PUBLIC HEALTH CODE (EXCERPT)
Act 368 of 1978

PART 215
HOSPITALS

333.21501 Definitions and principles of construction.

Sec. 21501. (1) As used in this part:

(a) "Aircraft transport vehicle" means that term as defined in section 20902.

(b) "Ambulance" means that term as defined in section 20902.

(c) "Emergency patient" means that term as defined in section 20904.

(d) "Group health plan" means an employer program of health benefits, including an employee welfare benefit plan as defined in section 3(1) of subtitle A of title I of the employee retirement income security act of 1974, Public Law 93-406, 29 USC 1002, to the extent that the plan provides medical care, including items and services paid for as medical care to employees or their dependents as defined under the terms of the plan directly or through insurance, reimbursement, or otherwise.

(e) "Health benefit plan" means a group health plan, an individual or group expense-incurred hospital, medical, or surgical policy or certificate, or an individual or group health maintenance organization contract. Health benefit plan does not include accident-only, credit, dental, or disability income insurance; long-term care insurance; coverage issued as a supplement to liability insurance; coverage only for a specified disease or illness; worker's compensation or similar insurance; or automobile medical-payment insurance.

(f) "Nonemergency patient" means that term as defined in section 20908.

(g) "Participating provider" means a provider that, under contract with an insurer that issues health benefit plans, or with such an insurer's contractor or subcontractor, has agreed to provide health care services to covered individuals and to accept payment by the insurer, contractor, or subcontractor for covered services as payment in full, other than coinsurance, copayments, or deductibles.

(h) "Patient's representative" means any of the following:

(*i*) A person to whom a patient has given express written consent to represent the patient.

(*ii*) A person authorized by law to provide consent for a patient.

(*iii*) A patient's treating health professional, but only if the patient is unable to provide consent.

(i) "Rural emergency hospital" means a hospital that is designated by the Centers for Medicare and Medicaid Services to offer rural emergency hospital services.

(j) "Rural emergency hospital services" means that term as defined in 42 USC 1395x.

(k) "Third party administrator" means that term as defined in section 2 of the third party administrator act, 1984 PA 218, MCL 550.902.

(2) In addition, article 1 contains general definitions and principles of construction applicable to all articles in this code and part 201 contains definitions applicable to this part.

History: 1978, Act 368, Eff. Sept. 30, 1978;—Am. 2018, Act 384, Eff. Mar. 19, 2019;—Am. 2022, Act 265, Imd. Eff. Dec. 22, 2022.

Compiler's note: For transfer of powers and duties of the division of health facility licensing and certification in the bureau of health systems, division of federal support services, and the division of emergency medical services, with the exception of the division of managed care and division of health facility development, from the department of public health to the director of the department of commerce, see E.R.O. No. 1996-1, compiled at MCL 330.3101 of the Michigan Compiled Laws.

For transfer of powers and duties of the bureau of health services from the department of consumer and industry services to the director of the department of community health by Type II transfer, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

Popular name: Act 368

333.21511 License required; use of term “hospital.”

Sec. 21511. (1) A hospital shall be licensed under this article.

(2) "Hospital" shall not be used to describe or refer to a health facility unless the health facility is licensed as a hospital by the department under this article. This section does not apply to a hospital licensed or operated by the department of mental health or the federal government or to a veterinary hospital.

History: 1978, Act 368, Eff. Sept. 30, 1978.

Popular name: Act 368

333.21513 Owner, operator, and governing body of hospital; responsibilities and duties generally.

Sec. 21513. The owner, operator, and governing body of a hospital licensed under this article:

(a) Are responsible for all phases of the operation of the hospital, selection of the medical staff, and quality of care rendered in the hospital.

(b) Shall cooperate with the department in the enforcement of this part, and require that the physicians, dentists, and other personnel working in the hospital who are required to be licensed or registered are in fact currently licensed or registered.

(c) Shall ensure that physicians and dentists admitted to practice in the hospital are granted hospital privileges consistent with their individual training, experience, and other qualifications.

(d) Shall ensure that physicians and dentists admitted to practice in the hospital are organized into a medical staff to enable an effective review of the professional practices in the hospital for the purpose of reducing morbidity and mortality and improving the care provided in the hospital for patients. The review must include the quality and necessity of the care provided and the preventability of complications and deaths occurring in the hospital.

(e) Shall not discriminate because of race, religion, color, national origin, age, or sex in the operation of the hospital including employment, patient admission and care, room assignment, and professional or nonprofessional selection and training programs, and shall not discriminate in the selection and appointment of individuals to the physician staff of the hospital or its training programs on the basis of licensure or registration or professional education as doctors of medicine, osteopathic medicine and surgery, or podiatry.

