

SENATE BILL No. 576

June 10, 2003, Introduced by Senator EMERSON and referred to the Committee on Appropriations.

A bill to amend 1978 PA 368, entitled "Public health code," by amending sections 16315, 16317, 20145, 20161, 20920, 20923, 20926, 20929, 20931, 20934, 20950, and 20954 (MCL 333.16315, 333.16317, 333.20145, 333.20161, 333.20920, 333.20923, 333.20926, 333.20929, 333.20931, 333.20934, 333.20950, and 333.20954), section 16315 as amended by 2001 PA 232, section 16317 as added by 1993 PA 80, section 20145 as amended by 2002 PA 683, section 20161 as amended by 2002 PA 562, sections 20920, 20923, 20929, 20934, 20950, and 20954 as amended by 2000 PA 375, and sections 20926 and 20931 as added by 1990 PA 179; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 16315. (1) The health professions regulatory fund is
2 established in the state treasury. Except as otherwise provided

1 in this section, the state treasurer shall credit the fees
2 collected under ~~sections 16319 to 16349~~ **this article for**
3 **licenses and registrations** to the health professions regulatory
4 fund. The money in the health professions regulatory fund shall
5 be expended only as provided in subsection (5).

6 (2) The state treasurer shall direct the investment of the
7 health professions regulatory fund. Interest and earnings from
8 health professions regulatory fund investment shall be credited
9 to the health professions regulatory fund.

10 (3) The unencumbered balance in the health professions
11 regulatory fund at the close of the fiscal year shall remain in
12 the health professions regulatory fund and shall not revert to
13 the general fund.

14 (4) The health professions regulatory fund may receive gifts
15 and devises and other money as provided by law.

16 (5) The department of consumer and industry services shall
17 use the health professions regulatory fund only to carry out its
18 powers and duties under this article and article 7 including, but
19 not limited to, reimbursing the department of attorney general
20 for the reasonable cost of services provided to the department of
21 consumer and industry services under this article and article 7.

22 (6) The nurse professional fund is established in the state
23 treasury. Of the money that is attributable to per-year license
24 fees collected ~~under section 16327~~ **from individuals licensed or**
25 **seeking licensure to practice nursing as a registered nurse, a**
26 **licensed practical nurse, or a trained attendant under part 172,**
27 the state treasurer shall credit \$2.00 of each individual annual

1 license fee collected to the nurse professional fund. The money
2 in the nurse professional fund shall be expended only as provided
3 in subsection (9).

4 (7) The state treasurer shall direct the investment of the
5 nurse professional fund, and shall credit interest and earnings
6 from the investment to the nurse professional fund. The nurse
7 professional fund may receive gifts and devises and other money
8 as provided by law.

9 (8) The unencumbered balance in the nurse professional fund
10 at the close of the fiscal year shall remain in the nurse
11 professional fund and shall not revert to the general fund.

12 (9) The department of consumer and industry services shall
13 use the nurse professional fund each fiscal year only as
14 follows:

15 (a) The department may use not more than 1/3 of the nurse
16 professional fund for the establishment and operation of a nurse
17 continuing education program.

18 (b) The department may use not more than 1/3 of the nurse
19 professional fund to perform research and development studies to
20 promote and advance the nursing profession.

21 (c) The department shall use not less than 1/3 of the nurse
22 professional fund to establish and operate a nursing scholarship
23 program.

24 (10) The official prescription form program fund established
25 by the amendatory act that added this section is abolished. The
26 money remaining in the official prescription form program fund on
27 ~~the effective date of the amendatory act that added subsection~~

1 ~~(11)~~ **January 3, 2002** shall be transferred by the state treasurer
2 to the pain management education and controlled substances
3 electronic monitoring and antidiversion fund created in
4 subsection (11).

5 (11) The pain management education and controlled substances
6 electronic monitoring and antidiversion fund is established in
7 the state treasury.

8 (12) The state treasurer shall direct the investment of the
9 pain management education and controlled substances electronic
10 monitoring and antidiversion fund. Interest and earnings from
11 investment of the pain management education and controlled
12 substances electronic monitoring and antidiversion fund shall be
13 credited to the pain management education and controlled
14 substances electronic monitoring and antidiversion fund.

15 (13) The unencumbered balance in the pain management
16 education and controlled substances electronic monitoring and
17 antidiversion fund at the close of the fiscal year shall remain
18 in the pain management education and controlled substances
19 electronic monitoring and antidiversion fund and shall not revert
20 to the general fund. The pain management education and
21 controlled substances electronic monitoring and antidiversion
22 fund may receive gifts and devises and other money as provided by
23 law. Twenty dollars of the license fee received by the
24 department of consumer and industry services ~~under section~~
25 ~~16319~~ **for licensure to engage in manufacturing, distributing,**
26 **prescribing, dispensing, or conducting research with controlled**
27 **substances under part 73** shall be deposited with the state

1 treasurer to the credit of the pain management education and
2 controlled substances electronic monitoring and antidiversion
3 fund. The department shall use the pain management education and
4 controlled substances electronic monitoring and antidiversion
5 fund only in connection with programs relating to pain management
6 education for health professionals, preventing the diversion of
7 controlled substances, and development and maintenance of the
8 electronic monitoring system for controlled substances data
9 required by section 7333a.

10 Sec. 16317. (1) **Beginning with the 2003-2004 state fiscal**
11 **year and in each state fiscal year thereafter, the fees for**
12 **licenses and registrations including any application fees,**
13 **examination fees, inspection fees, penalties, and any other fees**
14 **for services performed by the department shall be established by**
15 **a fee schedule contained in an appropriations act for that fiscal**
16 **year unless otherwise provided in this article.** At the beginning
17 of each state fiscal year, the department may increase the fees
18 collected under ~~sections 16319 to 16349~~ **this article** by a
19 percentage amount equal to not more than the average percentage
20 wage and salary increase granted for that fiscal year to
21 classified civil service employees employed by the department.

