

SUBSTITUTE FOR  
HOUSE BILL NO. 5895

(As amended, July 1, 2004)

A bill to amend 1978 PA 368, entitled  
"Public health code,"  
by amending section 20162 (MCL 333.20162) and by adding section  
20935.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 20162. (1) ~~Upon~~ **Beginning on the effective date of**  
2 **the amendatory act that added section 20935, upon** a determination  
3 that a health facility or agency is in compliance with this  
4 article and the rules promulgated under this article, the  
5 department shall issue ~~a~~ **an initial <<                      >>** license **within 6**  
6 **months after the applicant files a completed application.**  
7 **Receipt of the application is considered the date the application**  
8 **is received by any agency or department of this state. If the**  
9 **application is considered incomplete by the department, the**  
10 **department shall notify the applicant in writing or make the**

House Bill No. 5895 as amended July 1, 2004

1 notice electronically available within 30 days after receipt of  
2 the incomplete application, describing the deficiency and  
3 requesting additional information. If the department identifies a  
4 deficiency or requires the fulfillment of a corrective action  
5 plan, the 6-month period is tolled until either of the following  
6 occurs:

7 (a) Upon notification by the department of a deficiency,  
8 until the date the requested information is received by the  
9 department.

10 (b) Upon notification by the department that a corrective  
11 action plan is required, until the date the department determines  
12 the requirements of the corrective action plan have been met.

13 (2) The determination of the completeness of an application  
14 does not operate as an approval of the application for the  
15 license and does not confer eligibility of an applicant  
16 determined otherwise ineligible for issuance of a license.

17 (3) ~~—(2)—~~ Except as otherwise provided in this subsection,  
18 if the department fails to issue or deny a license within the  
19 time period required by this section, the department shall return  
20 the license fee and shall reduce the license fee for the  
21 applicant's next licensure << >> application, if any, by  
22 15%. Failure to issue or deny a license within the time period  
23 required under this section does not allow the department to  
24 otherwise delay processing an application. The completed  
25 application shall be placed in sequence with other completed  
26 applications received at that same time. The department shall  
27 not discriminate against an applicant in the processing of the

1 application based upon the fact that the application fee was  
2 refunded or discounted under this subsection. The department may  
3 issue a nonrenewable temporary permit for not more than 6 months  
4 if additional time is needed to make a proper investigation or to  
5 permit the applicant to undertake remedial action related to  
6 operational or procedural deficiencies or items of  
7 noncompliance. A temporary permit shall not be issued to cover  
8 deficiencies in physical plant requirements.

9 (4) ~~—(3)—~~ Except as provided in part 217, the department may  
10 issue a provisional license for not more than 3 consecutive years  
11 to an applicant who temporarily is unable to comply with the  
12 rules as to the physical plant owned, maintained, or operated by  
13 a health facility or agency except as otherwise provided in this  
14 article. A provisional license shall not be issued to a new  
15 health facility or agency or a facility or agency whose ownership  
16 is transferred after ~~the effective date of this article~~  
17 **September 30, 1978**, unless the facility or agency was licensed  
18 and operating under this article or a prior law for not less than  
19 5 years. Provisional licensure under acts repealed by this code  
20 shall be counted against the 3-year maximum for licensure.

21 (5) ~~—(4)—~~ The department, in order to protect the people of  
22 this state, shall provide a procedure for the orderly closing of  
23 a facility if it is unable to maintain its license under this  
24 section.

25 (6) ~~—(5)—~~ Except as provided in part 217, the department,  
26 upon finding that a health facility or agency is not operating in  
27 accord with the requirements of its license, may:

## House Bill No. 5895 as amended July 1, 2004

(a) Issue an order directing the licensee to:

(i) Discontinue admissions.

(ii) Transfer selected patients out of the facility.

(iii) Reduce its licensed capacity.

(iv) Comply with specific requirements for licensure or certification as appropriate.

