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PRESCRIBED PEDIATRIC EXTENDED CARE CENTERS

House Bills 5974 and 6152 as introduced
Sponsor: Rep. Julie M. Rogers

House Bill 6153 as introduced
Sponsor: Rep. Curt S. VanderWall

Committee: Health Policy
Revised 12-12-24

SUMMARY:

House Bill 5974 would amend the Public Health Code to require the licensure of prescribed pediatric extended care centers, which would be nonresidential facilities providing services to three or more unrelated children with medical complexities. The bill would prescribe license fees and provide parameters and requirements for these facilities as described below. The bill's provisions would apply beginning October 1, 2026.

House Bills 6152 and 6153 would amend the Insurance Code and the Social Welfare Act, respectively, to require coverage for prescribed pediatric extended care by insurers and by the Department of Health and Human Services (DHHS) under the medical assistance program.

House Bill 5974 would add Part 219A (Prescribed Pediatric Extended Care Centers) to Article 17 (Facilities and Agencies) of the Public Health Code. Beginning October 1, 2026, the new part would require ***prescribed pediatric extended care centers*** to be licensed under Article 17 and would prohibit use of the term "prescribed pediatric extended care center" or "p.p.e.c. center" to refer to any *health facility or agency*[1] that is not licensed as a prescribed pediatric extended care center.

Prescribed pediatric extended care center would mean a facility, other than a hospital or nursing home, that provides a ***basic service*** in a nonresidential setting to three or more unrelated children with medical complexities.

Basic service would include at least both of the following:

- Developing, implementing, and monitoring a comprehensive protocol of care for a ***child with a medical complexity*** as described below.
- The caregiver training needs to the extent it is for the parent or guardian of a patient.

[1] This term *health facility or agency* is defined in the code, and the bill would include prescribed pediatric extended care centers as health facilities or agencies under the code beginning October 1, 2026. The term now includes ambulance operations, aircraft transport operations, nontransport prehospital life support operations, or medical first response services; county medical care facilities; freestanding surgical outpatient facilities; health maintenance organizations; homes for the aged; hospitals; nursing homes; any of the preceding facilities or agencies that are located in a university, college, or other educational institution; and hospices or hospice residences.

Child with a medical complexity would mean an individual who is under the age of 21 who has a chronic clinical condition that has been diagnosed or is unknown and that causes a significant impact on the child's family because of a functional limitation that may require a technological dependency over the course of the child's life and substantially frequent and ongoing coordination of health care resources, such as hospitalization, surgery, therapeutic intervention, and skilled nursing care.

Prescribed pediatric extended care centers would be subject to a $2,000 initial licensure application fee for each initial license and an annual $500 fee for each facility license.

Duties and responsibilities

The owner, operator, and governing body of a prescribed pediatric extended care center would be responsible for all phases of the operation of the center and the quality of care rendered there. The owner, operator, and governing body would have to do all of the following:

- Cooperate with the Department of Licensing and Regulatory Affairs (LARA) in the enforcement of Article 17 of the code.
- Require that a physician and other individuals working in the prescribed pediatric extended care center are currently licensed or registered as required.
- Designate one individual to act as the center administrator.

The center administrator would be responsible for the overall management of the prescribed pediatric extended care center. The center administrator would have to do all of the following:

- Provide necessary qualified employees and ancillary services to ensure the health, safety, and proper care for each patient at the center.
- Develop and maintain a current job description for each care center employee.
- Maintain all of the following written records and make them available to LARA for inspection upon request:
    - A daily census record that includes the number of patients currently receiving a basic service at the center.
    - A personnel record for each employee that includes their employment application, references, employment history for the five years preceding the application, and a copy of each performance evaluation.
    - A copy of each agreement with a provider of a ***contracted or supportive service*** at the center.
    - A copy of each agreement with a consultant employed by the center and documentation of each visit by the consultant.
    - A record of each accident or unusual incident involving a patient or employee that caused (or could have caused) injury or harm to the center's property or to an individual at the center.
- Develop and implement an infection control policy that complies with any rules issued by LARA.
- Designate in writing an individual who is responsible for the center when the center administrator is absent for more than 24 hours.