22 (2) If the department increases fees under subsection (1),
23 the increase shall be effective for that fiscal year. The
24 increased fees shall be used by the department as the basis for
25 calculating fee increases in subsequent fiscal years.

26 (3) By August 1 of each year the department shall provide to
27 the director of the department of management and budget and the

1 chairpersons of the appropriations committees of the senate and
2 house of representatives a complete **proposed** schedule of fees to
3 be collected under ~~sections 16319 to 16349~~ **this article** for the
4 following fiscal year.

5 Sec. 20145. (1) Before contracting for and initiating a
6 construction project involving new construction, additions,
7 modernizations, or conversions of a health facility or agency
8 with a capital expenditure of \$1,000,000.00 or more, a person
9 shall obtain a construction permit from the department. The
10 department shall not issue the permit under this subsection
11 unless the applicant holds a valid certificate of need if a
12 certificate of need is required for the project pursuant to part
13 222.

14 (2) To protect the public health, safety, and welfare, the
15 department may promulgate rules to require construction permits
16 for projects other than those described in subsection (1) and the
17 submission of plans for other construction projects to expand or
18 change service areas and services provided.

19 (3) If a construction project requires a construction permit
20 under subsection (1) or (2), but does not require a certificate
21 of need under part 222, the department shall require the
22 applicant to submit information considered necessary by the
23 department to assure that the capital expenditure for the project
24 is not a covered capital expenditure as defined in section
25 ~~22203(9)~~ **22203**.

26 (4) If a construction project requires a construction permit
27 under subsection (1), but does not require a certificate of need

1 under part 222, the department shall require the applicant to
2 submit information on a 1-page sheet, along with the application
3 for a construction permit, consisting of all of the following:

4 (a) A short description of the reason for the project and the
5 funding source.

6 (b) A contact person for further information, including
7 address and phone number.

8 (c) The estimated resulting increase or decrease in annual
9 operating costs.

10 (d) The current governing board membership of the applicant.

11 (e) The entity, if any, that owns the applicant.

12 (5) The information filed under subsection (4) shall be made
13 publicly available by the department by the same methods used to
14 make information about certificate of need applications publicly
15 available.

16 (6) The review and approval of architectural plans and
17 narrative shall require that the proposed construction project is
18 designed and constructed in accord with applicable statutory and
19 other regulatory requirements. In performing a construction
20 permit review for a health facility or agency under this section,
21 the department shall, at a minimum, apply the standards contained
22 in the document entitled "Minimum Design Standards for Health
23 Care Facilities in Michigan" published by the department and
24 dated March 1998. The standards are incorporated by reference
25 for purposes of this subsection. The department may promulgate
26 rules that are more stringent than the standards if necessary to
27 protect the public health, safety, and welfare.

1 (7) The department shall promulgate rules to further
2 prescribe the scope of construction projects and other
3 alterations subject to review under this section.

4 (8) The department may waive the applicability of this
5 section to a construction project or alteration if the waiver
6 will not affect the public health, safety, and welfare.

7 (9) Upon request by the person initiating a construction
8 project, the department may review and issue a construction
9 permit to a construction project that is not subject to
10 subsection (1) or (2) if the department determines that the
11 review will promote the public health, safety, and welfare.

12 (10) The department shall assess a fee for each review
13 conducted under this section. ~~The~~ **Until September 30, 2003,**
14 **the** fee is .5% of the first \$1,000,000.00 of capital expenditure
15 and .85% of any amount over \$1,000,000.00 of capital expenditure,
16 up to a maximum of \$30,000.00. **Beginning October 1, 2003 and in**
17 **each state fiscal year thereafter, the fee shall be established**
18 **by an appropriations act for that state fiscal year.**

19 (11) As used in this section, "capital expenditure" means
20 that term as defined in section 22203(2), except that it does not
21 include the cost of equipment that is not fixed equipment.

22 Sec. 20161. (1) The department shall assess fees for health
23 facility and agency licenses and certificates of need on an
24 annual basis as provided in this article. Except as otherwise
25 provided in this article, ~~fees shall be paid in accordance with~~
26 ~~the following fee schedule:~~ **beginning with the 2003-2004 state**
27 **fiscal year and in each state fiscal year thereafter, the fees**

1 for health facility and agency licenses and certificates of need
2 shall be established by a fee schedule contained in an
3 appropriations act for that fiscal year.

- 4 ~~(a) Freestanding surgical outpatient~~
- 5 ~~facilities..... \$238.00 per facility.~~
- 6 ~~(b) Hospitals..... \$8.28 per licensed bed.~~
- 7 ~~(c) Nursing homes, county medical care~~
- 8 ~~facilities, and hospital long-term care~~
- 9 ~~units..... \$2.20 per licensed bed.~~
- 10 ~~(d) Homes for the aged..... \$6.27 per licensed bed.~~
- 11 ~~(e) Clinical laboratories..... \$475.00 per laboratory.~~
- 12 ~~(f) Hospice residences..... \$200.00 per license~~
- 13 ~~_____ survey; and \$20.00 per~~
- 14 ~~_____ licensed bed.~~

15 (2) A quality assurance assessment fee shall be paid in
16 accordance with the following fee schedule:

17 (a) ~~(g)~~ Subject to subsection ~~(13)~~
18 (14), quality assurance assessment fee
19 for nongovernmentally owned nursing
20 homes and hospital long-term care units. an amount resulting in
21 not more than a 7%
22 increase in aggregate
23 medicaid nursing home
24 and hospital long-term
25 care unit payment rates,
26 net of assessments,
27 above the rates that

1 were in effect on
2 April 1, 2002.