(f) Shall ensure that the hospital adheres to medical control authority protocols according to section 20918.

(g) Shall ensure that the hospital develops and maintains a plan for biohazard detection and handling.

(h) Shall notify the department of health and human services if the owner, operator, or governing body of the hospital applies for designation as a rural emergency hospital.

History: 1978, Act 368, Eff. Sept. 30, 1978;—Am. 1984, Act 327, Imd. Eff. Dec. 26, 1984;—Am. 1986, Act 174, Imd. Eff. July 7, 1986;—Am. 1987, Act 178, Imd. Eff. Nov. 19, 1987;—Am. 1989, Act 27, Eff. Dec. 31, 1989;—Am. 1990, Act 179, Imd. Eff. July 2, 1990;—Am. 1993, Act 79, Eff. Apr. 1, 1994;—Am. 2002, Act 125, Imd. Eff. Apr. 1, 2002;—Am. 2022, Act 265, Imd. Eff. Dec. 22, 2022 .

Compiler's note: Section 3 of Act 174 of 1986 provides: “This amendatory act shall only apply to contested cases filed on or after July 1, 1986.”

Popular name: Act 368

333.21515 Confidentiality of records, data, and knowledge.

Sec. 21515. The records, data, and knowledge collected for or by individuals or committees assigned a review function described in this article are confidential and shall be used only for the purposes provided in this article, shall not be public records, and shall not be available for court subpoena.

History: 1978, Act 368, Eff. Sept. 30, 1978.

Popular name: Act 368

333.21521 Minimum standards and rules; practices.

Sec. 21521. A hospital shall meet the minimum standards and rules authorized by this article and shall endeavor to carry out practices that will further protect the public health and safety, prevent the spread of disease, alleviate pain and disability, and prevent premature death.

History: 1978, Act 368, Eff. Sept. 30, 1978.

Popular name: Act 368

333.21523 Strictness of rules and standards.

Sec. 21523. (1) The rules for operation and maintenance of hospitals shall not be less strict than those required for certification of hospitals under part D of title XVIII of the social security act, chapter 531, 79 Stat. 313, 42 U.S.C. 1395x to 1395yy and 1395bbb to 1395ggg.

(2) The standards relating to construction, additions, modernization, or conversion of hospitals shall not be less strict than the standards contained in the document entitled "Minimum Design Standards for Health Care Facilities in Michigan" published by the department, dated March 1998.

History: 1978, Act 368, Eff. Sept. 30, 1978;—Am. 2002, Act 683, Imd. Eff. Dec. 30, 2002.

Popular name: Act 368

333.21527 Sexual medical forensic examination; administration of sexual assault evidence kit; payment provisions; "sexual assault evidence kit" defined.

Sec. 21527. (1) If an individual alleges to a physician or other member of the attending or admitting staff of a hospital that within the preceding 120 hours the individual has been the victim of criminal sexual conduct under sections 520a to 520*l* of the Michigan penal code, 1931 PA 328, MCL 750.520a to 750.520*l*, the attending health care personnel responsible for examining or treating the individual immediately shall inform the individual of the availability of a sexual assault medical forensic examination, including the

administration of a sexual assault evidence kit. If consented to by the individual, the attending health care personnel shall perform or have performed on the individual the sexual assault medical forensic examination, including the procedures required by the sexual assault evidence kit. The attending health care personnel shall also inform the individual of the provisions for payment for the sexual assault medical forensic examination under section 5a of 1976 PA 223, MCL 18.355a.

(2) As used in this section, "sexual assault evidence kit" means a standardized set of equipment and written procedures approved by the department of state police that have been designed to be administered to an individual principally for the purpose of gathering evidence of sexual conduct, which evidence is of the type offered in court by the forensic science division of the department of state police for prosecuting a case of criminal sexual conduct under sections 520a to 520*l* of the Michigan penal code, 1931 PA 328, MCL 750.520a to 750.520*l*.

History: Add. 1988, Act 3, Imd. Eff. Feb. 5, 1988;—Am. 2014, Act 320, Eff. Jan. 1, 2015.

Popular name: Act 368

333.21529 Repealed. 2010, Act 23, Eff. Apr. 1, 2012.

Compiler's note: The repealed section pertained to establishment of seasonal influenza immunization policy.

333.21530 Repealed. 2010, Act 21, Eff. Apr. 1, 2012.

Compiler's note: The repealed section pertained to influenza immunization for individual admitted to hospital.

333.21531 Repealed. 1988, Act 315, Eff. Mar. 30, 1989.

Compiler's note: The repealed section pertained to smoking policy.

