

DISCIPLINARY SUBCOMMITTEES: CONFLICTS OF INTEREST

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Senate Bills 575 (Substitute S-1)
Sponsor: Sen. Tonya Schuitmaker
House Committee: Regulatory Reform
Senate Committee: Reforms, Restructuring, and Reinventing

Complete to 2-17-14

A SUMMARY OF SENATE BILL 575 (S-1) AS PASSED BY THE SENATE 11-7-13

The bill would amend Article 15 of the Public Health Code to do the following:

- Prohibit a member of a disciplinary subcommittee from participating in investigations or imposing sanctions concerning a licensee, registrant, or applicant if the member has a conflict of interest.
- Require members to disclose potential conflicts of interest before a subcommittee takes action.

The bill would also revise the procedures by which LARA investigates alleged violations of Articles 15 or 7 of the Code. Currently, if LARA has determined there is a reasonable basis to believe a violation of Articles 15 or 7 has occurred, it must investigate the matter once it receives authorization from the board chairperson. If the chairperson does not grant or deny authorization within seven days after receiving a request, LARA is required to begin the investigation.

Under Senate Bill 575, LARA will be required to seek the authorization from a panel that includes the board chairperson and at least two other board members. LARA would be required to begin the investigation if the panel does not make a determination within seven days of receiving an authorization request. All of the following provisions would apply to a panel investigation:

- A board or task force chairperson who has a conflict of interest must appoint another member as a designee and cannot participate in the panel's decision to grant or deny authorization for LARA to conduct an investigation.
- A board or task force member cannot participate in the panel's decision to grant authorization if the member has a conflict of interest. The chairperson would be required to remove a member from a panel upon learning of a conflict of interest and would have to appoint another member to serve on the panel.
- Board or task force members who participate in or are asked to participate in a panel's decision to authorize an investigation would be required to disclose any potential conflict of interest to LARA, the chairperson, and the other members of the panel before a decision is reached.

[As written, the bill states that these provisions apply to subsection (3)(A) of Section 16231. However, the bill does not contain a subsection (3)(A). For the purposes of this summary, it was assumed these new conflict of interest provisions applied to subsection (2)(A), which requires LARA to receive authorization from a three-member panel of the appropriate board before beginning an investigation.]

If LARA reviews an allegation in writing that concerns a licensee whose permanent historical record (required to be created and maintained under MCL 333.16211) includes one or more written investigated allegations from the past five years, authorization from a panel would not be required, and LARA would have to investigate the alleged violation.

In the instance a written allegation is submitted more than five years after the date of the incident, LARA would be allowed, but not required, to investigate the alleged violation.

FISCAL IMPACT:

A fiscal analysis is in process.

Legislative Analyst: Jeff Stoutenburg
Fiscal Analyst: Paul Holland

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.