

**SUBSTITUTE FOR  
SENATE BILL NO. 887**

A bill to amend 1978 PA 368, entitled  
"Public health code,"  
by amending sections 20106 and 20171 (MCL 333.20106 and 333.20171),  
section 20106 as amended by 2000 PA 253 and section 20171 as  
amended by 1990 PA 252.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 20106. (1) "Health facility or agency", except as  
2 provided in section 20115, means:

3       (a) An ambulance operation, aircraft transport operation,  
4 nontransport prehospital life support operation, or medical first  
5 response service.

6       (b) A clinical laboratory.

7       (c) A county medical care facility.

8       (d) A freestanding surgical outpatient facility.

1 (e) A health maintenance organization.

2 (f) A home for the aged.

3 (g) A hospital.

4 (h) A nursing home.

5 (i) A hospice.

6 (j) A hospice residence.

7 (k) A facility or agency listed in subdivisions (a) to (h)  
8 located in a university, college, or other educational institution.

9 (2) "Health maintenance organization" means that term as  
10 defined in section 3501 of the insurance code of 1956, 1956 PA 218,  
11 MCL 500.3501.

12 (3) "Home for the aged" means a supervised personal care  
13 facility, other than a hotel, adult foster care facility, hospital,  
14 nursing home, or county medical care facility that provides room,  
15 board, and supervised personal care to 21 or more unrelated,  
16 nontransient, individuals 60 years of age or older. Home for the  
17 aged includes a supervised personal care facility for 20 or fewer  
18 individuals 60 years of age or older if the facility is operated in  
19 conjunction with and as a distinct part of a licensed nursing home.  
20 **HOME FOR THE AGED DOES NOT INCLUDE AN AREA EXCLUDED FROM THIS**  
21 **DEFINITION BY SECTION 17(8) OF THE CONTINUING CARE COMMUNITY**  
22 **DISCLOSURE ACT, MCL 554.917.**

23 (4) "Hospice" means a health care program that provides a  
24 coordinated set of services rendered at home or in outpatient or  
25 institutional settings for individuals suffering from a disease or  
26 condition with a terminal prognosis.

27 (5) "Hospital" means a facility offering inpatient, overnight

1 care, and services for observation, diagnosis, and active treatment  
2 of an individual with a medical, surgical, obstetric, chronic, or  
3 rehabilitative condition requiring the daily direction or  
4 supervision of a physician. Hospital does not include a mental  
5 health hospital licensed or operated by the department of community  
6 health or a hospital operated by the department of corrections.

7 (6) "Hospital long-term care unit" means a nursing care  
8 facility, owned and operated by and as part of a hospital,  
9 providing organized nursing care and medical treatment to 7 or more  
10 unrelated individuals suffering or recovering from illness, injury,  
11 or infirmity.

12 Sec. 20171. (1) The department, after obtaining approval of  
13 the advisory commission, shall promulgate and enforce rules to  
14 implement this article, including rules necessary to enable a  
15 health facility or agency to qualify for and receive federal funds  
16 available for patient care or for projects involving new  
17 construction, additions, modernizations, or conversions.

18 (2) The rules applicable to health facilities or agencies  
19 shall be uniform insofar as is reasonable.

20 (3) The rules shall establish standards relating to:

21 (a) Ownership.

22 (b) Reasonable disclosure of ownership interests in  
23 proprietary corporations and of financial interests of trustees of  
24 voluntary, nonprofit corporations and owners of proprietary  
25 corporations and partnerships.

26 (c) Organization and function of the health facility or  
27 agency, owner, operator, and governing body.

1 (d) Administration.

2 (e) Professional and nonprofessional staff, services, and  
3 equipment appropriate to implement section 20141(3).

4 (f) Policies and procedures.

5 (g) Fiscal and medical audit.

6 (h) Utilization and quality control review.

7 (i) Physical plant including planning, construction,  
8 functional design, sanitation, maintenance, housekeeping, and fire  
9 safety.

10 (j) Arrangements for the continuing evaluation of the quality  
11 of health care provided.

12 (k) Other pertinent organizational, operational, and  
13 procedural requirements for each type of health facility or agency.

14 (4) The rules promulgated under section 21563 for the  
15 designation of rural community hospitals may also specify all of  
16 the following:

17 (a) Maximum bed size.

18 (b) The level of services to be provided in each category as  
19 described in section 21562(2).

20 (c) Requirements for transfer agreements with other hospitals  
21 to ~~assure~~**ENSURE** efficient and appropriate patient care.

22 **(5) RULES PROMULGATED UNDER THIS ARTICLE ARE SUBJECT TO**  
23 **SECTION 17 OF THE CONTINUING CARE COMMUNITY DISCLOSURE ACT, MCL**  
24 **554.917.**

25 Enacting section 1. This amendatory act does not take effect  
26 unless all of the following bills of the 97th Legislature are  
27 enacted into law:

1 (a) Senate Bill No. 886.

2 (b) Senate Bill No. 888.