

SUBSTITUTE FOR  
HOUSE BILL NO. 5256

A bill to amend 1978 PA 368, entitled  
"Public health code,"  
by amending section 21766 (MCL 333.21766), as amended by 1994  
PA 73.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 21766. (1) A nursing home shall execute a written con-  
2 tract solely with an applicant or patient or that applicant's or  
3 patient's guardian or legal representative authorized by law to  
4 have access to those portions of the patient's or applicant's  
5 income or assets available to pay for nursing home care, at each  
6 of the following times:

7       (a) At the time an individual is admitted to a nursing  
8 home.

9       (b) At the expiration of the term of a previous contract.

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1 (c) At the time the source of payment for the patient's care  
2 changes.

3 (2) A nursing home shall not discharge or transfer a patient  
4 at the expiration of the term of a contract, except as provided  
5 in section 21773.

6 (3) A NURSING HOME SHALL SPECIFICALLY NOTIFY IN WRITING AN  
7 APPLICANT OR PATIENT OR THAT APPLICANT'S OR PATIENT'S GUARDIAN OR  
8 LEGAL REPRESENTATIVE OF THE AVAILABILITY OR LACK OF AVAILABILITY  
9 OF HOSPICE CARE IN THE NURSING HOME. THIS WRITTEN NOTICE SHALL  
10 BE BY WAY OF A SPECIFIC PARAGRAPH LOCATED IN THE WRITTEN CONTRACT  
11 DESCRIBED IN SUBSECTION (1) AND SHALL REQUIRE THE APPLICANT OR  
12 PATIENT OR THAT APPLICANT'S OR PATIENT'S GUARDIAN OR LEGAL REPRE-  
13 SENTATIVE TO SIGN OR INITIAL THE PARAGRAPH BEFORE EXECUTION OF  
14 THE WRITTEN CONTRACT. AS USED IN THIS SUBSECTION, "HOSPICE"  
15 MEANS THAT TERM AS DEFINED IN SECTION 20106(4).

16 (4) ~~-(3)-~~ A nursing home shall provide a copy of the con-  
17 tract to the patient, the patient's representative, or the  
18 patient's legal representative or legal guardian at the time the  
19 contract is executed.

20 (5) ~~-(4)-~~ For a patient supported by funds other than the  
21 patient's own funds, a nursing home shall make a copy of the con-  
22 tract available to the person providing the funds for the  
23 patient's support.

24 (6) ~~-(5)-~~ For a patient whose care is reimbursed with public  
25 funds administered by the department of ~~social services~~  
26 COMMUNITY HEALTH, a nursing home shall maintain a copy of the  
27 contract in the patient's file at the nursing home and upon

1 request shall make a copy of the contract available to the  
2 department of ~~social services~~ COMMUNITY HEALTH.

3       (7) ~~—(6)—~~ The nursing home shall ensure that the contract is  
4 written in clear and unambiguous language and is printed in not  
5 less than 12-point type. The form of the contract shall be pre-  
6 scribed by the department.

7       (8) ~~—(7)—~~ The contract shall specify all of the following:

8       (a) The term of the contract AND THE ABILITY OF THE PATIENT  
9 OR THE PATIENT'S GUARDIAN OR LEGAL REPRESENTATIVE TO VOID THE  
10 CONTRACT UNDER SPECIFIC CIRCUMSTANCES.

11       (b) The services to be provided under the contract, INCLUD-  
12 ING THE AVAILABILITY OF HOSPICE OR OTHER SPECIAL CARE, and the  
13 charges for the services.

14       (c) The services that may be provided to supplement the con-  
15 tract and the charges for the services.

16       (d) The sources liable for payments due under the contract.

17       (e) The amount of deposit paid and the general and foresee-  
18 able terms upon which the deposit will be held and refunded.

19       (f) The rights, duties, and obligations of the patient,  
20 except that the specification of a patient's rights may be fur-  
21 nished on a separate document that complies with the requirements  
22 of section 20201.

23       (9) ~~—(8)—~~ The nursing home may require a patient's or  
24 applicant's guardian or legal representative who is authorized by  
25 law to have access to those portions of the patient's or  
26 applicant's income or assets available to pay for nursing home  
27 care to sign a contract without incurring personal financial

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1 liability other than for funds received in his or her legal  
2 capacity on behalf of the patient.

3       (10) ~~-(9)-~~ A nursing home employee may request the appoint-  
4 ment of a guardian for an individual applicant or patient only if  
5 the nursing home employee reasonably believes that the individual  
6 meets the legal requirements for the appointment of a guardian.

7       Enacting section 1. This amendatory act takes effect  
8 January 1, 2002.