

HOUSE BILL No. 6252

June 18, 2008, Introduced by Reps. Angerer, Brown, Simpson, Valentine, Robert Jones, Donigan, Leland, Ebli, Miller, Meisner, Polidori, Bennett, Corriveau, Dean and Meadows and referred to the Committee on Senior Health, Security, and Retirement.

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 the department.

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

7 (3) An applicant or a licensee under part 213 or 217 shall
8 disclose the names, addresses, principal occupations, and official
9 positions of all persons who have an ownership interest in the

1 health facility or agency. If the health facility or agency is
2 located on or in leased real estate, the applicant or licensee
3 shall disclose the name of the lessor and any direct or indirect
4 interest the applicant or licensee has in the lease other than as
5 lessee. **AN APPLICANT OR A LICENSEE UNDER PART 217 SHALL DISCLOSE**
6 **THE NAMES, ADDRESSES, PRINCIPAL OCCUPATIONS, AND OFFICIAL POSITIONS**
7 **OF ALL CONTROL PERSONS.** A change in ownership **OR CONTROL** shall be
8 reported to the director not less than 15 days before the change
9 occurs, except that a person purchasing stock of a company
10 registered pursuant to the securities exchange act of 1934, 15
11 ~~U.S.C.—USC~~ 78a to ~~78kk—78NN~~, is exempt from disclosing ownership in
12 the facility. A person required to file a beneficial ownership
13 report pursuant to section 16(a) of the securities exchange act of
14 1934, 15 ~~U.S.C.—USC~~ 78p shall file with the department information
15 relating to securities ownership required by the department rule or
16 order. An applicant or licensee proposing a sale of a nursing home
17 to another person shall provide the department with written,
18 advance notice of the proposed sale. The applicant or licensee and
19 the other parties to the sale shall arrange to meet with specified
20 department representatives and shall obtain before the sale a
21 determination of the items of noncompliance with applicable law and
22 rules which shall be corrected. The department shall notify the
23 respective parties of the items of noncompliance prior to the
24 change of ownership and shall indicate that the items of
25 noncompliance must be corrected as a condition of issuance of a
26 license to the new owner. **THE DEPARTMENT SHALL NOT ISSUE A LICENSE**
27 **TO THE NEW OWNER UNTIL ALL OF THE ITEMS OF NONCOMPLIANCE HAVE BEEN**

1 **CORRECTED.** The department may accept reports filed with the
2 securities and exchange commission relating to the filings. A
3 person who violates this subsection is guilty of a misdemeanor,
4 punishable by a fine of not more than \$1,000.00 for each violation.

5 (4) An applicant or licensee under part 217 shall disclose the
6 names and business addresses of suppliers who furnish goods or
7 services to an individual nursing home or a group of nursing homes
8 under common ownership, the aggregate charges for which exceed
9 \$5,000.00 in a 12-month period which includes a month in a nursing
10 home's current fiscal year. An applicant or licensee shall disclose
11 the names, addresses, principal occupations, and official positions
12 of all persons who have an ownership interest in a business which
13 furnishes goods or services to an individual nursing home or to a
14 group of nursing homes under common ownership, if both of the
15 following apply:

16 (a) The person, or the person's spouse, parent, sibling, or
17 child has an ownership interest in the nursing home purchasing the
18 goods or services.

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

22 (5) An applicant or licensee who makes a false statement in an
23 application or statement required by the department pursuant to
24 this article is guilty of a felony, punishable by imprisonment for
25 not more than 4 years, or a fine of not more than \$30,000.00, or
26 both.

27 (6) **AS USED IN THIS SECTION, "CONTROL PERSON" MEANS A**

1 DIRECTOR, MANAGER, OR EXECUTIVE OFFICER OF AN APPLICANT OR LICENSEE
2 OR A NATURAL PERSON WHO HAS THE AUTHORITY TO PARTICIPATE IN THE
3 DIRECTION, DIRECTLY OR INDIRECTLY THROUGH 1 OR MORE OTHER NATURAL
4 PERSONS, OF THE MANAGEMENT OR POLICIES OF AN APPLICANT OR LICENSEE.