3 (b) ~~-(h)-~~ Subject to subsection ~~-(14)-~~
4 (15), quality assurance assessment fee
5 for hospitals..... at a rate that generates
6 funds not more than the
7 maximum allowable under
8 the federal matching
9 requirements, after
10 consideration for the
11 amounts in subsection
12 ~~-(14)(a)-~~ (15)(a) and
13 (k).

14 (3) ~~-(2)-~~ If a hospital requests the department to conduct a
15 certification survey for purposes of title XVIII or title XIX of
16 the social security act, the hospital shall pay a license fee
17 surcharge ~~of \$23.00 per bed~~ as established pursuant to
18 subsection (1). As used in this subsection, "title XVIII" and
19 "title XIX" mean those terms as defined in section 20155.

20 (4) ~~-(3)- The base fee for a certificate of need is \$750.00~~
21 ~~for each application.~~ For a project requiring a projected
22 capital expenditure of more than \$150,000.00 but less than
23 \$1,500,000.00, an additional fee of \$2,000.00 shall be added to
24 the base fee. For a project requiring a projected capital
25 expenditure of \$1,500,000.00 or more, an additional fee of
26 \$3,500.00 shall be added to the base fee.

27 (5) ~~-(4)-~~ If licensure is for more than 1 year, the fees

1 ~~described in~~ **established pursuant to** subsection (1) are
2 multiplied by the number of years for which the license is
3 issued, and the total amount of the fees shall be collected in
4 the year in which the license is issued.

5 (6) ~~(5)~~ Fees described in this section are payable to the
6 department at the time an application for a license, permit, or
7 certificate is submitted. If an application for a license,
8 permit, or certificate is denied or if a license, permit, or
9 certificate is revoked before its expiration date, the department
10 shall not refund fees paid to the department.

11 (7) ~~(6)~~ The fee for a provisional license or temporary
12 permit is the same as for a license. A license may be issued at
13 the expiration date of a temporary permit without an additional
14 fee for the balance of the period for which the fee was paid if
15 the requirements for licensure are met.

16 (8) ~~(7)~~ The department may charge a fee to recover the cost
17 of purchase or production and distribution of proficiency
18 evaluation samples that are supplied to clinical laboratories
19 pursuant to section 20521(3).

20 (9) ~~(8)~~ In addition to the fees imposed under subsection
21 (1), a clinical laboratory shall submit ~~a~~ **an additional** fee ~~of~~
22 ~~\$25.00~~ **as established pursuant to subsection (1)** to the
23 department for each reissuance during the licensure period of the
24 clinical laboratory's license.

25 (10) ~~(9)~~ Except for the licensure of clinical laboratories,
26 not more than half the annual cost of licensure activities as
27 determined by the department shall be provided by license fees.

1 **(11) —(10)—** ~~The~~ **Until September 30, 2003, the** application fee
2 for a waiver under section 21564 is \$200.00 plus \$40.00 per hour
3 for the professional services and travel expenses directly
4 related to processing the application. **Beginning October 1, 2003**
5 **and each fiscal year thereafter, the application fee for a waiver**
6 **shall be established by an appropriations act for that fiscal**
7 **year.** The travel expenses shall be calculated in accordance with
8 the state standardized travel regulations of the department of
9 management and budget in effect at the time of the travel.

10 **(12) —(11)—** An applicant for licensure or renewal of
11 licensure under part 209 shall pay the applicable fees ~~set forth~~
12 ~~in~~ **established pursuant to** part 209.

13 **(13) —(12)—** The fees collected under this section shall be
14 deposited in the state treasury, to the credit of the general
15 fund.

16 **(14) —(13)—** The quality assurance assessment fee collected
17 under subsection ~~(1)(g)~~ **(2)(a)** and all federal matching funds
18 attributed to that fee shall be used only for the following
19 purposes and under the following specific circumstances:

20 (a) The quality assurance assessment fee and all federal
21 matching funds attributed to that fee shall be used to maintain
22 the increased per diem medicaid reimbursement rate increases as
23 provided for in subdivision (e). Only licensed nursing homes and
24 hospital long-term care units that are assessed the quality
25 assurance assessment fee and participate in the medicaid program
26 are eligible for increased per diem medicaid reimbursement rates
27 under this subdivision.

1 (b) The quality assurance assessment fee shall be implemented
2 on ~~the effective date of the amendatory act that added this~~
3 ~~subsection~~ **May 5, 2002.**

4 (c) The quality assurance assessment fee is based on the
5 number of licensed nursing home beds and the number of licensed
6 hospital long-term care unit beds in existence on July 1 of each
7 year, shall be assessed upon implementation pursuant to
8 subdivision (b) and subsequently on October 1 of each following
9 year, and is payable on a quarterly basis, the first payment due
10 90 days after the date the fee is assessed.

11 (d) Beginning October 1, 2007, the department shall no longer
12 assess or collect the quality assurance assessment fee or apply
13 for federal matching funds.

14 (e) Upon implementation pursuant to subdivision (b), the
15 department of community health shall increase the per diem
16 nursing home medicaid reimbursement rates for the balance of that
17 year. For each subsequent year in which the quality assurance
18 assessment fee is assessed and collected, the department of
19 community health shall maintain the medicaid nursing home
20 reimbursement payment increase financed by the quality assurance
21 assessment fee.

22 (f) The department of community health shall implement this
23 section in a manner that complies with federal requirements
24 necessary to assure that the quality assurance assessment fee
25 qualifies for federal matching funds.

26 (g) If a nursing home or a hospital long-term care unit fails
27 to pay the assessment required by subsection ~~(1)(g)~~ **(2)(a)**, the

1 department of community health may assess the nursing home or
2 hospital long-term care unit a penalty of 5% of the assessment
3 for each month that the assessment and penalty are not paid up to
4 a maximum of 50% of the assessment. The department of community
5 health may also refer for collection to the department of
6 treasury past due amounts consistent with section 13 of 1941 PA
7 122, MCL 205.13.

