



House Office Building, 9 South
Lansing, Michigan 48909
Phone: 517/373-6466

NURSING HOME RECEIVERSHIPS

House Bill 5771

Sponsor: Rep. Eileen DeHart

Committee: Senior Health, Security and
Retirement

Complete to 7-6-00

A SUMMARY OF HOUSE BILL 5771 AS INTRODUCED 5-11-00

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 5771 would amend this provision to require the receiver to also use the personal income and assets of each owner of the nursing home for these purposes, except as otherwise provided by law. In addition, if the department determined that a nursing home was no longer able to provide adequate patient care and ordered the home to discontinue operation, or if the department revoked a nursing home's license and as a result the home discontinued operation, the bill would require the department to file a petition with the circuit court for an order to freeze the assets and income of the nursing home, and the personal assets and income of each owner of the nursing home. The department would have to further petition the court for an order allowing it to use those assets and income to pay the cost of discharging and transferring patients to other facilities and locations, and to pay other costs incurred by the department in the case of an emergency closing of a nursing home.

MCL 333.21751 and 333.21786

Analyst: D. Martens

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