



**Senate Fiscal Agency**  
**P. O. Box 30036**  
**Lansing, Michigan 48909-7536**

BILL



ANALYSIS

**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

Senate Bill 577 (Substitute S-1 as reported)  
Sponsor: Senator Rick Jones  
Committee: Reforms, Restructuring and Reinventing

### **CONTENT**

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

- Require the Department of Licensing and Regulatory Affairs (LARA) to investigate any allegation that grounds for disciplinary subcommittee action against a health professional existed.
- Include sexual conduct with a patient and offering practice-related services in exchange for sexual favors as unprofessional conduct and grounds for disciplinary action, which could include probation, suspension, revocation, limitation, denial, or restitution, and the assessment a fine.
- Provide that a licensee's or registrant's failure to notify LARA of a criminal conviction or disciplinary licensing or registration action could result in administrative investigations and/or sanctions by LARA, including a fine.
- Require a license or registration to be suspended, for at least 180 days, or revoked, if an offense were committed within two years of a previous offense of the same kind.
- Allow community service as a sanction only for permitting a license or registration to be used by an unauthorized person.
- Require a disciplinary subcommittee to impose a fine of at least \$25,000 if a violation resulted in the death of one or more patients.

In addition, if the grounds for disciplinary action were based on a criminal conviction of criminal sexual conduct, and the violation occurred while the individual was acting in his or her capacity as a licensed or registered health professional, the sanction would be permanent revocation. Otherwise, the sanctions could include probation, limitation, denial, suspension, revocation, or restitution, and a fine could be assessed.

MCL 333.16221 et al.

Legislative Analyst: Glenn Steffens

### **FISCAL IMPACT**

The bill would have an indeterminate fiscal impact on the Department of Licensing and Regulatory Affairs and no fiscal impact on local units of government. The Department would be required to investigate any allegation of activities that would be grounds for disciplinary subcommittee action. To the extent that LARA does not already investigate all allegations, costs associated with investigations could increase by an unknown amount.

The bill also would include sexual conduct with a patient and failure to notify LARA of criminal convictions or disciplinary actions as grounds for disciplinary subcommittee action, and would allow for a fine to be levied as a penalty for these violations. Any fine revenue generated would be credited to the Health Professions Regulatory Fund.

Date Completed: 11-5-13

Fiscal Analyst: Josh Sefton

[floor/sb577](#)

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.

Bill Analysis @ [www.senate.michigan.gov/sfa](http://www.senate.michigan.gov/sfa)