8 (h) The medicaid nursing home quality assurance assessment
9 fund is established in the state treasury. The department of
10 community health shall deposit the revenue raised through the
11 quality assurance assessment fee with the state treasurer for
12 deposit in the medicaid nursing home quality assurance assessment
13 fund.

14 (i) Neither the department of consumer and industry services
15 nor the department of community health shall implement this
16 subsection in a manner that conflicts with 42 U.S.C. 1396b(w).

17 (j) The quality assurance assessment fee collected under
18 subsection ~~-(1)(g)-~~ **(2)(a)** shall be prorated on a quarterly basis
19 for any licensed beds added to or subtracted from a nursing home
20 or hospital long-term care unit since the immediately preceding
21 July 1. Any adjustments in payments are due on the next
22 quarterly installment due date.

23 (k) In each fiscal year governed by this subsection, medicaid
24 reimbursement rates shall not be reduced below the medicaid
25 reimbursement rates in effect on April 1, 2002 as a direct result
26 of the quality assurance assessment fee collected under
27 subsection ~~-(1)(g)-~~ **(2)(a)**.

1 (l) The amounts listed in this subdivision are appropriated
2 for the department of community health, subject to the conditions
3 set forth in this subsection, for the fiscal year ending
4 September 30, 2003:

5 MEDICAL SERVICES

6 Long-term care services..... \$ 1,469,003,900

7 Gross appropriation..... \$ 1,469,003,900

8 Appropriated from:

9 Federal revenues:

10 Total federal revenues..... 814,122,200

11 Special revenue funds:

12 Medicaid quality assurance assessment..... 44,829,000

13 Total local revenues..... 8,445,100

14 State general fund/general purpose..... \$ 601,607,600

15 (15) ~~-(14)-~~ The quality assurance dedication is an earmarked
16 assessment fee collected under subsection ~~-(1)(h)-~~ (2)(b). That
17 fee and all federal matching funds attributed to that fee shall
18 be used only for the following purposes and under the following
19 specific circumstances:

20 (a) Part of the quality assurance assessment fee shall be
21 used to maintain the increased medicaid reimbursement rate
22 increases as provided for in subdivision (d). A portion of the
23 funds collected from the quality assurance assessment fee may be
24 used to offset any reduction to existing intergovernmental
25 transfer programs with public hospitals that may result from
26 implementation of the enhanced medicaid payments financed by the
27 quality assurance assessment fee. Any portion of the funds

1 collected from the quality assurance assessment fee reduced
2 because of existing intergovernmental transfer programs shall be
3 used to finance medicaid hospital appropriations.

4 (b) The quality assurance assessment fee shall be implemented
5 on ~~the effective date of the amendatory act that added this~~
6 ~~subsection~~ **October 1, 2002.**

7 (c) The quality assurance assessment fee shall be assessed on
8 all net patient revenue, before deduction of expenses, less
9 medicare net revenue, as reported in the most recently available
10 medicare cost report and is payable on a quarterly basis, the
11 first payment due 90 days after the date the fee is assessed. As
12 used in this subdivision, "medicare net revenue" includes
13 medicare payments and amounts collected for coinsurance and
14 deductibles.

15 (d) Upon implementation pursuant to subdivision (b), the
16 department of community health shall increase the hospital
17 medicaid reimbursement rates for the balance of that year. For
18 each subsequent year in which the quality assurance assessment
19 fee is assessed and collected, the department of community health
20 shall maintain the hospital medicaid reimbursement rate increase
21 financed by the quality assurance assessment fees.

22 (e) The department of community health shall implement this
23 section in a manner that complies with federal requirements
24 necessary to assure that the quality assurance assessment fee
25 qualifies for federal matching funds.

26 (f) If a hospital fails to pay the assessment required by
27 subsection ~~(1)(h)~~ **(2)(b)**, the department of community health

1 may assess the hospital a penalty of 5% of the assessment for
2 each month that the assessment and penalty are not paid up to a
3 maximum of 50% of the assessment. The department of community
4 health may also refer for collection to the department of
5 treasury past due amounts consistent with section 13 of 1941 PA
6 122, MCL 205.13.

7 (g) The hospital quality assurance assessment fund is
8 established in the state treasury. The department of community
9 health shall deposit the revenue raised through the quality
10 assurance assessment fee with the state treasurer for deposit in
11 the hospital quality assurance assessment fund.

12 (h) In each fiscal year governed by this subsection, the
13 quality assurance assessment fee shall only be collected and
14 expended if medicaid hospital inpatient DRG and outpatient
15 reimbursement rates and disproportionate share hospital and
16 graduate medical education payments are not below the level of
17 rates and payments in effect on April 1, 2002 as a direct result
18 of the quality assurance assessment fee collected under
19 subsection ~~-(1)(h)-~~ **(2)(b)**, except as provided in subdivision
20 (j).

21 (i) The amounts listed in this subdivision are appropriated
22 for the department of community health, subject to the conditions
23 set forth in this subsection, for the fiscal year ending
24 September 30, 2003:

25 MEDICAL SERVICES

26	Hospital services and therapy.....	\$	<u>149,200,000</u>
27	Gross appropriation.....	\$	149,200,000

1 Appropriated from:

2 Federal revenues:

3 Total federal revenues.....	82,686,800
4 Special revenue funds:	
5 Medicaid quality assurance assessment.....	66,513,500
6 Total local revenues.....	0
7 State general fund/general purpose..... \$	0

8 (j) The quality assurance assessment fee collected under
9 subsection ~~(1)(h)~~ **(2)(b)** shall no longer be assessed or
10 collected after September 30, 2004, or in the event that the
11 quality assurance assessment fee is not eligible for federal
12 matching funds. Any portion of the quality assurance assessment
13 collected from a hospital that is not eligible for federal
14 matching funds shall be returned to the hospital.

15 (k) In fiscal year 2002-2003, \$18,900,000.00 of the quality
16 assurance assessment fee shall be deposited into the general
17 fund.

