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HOUSE BILL No. 6326

September 6, 2018, Introduced by Rep. Whiteford and referred to the Committee on Health Policy.

A bill to provide for licensing of adult residential psychiatric programs; to allow for psychiatric services to be provided in residential facilities; to provide for the powers and duties of certain state departments and agencies; to prescribe certain fees; and to provide for penalties and remedies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 1. As used in this act:

- (a) "Accommodations" means housing, daily meal preparation, laundry, housekeeping, arranging for transportation, social and recreational activities, maintenance, security, and other services that are not personal care services or skilled nursing care.
- (b) "Activities of daily living" means tasks usually performed in the course of a normal day in a resident's life that include eating, walking, mobility, dressing, grooming, bathing, toileting,

- 1 and transferring.
- 2 (c) "Adult" means an individual who is 18 years of age or
- 3 older, other than an individual described in subsection (e) who is
- 4 between 18 and 21 years of age.
- 5 (d) "Adult foster care facility" means that term as defined in
- 6 section 3 of the adult foster care facility licensing act, 1979 PA
- 7 218, MCL 400.703.
- 8 (e) "Child" means an individual who is under 18 years of age
- 9 or an individual with a mental disability who is under 21 years of
- **10** age.
- 11 (f) "Child care organization" means that term as defined in
- 12 section 1 of 1973 PA 116, MCL 722.111.
- 13 (g) "Community mental health services program" means that term
- 14 as defined in section 100a of the mental health code, 1974 PA 258,
- **15** MCL 330.1100a.
- 16 (h) "Department" means the department of licensing and
- 17 regulatory affairs.
- (i) "Director" means the director of the department.
- 19 (j) "Operator" means the person, firm, partnership, agency,
- 20 governing body, association, corporation, or other entity that is
- 21 responsible for the administration and management of a residential
- 22 treatment facility and that is the applicant for a residential
- 23 treatment facility license.
- 24 (k) "Personal care services" means services including, but not
- 25 limited to, assisting residents with activities of daily living,
- 26 assisting residents with self-administration of medication in
- 27 accordance with rules promulgated under this act, and preparing

- 1 special diets, other than complex therapeutic diets, for residents
- 2 according to the instructions of a physician or a licensed
- 3 dietitian and in accordance with rules promulgated under this act.
- 4 Personal care services does not include skilled nursing care. A
- 5 residential treatment facility does not need to provide more than 1
- 6 of the services listed to be considered a provider of personal care
- 7 services.
- 8 (1) "Qualified case manager" means 1 or more of the following:
- 9 (i) A licensed bachelor's social worker licensed or otherwise
- 10 authorized to engage in the practice of social work at the
- 11 bachelor's level under part 185 of the public health code, 1978 PA
- 12 368, MCL 333.18501 to 333.18518.
- (ii) A licensed master's social worker licensed or otherwise
- 14 authorized to engage in the practice of social work at the master's
- 15 level under part 185 of the public health code, 1978 PA 368, MCL
- **16** 333.18501 to 333.18518.
- 17 (iii) A registered nurse with a bachelor of science licensed
- 18 under part 172 of the public health code, 1978 PA 368, MCL
- **19** 333.17201 to 333.17242.
- 20 (iv) A fully licensed psychologist or limited licensed
- 21 psychologist licensed under part 182 of the public health code,
- 22 1978 PA 368, MCL 333.18201 to 333.18237.
- 23 (m) "Qualified mental health clinician" means 1 or more of the
- 24 following:
- (i) A licensed master's social worker licensed or otherwise
- 26 authorized to engage in the practice of social work at the master's
- 27 level under part 185 of the public health code, 1978 PA 368, MCL

