## **HOUSE BILL NO. 4052**

January 16, 2019, 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:

- 1 Sec. 1. As used in this act:
- 2 (a) "Accommodations" means housing, daily meal preparation,

- 1 laundry, housekeeping, arranging for transportation, social and
- 2 recreational activities, maintenance, security, and other services
- 3 that are not personal care services or skilled nursing care.
- 4 (b) "Activities of daily living" means tasks usually performed
- 5 in the course of a normal day in a resident's life that include
- 6 eating, walking, mobility, dressing, grooming, bathing, toileting,
- 7 and transferring.
- 8 (c) "Adult" means an individual who is 18 years of age or
- 9 older, other than an individual described in subsection (e) who is
- 10 between 18 and 21 years of age.
- 11 (d) "Adult foster care facility" means that term as defined in
- 12 section 3 of the adult foster care facility licensing act, 1979 PA
- **13** 218, MCL 400.703.
- 14 (e) "Child" means an individual who is under 18 years of age
- 15 or an individual with a mental disability who is under 21 years of
- **16** age.
- 17 (f) "Child care organization" means that term as defined in
- 18 section 1 of 1973 PA 116, MCL 722.111.
- 19 (g) "Community mental health services program" means that term
- 20 as defined in section 100a of the mental health code, 1974 PA 258,
- **21** MCL 330.1100a.
- (h) "Department" means the department of licensing and
- 23 regulatory affairs.
- 24 (i) "Director" means the director of the department.
- 25 (j) "Operator" means the person, firm, partnership, agency,
- 26 governing body, association, corporation, or other entity that is
- 27 responsible for the administration and management of a residential
- 28 treatment facility and that is the applicant for a residential
- 29 treatment facility license.

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

- 1 authorized to engage in the practice of social work at the master's
- 2 level under part 185 of the public health code, 1978 PA 368, MCL
- **3** 333.18501 to 333.18518.
- 4 (ii) A fully licensed psychologist or limited licensed
- 5 psychologist licensed under part 182 of the public health code,
- 6 1978 PA 368, MCL 333.18201 to 333.18237.
- 7 (iii) A psychiatrist licensed under part 170 or 175 of the
- 8 public health code, 1978 PA 368, MCL 333.17001 to 333.17084 and
- **9** 333.17501 to 333.17556.
- 10 (n) "Residential psychiatric care" means active psychiatric
- 11 treatment provided in a residential treatment facility to an
- 12 individual with a persistent pattern of emotional, psychological,
- 13 or behavioral dysfunction of a severity that requires 24-hour
- 14 supervised care to adequately treat or remedy the individual's
- 15 condition. Residential psychiatric care is individualized and
- 16 designed to achieve the individual's discharge to a less
- 17 restrictive level of care at the earliest possible time.
- 18 (o) "Residential psychiatric program" means a program that is
- 19 publicly or privately operated that provides a combination of
- 20 residential, nutritional, supervisory, and personal care services,
- 21 combined with mental health and psychiatric services in a
- 22 comprehensive residential treatment setting.
- 23 (p) "Residential treatment facility" means a facility operated
- 24 for the primary purpose of providing residential psychiatric care
- 25 to individuals. A residential psychiatric facility does not include
- 26 any of the following:
- 27 (i) A psychiatric hospital as that term is defined in section
- 28 100b of the mental health code, 1974 PA 258, MCL 330.1100b, or a
- 29 psychiatric unit as that term is defined in section 100c of the

- 1 mental health code, 1974 PA 258, MCL 330.1100c.
- 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.
- (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 guardian of a person with
- 16 mental illness.
- 17 (g) "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.
- (ii) Reminding a resident to perform or complete an activity,
- 28 such as reminding a resident to engage in personal hygiene or other

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

- 1 keep the resident, other residents, and staff safe until an
- 2 emergency responder or law enforcement officer arrives. The care
- 3 provided at a class 1 adult residential psychiatric program
- 4 includes the following:

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- 5 (a) Psychiatric supervision including medication management.
- 6 (b) Multidisciplinary assessment, treatment planning, and7 treatment monitoring.
- 8 (c) Case management by a qualified case manager at least once9 per week.
- 10 (d) Individual verbal therapy appropriate to the resident's11 needs at least 1 hour per week.
  - (e) Daily evaluation by a qualified mental health clinician.
- (f) Nursing services by a registered nurse Monday throughFriday and available 24 hours per day as needed.
- 15 (g) Behavioral and social support services provided by a
  16 qualified mental health clinician available 24 hours per day, 7
  17 days per week who can initiate or direct positive intervention
  18 needed for the de-escalation or other resolution of a behavioral
  19 crisis, including 1-to-1 monitoring or line of sight monitoring, in
  20 the least restrictive manner possible.
- (h) Multidisciplinary treatment program with groups that are
  designed to treat the resident's symptoms 6 hours per day Monday
  through Friday and 4 hours per day on weekends and holidays.
- (i) Recreational and leisure activity as needed and desired by
  the resident.
- (j) Family participation and verbal therapy as needed anddesired by the resident and family.
- (k) Trained and awake direct care staff on site 24 hours perday, 7 days per week.

follows all medication management protocols.

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- 7 (4) A class 2 adult residential psychiatric program is a 8 program for an individual with moderate to high acuity, but who 9 does not need the level of care described in class 1, provided in 1 10 or more residential treatment facilities of between 5 and 20 unrelated adults per residential treatment facility. The 11 12 residential treatment facility may have alarms on interior or exit 13 doors and windows to alert staff to potential elopement, but any 14 other physical restraint is limited to the minimum necessary to 15 keep the resident, other residents, and staff safe until an emergency responder or law enforcement officer arrives. The care 16 17 provided at a class 2 adult residential psychiatric program 18 includes the following:
- 19 (a) Psychiatric supervision including medication management.
- 20 (b) Multidisciplinary assessment, treatment planning, and21 treatment monitoring.
- (c) Case management by a qualified case manager at least onceper week.
  - (d) Individual verbal therapy provided as recommended by a psychiatrist as appropriate to the resident's needs.
  - (e) Weekly evaluation by a qualified mental health clinician.
- (f) Nursing services by a registered nurse Monday throughFriday and available 24 hours per day as needed.
- 29 (g) Behavioral and social support services provided by a

- 1 qualified mental health clinician available 24 hours per day, 7
- 2 days per week who can initiate or direct positive intervention for
- 3 the de-escalation or other resolution of a behavioral crisis.
- 4 (h) Multidisciplinary treatment program with groups that are
- **5** designed to treat the resident's symptoms 4 hours per day Monday
- 6 through Friday and 2 hours per day on weekends and holidays.
- 7 (i) Recreational and leisure activity as needed and desired by
- 8 the resident.
- 9 (j) Family participation and verbal therapy as needed and
- 10 desired by the resident and family.
- 11 (k) Trained and awake direct care staff on site 24 hours per
- 12 day, 7 days per week.
- (l) Vocational counseling and support as needed and desired by
- 14 the resident. Availability of a certified or licensed mental health
- 15 professional on site or on-call 24 hours per day, 7 days per week
- 16 to initiate positive intervention as needed, including 1-to-1
- 17 monitoring or line of sight monitoring in the least restrictive
- 18 manner for the duration of a necessary crisis intervention.
- (m) Medication prescribed by a licensed psychiatrist,
- 20 physician, or dentist that are given, administered, applied, and
- 21 supervised by trained support staff, an administrator, a registered
- 22 nurse, or clinical staff. Medication described in this subdivision
- 23 must be secured in a double locked medication storage location that
- 24 follows all medication management protocols.
- 25 (5) Subsection (1) does not permit personal care services to
- 26 be imposed on a resident who is capable of performing the activity
- 27 in question without assistance.
- 28 (6) Except in a residential treatment facility with a class 1
- 29 adult residential psychiatric program, members of the staff shall