Popular name: Act 368

333.21532 Acknowledgment of parentage.

Sec. 21532. (1) A hospital shall provide to an unmarried mother of a live child born in that hospital an acknowledgment of parentage form that can be completed by the child's mother and father to acknowledge paternity of the child as provided in the acknowledgment of parentage act. The hospital shall provide to the parents the information developed as required by subsection (2) on the purpose and completion of the form and on the rights and responsibilities of the parents. Execution of an acknowledgment of parentage as provided in the acknowledgment of parentage act establishes the child's legal paternity. The hospital shall forward a completed acknowledgment of parentage to the state register for recording.

(2) The department shall develop and distribute free of charge to hospitals the acknowledgment of parentage form, the information on the purpose and completion of the form, and the information on the rights and responsibilities of the parents. The hospital shall provide assistance and training to hospital staff assigned responsibility for obtaining the forms, as appropriate. The acknowledgment of parentage form and information shall clearly state that completion of the form is voluntary on the part of the mother and father, and shall include all of the notices as provided in section 7 of the acknowledgment of parentage act. The hospital shall provide each parent with a copy of the completed form.

(3) A hospital is immune from civil or criminal liability for providing the form required by this section, the information developed as required by this section, or otherwise fulfilling its duties under this section.

History: Add. 1993, Act 116, Eff. Jan. 21, 1993;—Am. 1996, Act 6, Eff. June 1, 1996;—Am. 1996, Act 307, Eff. June 1, 1997.

Popular name: Act 368

333.21533 Acknowledgment of paternity.

Sec. 21533. Upon request, the department shall provide to an unmarried mother of a child or to a putative father an acknowledgment of parentage form that can be completed by the child's mother and father to acknowledge the child's paternity as provided in the acknowledgment of parentage act, 1996 PA 305, MCL 722.1001 to 722.1013. The department shall provide to the mother and putative father the information developed as required by section 21532 on the purpose and completion of the form and on the parents' rights and responsibilities.

History: Add. 1998, Act 332, Imd. Eff. Aug. 10, 1998.

Popular name: Act 368

333.21534 Hospice care information provided by hospital.

Sec. 21534. Upon the request of a patient, a patient's physician, a member of the patient's family, the patient's designated patient advocate, or the patient's legal guardian, a hospital shall provide information orally and in writing to the requesting party regarding hospice and palliative care services and the availability

of hospice care in the area in which the hospital is located. The hospital shall provide the information whether or not the hospital provides hospice care.

History: Add. 2001, Act 219, Imd. Eff. Dec. 28, 2001.

Popular name: Act 368

333.21535 Nonopioid directive form.

Sec. 21535. A hospital shall make available to the public the nonopioid directive form developed under section 9145 on the hospital's internet website.

History: Add. 2022, Act 44, Imd. Eff. Mar. 23, 2022.

Popular name: Act 368

333.21537 Insurance enrollment of newborn; informational document.

Sec. 21537. (1) If a live child born in a hospital is not covered under a health benefit plan, the hospital shall provide to a parent or guardian of the child the informational document on the insurance enrollment process developed under subsection (2).

(2) The department of insurance and financial services, in consultation with the department of health and human services, shall develop and make available to hospitals an informational document on the insurance enrollment process for coverage of a newborn.

History: Add. 2024, Act 250, Eff. Apr. 2, 2025.

Popular name: Act 368

333.21540 Use of aircraft transport vehicle or rotary aircraft ambulance; nonemergency patient; medically necessary; violation; liability.

Sec. 21540. (1) A nonemergency patient shall be transported by an ambulance that is a motor vehicle instead of an aircraft transport vehicle or ambulance that is a rotary aircraft, unless transporting the patient by an aircraft transport vehicle or ambulance that is a rotary aircraft is medically necessary for the patient.

(2) If it is determined that ordering an aircraft transport vehicle or ambulance that is a rotary aircraft to transport a nonemergency patient is medically necessary for the nonemergency patient, an aircraft transport vehicle from an aircraft transport operation, or an ambulance that is a rotary aircraft from an ambulance operation, that is a participating provider with the nonemergency patient's health benefit plan must be ordered before ordering an aircraft transport vehicle from an aircraft transport operation, or an ambulance that is a rotary aircraft from an ambulance operation, that is not a participating provider with the nonemergency patient's health benefit plan. This subsection does not apply if the hospital does not have electronic access to the information described in section 21541(1)(a)(*i*)(A) and (B).

(3) A hospital that violates this section is liable to the aircraft transport operation or ambulance operation for the reasonable cost of transporting the nonemergency patient, as negotiated between the hospital and the aircraft transport operation or ambulance operation, to the extent that the cost exceeds the amount covered by the patient's health benefit plan.