Contracted or supportive service would include, at a minimum, speech therapy, occupational therapy, physical therapy, social work services, developmental services, child life services, and psychology services.

Personnel requirements

A prescribed pediatric extended care center would have to have both of the following on its staff in order to be licensed:

- A medical director, who would have to be a licensed physician who is board-certified in pediatrics.
- A nursing director, who would be responsible for the daily operation of the center. The nursing director would have to be licensed as a registered professional nurse and certified in basic life support. At the time they are hired, they would have to have at least two years of nursing experience, at least six months of which was spent in a pediatric intensive care unit, neonatal intensive care setting, prescribed pediatric extended care center, or a similar care setting in which the nurse provided care to a child with a medical complexity.

A registered professional nurse employed by a prescribed pediatric extended care center (apart from the nursing director) would have to be licensed, be certified in basic life support, and meet either of the following:

- Have, at the time they are hired, experience in the previous 24 months in caring for acutely ill or chronically ill children.
- Have successfully completed a training program that meets all of the following:
    - The training program demonstrates sufficient skills for the responsibilities of a registered professional nurse in a prescribed pediatric extended care center.
    - The training program is considered appropriate by the center administrator, the medical director, and the nursing director.
    - The training program is outlined in a written policy of the prescribed pediatric extended care center.

A licensed practical nurse who is employed by a prescribed pediatric extended care center would have to be licensed, be certified in basic life support, and meet either of the following:

- Have, at the time they are hired, experience in the previous 24 months in pediatrics.
- Have successfully completed a training program that meets all of the following:
    - The training program demonstrates sufficient skills for the responsibilities of a licensed practical nurse in a prescribed pediatric extended care center.
    - The training program is considered appropriate by the center administrator, the medical director, and the nursing director.
    - The training program is outlined in a written policy of the prescribed pediatric extended care center.

An individual providing ***direct care*** who is employed by a prescribed pediatric extended care center would have to work under the supervision of a registered professional nurse. They would have to be certified in basic life support and meet either of the following:

- Have extensive, documented education and training in providing direct care to infants and toddlers and provide employment references documenting skill in the direct care of infants and toddlers.
- Have successfully completed a training program that meets all of the following:
    - The training program demonstrates sufficient skills for individuals providing direct care in a prescribed pediatric extended care center.
    - The training program is considered appropriate by the center administrator, the medical director, and the nursing director.

- The training program is outlined in a written policy of the prescribed pediatric extended care center.

Direct care would mean education, social services, or child care.

Staffing plans

A prescribed pediatric extended care center would have to provide appropriate staffing for nursing services and direct care at the center.

To determine appropriate staffing, the center would have to implement a staffing plan that outlines the minimum number of employees required to achieve quality patient outcomes in a healthy work environment. The staffing plan would have to be developed by a standing committee led by a group of registered professional nurses and licensed practical nurses in the center, exactly half of whom would have to be nonmanagement employees providing care directly to patients. The standing committee would have to consider all of the following in developing a staffing plan:

- The number of patients treated in the center.
- The level of skilled nursing care a patient needs, depending on the severity of their chronic clinical condition.
- The number of productive hours worked by a registered professional nurse or licensed practical nurse who is providing care directly to a patient. The number of productive hours worked would be calculated by dividing the total number of nursing hours worked by the number of patients in the center.
- The various levels of education, experience, job performance, and other skills of a registered professional nurse or licensed practical nurse that are required to provide effective care to a patient in the center.

The staffing plan would have to be in writing, be updated and disclosed quarterly, and be available to the employees of the center and the public upon request.

Development, orientation, and training

A prescribed pediatric extended care center would have to do all of the following:

- Conduct monthly staff development programs to maintain quality patient care. A staff development program would have to be appropriate to the category of employee attending it and would have to be documented by the center. The program would have to do all of the following:
  - Facilitate the ability of an employee to function as a member of an interdisciplinary team with other health professionals and a parent or guardian of a child with a medical complexity.
  - Improve the communication skills of an employee to facilitate a collaborative relationship with a parent or guardian of a child with a medical complexity.
  - Increase employee understanding of how to cope with the effects of childhood illness.
  - Cover issues related to death and dying.
  - Cover information on appropriate services available from hospitals, schools, and community, state, and professional organizations.