- **1** 333.18501 to 333.18518.
- $\mathbf{2}$ (ii) A fully licensed psychologist or limited licensed
- 3 psychologist licensed under part 182 of the public health code,
- 4 1978 PA 368, MCL 333.18201 to 333.18237.
- 5 (iii) A psychiatrist licensed under part 170 or 175 of the
- 6 public health code, 1978 PA 368, MCL 333.17001 to 333.17084 and
- **7** 333.17501 to 333.17556.
- 8 (n) "Residential psychiatric care" means active psychiatric
- 9 treatment provided in a residential treatment facility to an
- 10 individual with a persistent pattern of emotional, psychological,
- 11 or behavioral dysfunction of a severity that requires 24-hour
- 12 supervised care to adequately treat or remedy the individual's
- 13 condition. Residential psychiatric care is individualized and
- 14 designed to achieve the individual's discharge to a less
- 15 restrictive level of care at the earliest possible time.
- 16 (o) "Residential psychiatric program" means a program that is
- 17 publicly or privately operated that provides a combination of
- 18 residential, nutritional, supervisory, and personal care services,
- 19 combined with mental health and psychiatric services in a
- 20 comprehensive residential treatment setting.
- 21 (p) "Residential treatment facility" means a facility operated
- 22 for the primary purpose of providing residential psychiatric care
- 23 to individuals. A residential psychiatric facility does not include
- 24 any of the following:
- (i) A psychiatric hospital as that term is defined in section
- 26 100b of the mental health code, 1974 PA 258, MCL 330.1100b, or a
- 27 psychiatric unit as that term is defined in section 100c of the

- 1 mental health code, 1974 PA 258, MCL 330.1100c.
- $\mathbf{2}$ (ii) An adult foster care facility.
- 3 (iii) A child care organization.
- 4 (iv) A hospice facility licensed under part 214 of the public
- **5** health code, 1978 PA 368, MCL 333.21401 to 333.21420.
- 6 (v) A nursing home licensed under part 217 of the public
- 7 health code, 1978 PA 368, MCL 333.21701 to 333.21799e, or a home
- 8 for the aged licensed under part 213 of the public health code,
- 9 1978 PA 368, MCL 333.21301 to 333.21335.
- 10 (vi) A facility licensed under part 62 of the public health
- 11 code, 1978 PA 368, MCL 333.6230 to 333.6251, to provide methadone
- 12 treatment.
- 13 (vii) A veterans facility created under 1885 PA 152, MCL 36.1
- **14** to 36.12.
- 15 (viii) The residence of a relative or quardian of a person
- 16 with mental illness.
- 17 (q) "Room and board" means providing sleeping and living
- 18 space, meals or meal preparation, laundry services, housekeeping
- 19 services, or any combination of these.
- 20 (r) "Skilled nursing care" means providing nursing care
- 21 services, health-related services, and social services under the
- 22 supervision of a licensed registered nurse on a 24-hour basis.
- 23 (s) "Supervision" means 1 or more of the following:
- 24 (i) Observing a resident to ensure his or her health, safety,
- 25 and welfare while the resident engages in activities of daily
- 26 living or other activities.
- 27 (ii) Reminding a resident to perform or complete an activity,

- 1 such as reminding a resident to engage in personal hygiene or other
- 2 self-care activity.
- 3 (iii) Assisting a resident in making or keeping an
- 4 appointment.
- 5 (t) "Unrelated" means that a resident is not related to the
- 6 owner or operator of a residential psychiatric program or to the
- 7 owner's or operator's spouse as a parent, grandparent, child,
- 8 stepchild, grandchild, brother, sister, niece, nephew, aunt, or
- 9 uncle, or as the child of an aunt or uncle.
- 10 Sec. 3. (1) A residential treatment facility offers
- 11 residential psychiatric care in a program designed to treat an
- 12 adult with a mental illness and associated or co-occurring medical
- 13 condition, if any.
- 14 (2) A residential psychiatric program must meet 1 of the
- 15 following within 3 years after initial licensure and must maintain
- 16 the following while licensed:
- 17 (a) The standards pertaining to residential services contained
- 18 in the "Comprehensive Accreditation Manual for Behavioral Health
- 19 Care" published by the Joint Commission.
- 20 (b) The behavioral health standards pertaining to residential
- 21 treatment published by CARF International.
- 22 (c) The standards of a similar organization approved by the
- 23 director.
- 24 (3) A class 1 adult residential psychiatric program is a sub-
- 25 acute program for persons of high acuity who do not meet criteria
- 26 for inpatient psychiatric hospitalization, where services are
- 27 provided in 1 or more residential treatment facilities of between 5