History: Add. 2018, Act 383, Eff. Mar. 19, 2019.

Popular name: Act 368

333.21541 Transportation of nonemergency patient by aircraft transport vehicle or rotary aircraft ambulance; disclosure required; notice; signature; immunity; violation; liability.

Sec. 21541. (1) Subject to section 21540, before an aircraft transport vehicle is ordered to transport a nonemergency patient or an ambulance that is a rotary aircraft is ordered to transport a nonemergency patient, a hospital shall do all of the following:

(a) Disclose to the nonemergency patient, or that patient's representative, all of the following information:

(*i*) Whether the aircraft transport operation or ambulance operation is a participating provider with the nonemergency patient's health benefit plan. This subparagraph does not apply if the hospital does not have electronic access to all of the following information:

(A) Whether the nonemergency patient's health benefit plan provides coverage for transportation by an aircraft transport vehicle or an ambulance that is a rotary aircraft.

(B) A list of all aircraft transport operations and ambulance operations that are fully contracted participating providers with the nonemergency patient's health benefit plan and do not participate with the health benefit plan on only a per claim basis.

(*ii*) That the nonemergency patient has a right to be transported by a method other than an aircraft transport vehicle or ambulance that is a rotary aircraft.

(b) Complete the notice described in subsection (2) and, after completing the notice, obtain on the notice

the signature of the nonemergency patient, or that patient's representative, acknowledging that the nonemergency patient, or that patient's representative, has received, has read, and understands the notice. A hospital shall retain a copy of the notice required under this subdivision for not less than 7 years.

(2) The notice required under subsection (1)(b) must be in not less than 12-point type and in substantially the following form:

"Your physician has ordered transport by an aircraft transport vehicle or ambulance that is a rotary aircraft. Your health benefit plan may or may not provide coverage for this transportation. You may be responsible for the costs of the transportation that is not covered by your health benefit plan.

We have conducted a good-faith search to determine whether your health benefit plan provides coverage for this transportation and, if so, to order this transportation from a provider that participates with your health benefit plan.

You have a right to be transported by a method other than transport by an aircraft transport vehicle or ambulance that is a rotary aircraft.

The hospital and the ordering physician are immune from civil liability for injuries or damages arising out of your decision to use a form of transportation other than the one ordered by the ordering physician.

I have received, read, and understand this notice.

_____ _____

(Patient's or patient representative's signature) (Date)

_____

(Type or print patient's or patient representative's name)".

(3) A hospital and ordering physician are immune from civil liability for injuries or damages arising out of the decision of a patient or the patient's representative to use a form of transportation other than the one ordered by the ordering physician.

(4) Upon the request of a nonemergency patient's health benefit plan or third party administrator, the hospital shall provide a copy of the notice required under subsection (1)(b) to the person designated in the nonemergency patient's health benefit plan or by the third party administrator.

(5) A hospital that violates this section is liable to the aircraft transport operation or ambulance operation for the reasonable cost of transporting the nonemergency patient, as negotiated between the hospital and the aircraft transport operation or ambulance operation, to the extent that the cost exceeds the amount covered by the patient's health benefit plan.

History: Add. 2018, Act 384, Eff. Mar. 19, 2019.

Popular name: Act 368

333.21542 Granting right to land by hospital; violation; liability.

Sec. 21542. (1) If a hospital has the infrastructure necessary to allow an aircraft transport vehicle or ambulance that is a rotary aircraft to land at the hospital, the hospital shall grant the right to land at the hospital to an aircraft transport vehicle or ambulance that is a rotary aircraft, that is a participating provider with a patient's health benefit plan. If a hospital denies an aircraft transport vehicle or ambulance that is a rotary aircraft the right to land at the hospital, the hospital shall, within 10 days after the denial, provide to the person designated in the patient's health benefit plan written documentation explaining the reason for the denial. A hospital shall not deny an aircraft transport vehicle or ambulance that is a rotary aircraft the right to land at the hospital for the purpose of allowing an aircraft transport vehicle that is a contracted provider with the hospital or ambulance that is a rotary aircraft that is a contracted provider with the hospital to remain on standby.

(2) In addition to the sanctions set forth in section 20165, a hospital that violates this section is liable to the aircraft transport operation or ambulance operation for the cost of transporting the patient by that operation's aircraft transport vehicle or ambulance that is a rotary aircraft to the extent that the cost exceeds the amount covered by the patient's health benefit plan.

History: Add. 2018, Act 385, Eff. Mar. 19, 2019.