    - Foster advocacy skills and develop case management skills to assist a parent or guardian of a child with a medical complexity with setting priorities and planning and implementing the patient's care at home.
- Ensure that an employee maintains certification in basic life support.
- Ensure that a new employee participates in an orientation to acquaint them with the philosophy, organization, program, practices, and goals of the center.
- Ensure that a parent or guardian of a child with a medical complexity attends a comprehensive orientation to acquaint them with the philosophy and services provided in the center.
- Provide training to an employee when implementing new technology.

Functional assessments

A prescribed pediatric extended care center would have to perform a functional assessment of a child with a medical complexity and create an individualized program plan to accommodate their developmental needs. The functional assessment, considering the child's age, would have to assess their self-care, motor skills, communication and social skills, cognitive function, play, and growth and development. The individualized program plan required would have to be in writing and include all of the following:

- Specific programs and actions to facilitate the developmental progress of the child.
- Measurable goals for each need area.
- The child's strengths and present performance level with respect to each of those measurable goals.
- Anticipatory planning for specific areas identified as at risk for future problems.

The center would have to include a child's parent or guardian in a care-related conference and, if applicable, facilitate training on how to meet the child's developmental and psychosocial needs while the child is at home.

Admissions

A prescribed pediatric extended care center would have to have a written policy governing the admission, transfer, and discharge of a child with a medical complexity.

A physician could refer a child to a prescribed pediatric extended care center after consulting with the child's parent or guardian. A child with a medical complexity could not be admitted to a prescribed pediatric extended care center unless at least all of the following are met:

- Before admission, it is determined that the child does not present a significant risk of infection to other children or employees in the center. The medical director and nursing director would have to review a child who is suspected of having an infectious disease to determine whether admission of the child is appropriate.
- The child is medically stable, requires skilled nursing care or other intervention, and has a clinical condition that is appropriate for outpatient care.
- The child's admission is in accordance with a written order of a physician. A copy of the order would have to be provided to the child's parent or guardian and placed in the child's medical record.

If a child meets the above requirements, the medical director or nursing director would have to implement a preadmission plan. The preadmission plan would have to describe the services to be provided to the child in the center and the sources for the services.

If the child is hospitalized at the time of their referral, the development of the preadmission plan would have to include the child's parent or guardian, a representative of the center, and hospital medical, nursing, social services, and developmental staff, to ensure that the hospital's discharge plans are implemented upon the child's admission to the center.

If the child is not hospitalized at the time of the referral, the development of the preadmission plan would have to include the child's parent or guardian, the child's primary care provider, a representative of the center, and representatives of other agencies that the child's primary care provider and the nursing director consider relevant.

During the development of a preadmission plan, a protocol of care for the child would have to be developed under the direction of the nursing director. The protocol of care would have to be in writing and include all of the following:

- The treatment plan that addresses the medical, nursing, psychosocial, and educational needs of the child and the child's family.
- The specific goals for the child's care, including the plans for achieving the goals.
- A schedule for evaluating the child's progress.
- The procedures to follow during an emergency.
- The criteria for discharging the child from the center.
- The signature of the provider, a representative of the center, and the child's parent or guardian.

A prescribed pediatric extended care center would have to require a child's parent or guardian to sign a confidential consent form before the child's admission to the center and provide them with a copy of the signed form. The consent form would have to include at least all of the following:

- The purpose of the center.
- The responsibilities of the family of a child with a medical complexity.
- The treatment authorized for the child.
- Emergency disposition plans.
- Spaces for the signatures of the parent or guardian and one or more witnesses.

Transportation

A prescribed pediatric extended care center would have to provide or arrange for a child's transportation to and from the center unless the parent or guardian chooses to do so. The center would be responsible for the safety of the child during any such transport they provide.

Patient records

A prescribed pediatric extended care center would have to keep and maintain a record for each patient. The record would have to include all of the following:

- The name, title, and signature of each individual making an entry into the record.
- Provider orders.
- Flow charts of medications and treatments administered.
- Concise and accurate information and initiated case notes reflecting progress toward achieving protocol of care goals or reasons for a lack of progress.
- Documentation of nutritional management and special diets, as appropriate.