- 1 and 20 unrelated adults per residential treatment facility. The
- 2 residential treatment facility may have alarms on interior or exit
- 3 doors and windows to alert staff to potential elopement, but any
- 4 other physical restraint is limited to the minimum necessary to
- 5 keep the resident, other residents, and staff safe until an
- 6 emergency responder or law enforcement officer arrives. The care
- 7 provided at a class 1 adult residential psychiatric program
- 8 includes the following:
- 9 (a) Psychiatric supervision including medication management.
- 10 (b) Multidisciplinary assessment, treatment planning, and
- 11 treatment monitoring.
- 12 (c) Case management by a qualified case manager at least once
- 13 per week.
- 14 (d) Individual verbal therapy appropriate to the resident's
- 15 needs at least 1 hour per week.
- 16 (e) Daily evaluation by a qualified mental health clinician.
- 17 (f) Nursing services by a registered nurse Monday through
- 18 Friday and available 24 hours per day as needed.
- 19 (g) Behavioral and social support services provided by a
- 20 qualified mental health clinician available 24 hours per day, 7
- 21 days per week who can initiate or direct positive intervention
- 22 needed for the de-escalation or other resolution of a behavioral
- 23 crisis, including 1-to-1 monitoring or line of sight monitoring, in
- 24 the least restrictive manner possible.
- 25 (h) Multidisciplinary treatment program with groups that are
- 26 designed to treat the resident's symptoms 6 hours per day Monday
- 27 through Friday and 4 hours per day on weekends and holidays.

- 1 (i) Recreational and leisure activity as needed and desired by
- 2 the resident.
- 3 (j) Family participation and verbal therapy as needed and
- 4 desired by the resident and family.
- 5 (k) Trained and awake direct care staff on site 24 hours per
- 6 day, 7 days per week.
- 7 (1) Medication prescribed by a licensed psychiatrist,
- 8 physician, or dentist that are given, administered, applied, and
- 9 supervised by trained support staff, an administrator, a registered
- 10 nurse, or clinical staff. Medication described in this section must
- 11 be secured in a double-locked medication storage location that
- 12 follows all medication management protocols.
- 13 (4) A class 2 adult residential psychiatric program is a
- 14 program for an individual with moderate to high acuity, but who
- 15 does not need the level of care described in class 1, provided in 1
- 16 or more residential treatment facilities of between 5 and 20
- 17 unrelated adults per residential treatment facility. The
- 18 residential treatment facility may have alarms on interior or exit
- 19 doors and windows to alert staff to potential elopement, but any
- 20 other physical restraint is limited to the minimum necessary to
- 21 keep the resident, other residents, and staff safe until an
- 22 emergency responder or law enforcement officer arrives. The care
- 23 provided at a class 2 adult residential psychiatric program
- 24 includes the following:
- 25 (a) Psychiatric supervision including medication management.
- 26 (b) Multidisciplinary assessment, treatment planning, and
- 27 treatment monitoring.

- (c) Case management by a qualified case manager at least once
 per week.
- 3 (d) Individual verbal therapy provided as recommended by a
- 4 psychiatrist as appropriate to the resident's needs.
- 5 (e) Weekly evaluation by a qualified mental health clinician.
- ${f 6}$ (f) Nursing services by a registered nurse Monday through
- 7 Friday and available 24 hours per day as needed.
- **8** (g) Behavioral and social support services provided by a
- 9 qualified mental health clinician available 24 hours per day, 7
- 10 days per week who can initiate or direct positive intervention for
- 11 the de-escalation or other resolution of a behavioral crisis.
- 12 (h) Multidisciplinary treatment program with groups that are
- 13 designed to treat the resident's symptoms 4 hours per day Monday
- 14 through Friday and 2 hours per day on weekends and holidays.
- 15 (i) Recreational and leisure activity as needed and desired by
- 16 the resident.
- 17 (j) Family participation and verbal therapy as needed and
- 18 desired by the resident and family.
- 19 (k) Trained and awake direct care staff on site 24 hours per
- 20 day, 7 days per week.
- (l) Vocational counseling and support as needed and desired by
- 22 the resident. Availability of a certified or licensed mental health
- 23 professional on site or on-call 24 hours per day, 7 days per week
- 24 to initiate positive intervention as needed, including 1-to-1
- 25 monitoring or line of sight monitoring in the least restrictive
- 26 manner for the duration of a necessary crisis intervention.
- 27 (m) Medication prescribed by a licensed psychiatrist,