Popular name: Act 368

333.21551 Temporary delicensure of beds; extension; form and contents of application; amended application; alternative use of space; plans; relicensing of beds; automatic and permanent delicensing; bed inventory; transfer of beds; definitions.

Sec. 21551. (1) A hospital licensed under this article and located in a nonurbanized area may apply to the department to temporarily delicense the following:

(a) Not more than 50% of its licensed beds for not more than 5 years.

(b) If the hospital is a rural emergency hospital, 100% of its licensed beds for not more than 5 years.

(2) A hospital that is granted a temporary delicensure of beds under subsection (1) may apply to the department for an extension of temporary delicensure for those beds for up to an additional 5 years to the extent that the hospital actually met the requirements of subsection (6) during the initial period of delicensure granted under subsection (1). The department shall grant an extension under this subsection unless the department determines under part 222 that there is a demonstrated need for the delicensed beds in the hospital group in which the hospital is located. If the department does not grant an extension under this subsection, the hospital shall request relicensure of the beds under subsection (7) or allow the beds to become permanently delicensed under subsection (8).

(3) Except as otherwise provided in this section, for a period of 90 days after January 1, 1991, if a hospital is located in a distressed area and has an annual indigent volume consisting of not less than 25% indigent patients, the hospital may apply to the department to temporarily delicense not more than 50% of its licensed beds for a period of not more than 2 years. On the receipt of a complete application under this subsection, the department shall temporarily delicense the beds indicated in the application. The department shall not grant an extension of temporary delicensure under this subsection.

(4) An application under subsection (1) or (3) must be on a form provided by the department. The form must contain all of the following information:

(a) The number and location of the specific beds to be delicensed.

(b) The period of time during which the beds will be delicensed.

(c) The alternative use proposed for the space occupied by the beds to be delicensed.

(5) A hospital that files an application under subsection (1) or (3) may file an amended application with the department on a form provided by the department. The hospital shall state on the form the purpose of the amendment. If the hospital meets the requirements of this section, the department shall so amend the hospital's original application.

(6) An alternative use of space made available by the delicensure of beds under this section does not result in a violation of this article or the rules promulgated under this article. Along with the application, an applicant for delicensure under subsection (1) or (3) shall submit to the department plans that indicate to the satisfaction of the department that the space occupied by the beds proposed for temporary delicensure will be used for 1 or more of the following:

(a) An alternative use that over the proposed period of temporary delicensure would defray the depreciation and interest costs that otherwise would be allocated to the space along with the operating expenses related to the alternative use.

(b) To correct a licensing deficiency previously identified by the department.

(c) Nonhospital purposes, including, but not limited to, community service projects, if the depreciation and interest costs for all capital expenditures that would otherwise be allocated to the space, as well as any operating costs related to the proposed alternative use, would not be considered as hospital costs for purposes of reimbursement.

(7) The department shall relicense beds that are temporarily delicensed under this section if all of the following requirements are met:

(a) The hospital files with the department a written request for relicensure not less than 90 days before the earlier of the following:

(*i*) The expiration of the period for which delicensure was granted.

(*ii*) The date upon which the hospital is requesting relicensure.

(*iii*) The last hospital license renewal date in the delicensure period.

(b) The space to be occupied by the relicensed beds is in compliance with this article and the rules promulgated under this article, including all licensure standards in effect at the time of relicensure, or the hospital has a plan of corrections that has been approved by the department.

(8) If a hospital does not meet all of the requirements of subsection (7) or if a hospital decides to allow beds to become permanently delicensed as described in subsection (2), then all of the temporarily delicensed beds must be automatically and permanently delicensed effective on the last day of the period for which the department granted temporary delicensure.

(9) The department of health and human services shall continue to count beds temporarily delicensed under this section in the department of health and human services' bed inventory for purposes of determining hospital bed need under part 222 in the hospital group in which the beds are located. The department of health and human services shall indicate in the bed inventory which beds are licensed and which beds are temporarily delicensed under this section. The department of health and human services shall not include a hospital's temporarily delicensed beds in the hospital's licensed bed count.

(10) A hospital that is granted temporary delicensure of beds under this section shall not transfer the beds to another site or hospital without first obtaining a certificate of need.

(11) As used in this section:

(a) "Distressed area" means a city that meets all of the following criteria:

(*i*) Had a negative population change from 2010 to the date of the 2020 federal decennial census.

(*ii*) From 1972 to 1989, had an increase in its state equalized valuation that is less than the statewide average.

(*iii*) Has a poverty level that is greater than the statewide average, according to the 1980 federal decennial census.

(*iv*) Was eligible for an urban development action grant from the United States Department of Housing and Urban Development in 1984 and was listed in 49 FR No. 28 (February 9, 1984) or 49 FR No. 30 (February 13, 1984).

