURNOVER.

8 (F) ANY OPERATIONAL COVENANTS REQUIRED BY ANY ENTITIES
9 PROVIDING FINANCING FOR THE NURSING HOME OR FOR A TRANSACTION
10 INVOLVING A SALE OF OR CHANGE IN AN OWNERSHIP OR CONTROL INTEREST.

11 (G) SERVICE AGREEMENTS ENTERED INTO WITH OR EXPECTED TO BE
12 ENTERED INTO WITH AND THE TERMS OF AGREEMENTS TO BE ENTERED INTO
13 WITH ANY PERSON WITH AN OWNERSHIP OR CONTROL INTEREST.

14 (H) FORWARD-LOOKING PLANS OR PROJECTIONS PREPARED BY THE
15 APPLICANT OR LICENSEE THAT RELATE TO HOURS OF CARE PER RESIDENT PER
16 DAY, NUMBER OF STAFF, OCCUPANCY RATES, PAYER MIX, OR ANY OTHER
17 CRITERIA THAT COULD AFFECT QUALITY OF CARE AS DETERMINED IN RULES
18 PROMULGATED BY THE DEPARTMENT, TOGETHER WITH AN EXPLANATION FOR ANY
19 ASSUMPTIONS MADE IN PREPARING THE PROJECTIONS.

20 (I) A STATEMENT THAT THE APPLICANT'S ASSETS, LIABILITIES,
21 REVENUES, AND EXPENDITURES IDENTIFIED IN THE APPLICANT'S BUSINESS
22 PLAN ARE SUFFICIENT TO PREDICT THAT THE APPLICANT HAS THE FINANCIAL
23 CAPACITY TO OWN AND OPERATE A NURSING HOME IN COMPLIANCE WITH THIS
24 ACT AND ANY OTHER STATE OR FEDERAL LAW APPLICABLE TO THE OPERATION
25 OF A NURSING HOME.

26 (J) UP TO 3 YEARS OF DETAILED PAST FINANCIAL DATA FOR THE
27 NURSING HOME AND THE APPLICANT, INCLUDING, BUT NOT LIMITED TO,

1 SEPARATE LINE ITEMS FOR NURSE STAFFING AND FOR EMPLOYEE BENEFIT
2 COSTS.

3 (K) DETAILED FINANCIAL PROJECTIONS FOR THE NEXT 3 YEARS FOR
4 THE NURSING HOME AND THE APPLICANT, INCLUDING, BUT NOT LIMITED TO,
5 SEPARATE LINE ITEMS FOR NURSE STAFFING AND FOR EMPLOYEE BENEFIT
6 COSTS.

7 (l) AN EXPLANATION OF ALL FINANCIAL PROJECTIONS MADE UNDER
8 SUBDIVISION (K), INCLUDING AN ANALYSIS COMPARING THE PAST AND
9 PROJECTED DATA AND AN EXPLANATION OF ANY SIGNIFICANT CHANGES TO OR
10 DISCREPANCIES IN THE PAST AND PROJECTED DATA.

11 (7) SUBJECT TO SUBSECTION (5), IN THE CASE OF A PROPOSED SALE
12 OF OR CHANGE IN AN OWNERSHIP OR CONTROL INTEREST, THE DEPARTMENT
13 SHALL NOT ISSUE A NEW LICENSE TO THE NEW PERSONS WITH AN OWNERSHIP
14 OR CONTROL INTEREST UNDER PART 217 UNLESS THE DEPARTMENT RECEIVES
15 ALL OF THE FOLLOWING INFORMATION FROM THE PERSONS PROPOSING TO
16 OBTAIN OR PURCHASE AN OWNERSHIP OR CONTROL INTEREST AND THE
17 DEPARTMENT DETERMINES THAT THE APPLICANT IS ABLE TO OPERATE THE
18 NURSING HOME IN COMPLIANCE WITH THIS ACT AND ANY OTHER STATE OR
19 FEDERAL LAW THAT APPLIES TO THE OPERATION OF THAT NURSING HOME:

20 (A) FOR THE PAST 3 YEARS, A LISTING OF ALL HEALTH FACILITIES
21 AND AGENCIES FOR WHICH EACH PERSON PROPOSING TO OBTAIN OR PURCHASE
22 AN OWNERSHIP OR CONTROL INTEREST IN THE NURSING HOME IS OR HAS BEEN
23 A PERSON WITH AN OWNERSHIP OR CONTROL INTEREST IN THAT HEALTH
24 FACILITY OR AGENCY.