- 1 physician, or dentist that are given, administered, applied, and
- 2 supervised by trained support staff, an administrator, a registered
- 3 nurse, or clinical staff. Medication described in this subdivision
- 4 must be secured in a double locked medication storage location that
- 5 follows all medication management protocols.
- **6** (5) Subsection (1) does not permit personal care services to
- 7 be imposed on a resident who is capable of performing the activity
- 8 in question without assistance.
- **9** (6) Except in a residential treatment facility with a class 1
- 10 adult residential psychiatric program, members of the staff shall
- 11 not administer medication to residents, but may do any of the
- 12 following:
- 13 (a) Remind a resident when to take medication and watch to
- 14 ensure that the resident follows the directions on the container.
- 15 (b) Assist a resident in the self-administration of medication
- 16 by taking the medication from the locked area where it is stored,
- 17 in accordance with rules promulgated under this act, and handing it
- 18 to the resident. If the resident is physically unable to open the
- 19 container, a staff member may open the container for the resident.
- (c) Assist a physically impaired but mentally alert resident,
- 21 including, but not limited to, a resident with arthritis, cerebral
- 22 palsy, or Parkinson's disease, in removing oral or topical
- 23 medication from a container and in consuming or applying the
- 24 medication, upon request by or with the consent of the resident. If
- 25 a resident is physically unable to place a dose of medicine to his
- 26 or her own mouth without spilling it, a staff member may place the
- 27 dose in a container and place the container to the mouth of the

- 1 resident.
- 2 Sec. 5. A separate residential treatment program license is
- 3 not required for a separate building on the same campus or
- 4 immediately contiguous property if the building is utilized to
- 5 provide residential psychiatric care under the same management.
- 6 Sec. 7. (1) Except as provided in subsection (2), a person
- 7 operating or seeking to operate a residential treatment facility
- 8 shall apply for licensure of a residential psychiatric program to
- 9 the department. The application must be submitted by the operator.
- 10 When applying for the license, the applicant must pay the
- 11 department the application fee specified in rules promulgated under
- 12 this act. The fee is nonrefundable.
- 13 (2) A person may not apply for a license to operate a
- 14 residential psychiatric program if the person is or has been the
- 15 owner, operator, or manager of a residential psychiatric program
- 16 for which a license to operate was revoked or for which renewal of
- 17 a license was refused for any reason other than nonpayment of the
- 18 license renewal fee, unless both of the following conditions are
- **19** met:
- 20 (a) A period of not less than 2 years has elapsed since the
- 21 date the director issued the order revoking or refusing to renew
- 22 the residential psychiatric program's license.
- 23 (b) The director's revocation or refusal to renew the license
- 24 was not based on an act or omission in the residential psychiatric
- 25 program that violated a resident's right to be free from abuse,
- 26 neglect, or exploitation.
- 27 Sec. 9. (1) The department must inspect and license the

- 1 operation of the residential psychiatric program. The department
- 2 must consider the past record of the residential psychiatric
- 3 program and the applicant or licensee in making the licensure
- 4 decision.
- 5 (2) The department may issue a full, probationary, or interim
- 6 license. A full license expires up to 3 years after the date of
- 7 issuance, a probationary license expires in a shorter period of
- 8 time as specified in rules promulgated under this act, and an
- 9 interim license expires 90 days after the date of issuance. A
- 10 license may be renewed in accordance with rules promulgated under
- 11 this act. The renewal application must be submitted by the
- 12 operator. When applying for renewal of a license, the applicant
- 13 must pay to the department the renewal fee specified in rules
- 14 promulgated under this act. The fee is nonrefundable.
- 15 (3) The department may issue an order to suspend admitting
- 16 residents to the residential psychiatric program or refuse to issue
- 17 or renew and may revoke a license if the department finds 1 or more
- 18 of the following:
- 19 (a) The residential psychiatric program is not in compliance
- 20 with rules promulgated under this act.
- 21 (b) A residential psychiatric program operated by the
- 22 applicant or licensee has been cited for a pattern of serious
- 23 noncompliance or repeated violations of statutes or rules during
- 24 the period of current or previous licensure.
- (c) The applicant or licensee submits false or misleading
- 26 information as part of a license application, renewal, or
- 27 investigation.