(*v*) Had an unemployment rate that was higher than the statewide average for 3 of the 5 years from 1981 to 1985.

(b) "Indigent volume" means the ratio of a hospital's indigent charges to its total charges expressed as a percentage as determined by the department of health and human services after November 12, 1990, under chapter 8 of the department of health and human services guidelines titled "Medical Assistance Program Manual".

(c) "Nonurbanized area" means an area that is not an urbanized area.

(d) "Urbanized area" means that term as defined by the Office of Federal Statistical Policy and Standards of the United States Department of Commerce in the appendix entitled "General Procedures and Definitions", 45 FR p. 962 (January 3, 1980), which document is incorporated by reference.

History: Add. 1990, Act 259, Imd. Eff. Oct. 15, 1990;—Am. 1990, Act 331, Imd. Eff. Dec. 21, 1990;—Am. 2022, Act 265, Imd. Eff. Dec. 22, 2022.

Popular name: Act 368

333.21552 Hospital transition assistance program; purpose; elements; feasibility study; financing; advisory committee; report.

Sec. 21552. (1) The department, in cooperation with the state hospital finance authority, the office of health and medical affairs, and other state agencies considered appropriate by the department, shall develop recommendations regarding the appropriateness and feasibility of a state hospital transition assistance program to provide voluntary assistance to hospitals wanting to close, convert, or consolidate their facilities with another hospital, in order to eliminate excess capacity in a way that would maintain common access to critical health care services and assist displaced employees.

(2) The hospital transition assistance program described in subsection (1) shall include at least the following elements:

(a) Assistance in retiring all or some appropriate portion of the principal and interest applicable to the outstanding debt of a hospital applying to participate in the program.

(b) Assistance, through relocation or retraining, to workers displaced as a result of a hospital closure, conversion, or consolidation under the program.

(c) Maintenance of community access to critical health care services, especially for the uninsured and the underinsured, that might be endangered as a result of assistance provided under this program.

(d) As appropriate to hospitals wanting to close, convert, or consolidate, assistance with license termination, cessation of operations, and disposition of assets to help defray the outstanding indebtedness of a hospital applying to participate in the program.

(3) The state hospital finance authority, after consultation with experts knowledgeable about the approaches listed in this section, shall contract for a study of the feasibility of the hospital transition assistance program elements as described in subsection (2). The feasibility study shall include at least all of the following information:

(a) The outstanding hospital bonded indebtedness and associated interest for all the hospitals in this state and the amounts payable in principal and interest per year until the bonds are retired.

(b) The financial benefits and costs to the state, health care purchasers, and other hospitals of assisting in defraying portions of that indebtedness and interest according to the different possible options.

(c) Criteria for prioritizing assistance to hospitals applying to participate in the program.

(d) Options for, and estimated benefits and costs of, providing relocation and retraining assistance to workers displaced by a hospital closure, conversion, or consolidation assisted by the program.

(e) In cases of proposed conversions or consolidations, the possibility of including a requirement that the assistance will result in a net reduction of beds at least equal to the number licensed to the hospital applying to participate in the program.

(f) Interest among hospitals and purchasers regarding participation in the program.

(4) The state hospital finance authority may expend up to $250,000.00 from its operating fund to finance the feasibility study described in subsection (3) and to staff the advisory committee created in subsection (5).

(5) An advisory committee appointed by the director shall react to and comment on the feasibility study developed pursuant to subsection (3), and report to the governor and legislature on the appropriateness of pursuing the options described in the feasibility study. The committee shall be composed of 15 members equally divided among representatives of health consumers, health providers, and purchasers of health care.

(6) The feasibility study required under subsection (3) shall be completed within 9 months after the effective date of the contract for the feasibility study. The advisory committee established under subsection (5) shall submit its report to the governor and the legislature not later than 4 months after the advisory committee receives the feasibility study.

History: Add. 1990, Act 259, Imd. Eff. Oct. 15, 1990.

Compiler's note: For transfer of powers and duties of state hospital finance authority to Michigan finance authority, see E.R.O. No. 2010-2, compiled at MCL 12.194.

Popular name: Act 368

333.21561 Application for designation as rural community hospital; use of term “rural community hospital”; definition.

Sec. 21561. (1) After the effective date of the rules required under section 21563, a hospital with fewer than 100 licensed beds located in a nonurbanized area that is either licensed on or before the effective date of this section or is licensed after the effective date of this section and is located in a county that did not have a hospital on the effective date of this section may apply to the department for designation as a rural community hospital.