- Documentation of nursing, goals, treatment plans, and documentation of each treatment, including the date and time each treatment is provided and the patient's progress.
- Documentation of social and developmental services, including the date and time each service is provided and the patient's progress.
- Any patient allergies or special precautions.
- The patient's immunization record.
- Any revisions or recommended changes to the patient's therapeutic plan in their individualized protocol of care.
- Any discharge order for the child. A discharge order would have to be signed by a physician and include a summary that includes the reason for discharge.
- A signed copy of the consent form described above.

Quality assurance programs

A prescribed pediatric extended care center would have to implement a quality assurance program to evaluate the provision of care in the center. The medical director would have to be involved in the program, which would have to include all of the following evaluations:

- At least every six months, an evaluation of each organized service that relates to patient care, including a service furnished by a contractor.
- At least every six months, an evaluation of the evidence of the involvement of a patient's parent or guardian.
- The evaluation of nosocomial infections (infections originating in the facility) and medication therapy.
- Quarterly evaluations of staffing plans to ensure staffing standards are met and to improve regulatory efficiency.

House Bill 6152 would amend the Insurance Code to require an insurer that delivers, issues for delivery, or renews a health insurance policy in Michigan to provide coverage for prescribed pediatric extended care under the new Part 219A of the Public Health Code (House Bill 5974).

Proposed MCL 500.3406jj

House Bill 6153 would amend the Social Welfare Act to require DHHS to provide coverage under the medical assistance program for prescribed pediatric extended care under the new Part 219A of the Public Health Code (House Bill 5974).

Proposed MCL 400.109u

House Bills 6152 and 6153 can take effect only if House Bill 5974 is also enacted.

FISCAL IMPACT:

House Bill 5974 would have an indeterminate net fiscal impact on the Department of Licensing and Regulatory Affairs. The bill would create a new licensure classification for prescribed pediatric extended care centers beginning on October 1, 2026. The bill would require LARA to collect a $2,000 initial license fee followed by a $500 annual assessment. LARA would

likely experience a revenue increase from the collected assessments, which would depend on the number of centers seeking licensure. Preliminary estimates from LARA indicate that the department would likely incur modest costs under the bill. The department estimates that $300,000 would be required for staffing, travel, and other expenses along with $360,000 in one-time costs to update the licensure database.

The bill also would have an indeterminate fiscal impact on local units of government. Under section 20199 of the Public Health Code, a person that violates provisions of the bill would be guilty of a misdemeanor punishable by a fine of not more than $1,000 for each day the violation continues. The number of violations that would result is not known. The fiscal impact on local court systems would depend on how provisions of the bill affected court caseloads and related administrative costs. It is difficult to project the actual fiscal impact to courts due to variables such as law enforcement practices, prosecutorial practices, judicial discretion, case types, and complexity of cases. Any increase in penal fine revenue would increase funding for public and county law libraries, which are the constitutionally designated recipients of those revenues.

House Bill 6152 would not have a direct fiscal impact on any units of state or local government. However, section 150 of the Insurance Code provides for recourse and penalties in the event of a violation of the code. Under the provisions of that section, violators have the opportunity for an administrative hearing before the DIFS director, who may levy a civil fine of $1,000 for each violation, or $5,000 if the individual knew or reasonably should have known that they were violating the Insurance Code. Civil fine payments under the Insurance Code are capped at $50,000, and any revenue collected must be deposited to the state's general fund. To the extent that violations of the new provision within the bill occur, additional general fund revenue may be realized and enforcement costs incurred.

House Bill 6153

Costs to the state's Medicaid program would be dependent upon usage of services provided by prescribed pediatric extended care centers, as defined in House Bill 5974, and the annually updated Federal Medical Assistance Percentage (FMAP), which designates the federal match for state Medicaid expenditures – Michigan's FMAP for FY 2024-25 is 65.13%. These facilities would likely provide an additional avenue to receive existing, Medicaid covered services.

There likely would not be any associated increase in DHHS administrative costs, as these payments would be in accordance with how the department already reimburses for similar services to other providers.

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