18 **(16)** ~~(15)~~ As used in this section, "medicaid" means that
19 term as defined in section 22207.

20 Sec. 20920. (1) A person shall not establish, operate, or
21 cause to be operated an ambulance operation unless the ambulance
22 operation is licensed under this section. **Beginning with the**
23 **2003-2004 fiscal year and each fiscal year thereafter, the fees**
24 **required under this section shall be established by a fee**
25 **schedule contained in an appropriations act for that fiscal year.**

26 (2) Upon proper application and payment of a ~~-\$100.00~~
27 **license fee established pursuant to subsection (1), the**

1 department shall issue a license as an ambulance operation to a
2 person who meets the requirements of this part and the rules
3 promulgated under this part.

4 (3) An applicant shall specify in the application each
5 ambulance to be operated.

6 (4) An ambulance operation license shall specify the
7 ambulances licensed to be operated.

8 (5) An ambulance operation license shall state the level of
9 life support the ambulance operation is licensed to provide. An
10 ambulance operation shall operate in accordance with this part,
11 rules promulgated under this part, and approved medical control
12 authority protocols and shall not provide life support at a level
13 that exceeds its license or violates approved medical control
14 authority protocols.

15 (6) An ambulance operation license may be renewed annually
16 upon application to the department and payment of a ~~-\$100.00~~
17 renewal fee **established pursuant to subsection (1)**. Before
18 issuing a renewal license, the department shall determine that
19 the ambulance operation is in compliance with this part, the
20 rules promulgated under this part, and medical control authority
21 protocols.

22 (7) Beginning on July 22, 1997, an ambulance operation that
23 meets all of the following requirements may apply for an
24 ambulance operation upgrade license under subsection (8):

25 (a) On or before July 22, 1997, holds an ambulance operation
26 license that designates the ambulance operation either as a
27 transporting basic life support service or as a transporting

1 limited advanced life support service.

2 (b) Is a transporting basic life support service, that is
3 able to staff and equip 1 or more ambulances for the transport of
4 emergency patients at a life support level higher than basic life
5 support, or is a transporting limited advanced life support
6 service, that is able to staff and equip 1 or more ambulances for
7 the transport of emergency patients at the life support level of
8 advanced life support.

9 (c) Is owned or operated by or under contract to a local unit
10 of government and providing first-line emergency medical response
11 to that local unit of government on or before July 22, 1997.

12 (d) Will provide the services described in subdivision (b)
13 only to the local unit of government described in subdivision
14 (c), and only in response to a 9-1-1 call or other call for
15 emergency transport.

16 (8) An ambulance operation meeting the requirements of
17 subsection (7) that applies for an ambulance operation upgrade
18 license shall include all of the following information in the
19 application provided by the department:

20 (a) Verification of all of the requirements of subsection (7)
21 including, but not limited to, a description of the staffing and
22 equipment to be used in providing the higher level of life
23 support services.

24 (b) If the applicant is a transporting basic life support
25 service, a plan of action to upgrade from providing basic life
26 support to providing limited advanced life support or advanced
27 life support to take place over a period of not more than 2

1 years. If the applicant is a transporting limited advanced life
2 support service, a plan of action to upgrade from providing
3 limited advanced life support to providing advanced life support
4 to take place over a period of not more than 2 years.

5 (c) The medical control authority protocols for the ambulance
6 operation upgrade license, along with a recommendation from the
7 medical control authority under which the ambulance operation
8 operates that the ambulance operation upgrade license be issued
9 by the department.

10 (d) Other information required by the department.

11 (9) The statewide emergency medical services coordination
12 committee shall review the information described in subsection
13 (8)(c) and make a recommendation to the department as to whether
14 or not an ambulance operation upgrade license should be granted
15 to the applicant.

16 (10) Upon receipt of a completed application as required
17 under subsection (8), a positive recommendation under subsection
18 (9), and payment of a ~~-\$100.00-~~ **license** fee **established pursuant**
19 **to subsection (1)**, the department shall issue to the applicant an
20 ambulance operation upgrade license. Subject to subsection (12),
21 the license is valid for 2 years from the date of issuance and is
22 renewable for 1 additional 2-year period. An application for
23 renewal of an ambulance operation upgrade license shall contain
24 documentation of the progress made on the plan of action
25 described in subsection (8)(b). In addition, the medical control
26 authority under which the ambulance operation operates shall
27 annually file with the statewide emergency medical services

1 coordination committee a written report on the progress made by
2 the ambulance operation on the plan of action described in
3 subsection (8)(b), including, but not limited to, information on
4 training, equipment, and personnel.

5 (11) If an ambulance operation is designated by its regular
6 license as providing basic life support services, then an
7 ambulance operation upgrade license issued under this section
8 allows the ambulance operation to provide limited advanced life
9 support services or advanced life support services when the
10 ambulance operation is able to staff and equip 1 or more
11 ambulances to provide services at the higher levels. If an
12 ambulance operation is designated by its regular license as
13 providing limited advanced life support services, then an
14 ambulance operation upgrade license issued under this section
15 allows the ambulance operation to provide advanced life support
16 services when the ambulance operation is able to staff and equip
17 1 or more ambulances to provide services at the higher level. An
18 ambulance operation shall not provide services under an ambulance
19 operation upgrade license unless the medical control authority
20 under which the ambulance operation operates has adopted
21 protocols for the ambulance operation upgrade license regarding
22 quality monitoring procedures, use and protection of equipment,
23 and patient care.

24 (12) The department may revoke or fail to renew an ambulance
25 operation upgrade license for a violation of this part or a rule
26 promulgated under this part or for failure to comply with the
27 plan of action filed under subsection (8)(b). An ambulance

1 operation that obtains an ambulance operation upgrade license
2 must annually renew its regular license under subsections (2) to
3 (6). An ambulance operation's regular license is not affected by
4 the following:

5 (a) The fact that the ambulance operation has obtained or
6 renewed an ambulance operation upgrade license.