25 (B) FOR UP TO THE PAST 5 YEARS, ALL OF THE FOLLOWING
26 INFORMATION FOR THE NURSING HOME AND FOR ALL OTHER HEALTH
27 FACILITIES OR AGENCIES FOR WHICH A PERSON WITH AN OWNERSHIP OR

1 CONTROL INTEREST IN THE NURSING HOME IS ALSO A PERSON WITH AN
2 OWNERSHIP OR CONTROL INTEREST:

3 (i) BANKRUPTCIES.

4 (ii) FACILITY OR AGENCY CLOSURES, WHETHER VOLUNTARY OR
5 INVOLUNTARY.

6 (iii) RECEIVER APPOINTMENTS.

7 (iv) DENIALS, SUSPENSIONS, OR REVOCATIONS OF ANY LICENSE,
8 PERMIT, OR CERTIFICATE OF NEED.

9 (v) INJUNCTIONS ISSUED IN PROCEEDINGS AGAINST THE FACILITY OR
10 AGENCY INITIATED BY A FEDERAL OR STATE REGULATORY AGENCY.

11 (vi) AUDITS BUT NOT INCLUDING INTERNAL AUDITS, INVESTIGATIONS,
12 OR FINES RELATED TO THE RECEIPT OR USE OF FEDERAL OR STATE FUNDS.

13 (vii) SUMMARIES OF AND CITATIONS TO ADMINISTRATIVE, CIVIL, OR
14 CRIMINAL PROCEEDINGS INVOLVING THE FACILITY OR AGENCY RELATED TO
15 QUALITY OF CARE, RESIDENTS' RIGHTS, PROFESSIONAL NEGLIGENCE, OR
16 WRONGFUL DEATH, WHICH PROCEEDING RESULTED IN A FINAL JUDGMENT OR
17 ORDER OR A JUDGMENT OR ORDER CURRENTLY ON APPEAL.

18 (C) FORWARD-LOOKING PLANS OR PROJECTIONS AS DESCRIBED IN
19 SUBSECTION (6) (H) THAT ARE PREPARED IN CONNECTION WITH A PROPOSED
20 SALE OF OR CHANGE IN AN OWNERSHIP OR CONTROL INTEREST.

21 (D) A DETAILED DESCRIPTION OF THE PROPOSED SALE OF OR CHANGE
22 IN AN OWNERSHIP OR CONTROL INTEREST, INCLUDING, BUT NOT LIMITED TO,
23 ALL OF THE FOLLOWING:

24 (i) THE SOURCES AND USES OF FINANCING FOR THE PROPOSED SALE OR
25 CHANGE.

26 (ii) INTEREST RATES TO BE PAID ON ANY DEBT INCURRED FOR
27 PURPOSES OF COMPLETING THE PROPOSED SALE OR CHANGE.

1 (iii) MANAGEMENT OR OTHER FEES RELATED TO THE PROPOSED SALE OR
2 CHANGE.

3 (iv) PROJECTED CAPITAL STRUCTURE OF THE NURSING HOME AND ANY
4 RELATED ENTITIES FOLLOWING THE PROPOSED SALE OR CHANGE.

5 (v) STRATEGIC ALTERNATIVES CONSIDERED IN CONNECTION WITH THE
6 PROPOSED SALE OR CHANGE.

7 (vi) INDUSTRY ANALYSES CONSIDERED IN CONNECTION WITH THE
8 PROPOSED SALE OR CHANGE.

9 (vii) OPERATIONAL COVENANTS REQUIRED BY ANY ENTITIES PROVIDING
10 FINANCING FOR THE PROPOSED SALE OR CHANGE.