- 1 not administer medication to residents, but may do any of the
  2 following:
- 3 (a) Remind a resident when to take medication and watch to4 ensure that the resident follows the directions on the container.
- 5 (b) Assist a resident in the self-administration of medication
  6 by taking the medication from the locked area where it is stored,
  7 in accordance with rules promulgated under this act, and handing it
  8 to the resident. If the resident is physically unable to open the
  9 container, a staff member may open the container for the resident.
- 10 (c) Assist a physically impaired but mentally alert resident, 11 including, but not limited to, a resident with arthritis, cerebral palsy, or Parkinson's disease, in removing oral or topical 12 13 medication from a container and in consuming or applying the 14 medication, upon request by or with the consent of the resident. If 15 a resident is physically unable to place a dose of medicine to his 16 or her own mouth without spilling it, a staff member may place the 17 dose in a container and place the container to the mouth of the 18 resident.
- Sec. 5. A separate residential treatment program license is not required for a separate building on the same campus or immediately contiguous property if the building is utilized to provide residential psychiatric care under the same management.
- Sec. 7. (1) Except as provided in subsection (2), a person operating or seeking to operate a residential treatment facility shall apply for licensure of a residential psychiatric program to the department. The application must be submitted by the operator.
- 27 When applying for the license, the applicant must pay the
- 28 department the application fee specified in rules promulgated under
- 29 this act. The fee is nonrefundable.

- 1 (2) A person may not apply for a license to operate a
  2 residential psychiatric program if the person is or has been the
  3 owner, operator, or manager of a residential psychiatric program
  4 for which a license to operate was revoked or for which renewal of
  5 a license was refused for any reason other than nonpayment of the
  6 license renewal fee, unless both of the following conditions are
  7 met:
- 8 (a) A period of not less than 2 years has elapsed since the
  9 date the director issued the order revoking or refusing to renew
  10 the residential psychiatric program's license.
- 11 (b) The director's revocation or refusal to renew the license
  12 was not based on an act or omission in the residential psychiatric
  13 program that violated a resident's right to be free from abuse,
  14 neglect, or exploitation.
- Sec. 9. (1) The department must inspect and license the operation of the residential psychiatric program. The department must consider the past record of the residential psychiatric program and the applicant or licensee in making the licensure decision.
- 20 (2) The department may issue a full, probationary, or interim 21 license. A full license expires up to 3 years after the date of 22 issuance, a probationary license expires in a shorter period of 23 time as specified in rules promulgated under this act, and an interim license expires 90 days after the date of issuance. A 24 25 license may be renewed in accordance with rules promulgated under 26 this act. The renewal application must be submitted by the 27 operator. When applying for renewal of a license, the applicant 28 must pay to the department the renewal fee specified in rules 29 promulgated under this act. The fee is nonrefundable.

- 5 (a) The residential psychiatric program is not in compliance6 with rules promulgated under this act.
- 7 (b) A residential psychiatric program operated by the
  8 applicant or licensee has been cited for a pattern of serious
  9 noncompliance or repeated violations of statutes or rules during
  10 the period of current or previous licensure.
- (c) The applicant or licensee submits false or misleading
  information as part of a license application, renewal, or
  investigation.
- 14 (4) A proceeding initiated to deny an application for a full or probationary license or to revoke a full or probationary license shall proceed in the manner provided under section 22 of the adult foster care facility licensing act, 1979 PA 218, MCL 400.722. An order issued under subsection (3) remains in effect during the pendency of a proceeding under this subsection.
- 20 (5) The department may issue an interim license to operate a
  21 residential psychiatric program if both of the following conditions
  22 are met:
- 23 (a) The department determines that the closing of or the need 24 to remove residents from another residential psychiatric program 25 has created an emergency situation requiring immediate removal of 26 residents and an insufficient residential psychiatric program 27 availability.
- (b) The residential treatment facility applying for an interimlicense meets standards established for interim licenses in rules