7 (b) The fact that an ambulance operation's ambulance
8 operation upgrade license is revoked or is not renewed under this
9 subsection.

10 (c) The fact that the ambulance operation's ambulance
11 operation upgrade license expires at the end of the second 2-year
12 period prescribed by subsection (10).

13 (13) By July 22, 2000, the department shall file a written
14 report to the legislature. The department shall include all of
15 the following information in the report:

16 (a) The number of ambulance operations that were qualified
17 under subsection (7) to apply for an ambulance operation upgrade
18 license under subsection (8) during the 3-year period.

19 (b) The number of ambulance operations that in fact applied
20 for an ambulance operation upgrade license during the 3-year
21 period.

22 (c) The number of ambulance operations that successfully
23 upgraded from being a transporting basic life support service to
24 a transporting limited advanced service or a transporting
25 advanced life support service or that successfully upgraded from
26 being a transporting limited advanced life support service to a
27 transporting advanced life support service under an ambulance

1 operation upgrade license.

2 (d) The number of ambulance operations that failed to
3 successfully upgrade, as described in subdivision (c), under an
4 ambulance operation upgrade license, but that improved their
5 services during the 3-year period.

6 (e) The number of ambulance operations that failed to
7 successfully upgrade, as described in subdivision (c), under an
8 ambulance operation upgrade license, and that showed no
9 improvement or a decline in their services.

10 (f) The effect of the amendatory act that added this
11 subsection on the delivery of emergency medical services in this
12 state.

13 Sec. 20923. (1) Except as provided in section 20924(2), a
14 person shall not operate an ambulance unless the ambulance is
15 licensed under this section and is operated as part of a licensed
16 ambulance operation. **Beginning with the 2003-2004 state fiscal**
17 **year and in each state fiscal year thereafter, the fees required**
18 **under this section shall be established by a fee schedule**
19 **contained in an appropriations act for that fiscal year.**

20 (2) Upon proper application and payment of a ~~-\$25.00-~~ **license**
21 **fee established pursuant to subsection (1),** the department shall
22 issue an ambulance license, or annual renewal of an ambulance
23 license, to the ambulance operation. Receipt of the application
24 by the department serves as attestation to the department by the
25 ambulance operation that the ambulance being licensed or renewed
26 is in compliance with the minimum standards required by the
27 department. The inspection of an ambulance by the department is

1 not required as a basis for licensure renewal, unless otherwise
2 determined by the department.

3 (3) An ambulance operation shall submit an application and
4 fee to the department for each ambulance in service. Each
5 application shall include a certificate of insurance for the
6 ambulance in the amount and coverage required by the department.

7 (4) Upon purchase by an ambulance operation, an ambulance
8 shall meet all vehicle standards established by the department
9 under section ~~20910(e)(iv)~~ **20910**.

10 (5) Once licensed for service, an ambulance is not required
11 to meet subsequently modified state vehicle standards during its
12 use by the ambulance operation that obtained the license.

13 (6) Patient care equipment and safety equipment carried on an
14 ambulance shall meet the minimum requirements prescribed by the
15 department and the approved local medical control authority
16 protocols.

17 (7) An ambulance shall be equipped with a communications
18 system utilizing frequencies and procedures consistent with the
19 statewide emergency medical services communications system
20 developed by the department.

21 (8) An ambulance license is not transferable to another
22 ambulance operation.

23 Sec. 20926. (1) A person shall not establish, operate, or
24 cause to be operated a nontransport prehospital life support
25 operation unless it is licensed under this section. **Beginning**
26 **with the 2003-2004 state fiscal year and in each state fiscal**
27 **year thereafter, the fees required under this section shall be**

1 **established by a fee schedule contained in an appropriations act**
2 **for that fiscal year.**

3 (2) The department, upon proper application and payment of a
4 ~~-\$100.00-~~ **license fee established pursuant to subsection (1),**
5 shall issue a license for a nontransport prehospital life support
6 operation to a person meeting the requirements of this part and
7 rules promulgated under this part.

8 (3) A nontransport prehospital life support operation license
9 shall specify the level of life support the operation is licensed
10 to provide. A nontransport prehospital life support operation
11 shall operate in accordance with this part, rules promulgated
12 under this part, and approved local medical control authority
13 protocols and shall not provide life support at a level that
14 exceeds its license or violates approved local medical control
15 authority protocols.

16 (4) An applicant for a nontransport prehospital life support
17 operation license shall specify in the application for licensure
18 each nontransport prehospital life support vehicle to be
19 operated.

20 (5) A nontransport prehospital life support operation license
21 shall specify the nontransport prehospital life support vehicles
22 licensed to be operated.

23 (6) A nontransport prehospital life support operation license
24 may be renewed annually upon application to the department and
25 payment of a ~~-\$100.00-~~ **renewal fee established pursuant to**
26 **subsection (1).** Before issuing a renewal license, the department
27 shall determine that the nontransport prehospital life support

1 operation is in compliance with this part, rules promulgated
2 under this part, and local medical control authority protocols.

3 Sec. 20929. (1) A person shall not operate a nontransport
4 prehospital life support vehicle unless the vehicle is licensed
5 by the department under this section and is operated as part of a
6 licensed nontransport prehospital life support operation.
7 **Beginning with the 2003-2004 state fiscal year and in each state**
8 **fiscal year thereafter, the fees required under this section**
9 **shall be established by a fee schedule contained in an**
10 **appropriations act for that fiscal year.**

11 (2) Upon proper application and payment of a ~~-\$25.00-~~ **license**
12 **fee established pursuant to subsection (1)**, the department shall
13 issue a nontransport prehospital life support vehicle license or
14 annual renewal to the applicant nontransport prehospital life
15 support operation. Receipt of the application by the department
16 serves as attestation to the department by the nontransport
17 prehospital life support operation that the vehicle being
18 licensed or renewed is in compliance with the minimum standards
19 required by the department. The inspection of a nontransport
20 prehospital life support vehicle by the department is not
21 required as a basis for issuing a licensure renewal, unless
22 otherwise determined by the department.