11 (viii) LEASES TO BE ENTERED INTO IN CONNECTION WITH THE PROPOSED
12 SALE OR CHANGE.

13 (8) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, THE
14 DEPARTMENT SHALL PROVIDE ACCESS TO AN INITIAL LICENSE APPLICATION
15 BY AN APPLICANT UNDER PART 217 AND ANY INFORMATION SUBMITTED IN
16 SUPPORT OF THAT APPLICATION UNDER THIS SECTION AS PROVIDED IN THE
17 FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246. UPON
18 REQUEST, THE DEPARTMENT SHALL PROVIDE ACCESS TO AN INITIAL LICENSE
19 APPLICATION BY AN APPLICANT UNDER PART 217 AND ANY INFORMATION
20 SUBMITTED IN SUPPORT OF THAT APPLICATION UNDER THIS SECTION WITHIN
21 10 DAYS OF RECEIPT OF THE REQUEST. THE DEPARTMENT SHALL PROMPTLY
22 MAKE AVAILABLE ON ITS WEBSITE ALL OF THE FOLLOWING INFORMATION:

23 (A) A LISTING OF ALL NURSING HOMES LICENSED UNDER THIS
24 ARTICLE.

25 (B) ALL PERSONS WITH AN OWNERSHIP OR CONTROL INTEREST IN THE
26 NURSING HOME LISTED UNDER SUBDIVISION (A).

27 (C) FOR EACH PERSON LISTED UNDER SUBDIVISION (B), A LISTING OF

1 ALL HEALTH FACILITIES AND AGENCIES FOR WHICH THAT PERSON IS ALSO A
2 PERSON WITH AN OWNERSHIP OR CONTROL INTEREST.

3 (D) AUDITED FINANCIAL STATEMENTS, IF ANY, SUBMITTED UNDER
4 SECTION 21711 BY A NURSING HOME.

5 (E) ALL LICENSE APPLICATIONS BY NURSING HOMES UNDER THIS
6 ARTICLE.

7 (F) IF RECEIVED, A NOTICE OF A PROPOSED SALE OF OR CHANGE IN
8 AN OWNERSHIP OR CONTROL INTEREST IN A NURSING HOME AND ALL PERSONS
9 PROPOSING TO OBTAIN OR PURCHASE AN OWNERSHIP OR CONTROL INTEREST.

10 (9) ~~(5)~~An applicant or licensee who makes a false statement
11 in an application or statement required by the department pursuant
12 to this article is guilty of a felony ~~—~~punishable by imprisonment
13 for not more than 4 years ~~—~~or a fine of not more than \$30,000.00,
14 or both.

15 (10) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
16 CONTRARY, A CHANGE IN OWNERSHIP OR CONTROL OF AN ENTITY DOES NOT
17 OCCUR IN A SITUATION IN WHICH LESS THAN A MAJORITY OR CONTROLLING
18 MINORITY INTEREST IN A NURSING HOME IS TO BE TRANSFERRED, OR IN
19 WHICH LESS THAN 34% OF THE OWNERSHIP OR CONTROL INTEREST IN A
20 NURSING HOME IS TO BE TRANSFERRED, WHETHER THAT INTEREST IS HELD
21 DIRECTLY OR INDIRECTLY THROUGH ANY NUMBER OF INTERMEDIARY PERSONS.

22 (11) IF THE DEPARTMENT DETERMINES IT NECESSARY FOR THE HEALTH,
23 SAFETY, AND WELFARE OF THE PATIENTS SERVED BY AN APPLICANT OR
24 LICENSEE UNDER PART 217, THE DEPARTMENT MAY ISSUE A NONRENEWABLE
25 CONDITIONAL LICENSE EFFECTIVE FOR NOT MORE THAN 1 YEAR AND MAY
26 PRESCRIBE SUCH CONDITIONS AS THE DEPARTMENT DETERMINES TO BE
27 NECESSARY TO PROTECT THE PUBLIC HEALTH, SAFETY, AND WELFARE OF THE

1 PATIENTS. THE DEPARTMENT MAY INCLUDE, BUT IS NOT LIMITED TO, THE
2 FOLLOWING CONDITIONS ON THE NONRENEWABLE CONDITIONAL LICENSE ISSUED
3 UNDER THIS SUBSECTION:

4 (A) THAT THE NURSING HOME PROVIDE ADDITIONAL FINANCIAL OR
5 OTHER INFORMATION DURING THE PERIOD OF LICENSURE, ON A SCHEDULE
6 PRESCRIBED BY THE DEPARTMENT.