- 1 promulgated under this act.
- 2 (6) An interim license is valid for 90 days and may be renewed
- 3 by the director no more than twice. A proceeding initiated to deny
- 4 an application for or to revoke an interim license under subsection
- 5 (4) is not subject to the provisions of section 22 of the adult
- 6 foster care facility licensing act, 1979 PA 218, MCL 400.722.
- 7 Sec. 11. (1) The department may conduct an inspection of a
- 8 residential psychiatric program as follows:
- **9** (a) Before issuing a license for the residential psychiatric
- 10 program.
- 11 (b) Before renewing a residential psychiatric program's
- 12 license.
- 13 (c) To determine whether the residential psychiatric program
- 14 has completed a plan of correction required under subdivision (2)
- 15 and corrected deficiencies to the satisfaction of the department
- 16 and in compliance with this act and rules promulgated under this
- **17** act.
- 18 (d) Upon a complaint by an individual or agency.
- 19 (e) At any time the director considers an inspection is
- 20 necessary in order to determine whether the residential treatment
- 21 facility is in compliance with this act and rules promulgated under
- 22 this act.
- 23 (2) In conducting an inspection under this act, the department
- 24 may conduct an on-site examination and evaluation of the
- 25 residential treatment facility and the residential psychiatric
- 26 program, its personnel, activities, and services. The department
- 27 must have access to examine and copy all records, accounts, and any
- 28 other documents relating to operating the residential treatment
- 29 facility, including records pertaining to residents, and must have

- 1 access to the residential treatment facility and the residential
- 2 psychiatric program in order to conduct interviews with the
- 3 operator, staff, and residents. Following each inspection and
- 4 review, the department shall complete a report listing any
- 5 deficiencies, and including, when appropriate, a time table within
- 6 which the operator must correct the deficiencies. The department
- 7 may require the operator to submit a plan of correction describing
- 8 how the deficiencies will be corrected.
- 9 Sec. 13. An operator shall not do any of the following:
- 10 (a) Operate a residential psychiatric program unless the
- 11 person holds a valid license for that residential psychiatric
- 12 program.
- 13 (b) Violate any of the conditions of licensure after having
- 14 been granted a license.
- (c) Interfere with a state or local official's inspection or
- 16 investigation of a residential psychiatric program.
- 17 (d) Violate any of the provisions of this act or rules
- 18 promulgated under this act.
- 19 Sec. 15. (1) The following individuals may enter a residential
- 20 treatment facility at any time:
- 21 (a) A department employee designated by the director.
- 22 (b) An employee of a community mental health services program
- 23 if the community mental health services program has an individual
- 24 receiving services residing in the facility.
- 25 (2) The individuals specified in subsection (1) must be given
- 26 access to examine and copy all records, accounts, and documents
- 27 relating to operating the residential treatment facility,
- 28 including, but not limited to, records pertaining to residents.
- 29 (3) For the purpose of investigation, an employee of the

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

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

- 1 law.
- 2 (c) The number of residents at the residential treatment
- 3 facility.
- 4 (d) A statement that the facts have been brought to the
- 5 attention of the owner or licensee and that conditions have not
- 6 been remedied within a reasonable period of time or that the
- 7 conditions, though remedied periodically, habitually exist at the
- 8 residential treatment facility as a pattern or practice.
- 9 (e) The name and address of the person holding the license for10 the residential treatment facility.
- 11 (3) A court in which a petition is filed under this section
- 12 shall give notice regarding the filing to the person holding the
- 13 license for the residential psychiatric program. The department
- 14 shall send notice of the filing to the following, as appropriate:
- 15 the facility owner; facility operator; facility residents; and
- 16 residents' families and guardians.
- 17 (4) The court must provide a hearing on the petition within 5
- 18 business days after the time the petition was filed, except that
- 19 the court may appoint a receiver before the time the court
- 20 determines that the circumstances necessitate appointing a
- 21 receiver.
- (5) Following a hearing on the petition, and upon a
- 23 determination that the appointment of a receiver is warranted, the
- 24 court shall appoint a receiver and notify the department and
- 25 appropriate persons of this action.
- 26 (6) In setting forth the powers of the receiver, the court may
- 27 generally authorize the receiver to do all that is prudent and
- 28 necessary to safely and efficiently operate the residential
- 29 psychiatric program within the requirements of state and federal

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

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

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