23 (3) A nontransport prehospital life support operation shall
24 submit an application and required fee to the department for each
25 vehicle in service. Each application shall include a certificate
26 of insurance for the vehicle in the amount and coverage required
27 by the department.

1 (4) A nontransport prehospital life support vehicle shall be
2 equipped with a communications system utilizing frequencies and
3 procedures consistent with the statewide emergency medical
4 services communications system developed by the department.

5 (5) A nontransport prehospital life support vehicle shall be
6 equipped according to the department's minimum equipment list and
7 approved medical control authority protocols based upon the level
8 of life support the vehicle and personnel are licensed to
9 provide.

10 Sec. 20931. (1) A person shall not establish, operate, or
11 cause to be operated an aircraft transport operation unless it is
12 licensed under this section. **Beginning with the 2003-2004 state**
13 **fiscal year and in each state fiscal year thereafter, the fees**
14 **required under this section shall be established by a fee**
15 **schedule contained in an appropriations act for that fiscal year.**

16 (2) The department, upon proper application and payment of a
17 ~~-\$100.00-~~ **license fee established pursuant to subsection (1),**
18 shall issue a license for an aircraft transport operation to a
19 person meeting the requirements of this part and rules
20 promulgated under this part.

21 (3) An aircraft transport operation license shall specify the
22 level of life support the operation is licensed to provide. An
23 aircraft transport operation shall operate in accordance with
24 this part, rules promulgated under this part, and orders
25 established by the patient's physician and shall not provide life
26 support at a level that exceeds its license or violates those
27 orders.

1 (4) An applicant for an aircraft transport operation license
2 shall specify in the application for licensure each aircraft
3 transport vehicle to be operated and licensed.

4 (5) An aircraft transport operation license may be renewed
5 annually upon application to the department and payment of a
6 ~~-\$100.00-~~ renewal fee **established pursuant to subsection (1)**.
7 Before issuing a renewal license, the department shall determine
8 that the aircraft transport operation is in compliance with this
9 part and rules promulgated under this part.

10 Sec. 20934. (1) A person shall not operate an aircraft
11 transport vehicle unless the vehicle is licensed by the
12 department under this section and is operated as part of a
13 licensed aircraft transport operation. **Beginning with the**
14 **2003-2004 state fiscal year and in each state fiscal year**
15 **thereafter, the fees required under this section shall be**
16 **established by a fee schedule contained in an appropriations act**
17 **for that fiscal year.**

18 (2) Upon proper application and payment of a ~~-\$100.00~~
19 **license fee established pursuant to subsection (1)**, the
20 department shall issue an aircraft transport vehicle license or
21 annual renewal to the applicant aircraft transport operation.
22 Receipt of the application by the department serves as
23 attestation to the department by the aircraft transport operation
24 that the vehicle is in compliance with the minimum standards
25 required by the department. The inspection of an aircraft
26 transport vehicle by the department is not required as a basis
27 for licensure renewal, unless otherwise determined by the

1 department.

2 (3) An aircraft transport operation shall submit an
3 application and required fee to the department for each vehicle
4 in service. Each application shall include a certificate of
5 insurance for the vehicle in the amount and coverage required by
6 the department.

7 (4) An aircraft transport vehicle shall be equipped with a
8 communications system utilizing frequencies and procedures
9 consistent with the statewide emergency medical services
10 communications system developed by the department.

11 (5) An aircraft transport vehicle shall be equipped according
12 to the department's minimum equipment list based upon the level
13 of life support the vehicle and personnel are licensed to
14 provide.

15 Sec. 20950. (1) An individual shall not practice or
16 advertise to practice as a medical first responder, emergency
17 medical technician, emergency medical technician specialist,
18 paramedic, or emergency medical services instructor-coordinator
19 unless licensed to do so by the department. **Beginning with the
20 2003-2004 state fiscal year and in each state fiscal year
21 thereafter, the fees required under this section shall be
22 established by a fee schedule contained in an appropriations act
23 for that fiscal year.**

24 (2) The department shall issue a license under this section
25 only to an individual who meets all of the following
26 requirements:

27 (a) Is 18 years of age or older.

1 (b) Has successfully completed the appropriate education
2 program approved under section 20912.

3 (c) Subject to subsection (3), has attained a passing score
4 on the appropriate department prescribed examination, as
5 follows:

6 (i) Within 3 years after ~~the effective date of the~~
7 ~~amendatory act that added this subparagraph~~ **January 2, 2001**, a
8 medical first responder shall pass the written examination
9 proctored by the department or the department's designee and a
10 practical examination approved by the department. The practical
11 examination shall be administered by the instructors of the
12 medical first responder course. The department or the
13 department's designee may also proctor the practical
14 examination.

15 (ii) An emergency medical technician, emergency medical
16 technician specialist, and a paramedic shall pass the written
17 examination proctored by the department or the department's
18 designee and a practical examination proctored by the department
19 or the department's designee.

20 (iii) The fee for the written examinations required under
21 subparagraphs (i) and (ii) shall be paid directly to the national
22 registry of emergency medical technicians or other organization
23 approved by the department.

24 (d) Meets other requirements of this part.

25 (3) Except as otherwise provided in subsection (2)(c)(i), not
26 more than 6 months after ~~the effective date of the amendatory~~
27 ~~act that added this subsection~~ **January 2, 2001**, the department

1 shall require for purposes of compliance with subsection (2)(c)
 2 successful passage by each first-time applicant of an examination
 3 as that term is defined in section ~~20904(10)~~ **20904**.