- 1 (4) A proceeding initiated to deny an application for a full
- 2 or probationary license or to revoke a full or probationary license
- 3 shall proceed in the manner provided under section 22 of the adult
- 4 foster care facility licensing act, 1979 PA 218, MCL 400.722. An
- 5 order issued under subsection (3) remains in effect during the
- 6 pendency of a proceeding under this subsection.
- 7 (5) The department may issue an interim license to operate a
- 8 residential psychiatric program if both of the following conditions
- 9 are met:
- 10 (a) The department determines that the closing of or the need
- 11 to remove residents from another residential psychiatric program
- 12 has created an emergency situation requiring immediate removal of
- 13 residents and an insufficient residential psychiatric program
- **14** availability.
- 15 (b) The residential treatment facility applying for an interim
- 16 license meets standards established for interim licenses in rules
- 17 promulgated under this act.
- 18 (6) An interim license is valid for 90 days and may be renewed
- 19 by the director no more than twice. A proceeding initiated to deny
- 20 an application for or to revoke an interim license under subsection
- 21 (4) is not subject to the provisions of section 22 of the adult
- 22 foster care facility licensing act, 1979 PA 218, MCL 400.722.
- Sec. 11. (1) The department may conduct an inspection of a
- 24 residential psychiatric program as follows:
- 25 (a) Before issuing a license for the residential psychiatric
- 26 program.
- 27 (b) Before renewing a residential psychiatric program's

- 1 license.
- 2 (c) To determine whether the residential psychiatric program
- 3 has completed a plan of correction required under subdivision (2)
- 4 and corrected deficiencies to the satisfaction of the department
- 5 and in compliance with this act and rules promulgated under this
- 6 act.
- 7 (d) Upon a complaint by an individual or agency.
- 8 (e) At any time the director considers an inspection is
- 9 necessary in order to determine whether the residential treatment
- 10 facility is in compliance with this act and rules promulgated under
- 11 this act.
- 12 (2) In conducting an inspection under this act, the department
- 13 may conduct an on-site examination and evaluation of the
- 14 residential treatment facility and the residential psychiatric
- 15 program, its personnel, activities, and services. The department
- 16 must have access to examine and copy all records, accounts, and any
- 17 other documents relating to operating the residential treatment
- 18 facility, including records pertaining to residents, and must have
- 19 access to the residential treatment facility and the residential
- 20 psychiatric program in order to conduct interviews with the
- 21 operator, staff, and residents. Following each inspection and
- 22 review, the department shall complete a report listing any
- 23 deficiencies, and including, when appropriate, a time table within
- 24 which the operator must correct the deficiencies. The department
- 25 may require the operator to submit a plan of correction describing
- 26 how the deficiencies will be corrected.
- 27 Sec. 13. An operator shall not do any of the following:

- 1 (a) Operate a residential psychiatric program unless the
- 2 person holds a valid license for that residential psychiatric
- 3 program.
- 4 (b) Violate any of the conditions of licensure after having
- 5 been granted a license.
- **6** (c) Interfere with a state or local official's inspection or
- 7 investigation of a residential psychiatric program.
- 8 (d) Violate any of the provisions of this act or rules
- 9 promulgated under this act.
- 10 Sec. 15. (1) The following individuals may enter a residential
- 11 treatment facility at any time:
- 12 (a) A department employee designated by the director.
- 13 (b) An employee of a community mental health services program
- 14 if the community mental health services program has an individual
- 15 receiving services residing in the facility.
- 16 (2) The individuals specified in subsection (1) must be given
- 17 access to examine and copy all records, accounts, and documents
- 18 relating to operating the residential treatment facility,
- 19 including, but not limited to, records pertaining to residents.
- 20 (3) For the purpose of investigation, an employee of the
- 21 department may enter an institution, residence, facility, or other
- 22 structure that has been reported to the department as, or that the
- 23 department has reasonable cause to believe is, operating as a
- 24 residential psychiatric program without a valid license.
- 25 Sec. 17. (1) The department may withhold the source of a
- 26 complaint reported as a violation of this act if the department
- 27 determines that disclosure could be detrimental to the department's