(2) The term "rural community hospital" shall not be used to describe or refer to a health facility or agency unless the health facility or agency is designated as a rural community hospital by the department.

(3) As used in this section, "nonurbanized area" means that term as defined in section 21551.

History: Add. 1990, Act 252, Imd. Eff. Oct. 12, 1990.

Popular name: Act 368

333.21562 Rural community hospital as limited service hospital; delivery of basic acute care services; rules implementing part; agreement to participate in medicaid program; definition; participation in federal medicare program; appointment, membership, and purpose of ad hoc advisory committee; transfer agreement.

Sec. 21562. (1) A hospital designated as a rural community hospital under section 21561 shall be a limited service hospital directed toward the delivery of not more than basic acute care services in order to assure appropriate access in the rural area.

(2) The rules promulgated to implement this part shall require that a hospital designated as a rural community hospital under section 21561 shall provide no more than the following services:

(a) Emergency care.

(b) Stabilization care for transfer to another facility.

(c) Inpatient care.

(d) Radiology and laboratory services.

(e) Ambulatory care.

(f) Obstetrical services.

(g) Outpatient services.

(h) Other services determined as appropriate by the ad hoc advisory committee created in subsection (5).

(3) A rural community hospital shall enter into an agreement with the department of social services to participate in the medicaid program. As used in this subsection, "medicaid" means that term as defined in section 22207.

(4) A rural community hospital shall meet the conditions for participation in the federal medicare program under title XVIII of the social security act.

(5) Not later than 3 months after the effective date of this section, the director shall appoint an ad hoc advisory committee to develop recommendations for rules to designate the maximum number of beds and the services to be provided by a rural community hospital. In developing recommendations under this subsection, the ad hoc advisory committee shall review the provisions of the code pertaining to hospital licensure in order to determine those provisions that should apply to rural community hospitals. The director shall direct the committee to report its recommendations to the department within 12 months after the committee is appointed. The ad hoc advisory committee shall be appointed as follows:

(a) Twenty-five percent of the members shall be representatives from hospitals with fewer than 100

licensed beds.

(b) Twenty-five percent of the members shall be representatives from health care provider organizations other than hospitals.

(c) Twenty-five percent of the members shall be representatives from organizations whose membership includes consumers of rural health care services or members of local governmental units located in rural areas.

(d) Twenty-five percent of the members shall be representatives from purchasers or payers of rural health care services.

(6) A hospital designated as a rural community hospital under section 21561 shall develop and implement a transfer agreement between the rural community hospital and 1 or more appropriate referral hospitals.

History: Add. 1990, Act 252, Imd. Eff. Oct. 12, 1990.

Popular name: Act 368

333.21563 Rules for designation of rural community hospital, maximum number of beds, and services; showing designation on license; licensing and regulation of rural community hospital; applicable provisions of part 222; differential reimbursement.

Sec. 21563. (1) The department, in consultation with the ad hoc advisory committee appointed under section 21562, shall promulgate rules for designation of a rural community hospital, maximum number of beds, and the services provided by a rural community hospital. The director shall submit proposed rules, based on the recommendations of the committee, for public hearing not later than 6 months after receiving the report under section 21562(5).

(2) The designation as a rural community hospital shall be shown on a hospital's license and shall be for the same term as the hospital license. Except as otherwise expressly provided in this part or in rules promulgated under this section, a rural community hospital shall be licensed and regulated in the same manner as a hospital otherwise licensed under this article. The provisions of part 222 applicable to hospitals also apply to a rural community hospital and to a hospital designated by the department under federal law as an essential access community hospital or a rural primary care hospital. This part and the rules promulgated under this part do not preclude the establishment of differential reimbursement for rural community hospitals, essential access community hospitals, and rural primary care hospitals.

History: Add. 1990, Act 252, Imd. Eff. Oct. 12, 1990.

Popular name: Act 368

333.21564 Waiving applicability of specified licensure requirement; conditions; application for waiver; form; duration of waiver; definition.

Sec. 21564. (1) Upon request of a hospital with less than 100 beds located in a nonurbanized area, the department may waive the applicability of a specified licensure requirement if the department determines that strict compliance with the licensure requirement is not necessary to protect the public health, safety, and welfare in light of the health care provided by or in the hospital. The department may impose conditions upon a waiver under this section to protect the public health, safety, and welfare.

(2) An application for a waiver under this section shall be on a form provided by the department.

(3) A waiver granted by the department under this section shall not exceed 2 years, except that the department may renew the waiver for subsequent periods if the hospital continues to meet the requirements of this section.

(4) As used in this section, "nonurbanized area" means that term as defined in section 21551.

History: Add. 1990, Act 252, Imd. Eff. Oct. 12, 1990.

