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NURSING HOMES; RECEIVERSHIP

House Bill 5725

Sponsor: Rep. A.T. Frank

Committee: Senior Health, Security and
Retirement

Complete to 5-4-00

A SUMMARY OF HOUSE BILL 5725 AS INTRODUCED 5-3-00

Under the Public Health Code, if the Department of Consumer and Industry Services has concluded a proceeding under the contested case provisions and the provisions for judicial review of the Administrative Procedures Act, or if the department has suspended or revoked the license of a nursing home, the department, a patient, or a patient's representative may file an emergency petition with the circuit court to place the nursing home under the control of a receiver, if necessary to protect the health and safety of patients in the nursing home. The court may grant the petition upon a finding that the health or safety of patients would be seriously threatened if existing conditions were allowed to continue. At that time, the court is to appoint a receiver, who is to use the income and assets of the nursing home to maintain and operate the home, and to attempt to correct the conditions that constitute a threat to the patients.

House Bill 5725 would amend this provision to require the department to file a petition for receivership in cases in which the department had suspended or revoked a nursing home's license more than twice in a five-year period and as a result the nursing home discontinued operation. The bill would require the department to petition the court for an order freezing the assets and income of the nursing home, and in addition to petition for an order allowing the department to use those assets and income to pay the cost of discharging and transferring the nursing home's patients, as well as other costs incurred by the department under the bill.

MCL 333.21751 and 333.21786

Analyst: D. Martens

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