4 (4) The department shall issue a license as an emergency
 5 medical services instructor-coordinator only to an individual who
 6 meets the requirements of subsection (2) for an emergency medical
 7 services instructor-coordinator and at the time of application is
 8 currently licensed as an emergency medical technician, emergency
 9 medical technician specialist, or paramedic and has at least 3
 10 years' field experience as an emergency medical technician. The
 11 department shall provide for the development and administration
 12 of an examination for emergency medical services
 13 instructor-coordinators.

14 (5) Except as provided by section 20952, a license under this
 15 section is effective for 3 years from the date of issuance unless
 16 revoked or suspended by the department.

17 (6) Except as otherwise provided in subsection (7), an
 18 applicant for licensure under this section shall pay the
 19 ~~following triennial~~ licensure fees ~~—~~ **established pursuant to**
 20 **subsection (1).**

21 ~~(a) Medical first responder — no fee.~~

22 ~~—— (b) Emergency medical technician — \$40.00.~~

23 ~~—— (c) Emergency medical technician specialist — \$60.00.~~

24 ~~—— (d) Paramedic — \$80.00.~~

25 ~~—— (e) Emergency medical services instructor-coordinator —~~
 26 ~~\$100.00.~~

27 (7) If a life support agency certifies to the department that

1 an applicant for licensure under this section will act as a
 2 volunteer and if the life support agency does not charge for its
 3 services, the department shall not require the applicant to pay
 4 the fee required under subsection ~~-(6)-~~ (1). If the applicant
 5 ceases to meet the definition of a volunteer under this part at
 6 any time during the effective period of his or her license and is
 7 employed as a licensee under this part, the applicant shall at
 8 that time pay the fee required under subsection ~~-(6)-~~ (1).

9 Sec. 20954. (1) **Beginning with the 2003-2004 state fiscal**
 10 **year and in each state fiscal year thereafter, the fees required**
 11 **under this section shall be established by a fee schedule**
 12 **contained in an appropriations act for that fiscal year.** Upon
 13 proper application to the department and payment of the renewal
 14 fee under subsection (2), the department may renew an emergency
 15 medical services personnel license if the applicant meets the
 16 requirements of this part and provides, upon request of the
 17 department, verification of having met ongoing education
 18 requirements established by the department. If an applicant for
 19 renewal fails to provide the department with a change of address,
 20 the applicant shall pay ~~a \$20.00~~ **an additional** fee in addition
 21 to the renewal and late fees **established pursuant to subsection**
 22 **(1) and** required under subsections (2) and (3).

23 (2) Except as otherwise provided in subsection (5), an
 24 applicant for renewal of a license under section 20950 shall pay
 25 a renewal fee **established under subsection (1).** ~~as follows:~~

26 ~~—— (a) Medical first responder — no fee.~~

27 ~~—— (b) Emergency medical technician — \$25.00.~~

1 ~~———— (c) Emergency medical technician specialist — \$25.00.~~

2 ~~———— (d) Paramedic — \$25.00.~~

3 ~~———— (e) Emergency medical services instructor coordinator —~~

4 ~~\$25.00.~~

5 (3) Except as otherwise provided in subsection (5), if an
6 application for renewal under subsection (1) is postmarked after
7 the date the license expires, the applicant shall pay a late fee
8 **established pursuant to subsection (1)** in addition to the renewal
9 fee **required** under subsection (2). ~~as follows:~~

10 ~~———— (a) Medical first responder — \$50.00.~~

11 ~~———— (b) Emergency medical technician — \$50.00.~~

12 ~~———— (c) Emergency medical technician specialist — \$50.00.~~

13 ~~———— (d) Paramedic — \$50.00.~~

14 ~~———— (e) Emergency medical services instructor coordinator —~~

15 ~~\$50.00.~~

16 (4) A license or registration shall be renewed by the
17 licensee on or before the expiration date as prescribed by rule.
18 The department shall mail a notice to the licensee at the last
19 known address on file with the department advising of the time,
20 procedure, and fee for renewal. Failure of the licensee to
21 receive notice under this subsection does not relieve the
22 licensee of the responsibility for renewing his or her license.
23 A license not renewed by the expiration date may be renewed
24 within 60 days of the expiration date upon application, payment
25 of renewal and late renewal fees, and fulfillment of any
26 continued continuing education requirements set forth in rules
27 promulgated under this article. The licensee may continue to

1 practice and use the title during the 60-day period. If a
2 license is not so renewed within 60 days of the expiration date,
3 the license is void. The licensee shall not practice or use the
4 title. An individual may be relicensed within 3 years of the
5 expiration date upon application, payment of the application
6 processing, renewal, and late renewal fees, and fulfillment of
7 any continuing education requirements in effect at the time of
8 the expiration date, or that would have been required had the
9 individual renewed his or her license pursuant to subsection
10 (1). An individual may be relicensed more than 3 years after the
11 expiration date upon application as a new applicant, meeting all
12 licensure requirements in effect at the time of application,
13 taking or retaking and passing any examinations required for
14 initial licensure, and payment of fees required of new
15 applicants.

16 (5) If a life support agency certifies to the department that
17 an applicant for renewal under this section is a volunteer and if
18 the life support agency does not charge for its services, the
19 department shall not require the applicant to pay the fee
20 required under subsection (2) or a late fee under subsection
21 (3). If the applicant for renewal ceases to meet the definition
22 of a volunteer under this part at any time during the effective
23 period of his or her license renewal and is employed as a
24 licensee under this part, the applicant for renewal shall at that
25 time pay the fee required under subsection (2).

26 (6) An individual seeking renewal under this section is not
27 required to maintain national registry status as a condition of

1 license renewal.

2 Enacting section 1. Sections 16319 to 16349 of the public
3 health code, 1978 PA 368, MCL 333.16319 to 333.16349, are
4 repealed.

5 Enacting section 2. This amendatory act takes effect
6 October 1, 2003.