- 1 purposes or could jeopardize the investigation. The department may
- 2 disclose the source of a complaint if the complainant agrees in
- 3 writing to disclosure and must disclose the source upon order by a
- 4 court.
- 5 (2) A person who makes a complaint under this act, or a person
- 6 who participates in an administrative or judicial proceeding
- 7 resulting from a complaint under this act, is immune from civil
- 8 liability and is not subject to criminal prosecution, other than
- 9 for perjury, unless the person has acted in bad faith or with
- 10 malicious purpose.
- 11 Sec. 19. (1) The director may petition the court of the county
- 12 in which a residential treatment facility is located for an order
- 13 enjoining a person from operating a residential psychiatric program
- 14 without a license if, in the director's judgment, there is a
- 15 present danger to the health or safety of any of the program
- 16 participants. The court has jurisdiction to grant injunctive relief
- 17 upon a showing that the respondent named in the petition is
- 18 operating a residential psychiatric program without a license or
- 19 there is a present danger to the health or safety of any of the
- 20 program participants.
- 21 (2) When the court grants injunctive relief in the case of a
- 22 residential psychiatric program operating without a license, the
- 23 court shall issue, at a minimum, an order enjoining the residential
- 24 psychiatric program from admitting new participants and an order
- 25 requiring the residential psychiatric program to assist with the
- 26 safe and orderly relocation of the residential psychiatric
- 27 program's participants.

- 1 (3) If injunctive relief is granted against a residential
- 2 psychiatric program for operating without a license and the
- 3 residential psychiatric program continues to operate without a
- 4 license, the director shall refer the case to the attorney general
- 5 for further action.
- 6 Sec. 21. (1) The department shall promulgate rules to
- 7 implement this act according to the administrative procedures act
- 8 of 1969, 1969 PA 306, MCL 24.201 to 24.328.
- 9 (2) The director may fine a person for violating this act. The
- 10 fine shall be \$500.00 for a first offense and \$1,000.00 for each
- 11 subsequent offense.
- 12 Sec. 23. (1) Upon petition by the director, the court may
- 13 appoint a receiver to take possession of and operate a residential
- 14 treatment facility licensed under this act as a residential
- 15 psychiatric program, when conditions existing at the residential
- 16 treatment facility or in the residential psychiatric program
- 17 present a substantial risk of physical or mental harm to residents
- 18 and no other remedies of law are adequate to protect the health,
- 19 safety, and welfare of the residents.
- 20 (2) Petitions filed under this section must include all of the
- 21 following:
- 22 (a) A description of the specific conditions that present a
- 23 substantial risk of physical or mental harm to residents.
- 24 (b) A statement of the absence of other adequate remedies of
- **25** law.
- (c) The number of residents at the residential treatment
- 27 facility.

- 1 (d) A statement that the facts have been brought to the
- 2 attention of the owner or licensee and that conditions have not
- 3 been remedied within a reasonable period of time or that the
- 4 conditions, though remedied periodically, habitually exist at the
- 5 residential treatment facility as a pattern or practice.
- **6** (e) The name and address of the person holding the license for
- 7 the residential treatment facility.
- **8** (3) A court in which a petition is filed under this section
- 9 shall give notice regarding the filing to the person holding the
- 10 license for the residential psychiatric program. The department
- 11 shall send notice of the filing to the following, as appropriate:
- 12 the facility owner; facility operator; facility residents; and
- 13 residents' families and guardians.
- 14 (4) The court must provide a hearing on the petition within 5
- 15 business days after the time the petition was filed, except that
- 16 the court may appoint a receiver before the time the court
- 17 determines that the circumstances necessitate appointing a
- 18 receiver.
- 19 (5) Following a hearing on the petition, and upon a
- 20 determination that the appointment of a receiver is warranted, the
- 21 court shall appoint a receiver and notify the department and
- 22 appropriate persons of this action.
- 23 (6) In setting forth the powers of the receiver, the court may
- 24 generally authorize the receiver to do all that is prudent and
- 25 necessary to safely and efficiently operate the residential
- 26 psychiatric program within the requirements of state and federal
- 27 law, but shall require the receiver to obtain court approval before

