

# HOUSE BILL No. 4159

January 31, 2013, Introduced by Reps. Slavens, Brunner, Smiley, Hovey-Wright and Geiss and referred to the Committee on Families, Children, and Seniors.

A bill to amend 1978 PA 368, entitled  
"Public health code,"  
by amending sections 21766 and 21781 (MCL 333.21766 and 333.21781),  
section 21766 as amended by 2001 PA 243.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

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

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

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

6 (3) A ~~nursing home~~ **LICENSEE** shall specifically notify in  
7 writing an applicant or patient or that applicant's or patient's  
8 guardian or legal representative of the availability or lack of  
9 availability of hospice care in the nursing home. This written  
10 notice shall be by way of a specific paragraph located in the  
11 written contract described in subsection (1) and shall require the  
12 applicant or patient or that applicant's or patient's guardian or  
13 legal representative to sign or initial the paragraph before  
14 execution of the written contract. ~~As used in this subsection,~~  
15 ~~"hospice" means that term as defined in section 20106(4).~~

16 (4) A ~~nursing home~~ **LICENSEE** shall provide a copy of the  
17 contract 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) For a patient supported by funds other than the patient's  
21 own funds, a ~~nursing home~~ **LICENSEE** shall make a copy of the  
22 contract available to the person providing the funds for the  
23 patient's support.

24 (6) For a patient whose care is reimbursed with public funds  
25 administered by the department, ~~of community health, a nursing home~~  
26 **LICENSEE** shall maintain a copy of the contract in the patient's  
27 file at the nursing home and upon request shall make a copy of the

1 contract available to the department. ~~of community health.~~

2 (7) ~~The nursing home~~ **A LICENSEE** shall ensure that the contract  
3 is written in clear and unambiguous language and is printed in not  
4 less than 12-point type. The ~~form of~~ **LICENSEE SHALL COMPLY WITH** the  
5 contract ~~shall be~~ **FORM** prescribed by the department.

6 (8) The ~~contract~~ **LICENSEE** shall ~~specify~~ **INCLUDE** all of the  
7 following **IN THE CONTRACT**:

8 (a) The term of the contract.

9 (b) The services to be provided under the contract, including  
10 the availability of hospice or other special care, and the charges  
11 for the services.

12 (c) The services that may be provided to supplement the  
13 contract and the charges for the services.

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

15 (e) The amount of deposit paid and the general and foreseeable  
16 terms upon which the deposit will be held and refunded.

17 (f) The rights, duties, and obligations of the patient, except  
18 that the specification of a patient's rights may be furnished on a  
19 separate document that complies with ~~the requirements of~~ section  
20 20201.

21 (9) The ~~nursing home~~ **LICENSEE** may require a patient's or  
22 applicant's guardian or legal representative who is authorized by  
23 law to have access to those portions of the patient's or  
24 applicant's income or assets available to pay for nursing home care  
25 to sign a contract without incurring personal financial liability  
26 other than for funds received in his or her legal capacity on  
27 behalf of the patient.

1           (10) A nursing home employee may request the appointment of a  
2 guardian for an individual applicant or patient only if the nursing  
3 home employee reasonably believes that the individual meets the  
4 legal requirements for the appointment of a guardian.

5           (11) AT THE TIME A LICENSEE REPORTS A PROPOSED CHANGE OF  
6 OWNERSHIP OF THE NURSING HOME TO THE DEPARTMENT UNDER SECTION  
7 20142, THE LICENSEE SHALL SPECIFICALLY NOTIFY IN WRITING ALL  
8 PATIENTS AND EACH PATIENT'S GUARDIAN OR LEGAL REPRESENTATIVE OF THE  
9 PROPOSED CHANGE OF OWNERSHIP. AT THE TIME THE LICENSEE PROVIDES A  
10 COPY OF A PATIENT CONTRACT UNDER SUBSECTION (4), THE LICENSEE SHALL  
11 ALSO SPECIFICALLY NOTIFY IN WRITING THE PATIENT OR THE PATIENT'S  
12 LEGAL REPRESENTATIVE OR LEGAL GUARDIAN OF A PROPOSED CHANGE OF  
13 OWNERSHIP OF THE NURSING HOME, IF ANY. IF A LICENSEE THAT REPORTS A  
14 PROPOSED CHANGE OF OWNERSHIP UNDER SECTION 20142 RECEIVES NOTICE OF  
15 NONCOMPLIANCE UNDER THAT SECTION AND THE DEPARTMENT DOES NOT HAVE  
16 AN APPROVED PLAN OF CORRECTION FOR THE NURSING HOME, THE LICENSEE  
17 SHALL ALSO INCLUDE IN THE NOTICE TO ALL PATIENTS AND TO EACH  
18 PATIENT'S GUARDIAN OR LEGAL REPRESENTATIVE UNDER THIS SUBSECTION A  
19 STATEMENT THAT A LICENSE MAY NOT BE ISSUED TO THE NEW OWNER UNTIL  
20 THE ITEMS OF NONCOMPLIANCE HAVE BEEN CORRECTED.

21           Sec. 21781. A licensee shall conspicuously post **ALL OF THE**  
22 **FOLLOWING** in an area of its offices accessible to patients,  
23 employees, and visitors:

24           (a) A current license.

25           (b) A complete copy of the most recent inspection report of  
26 the nursing home received from the department.

27           (c) A description, provided by the department, of complaint

1 procedures established under this act and the name, address, and  
2 telephone number of a person authorized by the department to  
3 receive complaints.

4 (d) A copy of a notice of a pending hearing or order  
5 pertaining to the nursing home issued by the department or a court  
6 under the authority of this article or rules promulgated under this  
7 article.

8 (e) A complete list of materials available for public  
9 inspection as required by section 21782.

10 (F) THE NAMES AND CONTACT INFORMATION FOR PERSONS WITH AN  
11 OWNERSHIP INTEREST IN THE NURSING HOME THAT WERE DISCLOSED TO THE  
12 DEPARTMENT UNDER SECTION 20142.

13 (G) THE NAMES AND CONTACT INFORMATION FOR THE NURSING HOME  
14 ADMINISTRATOR, THE NURSING DIRECTOR, AND ALL OTHER INDIVIDUALS WHO  
15 EXERCISE OPERATIONAL OR MANAGERIAL CONTROL AND HAVE DECISION-MAKING  
16 AUTHORIZATION OVER THE NURSING HOME.

17 (H) WITHIN 10 DAYS AFTER A PROPOSED CHANGE OF OWNERSHIP IS  
18 REPORTED TO THE DEPARTMENT UNDER SECTION 20142, A COPY OF THE  
19 REPORT OF THE PROPOSED CHANGE.

20 Enacting section 1. This amendatory act does not take effect  
21 unless Senate Bill No.\_\_\_\_\_ or House Bill No.\_\_\_\_\_ (request no.  
22 01295'13) of the 97th Legislature is enacted into law.