(b) Through the office of the attorney general, initiate misdemeanor proceedings against the licensee as provided in section 20199(1).

~~(7) —(6)—~~ An order issued under subsection ~~—(5)—~~ (6) shall be governed by the notice and hearing requirements of section 20168(1) and the status requirements of section 20168(2).

(8) Beginning October 1, 2005, the director of the department shall submit a report by December 1 of each year to the standing committees and appropriations subcommittees of the senate and house of representatives concerned with public health issues. The director shall include all of the following information in the report concerning the preceding fiscal year:

(a) The number of initial << >> applications the department received and completed within the 6-month time period required under subsection (1).

(b) The number of applications requiring a request for additional information.

(c) The number of applications denied.

(d) The average processing time for initial << >> licenses granted after the 6-month period.

(e) The number of temporary permits issued under subsection

House Bill No. 5895 as amended July 1, 2004

(3).

(f) The number of initial << >> license applications not issued within the 6-month period and the amount of money returned to applicants under subsection (3).

(9) As used in this section, "completed application" means an application complete on its face and submitted with any applicable licensing fees as well as any other information, records, approval, security, or similar item required by law or rule from a local unit of government, a federal agency, or a private entity but not from another department or agency of this state.

Sec. 20935. (1) Subject to subsection (3), beginning on the effective date of the amendatory act that added this section, the department shall approve or reject an initial << >> license application for an ambulance operation, nontransport prehospital life support operation, aircraft transport operation, or medical first response service within 6 months after the applicant files a completed application as required under this part. Receipt of the application is considered the date the application is received by any agency or department of this state.

(2) If an initial << >> license application for an ambulance operation, nontransport prehospital life support operation, aircraft transport operation, or medical first response service is considered incomplete by the department, the department shall notify the applicant in writing or make the notice electronically available within 30 days after receipt of the incomplete application, describing the deficiency and

House Bill No. 5895 as amended July 1, 2004

1 requesting additional information.

2 (3) If the department identifies a deficiency or requires  
3 the fulfillment of a corrective action plan, the 6-month period  
4 is tolled until either of the following occurs:

5 (a) Upon notification by the department of a deficiency,  
6 until the date the requested information is received by the  
7 department.

8 (b) Upon notification by the department that a corrective  
9 action plan is required, until the date the department determines  
10 the requirements of the corrective action plan have been met.

11 (4) The determination of the completeness of an application  
12 does not operate as an approval of the application for the  
13 license and does not confer eligibility of an applicant  
14 determined otherwise ineligible for issuance of a license.

15 (5) If the department fails to approve or reject an initial  
16 << >> license application within the time period required  
17 under this section, the department shall return the license fee  
18 and shall reduce the license fee for the applicant's next  
19 licensure << >> application, if any, by 15%. Failure to  
20 issue or deny a license within the time period required under  
21 this section does not allow the department to otherwise delay  
22 processing an application. The completed application shall be  
23 placed in sequence with other completed applications received at  
24 that same time. The department shall not discriminate against an  
25 applicant in the processing of the application based upon the  
26 fact that the application fee was refunded or discounted under  
27 this subsection.

House Bill No. 5895 as amended July 1, 2004

(6) Beginning October 1, 2005, the director of the department shall submit a report by December 1 of each year to the standing committees and appropriations subcommittees of the senate and house of representatives concerned with public health issues. The director shall include all of the following information in the report concerning the preceding fiscal year:

(a) The number of initial << >> applications the department received and completed within the 6-month time period required under subsection (1).

(b) The number of applications requiring a request for additional information.

(c) The number of applications denied.

(d) The average processing time for initial << >> licenses granted after the 6-month period.

(e) The number of initial << >> license applications not issued within the 6-month period and the amount of money returned to applicants under subsection (5).

(7) As used in this section, "completed application" means an application complete on its face and submitted with any applicable licensing fees as well as any other information, records, approval, security, or similar item required by law or rule from a local unit of government, a federal agency, or a private entity but not from another department or agency of this state.