7 (B) THAT THE NURSING HOME SUBMIT CERTAIN INFORMATION REGARDING
8 QUALITY OF CARE OR STAFFING.

9 (C) THAT THE NURSING HOME SUBMIT TO ADDITIONAL UNANNOUNCED
10 INSPECTIONS.

11 (D) THAT THE NURSING HOME MEET OR MAINTAIN CERTAIN
12 REQUIREMENTS REGARDING QUALITY OF CARE OR STAFFING DURING THE
13 PERIOD OF LICENSURE.

14 (12) AS USED IN THIS SECTION, "PERSON WITH AN OWNERSHIP OR
15 CONTROL INTEREST" MEANS, WITH RESPECT TO AN ENTITY, A PERSON WHO
16 MEETS ANY OF THE FOLLOWING:

17 (A) HAS DIRECTLY OR INDIRECTLY AN OWNERSHIP INTEREST OF 5% OR
18 MORE IN THE ENTITY.

19 (B) HAS DIRECTLY OR INDIRECTLY AN OWNERSHIP INTEREST OF 5% OR
20 MORE IN ANY OTHER PERSON WITH AN OWNERSHIP OR CONTROL INTEREST IN
21 THE ENTITY.

22 (C) IS THE OWNER OF A WHOLE OR PART INTEREST IN ANY MORTGAGE,
23 DEED OF TRUST, NOTE, OR OTHER OBLIGATION SECURED IN WHOLE OR IN
24 PART BY THE ENTITY OR ANY OF THE PROPERTY OR ASSETS OF THE ENTITY,
25 WHICH WHOLE OR PART INTEREST IS EQUAL TO OR EXCEEDS 5% OF THE TOTAL
26 PROPERTY AND ASSETS OF THE ENTITY.

27 (D) IS ANY OF THE FOLLOWING, AS APPLICABLE:

1 (i) AN OFFICER OR DIRECTOR OF THE ENTITY, IF THE ENTITY IS
2 ORGANIZED AS A CORPORATION.

3 (ii) A MEMBER OF A BOARD OF DIRECTORS, IF THE ENTITY IS
4 ORGANIZED AS A CORPORATION.

5 (iii) A PARTNER IN THE ENTITY, IF THE ENTITY IS ORGANIZED AS A
6 PARTNERSHIP.

7 (iv) A SOLE PROPRIETOR, IF THE ENTITY IS ORGANIZED AS A SOLE
8 PROPRIETORSHIP.

9 (v) A MEMBER, IF THE ENTITY IS ORGANIZED AS A LIMITED
10 LIABILITY COMPANY.

11 (vi) A MANAGER, IF THE ENTITY IS ORGANIZED AS A LIMITED
12 LIABILITY COMPANY.

13 (vii) A TRUSTEE, IF THE ENTITY IS ORGANIZED AS A TRUST.

14 (viii) A CORPORATION, PARTNERSHIP, SOLE PROPRIETORSHIP, LIMITED
15 LIABILITY COMPANY, TRUST, OR OTHER ENTITY, OTHER THAN AN
16 INDIVIDUAL, WHICH CORPORATION, PARTNERSHIP, SOLE PROPRIETORSHIP,
17 LIMITED LIABILITY COMPANY, TRUST, OR OTHER ENTITY OPERATES THE
18 NURSING HOME UNDER A MANAGEMENT AGREEMENT WITH A COMPENSATION
19 PROGRAM BASED ON A PERCENTAGE OF REVENUE OR PROFIT.

20 Enacting section 1. This amendatory act does not take effect
21 unless House Bill No. 6255 of the 94th Legislature is enacted into
22 law.