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## SENIOR HOUSING FACILITIES; CONTRACTS

### House Bill 4128

**Sponsor: Rep. Judith Scranton**

**Committee: Senior Health, Security and Retirement**

**Complete to 2-4-99**

### A SUMMARY OF HOUSE BILL 4128 AS INTRODUCED 2-2-99

The bill would create a new act to regulate "housing-with-services establishments" for senior citizens. A housing-with-services establishment would be defined to mean a facility that offers sleeping accommodations to adult residents, at least 80 percent of whom are 55 years of age or older, and providing or offering health-related services (nursing care, nurse aide services, home aide care) or other supportive services (such as laundry, handling residents' money, arranging for medical services or social services, transportation, and having a person on-site at all times to assist in an emergency). However, housing-with-services establishments would not include adult foster care facilities or health facilities licensed under the Public Health Code (such as hospitals, medical facilities, nursing homes, hospices, and homes for the aged).

Contracts. The bill would prohibit a facility from operating as a housing-with-services establishment except under a written contract with each resident. A contract would have to include:

- The facility's name, street address, and mailing address.
- The owner's name and mailing address. If the facility was owned by an entity other than an individual, then the contract would have to identify the type of ownership, along with primary officers and directors.
- The name and address of the managing agent.
- The name and address of a person authorized to accept service of process on behalf of the owner and managing agent.
- A statement describing whether the facility or a provider of services was regulated by a local, state, or federal agency, and its licensing status.
- The term of the contract, in months or years.
- A description of the services provided in exchange for the base-rate paid by the resident.

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- A description of additional services available for an additional fee, and fee schedules for those services.
- A description of the process for modifying, amending, or terminating the contract.
- A description of the facility's complaint resolution process.
- The resident's designated representative, if any.
- The facility's referral procedure in the event the contract was terminated.
- The criteria used to determine who may continue to reside in the facility.
- Billing and payment procedures and requirements.
- A statement regarding the availability of public funds for payment for residence or services, or both, in the facility.

A housing-with-services establishment would be required to keep contracts and related documents for current residents on site, and would have to keep those documents for at least three years after each contract was terminated.

Exclusions. The bill specifies that it would not require a housing-with-services establishment to provide a minimum core of services, to serve a specific number of residents so long as at least seven residents were regularly served, nor to provide any specific type of physical plant or facility so long as the establishment was in compliance with applicable state and local codes.

Civil remedies. The bill specifies that a contract executed in violation of the bill would be voidable at the option of the resident. Further, a resident could bring an action in a court of competent jurisdiction for recovery of damages arising out of a violation of or noncompliance with the bill. A court could order treble damages for a willful violation.

The bill would prohibit a housing-with-services establishment from bringing, maintaining, or defending an action to collect compensation for the performance of a contract that a court had determined to be in willful violation of or in noncompliance with the bill.

Analyst: D. Martens

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.