

# Legislative Analysis

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## **FINANCIAL EXPLOITATION: INCLUDE IN DEFINITION OF ABUSE, ETC.**

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**House Bill 5187 (Substitute H-1)**

**Sponsor: Rep. Andy Neumann**

**Committee: Senior Health, Security, and Retirement**

**Complete to 6-17-10**

## **A SUMMARY OF HOUSE BILL 5187 AS REPORTED FROM COMMITTEE ON 6-10-10**

House Bill 5187 would amend Section 11a of the Social Welfare Act. It would add "financial exploitation" to the list of conduct (suspected abuse, neglect, and exploitation) that must be reported to the county department of social services by certain specified health, education, and human service providers and employees of agencies providing such services.

(A related bill, House Bill 5193, would provide a definition of "financial exploitation" and related terms. The term would mean the action of a person in a position of trust and confidence and who by intimidation or deception knowingly takes control, title, use, or management of an incapacitated or vulnerable adult's assets or property with the intent to permanently deprive him or her of the assets or property.)

Also, under the bill, a financial institution would be required to provide training to its employees who perform financial services on how to identify suspected financial exploitation. The training would include, among other things, where and how to report suspected financial exploitation, identifying unusual banking or financial activity that may be financial exploitation, and identifying behavior exhibited by a vulnerable adult that may indicate he or she is the victim of such activity. (Under the bill as introduced, employees of financial institutions and providers of financial services would have been included among those required to make reports, but the committee substitute does not require this.)

Further, in addition to immunity provided elsewhere in the act, under the bill, a person acting in good faith who makes a report or assists in carrying out the act as it relates to financial exploitation is immune from civil liability that might otherwise be incurred. Further a person making a report or assisting in the implementation of Section 11a is presumed to have acted in good faith. The immunity from civil liability extends only to an act performed under Section 11a and does not extend to a negligent act that causes personal injury or death.

MCL 400.11a

## **FISCAL IMPACT:**

House Bill 5187 (and HB 5193) could increase the number of reports of suspected abuse of adults filed with and investigated by Adult Protective Services staff within county offices of the Department of Human Services. Further, it could increase complaint referrals to the Bureau of Children and Adult Licensing related to abuse or neglect of individuals served within adult foster care facilities or homes for the aged. Data does not appear to be available to estimate the number of new reports that would result from the bills.

Any increase in reports and referrals of suspected abuse or neglect would increase the workload for Adult Protective Services staff within DHS county offices and for staff within the Bureau of Children and Adult Licensing. When similar legislation was introduced last session, the Department of Human Services indicated a belief that the bills will increase staffing needs in these areas, but did not have a specific cost estimate.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.