Popular name: Act 368

333.21565 Mental health crisis stabilization program.

Sec. 21565. A hospital that has entered into a contract with a community mental health board may establish a mental health crisis stabilization program for voluntary admission with a maximum length of stay not to exceed 72 hours.

History: Add. 1990, Act 252, Imd. Eff. Oct. 12, 1990.

Popular name: Act 368

333.21566 Essential access community hospital; designation; purpose; eligibility requirements; modification of requirements.

Sec. 21566. (1) The department shall designate an eligible hospital as an essential access community hospital in order to qualify the facility for the essential access community hospital program under section

1820(e) of title XVIII of the social security act, 42 U.S.C. 1395i-4.

(2) To be eligible for designation as an essential access community hospital, a hospital shall meet all of the following requirements:

(a) Be located outside of a metropolitan statistical area, as defined by the United States office of management and budget.

(b) Be located more than 35 miles from an essential access community hospital, or a facility classified by the secretary of health and human services as a rural referral center or a regional referral center under section 1886 (d)(5)(c) of title XVIII of the social security act, 42 U.S.C. 1395ww.

(c) Have at least 75 inpatient beds or be located more than 35 miles from any other hospital.

(d) Have a transfer agreement with at least a facility designated as a rural primary care hospital under section 1820(f) of title XVIII of the social security act, 42 U.S.C. 1395i-4.

(e) Meet other requirements established by the department with the approval of the secretary of health and human services.

(f) Be a nonprofit or public hospital.

(3) The department may modify the requirements of subsection (2) in order to conform with changes in the federal requirements, or possible waivers, as provided in federal law or regulation for the designation of an essential access community hospital.

History: Add. 1990, Act 252, Imd. Eff. Oct. 12, 1990.

Popular name: Act 368

333.21567 Rural primary care hospital; designation; purpose; eligibility requirements; modification of requirements.

Sec. 21567. (1) The department shall designate an eligible hospital as a rural primary care hospital in order to qualify the facility for the essential access community hospital program, under section 1820(f) of title XVIII of the social security act, 42 U.S.C. 1395i-4.

(2) To be eligible for designation as a rural primary care hospital, a hospital shall meet all of the following requirements:

(a) Be located outside of a metropolitan statistical area, as defined by the United States office of management and budget.

(b) Make available 24-hour emergency services.

(c) Provide no more than 6 inpatient beds for providing inpatient care for a period not to exceed 72 hours to patients requiring stabilization before discharge or transfer to a hospital.

(d) Have a transfer agreement with at least an essential access community hospital designated under section 21566.

(e) Meet other requirements established by the department and approved by the secretary of health and human services.

(f) Be a nonprofit or public hospital.

(3) The department shall indicate preferential designation under this section for an eligible hospital that is located more than 30 minutes travel time away from the next closest hospital.

(4) The department may modify the requirements of subsection (2) in order to conform with changes in the federal requirements, or possible waivers, as provided in federal law or regulation for the designation of a rural primary care hospital.

History: Add. 1990, Act 252, Imd. Eff. Oct. 12, 1990.

Popular name: Act 368

333.21568 Rural health networks.

Sec. 21568. The center for rural health created under section 2612, as part of the development of the biennial rural health plan required under section 2223, shall develop a plan that provides for the creation of a set of rural health networks. Each rural health network shall consist, at a minimum, of 1 essential access community hospital, rural referral center, or regional referral center described in section 21566, and 1 rural primary care hospital as described in section 21567. Other rural health care providers including, but not limited to, primary care centers, community health centers, licensed nursing homes, and local public health departments may also be included in a rural health network for the purpose of developing a continuum of patient care.

History: Add. 1990, Act 252, Imd. Eff. Oct. 12, 1990.

Popular name: Act 368

333.21571 Rural hospital; eligibility requirements; definition.

Sec. 21571. (1) To be a rural hospital and qualify as an eligible hospital under the federal medicare rural hospital flexibility program, 42 USC 1395i-4, a hospital not located outside of a metropolitan statistical area as defined in 42 USC 1395ww shall be located in a city, village, or township with a population of no more than 12,000 and in a county with a population of no more than 110,000. Population is to be determined according to the official 2000 federal decennial census.

(2) A hospital that is determined to be a rural hospital under this section may be designated by the department as a critical provider to satisfy the eligibility requirements for certification as a critical access hospital.

(3) As used in this section, "rural hospital" means a hospital that is located outside of a metropolitan statistical area as defined in 42 USC 1395ww or that satisfies the criteria established under subsection (1).

History: Add. 2004, Act 444, Imd. Eff. Dec. 22, 2004.