- 1 making a single expenditure of more than \$5,000.00 to correct
- 2 deficiencies in the structure or furnishings of a facility. The
- 3 court shall closely review the conduct of the receiver and shall
- 4 require regular and detailed reports.
- 5 (7) A receivership established under this section shall be
- 6 terminated, following notification of the appropriate parties and a
- 7 hearing, if the court determines either of the following:
- 8 (a) The residential psychiatric program has been closed and
- 9 the former residents have been relocated to an appropriate
- 10 facility.
- (b) Circumstances no longer exist at the residential treatment
- 12 facility that present a substantial risk of physical or mental harm
- 13 to residents, and there is no deficiency in the residential
- 14 psychiatric program that is likely to create a future risk of harm.
- 15 (8) Notwithstanding subsection 7(b), the court shall not
- 16 terminate a receivership for a residential treatment facility that
- 17 has previously operated under another receivership unless the
- 18 responsibility for the operation of the residential treatment
- 19 facility is transferred to an operator approved by the court and
- 20 the department.
- 21 (9) Except for the department, no party or person interested
- 22 in an action shall be appointed a receiver under this section. To
- 23 assist the court in identifying a person qualified to be named as a
- 24 receiver, the director shall maintain a list of the names of
- 25 qualified receivers. The department shall provide technical
- 26 assistance to a receiver appointed under this section.
- 27 (10) Before entering upon the duties of receiver, the receiver

- 1 must be sworn to perform the duties faithfully, and, with surety
- 2 approved by the court, judge, or clerk, execute a bond to the
- 3 person, and in a sum as the court directs, to the effect that the
- 4 receiver will faithfully discharge the duties of receiver in the
- 5 action, and obey the order of the court.
- 6 (11) Under the control of the appointing court, a receiver may
- 7 do the following:
- 8 (a) Bring and defend an action in the appointee's name as
- 9 receiver.
- 10 (b) Take and keep possession of property.
- 11 (12) The court shall authorize the receiver to do all of the
- 12 following:
- 13 (a) Collect payment for all goods and services provided to the
- 14 residents or others during the period of the receivership at the
- 15 same rate as was charged by the licensee at the time the petition
- 16 for receivership was filed, unless a different rate is set by the
- **17** court.
- (b) Honor all leases, mortgages, and secured transactions
- 19 governing all buildings, goods, and fixtures of which the receiver
- 20 has taken possession, but, in the case of a rental agreement, only
- 21 to the extent of payments that are for the use of the property
- 22 during the period of the receivership, or, in the case of a
- 23 purchase agreement, only to the extent that payments become due
- 24 during the period of the receivership.
- 25 (c) If transfer of residents is necessary, provide for the
- 26 orderly transfer of residents by doing any of the following:
- (i) Cooperating with all appropriate state and local agencies

- 1 in carrying out the transfer of residents to alternative community
- 2 placements.
- 3 (ii) Providing for the transportation of residents' belongings
- 4 and records.
- 5 (iii) Helping to locate alternative placements and develop
- 6 plans for transfer.
- 7 (iv) Encouraging residents or guardians to participate in
- 8 transfer planning except if an emergency exists and immediate
- 9 transfer is necessary.
- (d) Make periodic reports on the status of the residential
- 11 treatment facility to the court and the appropriate state agencies.
- 12 Each report must be made available to residents, their guardians,
- 13 and their families.
- 14 (e) Compromise demands or claims.
- 15 (f) Generally perform acts respecting the residential
- 16 treatment facility as the court authorizes.
- 17 (13) Notwithstanding any other provision of law, a contract
- 18 necessary to carry out the powers and duties of the receiver does
- 19 not need to be competitively bid.
- 20 Enacting section 1. This act takes effect 90 days after the
- 21 date it is enacted into law.

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