

**SUBSTITUTE FOR
HOUSE BILL NO. 6253**

A bill to amend 1978 PA 368, entitled
"Public health code,"
by amending section 21766 (MCL 333.21766), as amended by 2001 PA
243.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 21766. (1) A nursing home shall execute a written
2 contract solely with an applicant or patient or that applicant's or
3 patient's guardian or legal representative authorized by law to
4 have access to those portions of the patient's or applicant's
5 income or assets available to pay for nursing home care, at each of
6 the following times:

- 7 (a) At the time an individual is admitted to a nursing home.
8 (b) At the expiration of the term of a previous contract.

1 (c) At the time the source of payment for the patient's care
2 changes.

3 (2) A nursing home shall not discharge or transfer a patient
4 at the expiration of the term of a contract, except as provided in
5 section 21773.

6 (3) A nursing home shall specifically notify in writing an
7 applicant or patient or that applicant's or patient's guardian or
8 legal representative of the availability or lack of availability of
9 hospice care in the nursing home. This written notice shall be by
10 way of a specific paragraph located in the written contract
11 described in subsection (1) and shall require the applicant or
12 patient or that applicant's or patient's guardian or legal
13 representative to sign or initial the paragraph before execution of
14 the written contract. As used in this subsection, "hospice" means
15 that term as defined in section ~~20106(4)~~**20106**.

16 (4) A nursing home shall provide a copy of the contract to the
17 patient, the patient's representative, or the patient's legal
18 representative or legal guardian at the time the contract is
19 executed.

20 (5) For a patient supported by funds other than the patient's
21 own funds, a nursing home shall make a copy of the contract
22 available to the person providing the funds for the patient's
23 support.

24 (6) For a patient whose care is reimbursed with public funds
25 administered by the department of community health, a nursing home
26 shall maintain a copy of the contract in the patient's file at the
27 nursing home and upon request shall make a copy of the contract

1 available to the department of community health.

2 (7) The nursing home shall ensure that the contract is written
3 in clear and unambiguous language and is printed in not less than
4 12-point type. The form of the contract shall be prescribed by the
5 department.

6 (8) The contract shall specify all of the following:

7 (a) The term of the contract.

8 (b) The services to be provided under the contract, including
9 the availability of hospice or other special care, and the charges
10 for the services.

11 (c) The services that may be provided to supplement the
12 contract and the charges for the services.

13 (d) The sources liable for payments due under the contract.

14 (e) The amount of deposit paid and the general and foreseeable
15 terms upon which the deposit will be held and refunded.

16 (f) The rights, duties, and obligations of the patient, except
17 that the specification of a patient's rights may be furnished on a
18 separate document that complies with the requirements of section
19 20201.

20 (9) The nursing home may require a patient's or applicant's
21 guardian or legal representative who is authorized by law to have
22 access to those portions of the patient's or applicant's income or
23 assets available to pay for nursing home care to sign a contract
24 without incurring personal financial liability other than for funds
25 received in his or her legal capacity on behalf of the patient.

26 (10) A nursing home employee may request the appointment of a
27 guardian for an individual applicant or patient only if the nursing

1 home employee reasonably believes that the individual meets the
2 legal requirements for the appointment of a guardian.

3 (11) AT THE TIME A NURSING HOME REPORTS A PROPOSED SALE OF OR
4 CHANGE IN AN OWNERSHIP OR CONTROL INTEREST TO THE DEPARTMENT UNDER
5 SECTION 20142, THE NURSING HOME SHALL SPECIFICALLY NOTIFY IN
6 WRITING ALL PATIENTS AND EACH PATIENT'S GUARDIAN OR LEGAL
7 REPRESENTATIVE OF THE PROPOSED SALE OF OR CHANGE IN AN OWNERSHIP OR
8 CONTROL INTEREST. AT THE TIME THE NURSING HOME PROVIDES A COPY OF A
9 PATIENT CONTRACT UNDER SUBSECTION (4), THE NURSING HOME SHALL ALSO
10 SPECIFICALLY NOTIFY IN WRITING THE PATIENT OR THE PATIENT'S LEGAL
11 REPRESENTATIVE OR LEGAL GUARDIAN OF A PROPOSED SALE OF OR CHANGE IN
12 AN OWNERSHIP OR CONTROL INTEREST, IF ANY. IF A NURSING HOME THAT
13 REPORTS A PROPOSED SALE OF OR CHANGE IN AN OWNERSHIP OR CONTROL
14 INTEREST UNDER SECTION 20142 RECEIVES NOTICE OF NONCOMPLIANCE UNDER
15 THAT SECTION AND THE DEPARTMENT DOES NOT HAVE AN APPROVED PLAN OF
16 CORRECTION FOR THAT NURSING HOME, THE NURSING HOME SHALL ALSO
17 INCLUDE IN THE NOTICE TO ALL PATIENTS AND TO EACH PATIENT'S
18 GUARDIAN OR LEGAL REPRESENTATIVE UNDER THIS SUBSECTION THAT A
19 LICENSE MAY NOT BE ISSUED TO THE NEW PERSONS WITH AN OWNERSHIP OR
20 CONTROL INTEREST UNTIL THE ITEMS OF NONCOMPLIANCE HAVE BEEN
21 CORRECTED.

22 Enacting section 1. This amendatory act does not take effect
23 unless House Bill No. 6252 of the 94th Legislature is enacted into
24 law.